

House Fiscal Advisory Staff

Budget Analysis Fiscal Year 2025



Submitted to the 2024 House of Representatives

House Committee on Finance

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Upon introduction of the annual state budget to the House on behalf of the Governor, the budget shall be referred to the finance committee. Within two (2) weeks following receipt thereof, the finance committee's fiscal advisor shall provide to each member of the House a concise summary of budget issues.

House Resolution adopting Rules of the House
of Representatives for the Years 2023- 2024

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Section I

Budget at a Glance

Governor's FY 2025 Budget at a Glance

The Governor's budget recommendations for FY 2025 are contained in 2024-H 7225, introduced on January 18, 2024; his revisions to the FY 2024 enacted budget were also introduced that day as separate legislation in 2024-H 7224. This complies with the law requiring the budget to be submitted by the third Thursday in January.

The table below shows the total budget by fund source and how it compares to the budget adopted for FY 2024. General revenue spending would increase by \$74.9 million or 1.4 percent.

FY 2025	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2024 Enacted	\$ 5,425.1	\$ 5,643.0	\$ 392.1	\$ 2,550.6	\$ 14,010.8
Governor	5,500.1	4,929.2	450.9	2,795.9	13,676.1
Change to Enacted	\$ 74.9	\$ (713.8)	\$ 58.7	\$ 245.3	\$ (334.8)
Percent Change	1.4%	-12.6%	15.0%	9.6%	-2.4%

\$ in millions

General revenue spending recommended for the current year is \$46.2 million less than the enacted budget or 0.9 percent; it is \$304.0 million or 6.0 percent more than FY 2023 expenditures based on draft audit data. Total revised expenditures from all sources are \$398.2 million more than enacted and \$1,509.1 million or 11.7 percent more than spent in FY 2023, primarily from federal funds.

FY 2024 Revised	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2023 Final	\$ 5,174.2	\$ 5,825.6	\$ 475.9	\$ 2,378.8	\$ 13,854.6
FY 2023 Reported*	5,074.9	5,251.6	354.6	2,218.8	12,899.9
Difference	\$ (99.3)	\$ (574.0)	\$ (121.4)	\$ (160.0)	\$ (954.7)
FY 2024 Enacted	\$ 5,425.1	\$ 5,643.0	\$ 392.1	\$ 2,550.6	\$ 14,010.8
Governor's FY 2024 Revised	5,378.9	5,793.7	443.0	2,793.4	14,409.1
Governor's Change to Enacted	\$ (46.2)	\$ 150.7	\$ 50.9	\$ 242.9	\$ 398.2
Percent Change	-0.9%	2.7%	13.0%	9.5%	2.8%

*\$ in millions; *draft audit*

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 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.

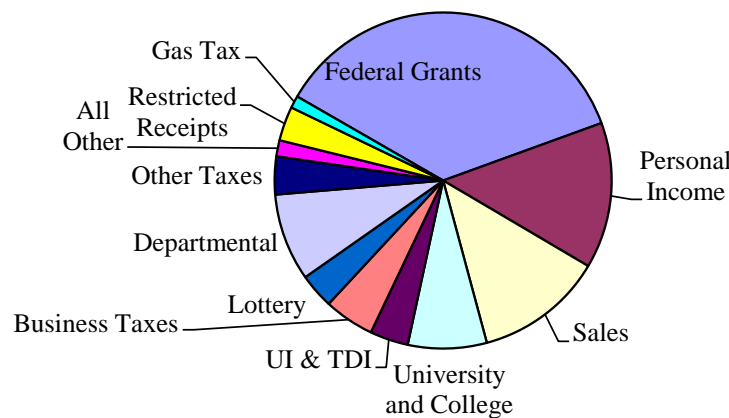
The 2023 Assembly advanced all funding programmed for later years to FY 2024 to ensure compliance with federal deadlines for formally obligating the funds; actual spending can still occur over a longer time horizon. The FY 2024 enacted budget contains 59 projects and some changes to support levels for existing projects based on updated information and priorities and requires identification of projects at risk of not meeting deadlines. The Governor's FY 2025 budget proposal also reallocates some funding based on updated information and needs. He also requests authority to direct funds at risk of not meeting obligation and spending deadlines to the unemployment trust fund.

- FY 2025 Gap.*** The Budget Office estimated a more than \$200 million gap between revenues and current services expenditures for FY 2025 when preparing its budget instructions in July. The November consensus revenue estimate is close to the amount anticipated by the Budget Office in its budget gap projections and about \$50 million above the amounts assumed in the House Fiscal Staff’s June 2023 estimates. The Staff’s estimated FY 2025 budget gap was only about \$125 million with most of the difference from the subsequent Budget Office estimate being expenditure assumptions for human services and education aid. The Budget Office used considerably higher growth rates for both items in its July estimate than in the out-year projections presented as part of the Governor’s budget submission. A review of prior budget cycles shows a pattern of this disconnect in growth rate assumptions.

The FY 2023 preliminary closing as well as the November consensus caseload and revenue estimates for FY 2024 resulted in nearly \$100 million in additional resources, halving the budget gap, though most of that would be considered non-recurring. The consensus revenue forecast for FY 2025 was in line with prior estimates. On the expenditure side, high vacancy levels in some agencies have contributed to current year savings offsetting overspending in other areas. Further revisions and policy choices contained in the FY 2024 revised recommendation increase available resources and projected ending surplus. The Governor’s FY 2025 budget uses most of those one-time surplus general revenues to fund ongoing operating expenses.

- Out-Year Projections.*** The out-years continue to be unbalanced and to a larger degree than immediate prior years. The forecast included with the Governor’s budget estimates a \$244.4 million gap for FY 2026 and averaging about the same amount through FY 2029. The FY 2026 gap includes the impact of using one-time surplus funds in FY 2025 and the updated economic forecast. The projection also assumes the effects of new proposals including phased-in rate increases for human services programs, other program expansions, tax exemptions and revenue generating proposals. The Governor’s budget contains a detailed description of the many issues and risks to the forecast presented. Staff review of these assumptions including education aid projections and the impact of expiring federal funds is ongoing.

Sources of Funds



Taxes and Revenues

- Supplemental Budget Reserve.*** The FY 2024 budget created a supplemental reserve fund to which it contributed \$55.0 million. It also dedicated half of any unexpected excess revenues at fiscal close; draft FY 2023 data shows that to be \$6.5 million. The Governor has proposed repealing the excess transfer provision and recapturing those funds in FY 2024.

- ***Cannabis Business Deductions.*** The Governor recommends legislation allowing cannabis businesses to claim ordinary income deductions consistent with those of other businesses. Current law follows federal statutes, which prohibit businesses which deal in controlled substances from claiming these deductions. Several other states, including Connecticut and Massachusetts, permit these deductions. The proposed change is expected to lower FY 2025 revenues by \$0.8 million, annualizing to \$1.7 million for FY 2026.
- ***Corporate Minimum Tax.*** The Governor proposes reducing the corporate minimum tax from \$400 to \$350, effective January 1, 2025. This was last decreased from \$450 to \$400 effective January 1, 2017, and had been as high as \$500. The proposed change is expected to impact nearly 77,000 entities. The Governor has proposed reductions to this tax in two prior budgets. The FY 2025 recommendation lowers revenues by \$2.3 million to account for a half year impact; annualized the loss would be \$4.7 million.
- ***Cigarette Per Pack Increase.*** The Governor's FY 2025 budget assumes \$2.4 million in revenues from a proposal to increase the cigarette tax by \$0.25, to \$4.50 per 20-pack, effective September 1, 2024.
- ***Net Operating Loss Carryforward Extension.*** The Governor proposes extending the time period that net operating losses may be carried forward to 20 years effective January 1, 2025. Businesses are allowed to use prior operating losses to offset future profits and reduce tax liabilities; Rhode Island limits the carry-forward period to five years. There would be no fiscal impact until tax year 2031.
- ***Other Tobacco Products Increase.*** The Governor's budget assumes \$5.3 million in revenues associated with a proposal to impose an 80.0 percent wholesale tax on electronic nicotine delivery systems, effective October 1, 2024. This would annualize to \$6.4 million. The proposal would also codify the current Department of Health prohibition on flavored vapor products and require all manufacturers, importers, and distributors of other tobacco products to be licensed by the Division of Taxation.
- ***Pass-through Entity Member Credit Reduction.*** The Governor proposes reducing the tax credit given to members in pass-through entities that pay taxes under the state's elective pass-through entity tax from 100 percent to 90 percent of the taxes paid. This would make Rhode Island's credit equal to Massachusetts and similar to Connecticut. The recommended budget includes \$8.1 million in additional revenues for FY 2025 that would annualize to \$16.5 million for FY 2026.
- ***Retirement Exemption to \$50,000.*** The Governor's budget increases the allowable modification of taxable retirement income for qualified taxpayers from certain pension plans and annuities from \$20,000 to \$50,000. Eligibility is the same as the social security exemption which is limited to filers who have reached full retirement age and have incomes below a certain threshold. This is estimated to cost \$3.0 million for FY 2025, annualizing to \$6.2 million for FY 2026.
- ***Rebuild Rhode Island Tax Credit.*** The Governor's budget adds \$10.1 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. The proposal maintains the award cap of \$225.0 million and extends the sunset date one year to December 31, 2025. Through FY 2024, the state has allocated \$174.6 million to satisfy commitments already made.
- ***Wavemaker Fellowships.*** The Governor's budget includes \$3.6 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 proposal extends the sunset one year to December 31, 2025 and is \$0.4 million less than enacted based on available resources.

- ***Estate Tax Filing Fee.*** The Governor’s budget proposes to eliminate the \$50 estate tax filing fee for decedents as of January 1, 2025. Based on the effective date and nine month filing window, the Governor’s budget assumes no revenue loss for FY 2025. The loss is \$230,000 for FY 2026.
- ***Sales and Use Exemption Fee.*** The Governor’s budget proposes to eliminate the \$25 filing fee for a certificate of exemption from sales and use taxes as of January 1, 2025. The budget assumes a revenue loss of \$7,000 for FY 2025, which annualizes to \$14,000 beginning FY 2026. The application and four-year expiration date provisions remain unchanged.
- ***Division of Taxation Enhanced Collections.*** The Governor’s budget assumes a total of \$10.4 million in additional revenues from proposed efforts to enhance the Division of Taxation’s collections. This includes \$7.0 million of new revenues from personnel enhancements and \$3.4 million from expanding the existing top 100 tax delinquent list to include those owing at least \$50,000. The recommended budget includes \$0.7 million for implementations costs, bringing the net impact to \$9.7 million.
- ***Vessel Decals.*** The Governor proposes eliminating the requirement for certain registered boats to purchase “no discharge certificate” decals. Instead, owners will be provided with educational materials regarding their responsibility to secure marine sanitation devices. The revenue loss for FY 2025 is \$2,000.
- ***Municipal Infrastructure Matching Pool.*** The 2023 Assembly provided \$5.5 million from general revenues to the Infrastructure Bank to provide municipalities with awards to use as match for Infrastructure Investment and Jobs Act funds. Demand for these funds is less than previously anticipated and the Governor’s FY 2024 revised budget recaptures \$2.4 million of that support for other uses.

Commerce and Workforce

- ***Air Service Development Fund.*** The Governor’s budget includes \$1.2 million from general revenues to recapitalize the Air Service Development Fund used 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 2023 Assembly provided a one-time \$2.3 million capitalization. The proposal also extends the sunset date one year to December 31, 2025.
- ***ARPA - Assistance to Impacted Industries.*** The Assembly authorized \$13.0 million from FY 2022 to FY 2024 from State Fiscal Recovery funds to address the negative impacts of the pandemic to the tourism, hospitality, and events industry. The Governor recommends \$2.0 million more than enacted for public space improvements and event programming to bring the total to \$15.0 million. As of October 2023, \$12.7 million has been spent.
- ***ARPA - Bioscience Investments.*** The Governor’s budget includes the enacted allocation 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. The investment is intended to make it easier for academic research to find private sector applications.
- ***ARPA - Minority Business Accelerator.*** The Governor’s budget includes the enacted amount of \$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. The proposal also adds \$0.5 million from general revenue for FY 2025 to continue the program.
- ***ARPA - Small Business Technical Assistance.*** The Governor’s budget includes \$30.0 million from State Fiscal Recovery funds, \$2.0 million less than enacted, to provide grants and technical assistance to

businesses impacted by the COVID-19 pandemic. The 2023 Assembly expanded allowable uses to energy efficiency improvements.

- ***ARPA - South Quay Terminal.*** The Governor’s budget includes the enacted allocation of \$35.0 million from State Fiscal Recovery funds to support infrastructure at South Quay Marine Terminal in East Providence. The project is intended to support a shipping hub, including specialization for offshore wind developers. The facilities will be managed by a public-private partnership on land leased from a participating private developer. The 2023 Assembly conditioned funding on the commitment of sufficient matching funds by February 1, 2024. In October 2023, the Corporation announced a \$35.0 million private sector commitment and a ground lease was signed.
- ***ARPA Capital - Last-Mile Broadband.*** The Governor’s budget includes the enacted amount of \$25.0 million from Capital Projects funds to expand reliable, high-speed internet. The program will provide municipalities, public housing authorities, businesses, and internet service providers with funding to expand internet access to underserved communities. Funds provide a state match and additional support for projects applying for at least \$108.7 million in federal broadband funds that Rhode Island is eligible for under the Infrastructure Investment and Jobs Act.
- ***Chafee Center at Bryant.*** The Governor’s budget includes the enacted amount of \$476,200 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 Governor’s budget includes \$8.5 million from general revenues to support operations of the Rhode Island Commerce Corporation, \$0.2 million more than enacted.
- ***Destination Marketing.*** The Governor’s budget maintains the approved amount of \$3.0 million from federal State Fiscal Recovery funds to conduct tourism campaigns in destination markets for airline routes to Rhode Island T.F. Green International Airport. These funds must be matched by an equivalent amount from the Commerce Corporation’s allocation of state hotel tax receipts. The Assembly programmed the funding for FY 2023 and FY 2024 and, as of October 2023, \$1.2 million has been spent. The Governor recommends \$1.4 million from general revenues for FY 2025 to continue the program.
- ***Experimental Program to Stimulate Competitive Research (EPSCoR).*** The Governor recommends the enacted amount of \$0.9 million for the National Science Foundation’s Experimental Program to Stimulate Competitive Research.
- ***First Wave Closing Fund.*** The Governor proposes to extend the sunset for the First Wave Closing Fund one year to December 31, 2025. Prior appropriations to the Fund total \$25.3 million, of which \$5.0 million was rescinded by the 2019 Assembly and \$8.8 million has been awarded to ten recipients, including \$5.7 million to support redevelopment of 111 Westminster Street. As of November 2023, the program has \$11.5 million in reserves from which to draw awards.
- ***I-195 Redevelopment Fund.*** The Governor’s budget proposes to extend the sunset for the I-195 Redevelopment Fund one year to December 31, 2025. Recent prior budgets included a total of \$30.0 million from general revenues to support the Fund which provides developers and businesses with financing for capital investment, including land acquisition to promote the development of the former highway land administered by the I-195 Redevelopment District Commission. The Commission had active commitments of \$24.7 million as of September 2023.

- ***I-195 Redevelopment Commission Capital.*** The Governor’s capital budget includes \$0.7 million from Rhode Island Capital Plan funds annually for professional, legal, and engineering services related to the maintenance and marketability of the I-195 land, essentially consistent with the approved capital plan.
- ***I-195 Park Infrastructure.*** The Governor’s budget includes \$7.0 million, including \$3.0 million from Rhode Island Capital Plan funds and \$4.0 million from general obligation bond funds approved by the voters in March 2021, for the development of physical infrastructure at the I-195 Redevelopment District’s parks. This includes facilities for concessions, restrooms, expanded utility services, and trash receptacles. The recommendation adds \$3.0 million from Rhode Island Capital Plan funds based on final cost estimates for a food and beverage service pavilion.
- ***I-195 Redevelopment Commission.*** The Governor’s budget includes the enacted amount of \$1.2 million from general revenues for operational needs of the I-195 Redevelopment District Commission and its 7.0 full-time equivalent positions.
- ***Industrial Site Development.*** The Governor’s budget includes the approved amount of \$40.0 million from general obligation bond proceeds approved by the voters in March 2021 for an initiative administered by the Quonset Development Corporation to provide small grants for pre-development purposes and competitively fund other projects to acquire industrial sites and develop facilities that create job-producing activities.
- ***Innovation Campus Bond.*** The Governor’s budget includes the approved amount of \$20.0 million from general obligation bonds approved by the voters on the November 2016 ballot for the construction of one or more innovation campuses affiliated with the University of Rhode Island. Through August 2023, the Executive Office of Commerce has four active awards totaling \$11.1 million; \$8.9 million remains available for future awards. Through FY 2023, \$2.0 million has been spent.
- ***Quonset Carrier Pier Project.*** The Governor’s budget adds \$2.3 million from Rhode Island Capital Plan funds for a new project to conduct predevelopment and evaluation work prior to replacement of the carrier pier at Quonset State Airport. Senesco Marine currently leases the pier and 30 acres within Quonset Business Park for use as a shipyard, supporting 365 permanent jobs.
- ***Quonset Infrastructure.*** The Governor’s budget adds \$7.5 million from Rhode Island Capital Plan funds for a new project 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.
- ***Port of Davisville Modernization.*** The Governor’s budget includes \$20.0 million of 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.
- ***Port of Davisville Infrastructure.*** The Governor’s budget includes \$20.0 million from new general obligation bond funds to be placed before the voters on the November 2024 ballot for infrastructure projects at the Port of Davisville. Work is intended to prepare the port to accommodate offshore wind developers and includes a new port access road, laydown area improvements, and security upgrades.
- ***ARPA - Port of Davisville.*** The Governor’s budget includes the enacted amount of \$65.0 million from State Fiscal Recovery funds to support infrastructure at the Port of Davisville. Support expands on existing funding to develop port infrastructure intended to create job opportunities, invest in marine transportation, and make capital improvements to prepare for offshore wind development.

- ***Port of Providence.*** The Governor’s budget includes \$20.0 million from general obligation bond funds approved by the voters on the November 2016 ballot to increase terminal capacity at the Port of Providence by funding the acquisition of up to 25 acres of land located between Allens Avenue in Providence and the Providence River and associated infrastructure improvements. As of January 2024, \$10.0 million has been spent.
- ***Innovation Initiative.*** The Governor’s budget includes \$1.0 million from general revenues, \$1.0 million less than enacted, to support the innovation voucher and network matching grant initiatives. Vouchers are for small businesses with less than 500 employees for research and development assistance from a Rhode Island university, research center or medical center, or to a small business manufacturer for internal research and development. Network matching grants are available for specified industries for technical assistance or access to capital. The Governor also proposes to expand network matching grant eligibility to employee-owned or transitioning businesses, establishes a new \$5,000 grant to defray patent application costs, and extends the sunset one year to December 31, 2025.
- ***Main Streets Revitalization.*** The Governor’s budget includes \$1.0 million from general revenues to recapitalize the Main Street RI Streetscape Improvement Fund and extends the scheduled sunset date one year to December 31, 2025. The 2015 Assembly authorized the Commerce Corporation to award loans, matching grants and other forms of financing to enhance sidewalks, wayfinding signage, and lighting in order to create an attractive environment in local business districts. The program has been appropriated \$9.0 million, including \$1.0 million by the 2023 Assembly.
- ***P-Tech Initiative.*** Recent prior budgets included a total of \$2.3 million to establish partnerships between high schools, higher education institutions, and employers to offer courses towards high school diplomas and associate’s degrees. The program is estimated to have \$0.4 million of available resources after administrative costs. The Governor proposes extending the sunset one year to December 31, 2025.
- ***Polaris Manufacturing Extension Partnership.*** The Governor’s budget includes the enacted amount of \$450,000 from general revenues to support Rhode Island manufacturers by continuing to deploy technical experts to provide LEAN training facilities layout and to aid in manufacturing optimization. Polaris Manufacturing Extension Partnership is a Providence-based nonprofit organization that also receives funding from the National Institute of Standards and Technology to subsidize its consulting services to smaller manufacturing business owners, and fund awareness activities and educational seminars.
- ***Small Business Assistance Program.*** The Governor’s budget adds \$2.0 million from general revenues to recapitalize the Small Business Assistance Program for businesses with less than 200 employees that are having difficulties obtaining financing from traditional lending organizations. The 2023 Assembly added \$2.0 million for the program which has \$3.5 million in loanable funds as of September 2023. The Governor also proposes extending the sunset one year to December 31, 2025.
- ***Small Business Innovation Research.*** The Governor’s budget includes the enacted amount of \$1.0 million from general revenues to support the Innovate RI Small Business Fund and the Bioscience and Engineering Internship programs. It also makes several changes, including allowing matching awards of up to \$500,000 for Phase III commercialization grants, increasing the value of Phase I and II matching awards from \$150,000 to \$300,000, increasing the value of internship grants from \$3,000 to \$6,500 and tying reimbursements rates to the state’s minimum wage.
- ***Supply RI.*** The Governor’s budget includes the enacted amount of \$1.0 million from general revenues for the Supply RI program, which connects small suppliers with the state’s largest commercial purchasers by developing infrastructure to facilitate engagements, including supporting Commerce Corporation staff.

- **Urban Ventures.** Consistent with the enacted budget, the Governor’s budget includes \$140,000 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 RI.** The Governor recommends \$16.2 million for the Real Jobs Rhode Island program for FY 2025. This includes level funding of \$6.1 million from general revenues, \$6.2 million from Governor’s Workforce Board restricted receipts, and \$4.0 million from federal funds. This is \$6.7 million less from federal support than assumed for FY 2024.
- **ARPA - Enhanced Real Jobs.** The Governor’s budget includes \$20.4 million from State Fiscal Recovery funds for multiyear support for an enhanced version of the Real Jobs RI workforce training program. The 2022 Assembly authorized \$30.0 million; \$9.6 million was spent during FY 2023. Any unused funds from FY 2024 will be reappropriated.
- **Small Business Development Center.** The Governor’s budget includes the enacted amount of \$700,000 from general revenues for the Small Business Development Center at the University of Rhode Island.

Housing (See Section VI, Special Reports: Housing)

- **Affordable Housing.** The Governor’s budget includes \$100.0 million from new general obligation bond funds to be placed before the voters on the November 2024 ballot for housing development, infrastructure, redevelopment, and homeownership programs for FY 2026 through FY 2028. It also includes \$105.0 million from general obligation bonds previously approved by voters in November 2016 and March 2021 for affordable housing support, including rehabilitation of existing structures and new construction for FY 2024 through FY 2026.
- **ARPA - Affordable Housing Development.** The Governor’s budget maintains the enacted amount of \$100.0 million from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments. This creates an additional directed subsidy as a match to multiple sources of financing. For FY 2024 \$85.3 million remains to be spent but as of December, only \$18.0 million remains unobligated and is currently subject to a request for proposals issued in November.
- **ARPA - Down Payment Assistance.** The Governor’s budget includes the remaining funds from the \$30.0 million from State Fiscal Recovery funds authorized to provide up to \$20,000 of down payment assistance to eligible first-time homebuyers. All funds have been obligated.
- **ARPA - Predevelopment Program.** The Governor’s budget includes the enacted amount of \$10.0 million from State Fiscal Recovery funds to reduce pre-construction barriers to housing development including prerequisite environmental studies and legal work.
- **ARPA - Home Repair and Community Revitalization.** The Governor’s budget includes the enacted level of \$24.5 million from State Fiscal Recovery funds to support critical home repairs and redeveloping residential or commercial properties, and public and community spaces.
- **ARPA - Site Acquisition.** The Governor’s budget includes the enacted amount of \$25.0 million from State Fiscal Recovery funds to continue a site acquisition program administered by Rhode Island 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.

- ***ARPA - Workforce Housing.*** The Governor’s budget includes the enacted amount of \$20.0 million 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 - Homelessness Infrastructure.*** The Governor’s budget includes the enacted amount of \$45.0 million 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. The Assembly appropriated funding for FY 2023 and FY 2024; as of December 2023, the Department of Housing reports that all funds have been obligated and \$35.3 million remains unspent.
- ***ARPA - Homelessness Assistance Program.*** The Governor’s budget includes the enacted amount of \$21.5 million from State Fiscal Recovery funds to provide housing navigation, stabilization and mental health services for people experiencing homelessness. The 2021 Assembly included a requirement to provide monthly progress reports regarding achievement of these efforts. The Department submitted its first report in March 2023 and has not submitted a report since July 2023. The Assembly appropriated funding from FY 2022 to FY 2024, and as of December 2023, the Department reports that all funds have been obligated and \$12.4 million remains unspent. The recommendation also removes language requiring that a portion of funds be used for operating subsidies for extremely low-income housing units.
- ***ARPA - Housing Strategic Plan.*** The Governor’s budget includes the enacted amount of \$2.0 million from State Fiscal Recovery funds for 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. Funds also support municipal planning efforts.
- ***ARPA - Affordable Housing Capacity.*** The Governor’s budget includes the enacted amount of \$1.5 million from State Fiscal Recovery funds for contracted consultants to provide administrative support to the Department of Housing. The 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 Assembly appropriated funding from FY 2022 to FY 2024 and included a requirement to provide monthly progress reports regarding achievement of these efforts. As of the end of FY 2023, only \$0.6 million has been spent; the Department submitted its first report in March 2023 and has not submitted a report since July 2023.
- ***ARPA - Targeted Housing Development.*** The Governor’s budget includes the \$31.0 million from State Fiscal Recovery funds authorized by the 2023 Assembly to allow the Secretary of Housing to target priority housing development projects. Of this amount \$4.0 million supports transit-oriented housing. All funds were included in the November application round and are expected to be awarded by June.
- ***ARPA - Housing Related Infrastructure.*** The Governor’s budget includes the \$4.3 million from State Fiscal Recovery funds authorized by the 2023 Assembly to be transferred to the Infrastructure Bank to support infrastructure necessary for affordable housing development.
- ***ARPA - Municipal Homelessness Support Initiative.*** The Governor’s budget includes the \$2.5 million from State Fiscal Recovery funds authorized by the 2023 Assembly to award grants to municipalities to help pay for community services, such as trash collection, ambulance, or outreach that support homeless individuals.
- ***ARPA - Municipal Planning.*** The Governor’s budget includes the enacted amount of \$2.3 million from State Fiscal Recovery funds authorized by the 2023 Assembly to support municipal planning efforts. This includes \$1.3 million for a municipal fellows program and \$1.0 million for transit- and zoning-related grants to municipalities.

- **ARPA - Proactive Housing Development.** The Governor’s budget includes the \$1.4 million from State Fiscal Recovery funds the 2023 Assembly authorized to create a new proactive development subsidiary of Rhode Island Housing. The subsidiary is expected to be established formally in January.
- **ARPA - Preservation of Affordable Units.** The Governor’s budget includes the \$0.5 million from State Fiscal Recovery funds authorized by the 2023 Assembly to preserve affordable housing units at risk of foreclosure and blight.
- **Low Income Housing Tax Credit Fund.** The Governor recommends \$4.0 million from general revenues to prefund commitments under the State Low Income Housing Tax Credit. Up to \$30.0 million of credits annually are competitively awarded for a five-year term to supplement federal credits for affordable housing projects. The 2023 Assembly provided \$28.0 million from general revenues to prefund credits against an award maximum \$150.0 million based on the current June 30, 2028 sunset date.
- **Statewide Mandatory Lead Registry.** The Governor recommends \$1.3 million from general revenues to fund the newly required statewide publicly accessible online database of all landlords who have not provided the Department of Health with a lead certificate of conformance for rental units built before 1978. He also proposes extending the registration date requirement, and delays the fee and penalty that would be assessed on those who are not in compliance by one year to October 1, 2025.

Health Insurance

- **ARPA - HealthSource RI Automatic Enrollment.** The revised budget includes \$1.3 million from State Fiscal Recovery funds for HealthSource RI to automatically enroll qualified individuals who are transitioning off Medicaid at the end of the COVID-19 emergency into a qualified public health plan. This is \$1.0 million less than the approved plan, reflecting updated enrollment and cost projections. Any unused funds from FY 2024 will be reappropriated.
- **Health Insurance Market Integrity Fund.** The Governor’s budget includes \$15.8 million to make reinsurance payments to health insurance carriers and \$0.6 million for program administration. This is supported by \$10.8 million from federal funds and \$5.7 million from the Shared Responsibility Payment penalty for individuals who do not have health insurance coverage, with certain exemptions.
- **HealthSource RI.** The Governor’s budget includes \$14.0 million from all sources, including \$3.5 million from general revenues, to support ongoing operating expenses for HealthSource RI, including its share of the Unified Health Infrastructure Project. Total expenses are \$1.3 million less than enacted, reflecting an updated cost allocation plan with the Executive Office of Health and Human Services.

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

- **Distressed Communities Relief Fund.** The Governor recommends the enacted level of \$12.4 million from general revenues for the Distressed Communities Relief Fund. There is a redistribution of funding among qualifying communities based on updated tax levies.
- **Motor Vehicles Excise Tax.** The Governor recommends maintaining the Motor Vehicles Excise Tax Phase-out program at the enacted level of \$234.7 million for FY 2025 and assumes the same community distributions. The tax was ended for each local government effective FY 2024. Under current law, the second fiscal year following the phase-out, which would be FY 2026, the distribution to local governments will be proportional to the sales tax revenue change compared to the prior year. The Governor’s budget repeals that provision.

- ***Payment in Lieu of Taxes Program.*** The Governor recommends the enacted level of \$49.2 million from general revenues for 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. The enacted budget funds the program at 27.0 percent; the recommendation funds it at 26.7 percent.
- ***Tangible Tax Exemption.*** The 2023 Assembly enacted legislation to exempt \$50,000 from the tangible property tax beginning January 1, 2024; it provided \$28.0 million from general revenues to reimburse municipalities for the cost of the exemption and included reappropriation language for unspent funding. The Governor’s recommendation shifts the funding from the enacted budget to FY 2025, when the reimbursements will be paid. The program reimburses municipalities and fire districts for all current, uniformly-applied exemptions, excluding public service corporation and renewable energy resources and equipment taxes, beginning September 30, 2024, and annually thereafter.
- ***Library Resource Sharing Aid.*** The Governor recommends the enacted amount of \$11.5 million from general revenues for FY 2025 for state support of public libraries. Current law allows up to a 25.0 percent reimbursement of second prior year expenditures, subject to appropriation. The recommendation represents a 24.2 percent reimbursement.
- ***Library Construction Aid.*** The Governor recommends \$2.2 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 completion, acceptance, and audit of the project.
- ***Property Valuation Reimbursement.*** The Governor recommends \$1.9 million from general revenues for FY 2025 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.
- ***Airport Impact Aid.*** The Governor recommends the enacted level of \$1.0 million for FY 2025 to the Commerce Corporation so that the Airport Corporation can provide impact aid payments to the seven communities that host the six state airports. The community payments are made proportionately based on the number of total landings and takeoffs.
- ***CPF - Community Learning Center Municipal Grants.*** The revised budget includes the approved amount of \$81.7 million from Capital Projects funds in FY 2024, including \$23.4 million from FY 2023 unspent funds for matching grants 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. Preliminary allocations to cities and towns were announced and the Pandemic Recovery Office is reviewing applications. The budget also modifies the program name.

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

- ***Funding Formula Assumptions.*** The calculation of education aid uses October student enrollment data including projected charter school enrollments, a per pupil core instruction amount of \$12,335 and state share ratio variables updated with June 30, 2023 data. The Governor proposes capping the increase in the per-pupil core instruction amount to the average inflation over the past five years, or 3.9 percent in FY 2025. Aid amounts are subject to final student enrollment data collected in March 2024.

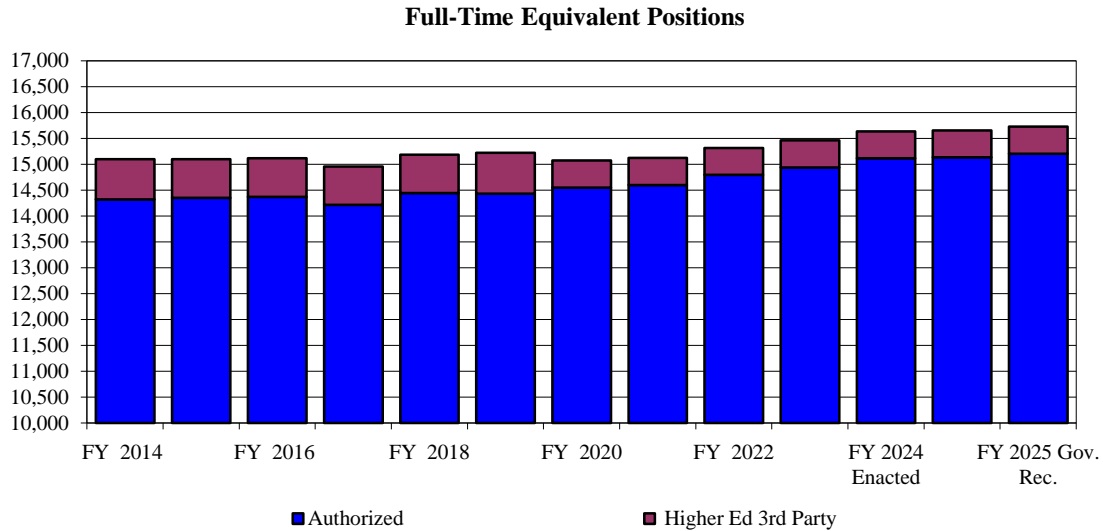
- ***FY 2025 Formula Education Aid.*** The Governor recommends \$1,089.9 million for education aid for local school districts pursuant to the funding formula, excluding state schools and Central Falls. This is \$19.2 million more than enacted and assumes the proposed cap on core instruction growth.
- ***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 Governor recommends \$25.0 million in FY 2025 including \$12.5 million for the second year of the FY 2024 calculation and \$12.6 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 decrease in the state share ratio is more than 2.0 percent. The fund provides 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 Governor includes \$1.2 million for FY 2025 based on updated data. This is \$4.5 million less than the formula produced in FY 2024.
- ***Central Falls.*** The Governor recommends \$48.3 million of education aid for Central Falls, including \$37.2 million from formula aid and \$11.1 million in stabilization funding to assist the school district until the city can begin to pay its local share.
- ***Central Falls School Project.*** The recommendation includes \$7.2 million from general revenues, each for FY 2024 and FY 2025 for debt service associated with the construction of a new high school for the City of Central Falls. 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. Expenses reflect that \$93.5 million of the debt was issued and the remaining \$50.5 million will be issued in FY 2026. The project cost is \$144.0 million, with a state share of \$138.2 million.
- ***Davies Career and Technical Center.*** The Governor's budget includes \$17.6 million of education aid for Davies Career and Technical Center. This includes \$10.2 million from funding formula aid and \$7.3 million from stabilization funding. Funding is \$1.8 million more than enacted, of which \$0.9 million is for transportation costs.
- ***Metropolitan Career and Technical School.*** The Governor recommends \$10.7 million of education aid for the Metropolitan Career and Technical School. This includes \$8.7 million from funding formula aid and \$2.0 million from stabilization funding. Funding is \$0.1 million more than enacted.
- ***Early Childhood Funds/Prekindergarten.*** The education funding formula has an early childhood education category of aid that allows for additional resources from the state to increase access to voluntary, free, high-quality prekindergarten programs. The Governor recommends \$30.0 million from general revenues, \$7.0 million more than the enacted budget to open 35 additional classrooms. This will add 633 seats and will expand the program to include 2,997 children. The Governor also recommends \$0.2 million from general revenues for 2.0 additional full-time equivalent positions for the Department of Elementary and Secondary Education to support this expansion.
- ***English Language Learners Funds.*** The Governor's budget includes \$36.1 million to support English language learners that are in the most intensive programs, \$16.6 million more than enacted. This reflects funding the Governor's proposal to change the weight of the category from 15.0 percent of the core instruction amount to 25.0 percent. Funds may only be used on evidence-based programs proven to increase outcomes for English learners and are monitored by the Department of Elementary and Secondary Education.

- **Career and Technical Education.** The Governor recommends \$4.5 million for the separate allocation of career and technical funds as allowed by the funding formula for FY 2025, which is consistent with the eight prior years. The recommendation also includes \$0.1 million for 1.0 new full-time equivalent position for the Department to support monitoring of the career and technical education programs.
- **Special Education Excess Costs.** The funding formula allows the state to assume the 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, subject to appropriation. The Governor recommends \$15.0 million for FY 2025, which is consistent with the enacted amount but 68.1 percent of allowable expenses, down from 71.9 percent in FY 2024.
- **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. The Governor recommends \$3.9 million for FY 2025, which is \$0.5 million more than enacted.
- **Regional 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 Governor recommends \$7.3 million for FY 2025, which is \$0.1 million more than enacted, fully funding costs.
- **School Construction Aid.** The Governor recommends \$106.2 million to fund projected costs of school housing aid to local districts for FY 2025, which is \$2.0 million more than enacted. This reflects funding for the traditional reimbursement program only.
- **Recovery High School.** The Governor's budget provides \$500,000 from general revenues to support the state's recovery high school, which provides programs to students recovering from substance abuse. The Governor excludes funding enacted for FY 2024, as the previous recipient of the funding is no longer operating the school.
- **Textbook Reimbursement.** The Governor recommends the enacted level of \$240,000 for reimbursements allowed under the textbook reimbursement program. Under current law, the state 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.
- **School Breakfast.** The Governor recommends the enacted level of \$270,000 from general revenues for the administrative cost reimbursements to districts for the school breakfast program. Food is paid from federal sources.
- **Reduced Price Breakfast and Lunch Subsidy.** The Governor recommends \$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.
- **Teacher Retirement.** The state funds 40.0 percent of the employer's share of retirement contributions on behalf of teachers who are members of the teacher retirement system. The Governor recommends \$132.3 million from general revenues, or \$0.5 million less than enacted for the estimated cost of the state's share.
- **Education Stabilization Funds to Districts.** Rhode Island was awarded \$599.9 million from the last two major federal stimulus acts to support elementary and secondary education of which at least 90.0 percent is for local education agencies. Total FY 2022 spending was \$94.7 million, FY 2023 spending was \$191.1 million. The Governor's budget includes \$281.1 million for FY 2024 and \$54.9 million for FY 2025, which overstates available resources by \$21.9 million.

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

The Governor recommends authorization for 15,725.8 full-time equivalent positions, which is 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 service call center and program staff as well as permanent staff for state parks and beaches.

As of the end of January 2024, there were 13,971.4 full-time equivalent positions filled, leaving 1,544.7 non-research vacancies. In FY 2023, the state averaged 13,715.1 filled full-time equivalent positions and an average of 1,748.4 vacancies.



- Capital Project Manager Costs.** The Governor proposes to shift \$2.0 million of expense for 10.5 full-time equivalent positions doing project management work from general revenues to Rhode Island Capital Plan funds. These funds are limited to capital projects and are not generally used for state staff.
- Artificial Intelligence Cybersecurity Task Force.** The Governor recommends adding \$150,000 from general revenues to support an Artificial Intelligence Cybersecurity Task Force that will be convened to make recommendations to minimize risks to the public and private sectors.
- Federal Homeland Security Cybersecurity Grant.** The Governor recommends a total of \$1.4 million from general revenues to provide the state match for a \$6.5 million cybersecurity grant. This is \$0.9 million more than enacted by shifting more money to FY 2025. The total grant allocated to the state is \$11.0 million and additional state match of \$2.1 million will be required in the out-years to access further funding. The state is required to distribute at least 80 percent of funds to local governments. A cybersecurity planning committee to develop a plan for spending is also required; a 29-member committee has been established.
- Minority Business Enterprise Recruitment and Certification.** The Governor recommends \$500,000 from general revenues for the Division of Equity, Diversity and Inclusion to expand efforts to register and certify minority-owned and women-owned businesses to increase their participation in state procurements. According to the Division, there are 881 certified businesses.
- Disparity Study.** The Governor recommends \$500,000 from general revenues for the recurring statewide disparity study to enhance women-owned and minority-owned businesses in state procurement. The study is required to be conducted every five years, beginning in FY 2025.

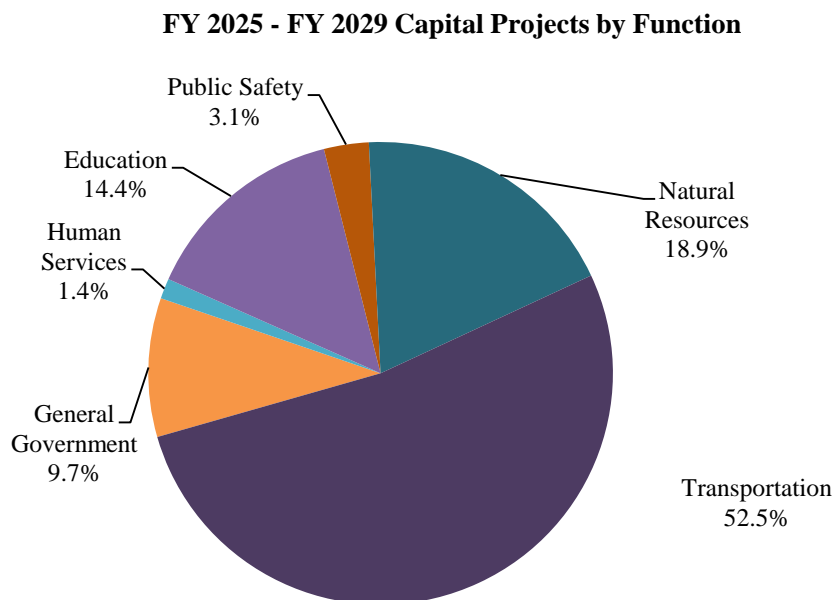
- ***Federal Lobbying Services Contract.*** The Governor’s budget adds \$180,000 from general revenues for a federal lobbying advisory firm to provide counsel and representation in obtaining future federal funds in FY 2025. The revised budget adds only \$90,000, though \$180,000 of expenses will be incurred.
- ***Year Up.*** The Governor’s budget includes the enacted level of \$200,000 from general revenues for Year Up to provide underserved young adults programming for hands-on skill development, academic coursework, internships, and wraparound support.
- ***Tort Court Awards - Settlements.*** The Governor recommends \$1.5 million from general revenues for FY 2024 and \$1.4 million for FY 2025 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 recommendation in the current year is \$0.8 million more than enacted, reflecting anticipated expenses.
- ***Group Home Replacement.*** The Governor recommends new expenditures of \$5.0 million from Rhode Island Capital Plan funds in FY 2025 to construct or renovate group homes, for total funding of \$10.0 million.
- ***Shepard Building.*** The Governor’s capital budget includes \$22.1 million from Rhode Island Capital Plan funds for various projects at the Shepard Building. This is \$16.9 million more than the approved plan, which had assumed minimal asset protection and modernization of the elevators in anticipation of the building being sold, which is no longer the plan. The recommendation includes new expenditures for bathroom renovations, cast iron reconstruction and roof replacement.
- ***Zambarano Buildings and Campus.*** The capital budget includes \$9.6 million in the five-year period for total project cost of \$35.2 million from Rhode Island Capital Plan funds for capital repairs to various buildings at the Zambarano Campus of the Eleanor Slater Hospital in Burrillville. Projects include lead, mold and asbestos abatement, upgrades to the wastewater treatment facilities and expenses to relocate the ventilator patient unit from Regan to Zambarano.
- ***Group Homes Consolidation.*** The Governor’s recommended capital budget reflects the consolidation of five previously approved projects that support repairs and asset protection for a variety of state facilities serving individuals with developmental disabilities and those with substance abuse and behavioral health issues into a single project, Group Homes Consolidation. The combined total is consistent with prior annual funding of \$4.3 million from Rhode Island Capital Plan funds, growing to \$5.5 million in FY 2029.
- ***Enterprise Resource Planning Maintenance and Operations.*** The administration is in the process of developing an Enterprise Resource Planning System, including human resources, payroll, and financial management. The human resources and payroll systems will be implemented in January 2025, and agencies will be charged the cost to maintain the system, based on their staffing levels. The budget includes \$3.5 million for maintenance and operations; \$2.7 million from general revenues is added for the state’s share. It also adds \$1.0 million for 6.0 new full-time equivalent positions to support the system, including a chief of data, an assistant director of special projects, a deputy director of financial services, two program administrators and one senior human resources business partner also funded through agency charges.
- ***Chief Data Officer and Data Program.*** The Governor recommends \$2.2 million from the Information Technology Restricted Receipt account to support a new data management system, which will connect data systems to provide timely and secure access to data for authorized users. This includes \$0.3 million to support a chief data officer position, and \$1.8 million for software expenses. Once implemented, operating expenses are estimated to cost \$0.9 million, annually.

- **Property Insurance.** The budget includes \$1.4 million, or \$0.9 million more than enacted, to be financed through agency charges for state property insurance, reflecting actual expenses.
- **Vehicle Replacement.** The budget adds \$0.3 million for the Division of Capital Asset Management and Maintenance to begin replacing its fleet over the next several years to comply with Executive Order 2023-06, which requires the state’s light duty fleet to be 25.0 percent zero emission by 2030.
- **Information Technology Critical Infrastructure.** The budget includes \$4.8 million to be financed through agency charges for hardware replacement and licensing expenses. This includes \$3.0 million to upgrade from Microsoft Windows 10; effective October 2025, this version will not be supported.
- **Police and Fire Relief Fund.** The Governor’s budget includes \$3.5 million 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.
- **Workers’ Compensation System Study.** The Governor recommends providing \$200,000 from general revenues to study the components of the state’s workers’ compensation system, with a report due by March 31, 2025.
- **Unemployment Insurance Trust Fund.** The Governor’s budget proposes to extend the deadline to establish the tax year 2025 unemployment insurance rate schedule from September 30, 2024 through December 31, 2024, subject to the Labor and Training Director’s discretion. This is intended to provide flexibility for determining the rate in the event the deposit of excess State Fiscal Recovery funds would affect the tax schedule.
- **Unemployment Benefits.** The Governor’s budget assumes \$222.7 million for unemployment benefit payments from employer contributions for FY 2025, which is \$79.9 million more than enacted. It includes \$3.1 million for WorkShare and \$11.3 million for partial unemployment benefits. This is \$10.7 million more than the revised recommendation, including \$0.1 million more for WorkShare and \$0.5 million for partial unemployment benefits.
- **Temporary Insurance Payments.** The Governor’s budget assumes \$262.3 million for benefit payments from employee contributions for FY 2025, which is \$13.8 million more than enacted. It includes \$230.0 million for disability benefits and \$32.3 million for caregiver benefits. This is \$16.3 million above revised estimates, including \$14.0 million more for disability and \$2.3 million for caregiver benefits.
- **Semiquincentennial Commission.** The Governor’s budget includes \$0.2 million from general revenues, for the Semiquincentennial Commission dedicated to preparing commemorative celebrations for the 250th anniversary of the founding of the United States. The enacted budget includes only \$0.1 million.
- **Rhode Island Historical Society.** The Governor recommends the enacted level of \$125,000 in general revenue support for the Rhode Island Historical Society.
- **Newport Historical Society.** The Governor recommends the enacted level of \$18,000 in general revenue support for the Newport Historical Society.
- **Rhode Island Black Heritage Society.** The Governor’s budget includes the enacted level of \$25,000 from general revenues to support for the Rhode Island Black Heritage Society.
- **State Archives Facility.** The Governor’s budget proposes \$101.7 million to build a state-owned facility to relocate the State Archives. This includes \$60.0 million from new general obligation bond funds to go before the voters in November 2024, \$10.0 million from Rhode Island Capital Plan funds, and \$31.7 million

from private funding. His capital budget programs the Rhode Island Capital plan funds from FY 2025 to FY 2027, and the other funding for FY 2027 and FY 2028.

- **Contingency Fund.** The Governor’s budget includes the enacted amount of \$150,000 for the Governor’s Contingency Fund.
- **iGaming.** The Governor’s budget includes \$2.0 million from lottery funds to support 19.0 full-time equivalent positions to continue the implementation of digital casino gambling for participants age 21 and older located within the state, beginning March 1, 2024. For FY 2024, it includes \$0.6 million and 12 positions.
- **Youth Vaping Abatement.** The Governor’s budget includes \$0.6 million for youth vaping abatement activities for the Departments of Health, Behavioral Healthcare, Developmental Disabilities and Hospitals, and Revenue and adds 2.0 full-time equivalent positions for the Department of Revenue. It also proposes legislation to transfer the regulatory authority for vaping products from the Department of Health to the Division of Taxation, and subject those products to the 80.0 percent of wholesale tax for other tobacco products.
- **Elections Expenses.** The Governor’s budget includes \$3.1 million from general revenues for the Board of Elections and Secretary of State for anticipated costs associated with the 2024 election cycle, including ballot printing and delivery.

Capital (See Section IV: Capital Budget)



- **Outlays and Funding.** The FY 2025 through FY 2029 plan includes \$9,161.6 million of outlays on \$18,967.0 million of project estimates. Average outlays would be \$1,832.3 million per year for the five-year period with \$728.2 million required at the end of the period to complete the projects.
- **General Obligation Bonds Referenda.** Financing the five-year plan is based on \$961.4 million of general obligation bond debt issuances. This includes \$345.0 million from new general obligation bonds to go before the voters in November 2024 with funding programmed to begin in FY 2026. It includes \$135.0 million for higher education institutions including \$80.0 million for a biomedical sciences building

at the University of Rhode Island and \$55.0 million for a cybersecurity building at Rhode Island College. It also includes \$60.0 million for a new state archives and history center, \$100.0 million for housing and community opportunities and \$50.0 million for environment and other projects. The average bond referenda over the past five elections was \$327.6 million, including the \$400.0 million approved by the voters in November 2022.

- **Other Debt Approvals.** The Governor recommends \$9.2 million to be approved by the 2024 Assembly under the Public Corporation Debt Management Act for the University of Rhode Island's Utility Infrastructure Upgrade Phase III project.
- **Financing.** Paying for the five-year outlays includes \$1,793.8 million from debt financing and \$7,367.8 million from current or pay-go sources. Pay-go represents 80.4 percent with debt funding being 19.6 percent. This is more pay-go funding than prior budgets largely due to the inclusion of \$106.7 million from American Rescue Plan Act Capital Projects funds, \$111.0 million from State Fiscal Recovery funds, and over \$800 million transferred from general revenues to the Rhode Island Capital Plan Fund.
- **Debt Levels.** Total net tax supported debt increases during the period through FY 2029 by \$203.9 million from \$1,840.6 million to \$2,044.5 million. Past practice indicates that debt levels will be significantly higher as more projects are added within the five-year period of this capital budget.
- **Debt Ratios.** Net tax supported debt would decrease from 2.5 percent of personal income reported for FY 2023 to 2.2 percent in FY 2029 assuming that the capital budget is not increased. However, as with debt levels, past practice indicates it is likely to be higher than projected.
- **Rhode Island Capital Plan Fund.** The capital budget plan relies heavily on the use of 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 \$1,563.9 million. This includes the transfer of \$820.4 million from one-time general revenues to the Rhode Island Capital Plan Fund in FY 2022 and FY 2023.

Debt Service

- **Convention Center Authority.** The Governor recommends \$24.5 million from general revenues for both FY 2024 and FY 2025 for the Convention Center Authority to cover debt service requirements.
- **Garrahy Parking Garage.** The Governor recommends \$0.9 million from general revenues for both FY 2024 and FY 2025 for debt service for the Garrahy Parking Garage. Current year expenses are \$0.4 million less than enacted, reflecting use of parking revenues. The out-years had assumed no state support beyond FY 2024.
- **Historic Tax Credit Trust Fund Debt Service.** The Governor recommends \$19.4 million for FY 2024 and the current estimated \$9.9 million for FY 2025 from general revenues to fund debt service for historic tax credits.
- **Fidelity Job Rent Credits.** The recommended budget includes the enacted amount of \$1.0 million from general revenues for payments under the Fidelity Job Rent Credits agreement.
- **Industrial-Recreational Building Authority.** The recommended budget includes \$0.5 million from general revenues for payment of the state's remaining debt obligation following the 2012 default of Capco on bonds issued in 2009 and backed by the Authority. The total outstanding debt obligation is \$0.9 million.

Public Health

- **ARPA - Ongoing COVID-19 Response.** The revised budget includes \$21.2 million, \$20.6 million less than enacted from State Fiscal Recovery funds to help the state continue its response to the COVID-19 pandemic. There have been no expenses yet in FY 2024, and unspent funds will automatically be reappropriated.
- **ARPA - Operational Support.** The Governor's revised budget includes \$32.2 million for FY 2024, or \$2.7 million less than enacted 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. Any unspent funds are automatically reappropriated.
- **ARPA - Public Health Response Warehouse Support.** The recommended budget includes \$0.8 million for FY 2025 from State Fiscal Recovery funds for lease expenses to store COVID-19 supplies. This brings total funding to \$4.2 million, \$0.4 million was spent in FY 2023 and \$3.0 million is recommended for FY 2024 and unspent funds will automatically be reappropriated. The recommendation also includes \$0.5 million from general revenues for warehouse operations which includes 1.0 new full-time position and contracted staff.
- **ARPA - Public Health Clinics.** The FY 2024 revised budget includes \$3.7 million from unspent FY 2023 State Fiscal Recovery funds 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. Each facility was allocated \$2.0 million and through FY 2023 only \$0.3 million was paid to the Rhode Island Free Clinic. Any unspent funds are automatically reappropriated.
- **FEMA Contingency Reserve.** The Governor's revised budget includes the required reappropriation of \$5.0 million from FY 2023 unspent general revenues provided as a contingency reserve for COVID-19 related expenses, in the event reimbursements from the Federal Emergency Management Agency differ from budgeted assumptions.
- **New State Health Laboratory.** The capital budget includes \$97.0 million, including \$81.7 million from a federal Centers for Disease Control and Prevention grant to construct a new State Health Laboratory facility. This is \$16.0 million more than the federal grant amount, reflecting updated project costs, including \$11.6 million from Rhode Island Capital Plan funds and \$4.4 million from indirect cost recovery restricted receipts.
- **Medical Examiners - New Facility.** The capital budget includes \$8.5 million, including \$3.0 million from federal funds and \$5.6 million from Rhode Island Capital Plan funds or \$0.1 million more than approved to renovate a 20,280 square foot building in Cumberland for the Office of State Medical Examiners.

Health and Human Services

- **Rate Increase.** The Governor's budget adds \$51.7 million, including \$20.4 million from general revenues, to fund one-third of the rate increase recommended by the Office of the Health Insurance Commissioner as part of the required rate review completed in September. His recommendation assumes the rates will be phased in over three years.
- **Early Intervention Services.** The Governor's budget adds \$3.8 million, including \$1.7 million from general revenues, to fully fund the rate increase for Early Intervention services recommended by the Office of the Health Insurance Commissioner. The rates were increased by 45 percent in FY 2023, adding \$4.0

million. His revised budget also includes \$1.5 million from State Fiscal Recovery funds for the final payments for the nine early intervention providers from the \$11.0 million authorization that began in FY 2022.

- ***Income Verification.*** The Governor’s budget includes FY 2025 medical benefit savings of \$25.4 million, of which \$6.5 million is from general revenues from plan to interface with Equifax’s income verification product, The Work Number. This allows the state to access monthly data to determine eligibility for medical assistance benefits and programs through the Department of Human Services. The savings assumes that 5,900 individuals will be determined ineligible for medical benefits. The administrative costs for FY 2024 are \$1.0 million, including \$0.3 million from general revenues and \$8.4 million for FY 2025, of which \$3.0 million from general revenues are for ongoing expenses.
- ***Rite Share.*** The Governor’s budget assumes savings of \$0.9 million, of which \$0.4 million is from general revenues from proposed measures to increase enrollment in the Rite Share program, which leverages employer sponsored health care. This savings total accounts for administrative expenses.
- ***Nursing Facilities.*** The Governor’s budget adds \$10.0 million from State Fiscal Recovery funds to be disbursed in the first three months of FY 2025 to assist nursing facilities until the October 1, 2024 rate changes take effect. Those changes include the annual statutory rate increase and adjustments to be made following a review of the direct and indirect care cost data beginning October 2024 using the most recent facility reports. The caseload conference estimate for both changes increase reimbursements by \$54.0 million, including \$23.8 million from general revenues and are included in the Governor’s budget.
- ***Graduate Medical Education Payments.*** The Governor’s budget eliminates the \$2.5 million of general revenue payments made to Lifespan, Care New England, and Landmark Hospital to support graduate medical education.
- ***Conflict-Free Case Management.*** The Governor’s budget includes \$1.6 million for FY 2024 and \$18.8 million for FY 2025 to provide a federally required person-centered, conflict-free case management system to individuals receiving home and community-based services. The Executive Office of Health and Human Services has delayed the January 1, 2024 planned implementation to a phased approach starting in April with full enrollment by December 2024.
- ***Certified Community Behavioral Health Clinics.*** The Governor’s budget includes \$79.7 million, of which \$29.1 million is from general revenues, to finance the certified community behavioral health clinics rate model in FY 2025. This assumes delaying the statutory start date for a second time to July 1, 2024. The November Caseload Estimating Conference projections assumed the February 1, 2024 current law start and included \$11.4 million for FY 2024 and \$122.6 million general revenues for FY 2025.
- ***ARPA - Certified Community Behavioral Health Clinics.*** The Governor’s revised budget includes the remaining \$25.1 million of the \$30.0 million authorized 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.
- ***ARPA - Butler Hospital.*** The Governor’s revised budget includes the remaining \$7.4 million of the \$8.0 million authorized from State Fiscal Recovery funds for a new 25-bed short term stay unit at Butler Hospital.
- ***ARPA - Pediatric Recovery.*** The Governor’s revised budget includes the final \$3.7 million from State Fiscal Recovery funds from the \$15.0 million allocation for stabilization and pay-for-performance bonus payments for pediatric providers.

- **ARPA - Crisis Intervention Trainings.** The Governor’s budget includes the full \$2.2 million from State Fiscal Recovery funds authorized for crisis intervention trainings and continued education opportunities to law enforcement in FY 2024.
- **ARPA - 988 Hotline.** The Governor’s budget includes \$3.2 million from State Fiscal Recovery funds for FY 2024, and a new allocation of \$1.9 million in FY 2025, to support the 988 hotline. The budget also includes \$0.7 million for FY 2024 and \$0.9 million for FY 2025 from federal funds for enhanced hotline services.
- **Opioid Funds.** The Governor’s budget includes \$35.6 million for FY 2024 and \$37.6 million for FY 2025 in the Department of Corrections and the health and human services agencies from assessments and lawsuit settlements related to the opioid epidemic. Expenditures support prevention and treatment programs, recovery housing and new treatment facilities, and outreach and education programs.
- **Cancer Registry.** The budget includes an additional \$135,012 each for FY 2024 and FY 2025, for a total of \$218,423 from general revenues to support the Rhode Island Cancer Registry Program, a statewide surveillance database related to cancer patient population.
- **Women’s Cancer Screening.** The budget includes 0.2 new positions, bringing staffing to 1.0 full-time equivalent position to support the Women’s Cancer Screening Program, which provides resources to 2,600 income-eligible women annually, to receive breast and cervical cancer screening services.
- **Healthy Eating and Active Living.** The budget adds 1.0 full-time equivalent position in the Department of Health to support the Physical Activity and Nutrition Program, including safe and accessible physical activity, promoting healthy food choices, and breastfeeding support. The Department was awarded \$0.9 million annually, for this five-year grant.
- **Human Service Programs Rates and Benefit Analysis.** The Governor’s budget includes \$1.5 million for FY 2025 for the Office of the Health Insurance Commissioner to conduct a comprehensive review of social and human service programs contracted or licensed by the state. Every odd-numbered year the Office is statutorily required to produce an analysis of rates by January 1, a final report by April 1 and an assessment and review of rate adjustments by September 1. The Office submitted a final report on September 1, 2023 but indicated that it did not include an analysis of rates for developmental disability programs nor for Department of Children, Youth and Families programs, which are subject to a competitive bidding process.

Children and Families

- **ARPA - Child Care Support.** The Assembly authorized \$42.0 million from State Fiscal Recovery funds programmed from FY 2022 through FY 2024 to provide retention bonuses for staff providing direct child care. Funds would also be used to waive any fees for new family child care providers, as well as quality improvements, creating a workforce registry, and education opportunities for direct care staff. The Governor’s revised recommendation assumes use of the remaining \$19.5 million for FY 2024.
- **ARPA - Foster Home Lead Abatement & Fire Safety.** The Assembly previously authorized a total of \$1.9 million from State Fiscal Recovery funds for lead remediation and fire suppression upgrades for foster homes. The project has experienced repeated delays and there has been no spending to date; the Governor’s budget excludes the funds.
- **Training School Staff.** The Governor recommends \$0.9 million from general revenues to add eight new positions at the Training School to address an increased population. In previous years, lower populations allowed the Department to repurpose vacant Training School positions to other programs.

- ***Female Youth Facilities.*** The budget includes continued spending from the \$12.0 million authorized from State Fiscal Recovery funds to expand existing in-state capacity at private facilities and for the initial design of a new female youth program facility. The Governor’s budget includes \$45.0 million from Rhode Island Capital Plan funds from FY 2025 through FY 2027 to construct the new facility.
- ***DCYF Provider Contracts.*** The Governor recommends \$30.3 million, including \$15.7 million from general revenues to fund potential increases related to ongoing negotiations with providers contracted by the Department of Children, Youth and Families.
- ***Out-of-State Placements.*** The Governor recommends adding \$2.2 million for FY 2024 and \$3.9 million for FY 2025 from general revenues to address an issue at the Department of Children, Youth and Families for youth in out-of-state placements that are not registered with the state’s Medicaid office. The state may not claim Medicaid match on services from these entities, making the costs general revenues only.
- ***SNAP Summer Benefit Program.*** The Governor’s budget includes \$10.2 million from federal funds to provide a monthly \$40 benefit for three months in the summer for each child eligible for free or reduced-price school meals during the school year and \$0.8 million for administrative expenses, half of which is paid from general revenues.

Community Services and Advocacy

- ***Veterans’ Programs and Services.*** The Governor recommends the enacted level of \$350,000 from general revenues for grants to organizations that provide veteran, active duty military, and family support services in the community, which 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 Governor recommends the enacted level of \$450,000 for the Boys and Girls Club Project Reach program which provides homework assistance and afterschool activities.
- ***Day One.*** The Governor recommends the enacted level of \$267,000 from general revenues for Day One to provide outreach and supportive service programs relating to sexual assault.
- ***Domestic Violence Prevention Activities.*** The Governor recommends the 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 Governor recommends the enacted level of \$250,000 from general revenues to support the Institute’s Violence Reduction Strategy program.
- ***Rhode Island Community Food Bank.*** The Governor recommends the enacted level of \$550,000 from general revenues for food collection and distribution through the community food bank.
- ***Community Action Agencies.*** The Governor recommends the enacted level of \$600,000 to support services provided by the state’s community action agencies.
- ***Crossroads.*** The Governor recommends the 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 Governor recommends the enacted level of \$125,000 from general revenues for immigrant and refugee support services. This includes \$75,000 for Higher Ground International and \$50,000 for the Refugee Dream Center.
- **Center for Southeast Asians.** The Governor recommends the enacted level of \$25,000 from general revenues to support the Center for Southeast Asians. This is 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.
- **Senior Services Support.** The Governor recommends \$1.4 million from general revenues to support the state's senior centers through a grant process, which is \$0.2 million more than enacted for FY 2024.
- **Meals on Wheels/Elderly Nutrition Services.** The Governor recommends the enacted level of \$680,000 from general revenues for elderly nutrition services, which includes \$630,000 for Meals on Wheels.
- **Respite Care.** The Governor recommends the enacted level of \$325,000 to support the respite care program through the Diocese of Providence, also known as CareBreaks.
- **Elder Housing Security.** The Governor recommends the enacted level of \$85,000 from general revenues to implement security housing measures in elderly housing complexes.
- **Long Term Care Ombudsman.** The Governor recommends the enacted level of \$40,000 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.

Higher Education

- **Public Higher Education.** The Governor's budget includes \$1,471.8 million for Public Higher Education, including debt service. This includes \$7.2 million more from general revenues. The Governor's budget includes \$312.0 million from general revenues and \$584.0 million from all other unrestricted sources, including tuition and fees.
- **Public Higher Education Tuition and Fees.** The Governor's budget appears to assume tuition and fee increases consistent with the Council's approval of a 3.0 percent tuition increase and \$30 fee increase at the College and a 4.2 percent tuition increase and a \$6 fee increase at the Community College. The University's Board of Trustees decided to shift final approval of tuition and mandatory fees for the University to February 2024 and each February thereafter. It did approve a baseline increase of 2.7 percent for FY 2025.
- **Rhode Island Promise Scholarship.** The Governor recommends \$7.9 million from general revenues to support the Rhode Island Promise Scholarship at the Community College of Rhode Island, which is \$0.7 million less than enacted based on updated enrollment projections; FY 2024 revised costs are estimated to be \$7.6 million.
- **Hope Scholarship.** The Governor recommends \$3.4 million from general revenues for the second year of the Hope Scholarship Pilot Program at Rhode Island College based on updated enrollment projections. The enacted budget assumed the need for \$4.0 million in FY 2024 but the revised budget lowers that to \$2.4 million. This last-dollar scholarship program provides awards to students during their third and fourth year at the College who are part of the graduating classes of 2024 through 2028. The pilot program began on July 1, 2023, and sunsets on July 1, 2028.

- ***Last Dollar Scholarship.*** The Governor recommends \$9.9 million for the Last Dollar Scholarship Program, consistent with the FY 2024 enacted level, but adds \$1.3 million from general revenues to offset federal loan reserve funds that have been exhausted. This would provide a total of \$6.4 million from general revenues.
- ***Dual and Concurrent Enrollment.*** The Governor recommends \$2.3 million for the dual and concurrent enrollment initiative, consistent with the FY 2024 enacted level but provides general revenues in lieu of federal loan reserve funds that have been exhausted. This program allows qualified high school students to earn college credit at no cost to the student.
- ***URI Biomedical Sciences Building.*** The Governor recommends \$80.0 million of general obligation bonds be submitted to the voters on the November 2024 ballot for a new biomedical sciences building at the University. The total project cost is \$88.4 million, and the capital budget assumes that \$8.4 million would come from private funding beginning in FY 2026.
- ***RIC Cybersecurity Building.*** The Governor recommends \$55.0 million of general obligation bonds be submitted to the voters on the November 2024 ballot for a cybersecurity building at Rhode Island College. The total project cost is \$73.5 million with \$18.5 million recommended from Rhode Island Capital Plan funds programmed to begin in FY 2025.
- ***URI Utility Infrastructure Upgrade Phase III.*** The Governor’s budget includes authorization for Assembly approval of a \$9.2 million revenue bond for the third phase of utility infrastructure upgrades at the University of Rhode Island. Annual debt service on the authorization would be supported by the University’s unrestricted budget and not exceed \$0.8 million. Total debt service would not exceed \$16.1 million.
- ***URI PFAS Removal Water Treatment.*** The Governor recommends using \$20.0 million from Rhode Island Capital Plan funds for the University of Rhode Island to implement a permanent water filtration solution to reduce per and polyfluoroalkyl concentrations. This is instead of the allocation of the same amount from federal State Fiscal Recovery funds; it appears the project has been delayed.
- ***Public Higher Education Asset Protection.*** The Governor recommends \$119.4 million from Rhode Island Capital Plan funds for asset protection projects at the institutions of public higher education for the five-year period FY 2025 through FY 2029.
- ***Westerly Higher Education Center Expansion.*** The Governor recommends \$1.2 million from Rhode Island Capital Plan funds for FY 2025 for a new project to expand the Westerly Higher Education and Job Skills Center to an annex site. The expansion would allow the Center to create laboratories, additional classrooms, and conference space.
- ***CCRI Campuswide Renovation and Modernization Phase I.*** The Governor recommends \$59.5 million from all sources to renovate and modernize academic and student support spaces as well as other infrastructure on 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 recommendation is \$7.5 million more than approved from Rhode Island Capital Plan funds and extends the project by a year, reflecting updated cost estimates and timeline.
- ***CCRI Data, Cabling and Power Infrastructure.*** The Governor recommends \$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 and is \$5.0 million more from Rhode Island Capital Plan funds than the approved capital plan.

- ***RIC Infrastructure Modernization.*** The Governor recommends \$67.7 million from Rhode Island Capital Plan funds programmed through FY 2029 for current and future infrastructure modernization at Rhode Island College. This is consistent with the approved five-year plan and adds \$5.9 million for an additional year.
- ***URI Athletics Complex Renewal.*** The Governor recommends \$83.1 million from all sources, including \$65.8 million from Rhode Island Capital Plan funds and \$17.3 million from University funds, 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. As requested by the University, the recommendation shifts the requirement for private funds to the end of the project and delays completion to FY 2027.
- ***URI Narragansett Bay Campus Renewal - Phase I.*** Consistent with the approved plan, the Governor recommends \$60.1 million for the first phase of a three-phase project to complete a comprehensive renewal of the Narragansett Bay Campus. The first phase includes improvements to the existing pier and marine operations facilities. 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, and \$2.4 million from third-party financing with expected completion in FY 2027.
- ***URI Narragansett Bay Campus Renewal - Phase II.*** Consistent with the approved plan, the Governor recommends \$129.0 million for the second phase of a three-phase project to complete a comprehensive renewal of the Narragansett Bay Campus from FY 2024 through FY 2027. Funding includes \$100.0 million from general obligation bonds approved in 2022, \$25.0 million from Rhode Island Capital Plan funds, and \$4.0 million from private sources. The recommendation assumes a completion date of FY 2028, which is one year later than the approved plan, reflecting anticipated delays caused by supply chain issues, specifically mechanical and electrical equipment.
- ***URI Academic Mechanical, Electrical, and Plumbing Improvements.*** The Governor recommends \$17.9 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 but reflects an updated schedule and completion in FY 2027, two years later than the approved plan.
- ***URI - Undergraduate Housing.*** Consistent with the approved plan, the Governor includes the University of Rhode Island's \$170.6 million project to build 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 approved by the 2022 Assembly and \$7.5 million from University funds with funding programmed from FY 2023 through FY 2027.
- ***ARPA - Cybersecurity Center.*** The Governor's revised budget includes the enacted 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. Any unused funds from FY 2024 will be reappropriated.
- ***ARPA - Fresh Start Scholarship.*** The Governor's revised budget maintains the enacted allocation of \$5.0 million from State Fiscal Recovery funds for two years of a new adult scholarship program that targets 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 federal financial aid

eligibility. The Community College has begun marketing the program and working toward identifying potential students. Any unused funds from FY 2024 will be reappropriated.

- ***ARPA - RI Reconnect.*** The Governor's revised budget maintains the enacted amount of \$8.0 million from State Fiscal Recovery funds to establish the Rhode Island Reconnect program through the Office of Postsecondary Commissioner and fund it for two years. Unused funds from FY 2024 are available for FY 2025. The program is intended to provide targeted coaching and wraparound supports for those 16 and older to continue their education. The authorization requires that some funding 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.
- ***Westerly Education Center Staffing.*** The Governor recommends adding \$0.1 million from restricted receipts for a new operations coordinator position at the Westerly Education Center.
- ***Rhode Island Vision Education and Services Program.*** The Governor's 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. This appropriation supplements existing federal funds and funding from local education agencies that are billed on a fee-for-service basis.
- ***Higher Education Opportunities for Teachers of Color.*** The Governor recommends the FY 2024 enacted level of \$200,000 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 Governor recommends the FY 2024 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 Governor recommends the FY 2024 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 Governor recommends \$4.7 million to support the operations and scholarship programs offered by Onward We Learn, including \$4.3 million from the GEAR-UP federal grant and the enacted level of \$0.4 million from general revenues. The federal grant provides funds to states and nonprofits to support eligible low-income and disabled students in pursuit of secondary school diplomas and to prepare for postsecondary education.
- ***Institute for Labor Studies and Research.*** The Governor recommends the FY 2024 enacted level of \$100,000 from general revenues for the Institute for Labor Studies and Research, a non-profit educational institution that provides education and training to Rhode Islanders.

Education and Arts

- ***ARPA - Out-of-School Time Education Providers.*** The Governor recommends a new commitment of \$3.0 million from general revenues to support the Learn365RI initiative, to be distributed to community organizations to expand access to educational programs. The Department of Elementary and Secondary Education's Office of Student, Community, and Academic Supports would be responsible for distributing the funding. The recommendation also adds \$2.0 million of State Fiscal Recovery Funds in the Department of Administration to support the operations of the newly approved Community Learning Centers.
- ***Math and English Language Arts Improvement.*** The Governor recommends a new one-time commitment of \$15.0 million from general revenues to improve student outcomes in math and English Language Arts. Funding would support adding instructional coaches in local education agencies with high

academic need as well as supporting professional development for teachers. The Governor's out-year forecast does not assume this funding continues in FY 2026.

- **All Course Network.** The Governor's budget includes \$1.1 million from general revenues to support the all course network, \$0.5 million more than enacted. All districts participate in the network, with courses offered by 24 provider organizations in FY 2024. The increased state support replaces some other sources including federal funds formerly used to fund this program.
- **Educator Preparation Site Visits.** The Governor's budget includes \$150,000 from general revenues to hire a vendor to complete site visits for the Performance Review for the Educator Preparation (PREP-RI) program. The vendor would support the Department of Elementary and Secondary Education in evaluating educator preparation programs at colleges and universities to determine if they meet standards.
- **Davies School Renovation.** Consistent with the approved plan, the Governor recommends \$35.0 million from Rhode Island Capital Plan funds for a project to significantly renovate the 1970s wing of Davies Career and Technical School.
- **Davies Health Career Classrooms.** Consistent with the approved plan, the Governor recommends \$6.9 million from Rhode Island Capital Plan funds for renovations to health career classroom space at Davies Career and Technical School in FY 2024.
- **Hasbro Children's Hospital.** The Governor's budget includes the FY 2024 enacted level of \$90,000 from general revenues to support the school at Hasbro Children's Hospital.
- **Child Opportunity Zones.** The Governor's budget includes the FY 2024 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 Governor's budget includes the enacted amount of \$130,000 from general revenues to City Year for the Whole School Whole Child Program, which provides individual support to at-risk students.
- **Fort Adams Trust.** The Governor's budget includes the enacted level of \$30,000 from general revenues to support the Fort Adams Trust's restoration activities.
- **Waterfire Providence.** The Governor's budget includes the enacted level of \$400,000 from general revenues to support operational costs of Waterfire Providence art installations.
- **Arts Funds.** The Governor's budget includes the enacted level of \$0.8 million from general revenues for grant awards through the Rhode Island State Council on the Arts.
- **Slave History Medallions Grant.** The Governor's budget includes the 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.
- **Council for the Humanities.** The Governor recommends the FY 2024 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 throughout the state.

- ***We the People National Championship.*** The Governor recommends the FY 2024 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

- ***Corrections Budget Shortfall.*** The Governor’s revised recommendation for FY 2024 includes use of \$20.0 million from State Fiscal Recovery funds for operating budget expenses for the Department of Corrections. The Department has a current year deficit in part from not returning its housing modules to pre-pandemic densities as assumed in the enacted budget. The one-time federal funds do not cover the full shortfall and its effects on FY 2025, and the Governor adds general revenues to cover the rest.
- ***Recidivism Study.*** The Governor’s budget requires the Department of Corrections to conduct a study to evaluate recidivism trends and existing program outcomes. The study would be due to the Governor, Speaker of the House and Senate President by March 1, 2025 and include relevant data and findings as well as recommendations to reduce recidivism.
- ***Chief Inspector Investigations.*** The Governor recommends \$0.2 million from general revenues and one new chief inspector for the Department of Corrections’ investigations office.
- ***Behavioral Management Unit.*** The Governor recommends \$10.8 million from Rhode Island Capital Plan funds to construct a behavioral management unit within High Security to provide psychiatric treatment for individuals who need specialized clinical intervention. The approved plan included \$250,000 for FY 2023 for a feasibility study.
- ***Computer Aided Dispatch and Records Management System.*** The Governor’s budget identifies use of \$3.0 million for the development of a centralized computer aided dispatch and records management system to be utilized by the Department of Public Safety and participating state and local agencies. It appears that most of this funding will come from E-911 receipt balances.
- ***Capitol Police.*** The Governor recommends \$0.1 million from general revenues for one additional capitol police officer who would be assigned to the State House.
- ***ARPA - Support for Survivors of Domestic Violence.*** The Governor’s revised budget includes the entire authorization of \$10.5 million from federal State Fiscal Recovery funds to provide supportive services to victims of domestic violence and assault. No funds were spent in FY 2023 and any unused funds from FY 2024 will be reappropriated.
- ***Vehicle Cameras.*** The Governor’s budget includes \$0.4 million from general revenues for the third year of a five-year plan to install vehicle cameras in all State Police patrol vehicles.
- ***New Southern Barracks.*** The Governor recommends \$38.2 million from Rhode Island Capital Plan funds for the construction of a new Southern barracks for the State Police. This is \$7.8 million or 25.6 percent more than the approved plan for a scaled back version and extends the project’s completion one year to FY 2026.
- ***Training Academy Upgrades.*** The Governor recommends \$6.2 million from Rhode Island Capital Plan funds for rehabilitation projects at the State Police Training Academy, including classroom renovations, installation of an electronic security gate, and environmental and safety upgrades to the firing range.
- ***ARPA - Municipal Public Safety Infrastructure.*** The revised budget includes \$11.0 million from State Fiscal Recovery funds, as enacted for FY 2024 to provide a pool of matching funds for municipal public

safety infrastructure projects, subject to certain limitations. The state released an application for funding in December with a deadline of January 26, 2024. Any unspent funds will be automatically reappropriated.

- ***Indigent Defense Program.*** The Governor’s budget includes \$6.0 million from general revenues for the Judiciary’s indigent defense program for FY 2024 and FY 2025. This is \$1.0 million more than enacted.
- ***Rhode Island Legal Services.*** The Governor recommends the enacted level of \$90,000 from general revenues for Rhode Island Legal Services to provide housing and eviction defense to indigent individuals.
- ***Rhode Island Coalition Against Domestic Violence.*** The Governor recommends the enacted level of \$230,000 from general revenues for the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project.
- ***Court Reporters.*** The Governor’s budget adds \$0.2 million from general revenues and 2.0 new full-time equivalent court reporter positions from Superior Court.
- ***Judicial Asset Protection.*** The Governor recommends \$8.3 million from Rhode Island Capital Plan funds for FY 2025 through FY 2029 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.
- ***Judicial Complexes HVAC.*** The Governor recommends \$2.5 million from Rhode Island Capital Plan funds for FY 2025 through FY 2029 for replacement and restoration of the heating, ventilation, and air conditioning systems for all judicial complexes, consistent with previously approved annual funding.
- ***Garrahy Judicial Complex.*** The Governor recommends the \$4.5 million from Rhode Island Capital Plan funds for the restoration of the Garrahy Judicial Complex for FY 2024 through FY 2027, including repairing tiles, replacing flooring and carpets, repainting, woodwork, and refurbishing bathrooms.
- ***Garrahy Courtroom Restoration.*** The Governor recommends \$1.8 million from Rhode Island Capital Plan funds approved for the restoration of the Garrahy courtrooms anticipated to be completed in FY 2024.
- ***Licht Window and Masonry Repairs.*** The Governor recommends \$3.0 million from Rhode Island Capital Plan funds for the 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.
- ***Fire Academy Expansion.*** The capital budget recommendation includes the approved amount of \$8.3 million from Rhode Island Capital Plan funds to expand the State Fire Academy in Exeter, including \$5.7 million for FY 2024, \$1.9 million for FY 2025, and \$0.7 million for FY 2026.
- ***Aviation Readiness Center.*** The capital budget recommendation includes \$49.8 million, including \$46.4 million from federal funds and \$3.4 million 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. The recommendation is \$11.4 million more than the approved plan to account for cost increases, including \$0.6 million from Rhode Island Capital Plan funds.
- ***Counter Drug Training Facility.*** The Governor recommends \$8.3 million, including \$5.2 million from federal Google asset forfeiture funds and \$3.0 million from Rhode Island Capital Plan funds, to construct a Counter Drug Training Facility at Camp Fogarty in East Greenwich. The facility was originally approved assuming only federal funds. The state support represents the shortfall to the construction bid received on the original design.

- ***Repair Squadron Operations Facility.*** The capital budget recommendation includes \$3.4 million, including \$2.8 million from federal funds and \$0.6 million from Rhode Island Capital Plan funds, for a new project to renovate and upgrade the Air National Guard's Repair Squadron Operations Facility in Quonset.
- ***Quonset Airway Runway Reconstruction.*** The capital budget recommendation includes \$58.0 million, including \$3.0 million from Rhode Island Capital Plan funds, to reconstruct and upgrade runway 16-34 at Quonset State Airport to military specifications. The proposal is \$0.1 million more than the approved plan, including \$0.3 million more from Rhode Island Capital Plan funds, based on Airport Corporation administrative costs.
- ***Quonset Air National Guard Headquarters Facility.*** The capital budget recommendation includes \$38.0 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. The proposal is \$11.0 million less from federal funds than the approved plan based on a lower than expected construction bid.
- ***Sun Valley Armory.*** The capital budget recommendation includes \$7.6 million, including \$0.8 million from Rhode Island Capital Plan funds, to construct additional armory and storage space for sensitive equipment at the Sun Valley Armory. State funds will be used for any unforeseen costs above federal appropriations. The proposal is \$0.6 million less from federal funds than the approved plan based on final project estimates.
- ***Emergency Management Agency.*** The Governor recommends adding \$0.8 million from general revenues to support the Emergency Management Agency's warehouse and two new staff. This includes an assistant Director of Communications and a warehouse manager.

Climate

- ***Climate Resiliency Projects.*** The Governor's budget includes \$2.0 million from new general obligation bonds to go before voters in November 2024 for up to 75.0 percent matching grants to public and non-profit entities for coastal restoration, public safety and resiliency projects.
- ***Municipal Resiliency.*** The Governor's capital budget assumes \$10.0 million from new general obligation bond funds to go before the voters in November 2024 to provide grants to municipalities for projects that mitigate the effects of climate change, including improving resiliency of infrastructure and public safety in the face of increased flooding, major storm events, and environmental degradation.
- ***Executive Climate Change Coordinating Council Projects.*** The recommended budget includes \$1.9 million for FY 2024 and \$0.8 million for FY 2025 from Regional Greenhouse Gas Initiative funds to support the Council's projects.
- ***E-Bike Rebates.*** The Governor recommends \$0.5 million from general revenues for the Office of Energy Resources to fund e-bike rebates which are currently supported with restricted receipts allocated to the Executive Climate Change Coordinating Council. The program provides a rebate of up to \$750 on the purchase of an e-bike and each household is limited to two rebates.
- ***ARPA - Electric Heat Pumps.*** The Assembly authorized a total of \$25.0 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. Funding programmed for use in FY 2023 was not spent and the Governor's revised budget contains the full amount in FY 2024. The Office of Energy Resources started taking applications for the program on September 5, 2023.

- ***Electric Vehicle Charging Stations Operating and Maintenance Account.*** The Governor proposes legislation authorizing the Office of Energy Resources to assess fees for use of electric vehicle charging stations on state properties effective on January 1, 2025. Fee revenues would be treated as restricted receipts and would be used to help offset the cost of electricity and maintenance of the charging stations.

Environment

- ***Brownfields Remediation and Economic Development.*** The Governor’s budget includes \$5.0 million from new general obligation bonds to go before voters in November 2024 for up to 80.0 percent matching grants to public, private, and nonprofit entities for brownfield remediation projects.
- ***Local Recreation Development Matching Grant Program.*** The Governor’s budget includes \$5.0 million from new general obligation bonds to go before voters in November 2024 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.
- ***Newport Cliff Walk.*** The Governor recommends seeking voter approval for \$8.0 million of general obligation bonds in November 2024 to restore and improve tourism infrastructure at the historic public access walkway.
- ***Farmland Preservation.*** The FY 2024 enacted budget includes \$2.5 million from general revenues for farmland preservation. The goal is to eliminate economic pressures on farmers to sell land for residential or commercial development. The Governor recommends shifting \$986,000 to FY 2025 to reflect updated timelines for real estate transactions.
- ***Underground Storage Tank Trust Fund.*** The Governor proposes to transfer reserves of \$2.0 million from the Underground Storage Tank Trust Fund to state general revenues by June 30, 2024.
- ***Seafood Marketing Collaborative.*** The Governor’s budget adds \$100,000 from general revenues to support local fishermen and small businesses and increase public awareness and consumption of local seafood products.
- ***Parks and Recreation Staff.*** The Governor recommends adding 12.0 new full-time equivalent positions to replace seasonal employees that support maintenance, security, and public engagement at state parks and beaches.
- ***Local Agriculture and Seafood Program.*** The FY 2024 enacted budget includes \$700,000 from general revenues for the local agriculture and seafood program grants for small businesses in the food sector. This reflects a commitment of \$200,000 of annual ongoing support and an additional \$500,000 in one-time funding for FY 2024, which was also included in the FY 2023 enacted budget. The Governor recommends \$700,000 for FY 2025 to continue the extra \$500,000 for a third year.
- ***Litter Removal.*** The FY 2024 enacted budget includes \$100,000 from general revenues to support a new Litter-Free Rhody initiative to encourage removal of trash and litter from state parks, beaches, and management areas. The Governor recommends \$100,000 for FY 2025 to continue the initiative for another year.
- ***Conservation Districts.*** The Governor recommends the enacted level of \$100,000 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 Governor recommends the 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 Governor recommends the enacted level of \$150,000 from general revenues to support rescue and rehabilitation programs for marine mammals that become stranded in Rhode Island waters.
- ***Dam Repair.*** The Governor recommends \$11.5 million more from Rhode Island Capital Plan funds for current and future repairs to “high hazard” state owned dams at various recreational and management areas operated by the Department of Environmental Management. This more than doubles the approved plan’s funding levels and brings total project costs to \$29.9 million including prior year spending. Sites often take several years to complete as inspections and repairs are dependent on seasonal conditions.
- ***Facilities Asset Protection.*** The Governor recommends \$0.8 million annually from Rhode Island Capital Plan funds for asset protection at parks and recreations facilities, consistent with approved funding levels.
- ***Fish and Wildlife Facilities.*** The Governor recommends \$4.9 million from all sources for repairs and renovations to 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 Interior.
- ***Fort Adams.*** The Governor recommends increased Rhode Island Capital Plan funding for restoration and renovation of Fort Adams in Newport with annual support growing from \$0.3 million for FY 2024 and FY 2025 to \$0.5 million for FY 2026 through FY 2029.
- ***Natural Resources Office and Visitors Center.*** The Governor recommends \$19.0 million for the construction of new office facilities and visitor centers for the Divisions of Forestry and Fish and Wildlife. Funding includes \$14.0 million from federal funds and \$5.0 million from Rhode Island Capital Plan funds, \$0.7 million less than previously approved
- ***Port of Galilee Rehabilitation.*** The Governor recommends \$73.4 million from Rhode Island Capital Plan funds for facilities and infrastructure improvements at the Port of Galilee. The project includes repairing and/or replacing the 1,500-foot long northern bulkhead section, replacing commercial fishing docks, updating marine infrastructure, and utility services. This is \$3.7 million less than prior approved levels to reflect updated costs.
- ***Recreational Facility Improvements.*** The Governor recommends \$74.4 million from FY 2024 through FY 2029 for ongoing plans to address a variety of major capital development projects at state parks, beaches and campgrounds. Funding includes \$22.1 million from Rhode Island Capital Plan funds, \$19.9 million from federal funds, and \$32.4 million from general obligation bonds.
- ***Confined Aquatic Dredged Material Disposal Cells.*** The Governor’s capital budget includes \$109.0 million for FY 2026 to construct new confined aquatic disposal cells in the Providence River which are used to contain materials displaced during dredging. This project cost has increased considerably since the 2017 Assembly authorized \$10.5 million of debt financed by user fees to match federal funds from the Army Corps of Engineers. By source, the total includes \$68.4 million from federal funds, \$20.6 million from Rhode Island Capital Plan funds, and \$20.0 million of debt, including \$9.5 million that requires Assembly approval by 2025.
- ***Shoreline Access.*** The Governor recommends \$25,000 from general revenues to develop and disseminate signage and informational materials that educate the public on the Shoreline Access Bill enacted in June 2023.

Transportation

- **ARPA - Municipal Roads Grant Program.** The Governor recommends an additional \$5.0 million for a total of \$25.0 million from State Fiscal Recovery funds for the Municipal Roads Grant Program for the construction and maintenance of roads, sidewalks and bridges. The additional funds will be distributed equally, with each eligible municipality receiving \$128,205. Of the \$20.0 million allocation, \$15.0 million is distributed proportionally based on non-federal lane miles of roads in each community. A municipal match of 67.0 percent is required.
- **ARPA - TBA Safety Barriers Study.** The Assembly provided a total \$1.8 million 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 is underway; Mount Hope and Jamestown bridges will be completed in April/May 2024 and Newport and Sakonnet bridges will be completed in January 2025. The revised budget includes \$1.6 million, including \$0.9 million from FY 2023 unspent State Fiscal Recovery funds in FY 2024.
- **ARPA - RIPTA R-Line Free Service.** The Assembly provided a total \$3.3 million from State Fiscal Recovery funds to support a one-year free fare bus service pilot program along the R-Line. The program began September 1, 2022 and the Authority's board of directors extended the program one extra month through October 2023. The Authority tracked ridership data and must submit a report to the Governor, Speaker of the House and the President of the Senate by March 1, 2024.
- **Statewide Litter Campaign.** The budget authorizes the Department of Transportation to fill 10.0 groundskeeper positions within its existing staffing level for the Statewide Litter Campaign to expand efforts to remove trash from state roads. The recommended budget adds \$0.8 million for FY 2024 and \$1.1 million for FY 2025 for operating expenses, including a media campaign, contracted cleaning services, and materials such as trash bags and safety vests. These expenses are offset by savings from existing positions being replaced.
- **ARPA - RI Public Transit Authority - Operating Grant.** The Authority is projecting an operating deficit of about \$18 million for FY 2025. The budget authorizes \$10.0 million from State Fiscal Recovery funds to partially defray that gap and requires the Authority review all operations, including ridership and administration to identify efficiencies by January 1, 2025. The study must summarize the findings and include recommendations for sustainable and effective transit operations.
- **Gas Tax Redistribution.** The Governor proposes to codify the current practice for the treatment of the proceeds from the 1-cent for elderly/disabled transportation services in state law by altering the division of that one cent among the program entities. The Office of Healthy Aging provides 79.0 percent of the proceeds to the Rhode Island Public Transit Authority to purchase transportation services and retains 21.0 percent of the funds for non-emergency transportation expenses.
- **Rhode Island Turnpike and Bridge Authority.** The recommendation includes transfers of \$15.1 million in FY 2024 and \$14.8 million in FY 2025 from gasoline tax proceeds to the Turnpike and Bridge Authority for operations related to the four bridges under its purview.
- **Rhode Island Public Transit Authority.** The Governor recommends \$51.9 million in FY 2024 and \$51.1 million in FY 2025 for the Authority's current share of the gasoline tax proceeds and highway maintenance funds. The recommendation in the current year is \$1.4 million more than enacted, including \$0.2 million less from highway maintenance funds and \$1.6 million more from gasoline tax proceeds, reflecting an updated tax yield.

Section II

Statewide Overview

Summary

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Function*				
General Government	\$ 2,705.2	\$ 2,877.6	\$ 2,429.4	\$ 2,221.8
Human Services	6,021.3	6,014.0	6,392.5	6,181.4
Education	3,481.0	3,566.8	3,549.2	3,442.9
Public Safety	810.6	825.6	876.4	860.6
Natural Resources	133.7	144.0	146.7	152.5
Transportation	859.1	981.1	823.3	816.7
Total	\$ 14,010.8	\$ 14,409.1	\$ 14,217.4	\$ 13,676.1
Expenditures by Category*				
Salaries and Benefits	\$ 2,099.9	\$ 2,000.5	\$ 2,108.3	\$ 2,068.3
Contracted Services	568.6	610.0	696.9	616.0
Subtotal	\$ 2,668.4	\$ 2,610.5	\$ 2,805.2	\$ 2,684.3
Other State Operations	1,235.2	1,244.6	1,193.1	1,189.8
Aid to Local Units of Government	2,147.2	2,219.1	2,131.3	2,066.4
Assistance, Grants, and Benefits	6,171.6	6,647.9	6,451.2	6,284.1
Capital	762.6	1,006.5	810.7	927.3
Capital Debt Service	328.6	319.8	277.0	272.0
Operating Transfers	697.2	360.7	548.9	252.1
Total	\$ 14,010.8	\$ 14,409.1	\$ 14,217.4	\$ 13,676.1
Sources of Funds*				
General Revenue	\$ 5,425.1	\$ 5,378.9	\$ 5,771.6	\$ 5,500.1
Federal Aid	5,643.0	5,793.7	5,235.1	4,929.2
Restricted Receipts	392.1	443.0	427.9	450.9
Other	2,550.6	2,793.4	2,782.8	2,795.9
Total	\$ 14,010.8	\$ 14,409.1	\$ 14,217.4	\$ 13,676.1
FTE Authorization	15,636.9	15,652.8	15,864.8	15,725.8

**Data in millions*

The Governor's budget recommendations for FY 2025 are contained in 2024-H 7225, introduced on January 18, 2024, which is the day it was due by law. Supporting documents required as part of that submission were made available with the introduction.

The Governor recommends a total FY 2025 budget of \$13,676.1 million. Total expenditures decrease by \$334.8 million from the FY 2024 budget enacted by the 2023 Assembly, or 2.4 percent. His FY 2024 revised budget totals \$14,409.1 million; final FY 2023 expenditures were \$12,899.9 million.

The recommended budget includes \$5,500.1 million of expenditures funded from general revenues, \$74.9 million, or 1.4 percent more than the enacted general revenue funded budget. This is also \$121.1 million more than his revised recommendation.

FY 2025	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2024 Enacted	\$ 5,425.1	\$ 5,643.0	\$ 392.1	\$ 2,550.6	\$ 14,010.8
Governor	5,500.1	4,929.2	450.9	2,795.9	13,676.1
Change to Enacted	\$ 74.9	\$ (713.8)	\$ 58.7	\$ 245.3	\$ (334.8)
Percent Change	1.4%	-12.6%	15.0%	9.6%	-2.4%

\$ in millions

FY 2024 Revised	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2023 Final	\$ 5,174.2	\$ 5,825.6	\$ 475.9	\$ 2,378.8	\$ 13,854.6
FY 2023 Reported*	5,074.9	5,251.6	354.6	2,218.8	12,899.9
Difference	\$ (99.3)	\$ (574.0)	\$ (121.4)	\$ (160.0)	\$ (954.7)
FY 2024 Enacted	\$ 5,425.1	\$ 5,643.0	\$ 392.1	\$ 2,550.6	\$ 14,010.8
Governor's FY 2024 Revised	5,378.9	5,793.7	443.0	2,793.4	14,409.1
Governor's Change to Enacted	\$ (46.2)	\$ 150.7	\$ 50.9	\$ 242.9	\$ 398.2
Percent Change	-0.9%	2.7%	13.0%	9.5%	2.8%

*\$ in millions; *draft audit*

The Budget Office estimated that there was more than a \$200 million gap between revenues and current services expenditures for FY 2025 when preparing its budget instructions in July. The November consensus revenue estimate is close to the amount anticipated by the Budget Office in its budget gap projections and about \$50 million above the amounts assumed in the House Fiscal Staff's June 2023 estimates.

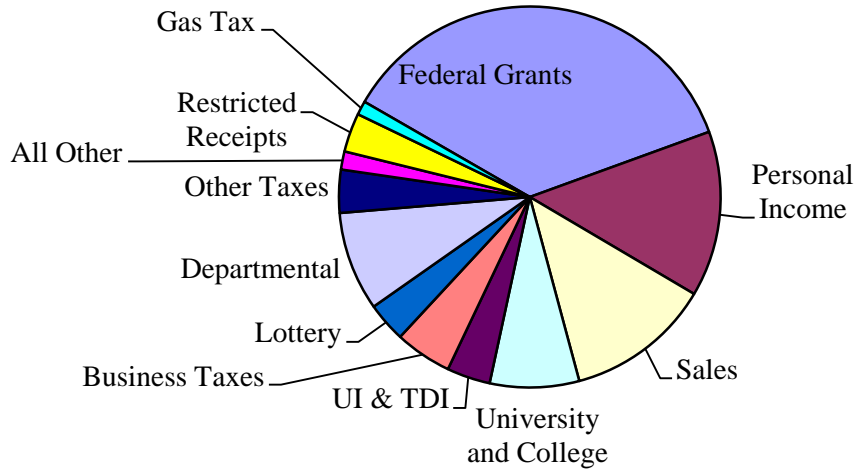
The Staff's estimated FY 2025 budget gap was only about \$125 million with most of the difference from the subsequent Budget Office estimate being expenditure assumptions for human services and education aid. The Budget Office used considerably higher growth rates for both items in its July estimate than in the out-year projections presented as part of the Governor's budget submission. A review of prior budget cycles shows a pattern of this disconnect in growth rate assumptions.

The FY 2023 preliminary closing as well as the November consensus caseload and revenue estimates for FY 2024 resulted in nearly \$100 million in additional resources, halving the budget gap, though most of that would be considered non-recurring. The consensus revenue forecast for FY 2025 was in line with prior estimates.

On the expenditure side, high vacancy levels in some agencies have contributed to current year savings offsetting overspending in other areas. Further revisions and policy choices contained in the FY 2024 revised recommendation increase available resources and projected ending surplus. The Governor's FY 2025 budget uses most of those one-time surplus general revenues to fund ongoing operating expenses.

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*.

Sources of Funds



The following table shows recommended FY 2025 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	\$ 4,929.2	36.1%	\$ -	0.0%
Personal Income	1,918.5	14.1%	1,918.5	35.0%
Sales	1,682.6	12.3%	1,682.6	30.7%
University and College	1,032.0	7.6%	-	0.0%
UI & TDI	501.9	3.7%	-	0.0%
Business Taxes	659.3	4.8%	659.3	12.0%
Lottery	458.8	3.4%	458.8	8.4%
Departmental	498.4	3.7%	498.4	9.1%
Other Taxes	210.6	1.5%	210.6	3.8%
All Other	1,148.8	8.4%	47.0	0.9%
Restricted Receipts	450.9	3.3%	-	0.0%
Gas Tax	160.2	1.2%	-	0.0%
Total	\$ 13,651.2	100%	\$ 5,475.3	100%

*Excludes federal funds in Employment Trust Fund

- *Federal funds* continue to be the single largest source, accounting for 36.1 percent of all revenues in FY 2025. Recommended expenditures from federal sources of \$4,929.2 million are \$713.8 million less than enacted for FY 2024, a 12.6 percent decrease, and are from over 300 different federal programs.

Medicaid is the single largest source of federal funds. The recommended budget includes \$2,787.1 million from Medicaid, 56.5 percent of all federal funds, and 20.4 percent of all revenues. Medicaid typically represents over half of all federal funds. This relative share declined in recent prior years because of the unprecedented influx of federal pandemic relief. Spending from those funds has declined but remain significant. Other major federal support includes \$360.1 million for the Supplemental Nutrition Assistance

Program and \$346.6 million of federal highway funds. These three programs account for over 70 percent of all federal funds; the top ten which include temporary assistance to needy families and grants to local school districts account for over 80 percent.

- *Sales and Personal Income taxes* combine for 26.4 percent of all revenues in FY 2025 and 65.8 percent of all general revenues. Combined with federal funds, they total nearly two-thirds, 62.5 percent.
- *Personal Income taxes* of \$1,918.5 million are the second largest of all revenue sources and the largest source of general revenues. The FY 2025 estimate is \$32.9 million more than the FY 2024 enacted budget estimates, or 1.7 percent.
- *Sales tax* revenues of \$1,682.6 million are the second largest of general revenue sources. That amount is \$75.6 million more than enacted for FY 2024, or 4.7 percent.
- *University and College Funds* are \$1,032.0 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 \$54.2 million or 5.5 percent from the FY 2024 enacted estimates.
- *Employment Security and Temporary Disability Insurance* payments are estimated at \$501.9 million, which are \$96.6 million more than the levels estimated for the FY 2024 enacted budget, based on current estimates from the Department of Labor and Training.
- *Business taxes* of \$659.3 million account for 4.8 percent of total revenues and 12.0 percent of general revenues for FY 2025. They would increase \$79.5 million or 13.7 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 \$458.8 million, which is 3.4 percent of all revenues and 8.4 percent of general revenues.
- *Departmental Revenues* of \$498.4 million include \$212.9 million from the hospital licensing fee. Departmental revenues would be 3.7 percent of all revenues and 9.1 percent of general revenues.
- *Other taxes* include cigarettes, alcohol, inheritance, realty transfer, and racing and athletics. These total \$210.6 million in the FY 2025 budget and comprise 1.5 percent of all sources but 3.8 percent of general revenues.
- The *gas tax*, currently 37.5 cents per gallon, not including the one-half cent for the Underground Storage Tank Financial Responsibility Fund. It is estimated to produce \$4.2 million from each cent in FY 2025 for a total of \$160.2 million.
- The remaining sources, estimated at \$1,599.7 million, constitute 11.7 percent of all FY 2025 sources and include sources dedicated to specific purposes such as lottery operations, transportation funds and restricted receipts as well as unclaimed property and miscellaneous other items.

General Revenue Sources

Less than half of the total funds collected or received from all sources are considered as general revenues, \$5,475.3 million, and 40.1 percent of all sources. They can be used for any legitimate purpose in contrast to federal funds, restricted receipts, and certain other sources that may only be used for specific purposes.

The Consensus Revenue Estimating Conference estimates the amount of 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 upon current law at the times of the conferences.

Available general revenues also include \$14.7 million of delayed reimbursements from the Federal Emergency Management Agency for expenses charged to general revenues in FY 2023. It also includes a balance forward from FY 2024 of \$195.9 million minus a transfer of \$170.1 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.

FY 2025 Expenditures

Recommended expenditures of \$13,676.1 million are \$334.8 million less than enacted for FY 2024, or 2.4 percent. They can be divided into a functional classification of expenditures that aggregates agencies with like programs and purposes into the six functions used: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally offers a look at what they do or provide for.

The presentation of expenditure by function and category discussed on the next page reflects the data in the Governor’s budget. Comparisons by function and by category between years has been complicated in recent years because of the large influx of federal COVID-related expenses and grants and how they are budgeted. For FY 2025 there is also change in budget presentation for over \$100 million in expenses for services at state run group homes and Eleanor Slater Hospital that are Medicaid reimbursable. Staffing and other operating expenses are reclassified to the grants and benefits category.

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 \$6,181.4 million are 45.2 percent of all expenditures and 39.1 percent of those funded from general revenues. These expenditures are \$160.1 million more than enacted for FY 2024 by the 2023 Assembly. Those funded from general revenues are \$112.0 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 50.0 percent of total expenses, or \$1,720.6 million of the \$3,442.9 million. Education aid is discussed in detail in *Section VI* of this volume, *Special Reports: Education Aid*. Education expenditures comprise 25.2 percent of total expenditures, but 34.2 percent of

general revenue funded ones. They decrease by \$38.1 million from the enacted FY 2024 budget; those funded from general revenues increase by \$74.4 million.

- The budget includes \$860.6 million for *Public Safety* expenditures, \$50.1 million more than the enacted budget. They comprise 6.3 percent of all expenditures and 10.9 percent of those funded from general revenues.
- *Natural Resources* programs would spend \$152.5 million, which is \$18.8 million more than enacted for FY 2024. They are 1.1 percent of total expenditures and 1.1 percent of those from general revenues.
- *Transportation* programs account for 6.0 percent of expenditures and include the state's highway and transit programs. Funding of \$816.7 million, none from general revenues, is \$42.4 million less than enacted for FY 2024.
- The remaining 16.2 percent of expenditures, \$2,221.8 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 that for higher education and the transportation Grant Anticipation Revenue Vehicle bonds. General Government expenditures are \$483.3 million or 17.9 percent less than the enacted budget, primarily reflecting the exclusion of non-recurring allocations of federal State Fiscal Recovery funds that appear in the FY 2024 enacted budget.

Expenditures by Category

Expenditures are also aggregated and presented by accounting categories that designate what is purchased as opposed to the purpose of expenditures. The categories include: state operations; local aid; assistance, grants and benefits; capital; and operating transfers.

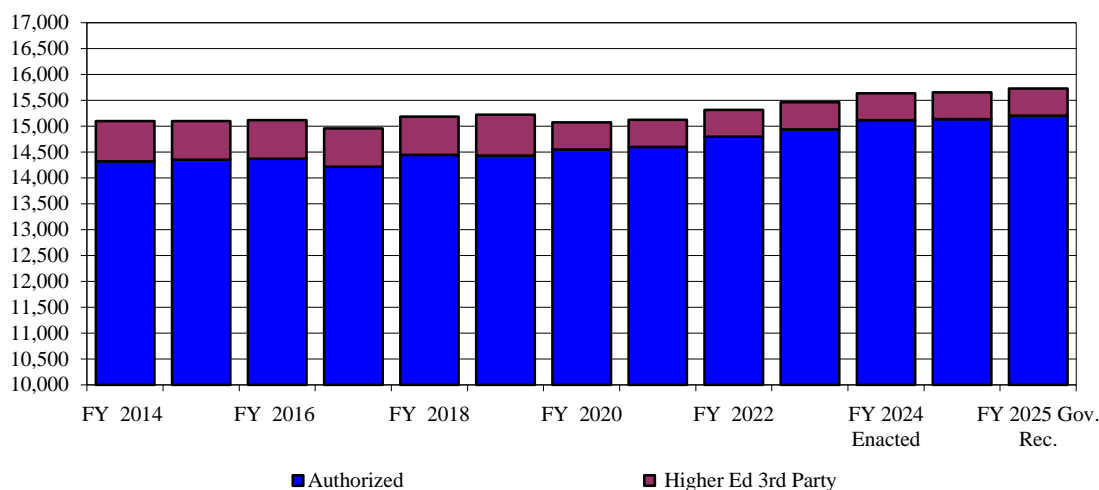
State Operations are the day-to-day expenses of state government. These expenditures include *personnel* and *other operating* expenditures. Personnel expenditures include *salaries and benefits* including fringe benefits, workers' compensation and unemployment compensation, and *contracted professional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

The budget includes \$2,068.3 million for total *salaries and benefits* for 15,725.8 full-time equivalent positions and *contracted services* expenditures of \$616.0 million. Salary and benefit expenditures are \$31.6 million less than the enacted budget. Accounting for the reclassification issue previously noted shows a 3.1 percent increase. Contracted services expenditures would increase \$47.4 million. Salaries and benefits account for 15.1 percent of total expenditures and 20.4 percent of those funded from general revenues. Expenditures for contracted services account for 4.5 percent of the total budget and 2.8 percent of those funded from general revenues.

The total personnel expenditures are the costs associated with all positions in state service, excluding those funded through internal service accounts. These accounts are funded from operating charges to state agencies for overhead type services provided by the individuals funded from the accounts. These costs are treated in the budget as operating expenses; the personnel and operating costs in the internal service accounts are essentially off line to avoid double counting. The largest ones were converted to direct appropriations by the 2006 Assembly in the FY 2008 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.

Full-Time Equivalent Positions



The budget includes \$1,189.8 million for *other state operations*, which constitutes 8.7 percent of FY 2025 expenditures from all sources and 4.5 percent of those funded with general revenues. This is \$45.4 million less than enacted, \$10.7 million less 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 designed to decrease property tax reliance and education aid. The budget includes \$2,066.4 million for *aid to local units of government* that includes \$1,720.6 million in education aid and \$345.8 million in general state aid. These expenditures comprise 15.1 percent of all expenditures. However, they comprise 32.7 percent of general revenue funded ones.

Local aid expenditures from general revenues of \$1,799.8 million consist of \$1,459.5 million in education aid and \$340.2 million in general state aid. General revenue funded education aid increases by \$37.3 million; general aid is \$1.6 million more. Local aid is discussed in detail in *Section VI* of this volume, *Special Reports: State Aid to Local Governments* and *Special Reports: Education Aid*.

Assistance, Grants, and Benefits constitutes 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, and temporary disability and workers’ compensation. This is the largest category of expenditure.

Assistance, grants, and benefits are \$6,284.1 million and constitute the largest category, 45.9 percent of all expenditures and 35.0 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 \$112.5 million more than the enacted budget considering all sources. Those expenses from general revenues are \$158.2 million more. The total values would be lower by \$113.1 million lower from all sources and \$48.9 million from general revenues but for the category change related to Medicaid reimbursable staff, described earlier.

The following table shows the major grants in human services.

EOHHS-Human Services Grants	All Funds				General Revenues			
	FY 2023 Actuals	FY 2024 Enacted	FY 2025 Gov. Rec.	Change	FY 2023 Actuals	FY 2024 Enacted	FY 2025 Gov. Rec.	Change
<i>EOHHS/Human Services</i>								
Managed Care	\$ 971.5	\$1,070.0	\$1,070.3	\$ 0.3	\$ 369.2	\$ 452.8	\$ 458.0	\$ 5.2
Long Term Care	419.5	478.2	587.3	109.1	174.3	211.6	258.4	46.8
Hospitals	224.2	361.7	357.7	(3.9)	90.1	121.3	119.7	(1.7)
Rhody Health Partners	288.6	326.8	338.3	11.5	114.9	145.8	150.0	4.1
Rhody Health Options	165.4	175.2	203.8	28.6	66.4	77.5	89.7	12.2
Expansion	784.5	821.7	749.5	(72.3)	83.6	89.3	80.0	(9.3)
Other	159.3	188.7	226.7	38.0	51.5	72.1	89.5	17.4
Pharmacy	790.5	97.0	107.1	10.1	80.5	96.5	107.7	11.2
Health System Transformation Project	37.3	21.9	1.1	(20.8)	-	-	-	-
Subtotal: Medical Assistance	\$3,840.6	\$3,541.1	\$3,641.8	\$100.7	\$1,030.5	\$1,266.9	\$1,352.9	\$ 86.0
Child Care	\$ 59.6	\$ 72.2	\$ 69.1	\$ (3.0)	\$ 9.1	\$ 10.2	\$ 10.1	\$ (0.0)
Rhode Island Works Program	24.7	26.0	27.5	1.5	-	-	-	-
SSI State Program	16.6	17.1	16.5	(0.6)	16.6	17.1	16.5	(0.6)
SSI/Bridge Program	1.2	1.8	2.4	0.5	1.2	1.8	2.4	0.5
Subtotal: Cash Assistance	\$ 102.1	\$ 117.1	\$ 115.5	\$ (1.6)	\$ 26.9	\$ 29.1	\$ 29.0	\$ (0.1)
Supplemental Nutrition Assistance	\$ 467.2	\$ 369.0	\$ 359.6	\$ (9.4)	\$ -	\$ -	\$ -	\$ -
LIHEAP, Water, & Weatherization	50.5	31.8	34.5	2.7	-	-	-	-
Veterans' Organizations	0.2	0.4	0.4	-	0.2	0.4	0.4	-
Community/Social Services Block Grants	8.9	7.5	7.6	0.1	5.0	3.2	3.2	-
Subtotal: Other Assistance	\$ 526.9	\$ 408.7	\$ 402.1	\$ (6.7)	\$ 5.2	\$ 3.5	\$ 3.5	\$ -
<i>DHS/Office of Healthy Aging</i>								
Medical Assistance	\$ 5.1	\$ 10.9	\$ 4.7	\$ (6.2)	\$ 20.8	\$ 4.7	\$ 1.9	\$ (2.8)
COVID Relief Programs	3.0	3.8	1.6	(2.2)	-	-	-	-
Senior Services Support/Other Programs	2.0	2.6	2.8	0.2	2.0	2.6	2.8	0.2
Other Grants	7.2	8.7	8.8	0.1	(18.2)	0.5	0.4	(0.1)
<i>Behavioral Healthcare, Developmental Disabilities and Hospitals</i>								
Developmental Disabilities	\$ 340.1	\$ 419.7	\$ 492.2	\$ 72.6	\$ 142.7	\$ 185.9	\$ 216.9	\$ 31.0
Behavioral Healthcare Services	21.5	26.2	28.8	2.6	0.5	-	0.0	0.0
COVID Relief Programs	7.2	8.9	6.8	(2.1)	-	-	-	-
<i>Children, Youth and Families</i>								
Child Welfare	\$ 158.8	\$ 195.8	\$ 212.8	\$ 17.0	\$ 101.4	\$ 115.0	\$ 140.7	\$ 25.7
Children's Behavioral Health	12.4	12.7	12.4	(0.3)	3.7	4.7	3.9	(0.8)
Juvenile Corrections	1.8	1.3	0.9	(0.4)	1.7	1.1	0.6	(0.4)
Higher Ed. Incentive Grants	0.1	0.2	0.2	-	0.1	0.2	0.2	-
<i>Health</i>								
Women, Infants and Children	\$ 19.2	\$ 18.6	\$ 23.3	\$ 4.7	\$ -	\$ -	\$ -	\$ -
Maternal Infant & Early Childhood	7.4	10.7	6.5	(0.2)	-	0.9	-	-
COVID Relief Programs	7.8	2.8	1.0	(1.8)	-	-	-	-
Other Grants	22.1	23.0	20.0	(3.0)	0.9	1.8	1.3	(0.5)

\$ in millions

Capital expenditures have in the past included only direct pay capital improvements and debt service on financed capital improvements. Expenditures for direct pay are reflected in the years that the payments are made. Financed capital improvements are reflected as the annual debt service payments. Therefore, total capital expenditures for any year are not reflected in the budget. They are, however, presented annually in the capital budget as part of the Governor's budget.

Capital expenses total \$927.3 million, or 6.8 percent of all expenditures; debt service of \$272.0 million is 2.0 percent. Capital expenditures would be \$164.7 million more than enacted for FY 2024 and debt service is \$56.6 million less. A comprehensive review of the capital budget is contained in *Section IV: Capital Budget*. However, they also include capital purchases that had formerly been included as capital outlays within state operations. The purpose may be to include all fixed assets above certain threshold values of cost and time. The budget does not present sufficient information to break the new items out from the old.

Operating Transfers are transfers between different funds and to component units of state government. They had been part of other categories in past budgets. Transfers to component units include transfers from general revenues to quasi-public agencies, such as the transfer to 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 transfers 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 \$252.1 million and constitute 1.8 percent of the total budget. The general revenues portion is \$39.1 million, 0.7 percent of general revenue funded expenditures.

General Revenue Surplus Statement

The Governor recommends an ending FY 2025 surplus of \$0.9 million, and an operating deficit of \$195.0 million reflecting use of the FY 2024 surplus. The Governor submitted his budget prior to the final release of audited financial statements for FY 2023; his budget uses draft audit data which shows a \$14.2 million increase to the preliminary free surplus.

	FY 2023*	FY 2024	FY 2025
Opening Surplus			
Free Surplus	\$ 209,649,745	\$ 412,262,966	\$ 195,871,918
Reappropriated Surplus	19,442,046	45,152,130	-
Adjustment to Opening Surplus	27,093,395	-	-
Adjustment to Fund Balance	243,669,100	14,717,153	-
Subtotal	\$ 499,854,286	\$ 472,132,249	\$ 195,871,918
Revenues			
Actual/Enacted/Estimated	\$5,212,664,935	\$5,276,275,288	\$5,454,200,000
Governor	-	46,939,153	21,053,452
Revenues	\$5,212,664,935	\$5,323,214,441	\$5,475,253,452
Cash Stabilization Fund	(162,669,440)	(172,064,322)	(170,133,761)
Total Available Resources	\$5,549,849,781	\$5,623,282,368	\$5,500,991,609
Expenditures			
Actual/Enacted/Estimated	\$5,074,929,254	\$5,425,140,429	\$5,495,954,661
Reappropriations	-	45,152,130	-
Governor	-	(91,351,615)	4,134,322
Total Expenditures	\$5,074,929,254	\$5,378,940,944	\$5,500,088,983
Total Surplus	\$ 474,920,527	\$ 244,341,424	\$ 902,626
Transfers	(17,505,431)	(48,469,506)	-
Reappropriations	(45,152,130)	-	-
Free Surplus	\$ 412,262,966	\$ 195,871,918	\$ 902,626
<i>Operating Surplus/(Deficit)</i>	<i>(5,491,713)</i>	<i>(182,638,695)</i>	<i>(194,969,292)</i>
Budget Stabilization and Cash Reserve	\$ 278,933,475	\$ 270,442,487	\$ 282,249,100
Percent of Revenues	5.4%	5.1%	5.2%

*Draft Audit figures used in Governor's budget

The Budget Reserve and Cash Stabilization Account, the “rainy day fund” would have ending balances of \$278.9 million in FY 2023, \$270.4 million in FY 2024 and \$282.2 million in FY 2025. The account receives 3.0 percent of general revenues plus free surplus annually. The FY 2024 budget also created a supplemental reserve fund to which it contributed \$55.0 million. It also dedicated half of any unexpected excess revenues at fiscal close; draft data shows that to be \$6.5 million. The Governor has proposed repealing the excess transfer provision and recapturing those funds in FY 2024.

Out-Year Forecasts

The out-years continue to be unbalanced. The forecast included with the Governor’s budget estimates a \$244.4 million gap for FY 2026 and averaging about the same amount through FY 2029. The FY 2026 gap includes the impact of using the surplus funds in FY 2025 as well as updated economic growth projections. The forecast also assumes the impact of new proposals including increased commitments for human services program rates and changes to tax exemptions and credits.

The Governor’s budget contains a detailed description of the many issues and risks to the forecast presented. Staff review of these assumptions including education aid projections, notably construction support which appears to be understated, and the impact of expiring federal funds is ongoing.

	FY 2026	FY 2027	FY 2028	FY 2029
Opening Surplus	\$ 0.9	\$ -	\$ -	\$ -
Revenues	5,596.7	5,739.0	5,914.4	6,078.8
Cash Stabilization Fund	(167.9)	(172.2)	(177.4)	(182.4)
Useable Revenues	\$ 5,429.7	\$5,566.9	\$5,737.0	\$ 5,896.4
Expenditures	5,674.0	5,832.3	5,988.5	6,114.8
Total Surplus	\$ (244.4)	\$ (265.4)	\$ (251.5)	\$ (218.4)
Revenue Growth	2.2%	2.5%	3.1%	2.8%
Useable Revenue Growth	-1.3%	2.5%	3.1%	2.8%
Expenditure Growth	3.2%	2.8%	2.7%	2.1%
Surplus Percent of Useable Revenues	-4.5%	-4.8%	-4.4%	-3.7%

\$ in millions

The following table shows the out-year forecast surpluses and deficits, as well as the four-year average for the past eight Governor’s budgets, including the current one.

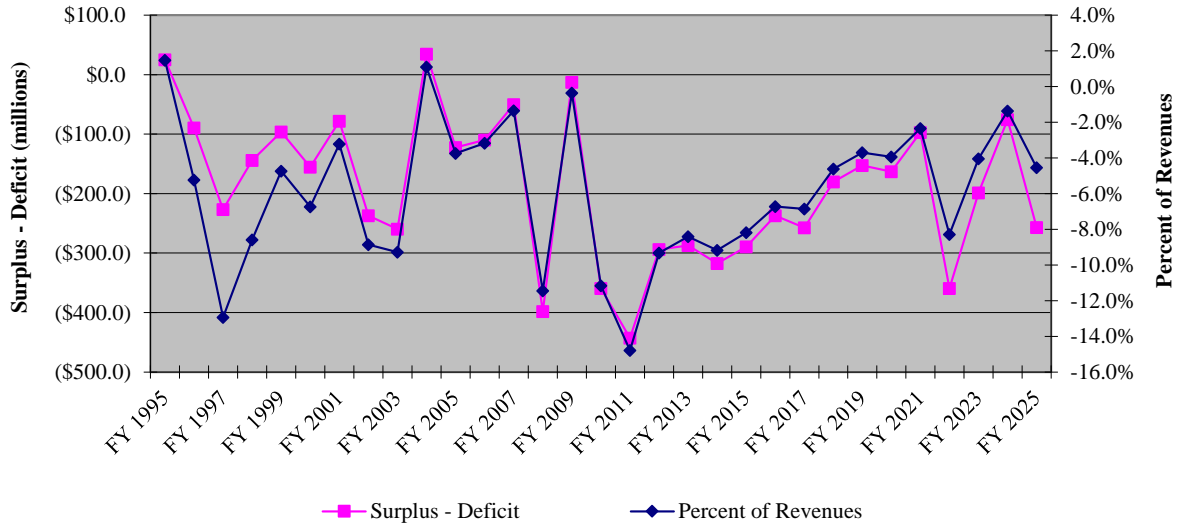
<i>(in millions)</i>	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Average
<i>Gov. Budget</i>					Out-Year Forecasts							
FY 2018	\$(150.0)	\$(184.1)	\$(192.6)	\$(194.1)								\$(180.2)
FY 2019		(86.2)	(123.9)	(173.6)	(227.0)							(152.7)
FY 2020			(79.1)	(115.2)	(180.0)	(277.3)						(162.9)
FY 2021				(31.4)	(64.7)	(138.5)	(153.9)					(97.1)
FY 2022					(374.4)	(379.7)	(363.7)	(318.9)				(359.2)
FY 2023						(215.3)	(205.9)	(191.7)	(181.6)			(198.6)
FY 2024							(124.5)	(73.1)	(64.7)	(40.2)		(75.6)
FY 2025								(244.4)	(265.4)	(251.5)	(218.4)	(244.9)

One-time resources are used for the FY 2025 budget and are the primary reason again for the FY 2026 out-year budget gap. However, out-year projections are a function of both the assumptions made concerning revenues and expenditures and the structure of the budget. That is, the out-year projections are a function of assumed revenue and expenditure growth patterns for FY 2026 through FY 2029 and the FY 2025 budget itself. Also, the economic data used for the Governor’s budget is from the November consensus economic forecast. This had been revised from earlier projections and will be revised again in May.

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.

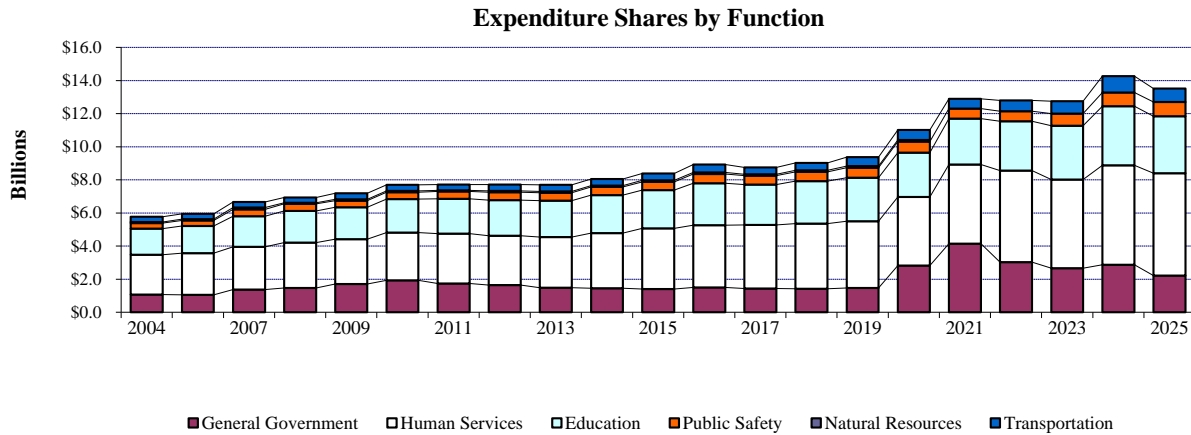
The following chart shows the average surpluses and deficits for the four out-years for each of the proposed budgets since FY 1995.

Average Four Year Surplus - Deficit



Distribution of Total Expenditures

Expenditures can be aggregated many ways. In Rhode Island, we have tended to aggregate by *function* and by *category of expenditure*. The functional classification aggregates agencies with like programs and purposes into the six functions used: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally offers a look at what they do or provide for. 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.

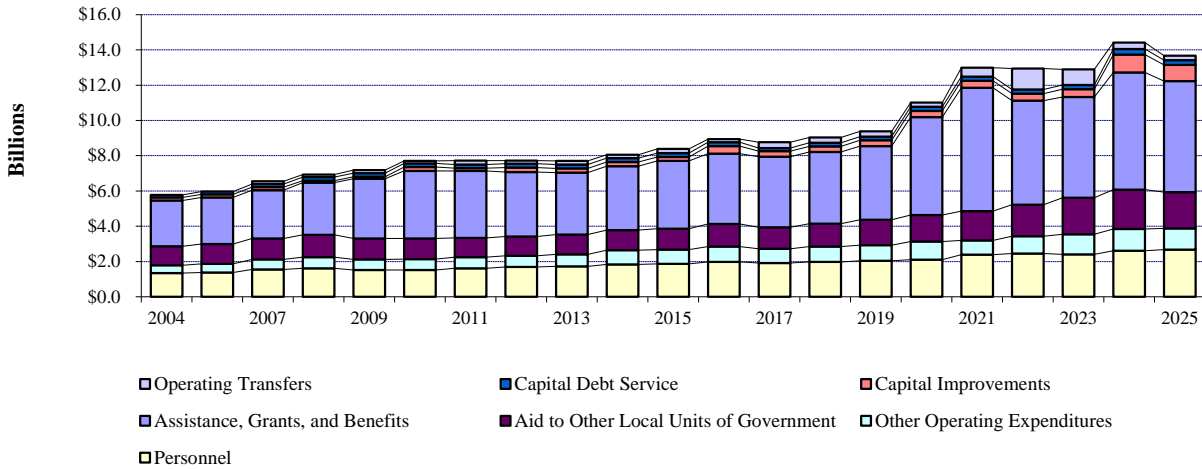
Public Safety includes the state’s law enforcement, adjudication, and penal programs.

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 designate what is purchased as opposed to the purpose of expenditures. The categories include: state operations; local aid; assistance, grants, and benefits; capital; and operating transfers. As noted previously, changes in budget presentation relative to internal service funds impact 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 designed to decrease property tax reliance and education aid.

Assistance, Grants, and Benefits constitutes 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, and unemployment compensation, temporary disability and workers’ compensation. This is the largest category of expenditure.

Capital expenditures include both direct pay *capital improvements* and *debt service* on financed capital improvements. Expenditures for direct pay are reflected in the years that the payments are made. Financed capital improvements are reflected as the annual debt service payments. Therefore, total capital expenditures for any year are not reflected in the budget.

The budget also classifies capital purchases that had once been included as capital outlay within state operations as part of capital. The purpose may be to include all fixed assets above certain threshold values of cost and time. 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 transfer to the Commerce Corporation. There are also instances where these expenses are already represented elsewhere in the budget thus double-counting the expenditure.

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 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 percent of the total shown in each cell.

Expenditures from All Funds

FY 2023 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 239.5 1.9%	\$ 430.7 3.3%	\$ 623.0 4.8%	\$ 491.5 3.8%	\$ 60.1 0.5%	\$ 78.8 0.6%	\$ 1,923.6 14.9%
Contracted Services	51.1 0.4%	234.8 1.8%	106.4 0.8%	23.5 0.2%	9.5 0.1%	61.3 0.5%	486.5 3.8%
Other State Operations	493.8 3.8%	182.5 1.4%	281.2 2.2%	97.4 0.8%	19.8 0.2%	55.6 0.4%	1,130.3 8.8%
Aid to Local Units of Government	304.9 2.4%	0.1 0.0%	1,770.4 13.7%	0.3 0.0%	0.1 0.0%	- 0.0%	2,075.9 16.1%
Assistance, Grants, & Benefits	754.5 5.8%	4,502.4 34.9%	365.3 2.8%	72.3 0.6%	11.0 0.1%	9.5 0.1%	5,715.1 44.3%
Capital	19.7 0.2%	10.0 0.1%	39.3 0.3%	22.6 0.2%	11.1 0.1%	340.2 2.6%	442.9 3.4%
Debt Service	166.1 1.3%	- 0.0%	65.3 0.5%	2.0 0.0%	- 0.0%	0.2 0.0%	233.6 1.8%
Operating Transfers	638.5 4.9%	(2.0) 0.0%	3.2 0.0%	8.9 0.1%	28.5 0.2%	214.8 1.7%	892.0 6.9%
Total	\$ 2,668.1 20.7%	\$ 5,358.6 41.5%	\$ 3,254.2 25.2%	\$ 718.6 5.6%	\$ 140.2 1.1%	\$ 760.4 5.9%	\$ 12,899.9 100.0%

FY 2024 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 278.4 2.0%	\$ 469.5 3.4%	\$ 664.6 4.7%	\$ 518.0 3.7%	\$ 66.9 0.5%	\$ 102.4 0.7%	\$ 2,099.9 15.0%
Contracted Services	57.4 0.4%	270.3 1.9%	134.2 1.0%	29.0 0.2%	10.1 0.1%	67.6 0.5%	568.6 4.1%
Other State Operations	530.1 3.8%	258.6 1.8%	261.8 1.9%	126.7 0.9%	21.3 0.2%	36.6 0.3%	1,235.2 8.8%
Aid to Local Units of Government	344.1 2.5%	- 0.0%	1,803.1 12.9%	- 0.0%	- 0.0%	- 0.0%	2,147.2 15.3%
Assistance, Grants, & Benefits	712.1 5.1%	4,947.8 35.3%	396.8 2.8%	66.0 0.5%	9.9 0.1%	39.0 0.3%	6,171.6 44.0%
Capital	134.1 1.0%	72.0 0.5%	151.1 1.1%	69.1 0.5%	25.4 0.2%	310.9 2.2%	762.6 5.4%
Debt Service	253.0 1.8%	- 0.0%	75.2 0.5%	- 0.0%	- 0.0%	0.3 0.0%	328.6 2.3%
Operating Transfers	395.8 2.8%	3.1 0.0%	(5.8) 0.0%	1.8 0.0%	- 0.0%	302.3 2.2%	697.2 5.0%
Total	\$ 2,705.2 19.3%	\$ 6,021.3 43.0%	\$ 3,481.0 24.8%	\$ 810.6 5.8%	\$ 133.7 1.0%	\$ 859.1 6.1%	\$ 14,010.8 100.0%

Expenditures from All Funds

FY 2025 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 281.1 2.1%	\$ 383.1 2.8%	\$ 699.3 5.1%	\$ 525.9 3.8%	\$ 68.1 0.5%	\$ 110.9 0.8%	\$ 2,068.3 15.1%
Contracted Services	57.5 0.4%	305.9 2.2%	137.7 1.0%	29.9 0.2%	14.2 0.1%	70.7 0.5%	616.0 4.5%
Other State Operations	482.3 3.5%	249.0 1.8%	270.5 2.0%	126.2 0.9%	21.4 0.2%	40.3 0.3%	1,189.8 8.7%
Aid to Local Units of Government	345.8 2.5%	- 0.0%	1,720.6 12.6%	- 0.0%	- 0.0%	- 0.0%	2,066.4 15.1%
Assistance, Grants, & Benefits	627.1 4.6%	5,175.4 37.8%	401.6 2.9%	45.5 0.3%	10.2 0.1%	24.3 0.2%	6,284.1 45.9%
Capital	144.9 1.1%	67.7 0.5%	139.0 1.0%	133.2 1.0%	38.6 0.3%	403.9 3.0%	927.3 6.8%
Debt Service	198.6 1.5%	- 0.0%	73.1 0.5%	- 0.0%	- 0.0%	0.3 0.0%	272.0 2.0%
Operating Transfers	84.6 0.6%	0.2 0.0%	1.1 0.0%	- 0.0%	- 0.0%	166.3 1.2%	252.1 1.8%
Total	\$ 2,221.8 16.2%	\$ 6,181.4 45.2%	\$ 3,442.9 25.2%	\$ 860.6 6.3%	\$ 152.5 1.1%	\$ 816.7 6.0%	\$ 13,676.1 100.0%

FY 2025 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 2.7 -0.8%	\$ (86.4) 25.8%	\$ 34.6 -10.3%	\$ 7.8 -2.3%	\$ 1.2 -0.3%	\$ 8.5 -2.5%	\$ (31.6) 9.4%
Contracted Services	0.1 0.0%	35.6 -10.6%	3.5 -1.1%	0.9 -0.3%	4.1 -1.2%	3.1 -0.9%	47.4 -14.2%
Other State Operations	(47.8) 14.3%	(9.6) 2.9%	8.6 -2.6%	(0.5) 0.2%	0.1 0.0%	3.8 -1.1%	(45.4) 13.6%
Aid to Local Units of Government	1.6 -0.5%	- 0.0%	(82.4) 24.6%	- 0.0%	- 0.0%	- 0.0%	(80.8) 24.1%
Assistance, Grants, & Benefits	(85.0) 25.4%	227.6 -68.0%	4.8 -1.4%	(20.4) 6.1%	0.3 -0.1%	(14.7) 4.4%	112.5 -33.6%
Capital	10.8 -3.2%	(4.3) 1.3%	(12.1) 3.6%	64.1 -19.1%	13.2 -3.9%	93.1 -27.8%	164.7 -49.2%
Debt Service	(54.5) 16.3%	- 0.0%	(2.1) 0.6%	- 0.0%	- 0.0%	- 0.0%	(56.6) 16.9%
Operating Transfers	(311.3) 93.0%	(2.9) 0.9%	6.9 -2.1%	(1.8) 0.5%	- 0.0%	(136.1) 40.6%	(445.1) 132.9%
Total	\$ (483.3) 144.4%	\$ 160.1 -47.8%	\$ (38.1) 11.4%	\$ 50.1 -15.0%	\$ 18.8 -5.6%	\$ (42.4) 12.7%	\$ (334.8) 100.0%

Expenditures from General Revenues

FY 2023 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 149.0 2.9%	\$ 239.2 4.7%	\$ 183.4 3.6%	\$ 453.7 8.9%	\$ 40.0 0.8%	\$ - 0.0%	\$ 1,065.3 21.0%
Contracted Services	13.9 0.3%	48.5 1.0%	16.4 0.3%	15.2 0.3%	1.4 0.0%	- 0.0%	95.5 1.9%
Other State Operations	51.5 1.0%	63.4 1.2%	41.2 0.8%	77.5 1.5%	12.0 0.2%	- 0.0%	245.6 4.8%
Aid to Local Units of Government	304.1 6.0%	- 0.0%	1,372.5 27.0%	- 0.0%	0.1 0.0%	- 0.0%	1,676.8 33.0%
Assistance, Grants, & Benefits	20.9 0.4%	1,343.2 26.5%	52.7 1.0%	13.2 0.3%	2.2 0.0%	- 0.0%	1,432.2 28.2%
Capital	2.7 0.1%	1.6 0.0%	0.7 0.0%	4.6 0.1%	0.2 0.0%	- 0.0%	9.7 0.2%
Debt Service	125.7 2.5%	- 0.0%	38.0 0.7%	- 0.0%	- 0.0%	- 0.0%	163.7 3.2%
Operating Transfers	362.9 7.2%	(5.4) -0.1%	0.1 0.0%	- 0.0%	28.5 0.6%	- 0.0%	386.2 7.6%
Total	\$ 1,030.7 20.3%	\$ 1,690.4 33.3%	\$ 1,705.2 33.6%	\$ 564.2 11.1%	\$ 84.4 1.7%	\$ - 0.0%	\$ 5,074.9 100.0%

FY 2024 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 172.1 3.2%	\$ 259.1 4.8%	\$ 211.1 3.9%	\$ 471.9 8.7%	\$ 43.4 0.8%	\$ - 0.0%	\$ 1,157.6 21.3%
Contracted Services	15.5 0.3%	56.2 1.0%	18.2 0.3%	19.5 0.4%	1.2 0.0%	- 0.0%	110.6 2.0%
Other State Operations	51.4 0.9%	82.9 1.5%	31.8 0.6%	78.8 1.5%	12.8 0.2%	- 0.0%	257.7 4.8%
Aid to Local Units of Government	338.6 6.2%	- 0.0%	1,422.2 26.2%	- 0.0%	- 0.0%	- 0.0%	1,760.8 32.5%
Assistance, Grants, & Benefits	15.6 0.3%	1,639.4 30.2%	80.2 1.5%	26.6 0.5%	4.5 0.1%	- 0.0%	1,766.2 32.6%
Capital	2.4 0.0%	0.9 0.0%	0.5 0.0%	3.5 0.1%	0.2 0.0%	- 0.0%	7.5 0.1%
Debt Service	217.8 4.0%	- 0.0%	42.5 0.8%	- 0.0%	- 0.0%	- 0.0%	260.3 4.8%
Operating Transfers	104.3 1.9%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	104.3 1.9%
Total	\$ 917.8 16.9%	\$ 2,038.4 37.6%	\$ 1,806.5 33.3%	\$ 600.3 11.1%	\$ 62.1 1.1%	\$ - 0.0%	\$ 5,425.1 100.0%

Expenditures from General Revenues

FY 2025 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 174.9 3.2%	\$ 206.3 3.7%	\$ 219.6 4.0%	\$ 480.0 8.7%	\$ 43.8 0.8%	\$ - 0.0%	\$ 1,124.5 20.4%
Contracted Services	18.8 0.3%	71.0 1.3%	39.8 0.7%	20.7 0.4%	1.3 0.0%	- 0.0%	151.6 2.8%
Other State Operations	49.1 0.9%	71.5 1.3%	28.4 0.5%	85.4 1.6%	12.6 0.2%	- 0.0%	247.1 4.5%
Aid to Local Units of Government	340.2 6.2%	- 0.0%	1,459.5 26.5%	- 0.0%	- 0.0%	- 0.0%	1,799.8 32.7%
Assistance, Grants, & Benefits	16.1 0.3%	1,801.3 32.7%	91.3 1.7%	12.9 0.2%	2.8 0.1%	- 0.0%	1,924.4 35.0%
Capital	2.4 0.0%	0.4 0.0%	0.3 0.0%	2.6 0.0%	0.2 0.0%	- 0.0%	5.9 0.1%
Debt Service	165.7 3.0%	- 0.0%	42.1 0.8%	- 0.0%	- 0.0%	- 0.0%	207.8 3.8%
Operating Transfers	39.1 0.7%	- 7.0%	0.0 0.0%	- 0.0%	- 0.0%	- 0.0%	39.1 0.7%
Total	\$ 806.3 14.7%	\$ 2,150.4 39.1%	\$ 1,880.9 34.2%	\$ 601.6 10.9%	\$ 60.8 1.1%	\$ - 0.0%	\$ 5,500.1 100.0%

FY 2025 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 2.8 3.7%	\$ (52.8) -70.5%	\$ 8.5 11.3%	\$ 8.1 10.8%	\$ 0.4 0.6%	\$ - 0.0%	\$ (33.1) -44.2%
Contracted Services	3.3 4.4%	14.8 19.7%	21.6 28.8%	1.2 1.6%	0.1 0.1%	- 0.0%	41.0 54.7%
Other State Operations	(2.3) -3.0%	(11.4) -15.2%	(3.5) -4.6%	6.6 8.8%	(0.2) -0.2%	- 0.0%	(10.7) -14.2%
Aid to Local Units of Government	1.6 2.2%	- 0.0%	37.3 49.8%	- 0.0%	- 0.0%	- 0.0%	39.0 52.0%
Assistance, Grants, & Benefits	0.5 0.6%	161.9 216.0%	11.1 14.8%	(13.7) -18.2%	(1.6) -2.2%	- 0.0%	158.2 211.1%
Capital	(0.1) -0.1%	(0.5) -0.7%	(0.1) -0.2%	(0.8) -1.1%	0.0 0.0%	- 0.0%	(1.6) -2.1%
Debt Service	(52.1) -69.6%	- 0.0%	(0.5) -0.6%	- 0.0%	- 0.0%	- 0.0%	(52.6) -70.2%
Operating Transfers	(65.3) -87.1%	- 0.0%	0.0 0.0%	- 0.0%	- 0.0%	- 0.0%	(65.3) -87.1%
Total	\$ (111.5) -148.8%	\$ 112.0 149.4%	\$ 74.4 99.3%	\$ 1.4 1.9%	\$ (1.3) -1.7%	\$ - 0.0%	\$ 74.9 100.0%

Section III

Agency Analyses

Department of Administration

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Central Management	\$ 111,636,356	\$ 45,929,070	\$ 36,953,839	\$ 49,433,141
Accounts & Control	19,767,213	8,159,148	8,084,719	7,989,065
Office of Management & Budget	11,053,032	19,653,195	13,157,894	12,763,999
Purchasing	4,927,613	5,284,969	5,485,227	5,265,398
Human Resources	937,996	930,739	937,221	943,668
Personnel Appeal Board	100,881	100,368	159,288	159,290
General	224,521,902	264,290,593	150,861,490	142,155,297
Debt Service	218,147,926	211,689,329	203,748,883	198,225,338
Legal Services	2,440,410	2,409,575	2,474,359	2,491,594
Information Technology	20,554,831	28,335,394	5,171,414	5,367,987
Library Programs	3,476,305	3,456,047	3,544,994	3,562,628
Planning	6,606,016	6,552,981	6,792,851	6,758,419
Energy Resources	47,533,500	68,182,359	43,280,950	42,824,429
Statewide	-	5,000,000	-	-
Health Benefits Exchange	31,893,421	30,485,975	30,617,189	30,427,443
Equity, Diversity & Inclusion	2,007,320	1,780,546	2,488,087	2,762,640
Capital Asset Mgmt. & Maint.	12,161,961	9,894,370	12,457,881	8,267,729
Total	\$ 717,766,683	\$ 712,134,658	\$ 526,216,286	\$ 519,398,065
Expenditures by Category				
Salaries and Benefits	\$ 39,076,655	\$ 36,961,906	\$ 40,429,469	\$ 37,568,057
Contracted Services	22,248,932	23,607,969	18,869,380	19,344,380
Subtotal	\$ 61,325,587	\$ 60,569,875	\$ 59,298,849	\$ 56,912,437
Other State Operations	95,889,859	54,531,054	24,665,727	22,689,081
Aid to Local Units of Government	13,384,631	13,384,631	14,735,084	14,051,466
Assistance, Grants, and Benefits	126,945,232	170,218,847	52,124,681	64,069,681
Capital	122,173,448	145,340,922	134,743,062	126,550,062
Capital Debt Service	253,047,926	246,589,329	203,648,883	198,125,338
Operating Transfers	45,000,000	21,500,000	37,000,000	37,000,000
Total	\$ 717,766,683	\$ 712,134,658	\$ 526,216,286	\$ 519,398,065
Sources of Funds				
General Revenue	\$ 293,843,692	\$ 292,357,861	\$ 236,797,560	\$ 227,870,824
Federal Aid	212,681,251	183,993,462	62,517,896	75,120,050
Restricted Receipts	48,486,518	59,415,067	53,013,944	47,189,447
Other	162,755,222	176,368,268	173,886,886	169,217,744
Total	\$ 717,766,683	\$ 712,134,658	\$ 526,216,286	\$ 519,398,065
FTE Authorization	674.7	674.6	690.6	683.6

Summary. The Department of Administration requests FY 2025 expenditures of \$526.2 million from all sources, including \$236.8 million from general revenues. This is \$191.6 million less than enacted, including decreases of \$150.2 million from federal funds and \$57.0 million from general revenues,

primarily reflecting the removal of one-time expenses: \$35.0 million to defease existing debt and \$13.0 million in transfer to the Large Systems Initiatives Fund. These are partially offset by \$4.5 million from restricted receipts and \$11.1 million from other funds, primarily for capital projects. The request includes staffing of 690.6 full-time equivalent positions, 15.9 more than authorized and 13.0 more than the revised request. As of early December, the Department had 61.1 vacancies.

The Governor recommends expenditures of \$519.4 million from all sources and 683.6 full-time equivalent positions for FY 2025. The recommendation is \$6.8 million less than requested, including \$8.9 million less from general revenues reflecting savings of \$5.5 million from debt. It also assumes savings of \$2.0 million from general revenues for positions doing project management work allocated to Rhode Island Capital Plan funds.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department of Administration this produced a general revenue target of \$231.9 million, including a current service reduction of \$60.2 million and a 5.0 percent reduction of \$1.8 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$0.1 million lower than the Budget Office Target. The proposals to achieve the reductions are noted among the items described below where appropriate. *The recommended budget is \$4.0 million less than the target.*

Staffing. The Department requests \$40.4 million from all sources, including \$27.9 million from general revenues for salaries and benefits of 271.6 full-time equivalent positions. The authorization for the remaining 419.0 is supported with internal service fund charges, which appear as operating costs in the agencies billed. The request is \$1.4 million more than enacted, including \$1.3 million from general revenues, which is \$1.2 million more than the current service estimate provided by the Budget Office. This includes \$0.5 million for new positions, and \$0.7 million more for updated staffing costs, primarily in the Office of Management and Budget. The request includes benefit rates consistent with FY 2025 planning values and assumes \$1.4 million in turnover savings, \$1.1 million more than enacted. This is equivalent to approximately eight vacancies. As of early December, the Department had 61.1 vacancies, of which 37.1 support internal service fund programs.

The Governor recommends \$37.6 million for salaries and benefits, which is \$2.9 million less than requested. It funds 7.0 fewer positions than requested and includes savings of \$2.0 million from general revenues for 10.5 full-time equivalent positions doing project management work allocated to Rhode Island Capital Plan funds. Project costs were not updated to reflect this expense; the recommendation assumes that the expense can be absorbed. His staffing recommendation of 683.6 full-time equivalent positions is 9.0 positions more than the revised budget for FY 2024.

Centralized Services. The Department requests \$14.2 million from all sources for its share of centralized services for FY 2025. This is \$0.1 million more than enacted, including \$0.2 million less from general revenues, primarily for information technology support. Expenditures of \$0.7 million for human resources are consistent with the enacted budget. The request is \$0.2 million more than the revised request.

The Governor recommends \$11.4 million from all sources, \$2.8 million less than requested, including \$2.3 million less from general revenues. It includes \$2.2 million to account for statewide utility savings, \$0.6 million less for information technology services, reflecting use of available resources, and \$9,188 for human resources, based on additional staffing recommended to support implementation of new systems management software. The recommendation is \$0.4 million less than the revised budget and \$0.1 million more than spent in FY 2023.

Statewide

ARPA - Municipal Public Safety Infrastructure. The request reflects the removal of \$11.0 million of one-time expenses 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. The state released an application for funding in December with a deadline of January 26, 2024. *The Governor concurs.*

ARPA - Warehouse Lease Expense. The request excludes the enacted amount of \$1.4 million from State Fiscal Recovery funds for lease expenses to store COVID-19 supplies, including personal protective equipment. Expenditures beyond FY 2024 will be included in the operating budget of the Rhode Island Emergency Management Agency; its budget includes \$1.2 million from State Fiscal Recovery funds, a reduction of \$0.2 million from enacted sources. *The Governor recommends \$0.8 million from State Fiscal Recovery funds for continued lease expenses. His recommendation also includes \$0.5 million from general revenues in the Rhode Island Emergency Management Agency's budget for total funding of \$1.3 million, or \$0.1 million less than enacted.*

ARPA - COVID-19 Ongoing Response. Excluding warehouse lease expenses, the Assembly provided \$76.7 million for FY 2024 to help the state continue its response to the COVID-19 pandemic. Funds were used for testing, contact tracing, vaccinations, and mitigation efforts over multiple years. This included \$34.9 million in the Department of Health's budget. The request removes the full \$41.8 million enacted in the Department of Administration's budget, and through the first quarter of FY 2024, no funds have been spent. *The Governor concurs; the revised budget includes \$21.2 million for FY 2024 and unspent funds are automatically reappropriated.*

CPF - Community Learning Center Matching Grants. The request removes one-time expenses of \$58.4 million from Capital Projects funds for matching 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. The capital budget assumes use of the entire \$81.7 million in FY 2024. Preliminary grant allocations by city and town was announced on August 15 and detailed applications were due on October 13. The Pandemic Recovery Office is reviewing applications. *The Governor concurs. He also recommends adding \$2.0 million from State Fiscal Recovery Funds to support the operation of approved Community Learning Centers. The funds would be distributed equally to each approved center that reaches substantial completion by October 31, 2026.*

ARPA - Health Care Facilities. The FY 2023 final budget included \$77.5 million from State Fiscal Recovery funds to address the ongoing staffing needs of hospitals, nursing facilities and community health centers related to the COVID-19 public health emergency. Of that amount, \$45.0 million was allocated to hospitals, or systems if hospitals are members of one, to include a base payment equivalent to \$1.0 million per hospital with the remaining based on a hospital's pro rata share of operating expenses from the 2021 cost reports and \$2.5 million was distributed to the community health centers through the Rhode Island Health Center Association to support direct care staffing needs.

It also included \$30.0 million for distribution to nursing facilities based on the number of Medicaid bed days from the 2020 facility cost reports, provided at least 80 percent is dedicated to direct care workers. The Department's FY 2025 request did not include additional support. *The Governor recommends another \$10.0 million from State Fiscal Recovery funds to be disbursed in the first three months of FY 2025 to assist nursing facilities until the October 1, 2024, rate changes take effect.*

COVID Relief - Rent and Utilities Assistance. The state received \$352.0 million from two federal acts for rent and utilities assistance and through FY 2023, \$301.1 million was spent, including \$295.0 million

for RI Housing Rent Relief and Eviction Prevention programs. Both programs are now completed and closed, leaving a balance of \$50.9 million. According to the Pandemic Recovery Office, some of the remaining funds will be spent by the Department of Housing for housing stability services, including housing navigation, legal work, and funding for the Center for Justice. Based on this updated plan, the revised request shifts funding to the later years. The request assumes use of \$33.0 million for FY 2025, \$21.0 million less than enacted. This leaves a balance of \$12.6 million for FY 2026 and beyond. *The Governor concurs.*

Debt

Debt Defeasance. The Department's request excludes the \$35.0 million from general revenues provided in the enacted budget to pay down existing state debt obligations in order to achieve structural budget savings. The decision as to which debt would be defeased was done in conjunction with the state's financial advisors. Using \$5.0 million from residual I-195 land revenue bond proceeds from the Department of Transportation, a total of \$41.9 million of debt was defeased, including \$29.4 million from the I-195 Land Acquisition and \$12.6 million of general obligation bonds. Annual debt savings of \$4.2 million will total \$52.6 million with an estimated present value of \$43.4 million. *The Governor concurs.*

Convention Center Facilities Debt. The request includes \$24.5 million from general revenues for debt service payments for the Convention Center Authority. This is \$1,966 more than enacted and consistent with current service estimates provided by the Budget Office. As of June 30, 2023, the total outstanding principal debt for the Convention Center and the Amica Mutual Pavilion is \$121.6 million. The Authority oversees the operations of the Convention Center, Amica Mutual Pavilion, Veterans Memorial Auditorium and the Garrahy Courthouse Garage (currently referred to as the Innovation District Garage). The facilities are managed by a third-party, which is ASM Global. The contract with ASM Global will expire on June 30, 2025. 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 Governor concurs.*

Garrahy Parking Garage. Consistent with the current service estimate, no state support is assumed beyond FY 2024 for the Garrahy Parking Garage, for which \$1.3 million from general revenues was provided for FY 2024. The annual debt service of \$3.0 million and operating expenditures of \$1.2 million will be supported by revenues. The garage opened in March 2020, and the FY 2020 revenues were minimal; they were \$1.5 million in FY 2021 and \$2.4 million in FY 2022. Through FY 2023, \$9.3 million from state support for debt service has been provided. It should be noted that the Authority's operating budget submission assumes revenues of \$3.4 million and net of operating expenses, \$2.2 million would be available for the debt. Its request assumes \$0.8 million from state support.

The 2014 Assembly authorized the Convention Center Authority to issue up to \$45.0 million for the construction of the garage, and the 2016 Assembly amended the authorization to allow the borrowing to occur if the Authority had three purchase and sale agreements or Wexford Science and Technology agreed to lease no less than 400 parking spaces. The bonds were issued in March 2018. *The Governor's revised budget includes \$0.4 million less for FY 2024 than enacted, reflecting use of parking revenues; the recommended budget includes \$0.9 million for FY 2025. His out-year forecast does not assume state support after FY 2025.*

Historic Structures Tax Credit. Consistent with the current service estimate, the Department requests \$9.9 million from general revenues, \$9.5 million 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 remaining outstanding principal at the end of FY 2023 was \$53.4 million and is scheduled to be paid off in FY 2028. *The Governor concurs.*

I-195 Land Acquisition Debt. The request includes \$3.6 million from general revenues, or \$0.1 million more than enacted for debt service costs of the I-195 land acquisition project. This is consistent with the current service estimate provided by the Budget Office and does not assume proceeds from land sales will be used to partially cover the debt. Subsequent to the budget request, this debt was defeased with one-time funds provided for FY 2024. *The Governor’s recommendation excludes the expense, reflecting savings from the debt defeasance.*

Central Falls School Project. 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. The debt issuance was scheduled to occur in spring 2023. The request includes \$7.2 million, \$6.1 million less than enacted, reflecting a delay in issuance. *The Governor recommends funding as requested.*

Certificates of Participation. The Department includes \$15.5 million from general revenues for all debt issued through Certificates of Participation for information technology, energy conservation, and other infrastructure projects. The request is consistent with the current service estimate provided by the Budget Office and \$4.6 million less than enacted, as payment for debt issued for the Kent County Courthouse has been completed. *The Governor recommends funding as requested.*

Fiscal Year	DCYF Training School	Energy Conservation	Kent County Courthouse	Hospital Consolidation	School for the Deaf	Innovative Technology	Traffic Tribunal	Total	Change from Prior Year
2024	\$ 4,207,875	\$ 1,451,150	\$ 4,612,500	\$ 1,871,300	\$ 2,479,500	\$ 3,852,375	\$ 1,678,050	\$ 20,152,750	\$ -
2025	4,207,625	1,450,375	-	1,868,425	2,482,000	3,854,000	1,675,875	15,538,300	(4,614,450)
2026	-	-	-	1,872,550	2,479,750	-	-	4,352,300	(11,186,000)
2027	-	-	-	1,868,550	2,482,750	-	-	4,351,300	(1,000)
2028	-	-	-	1,871,300	2,480,500	-	-	4,351,800	500
2029	-	-	-	1,870,555	2,478,000	-	-	4,348,555	(3,245)
2030	-	-	-	1,871,175	-	-	-	1,871,175	(2,477,380)
2031	-	-	-	1,868,050	-	-	-	1,868,050	(3,125)
2032	-	-	-	1,870,925	-	-	-	1,870,925	2,875
2033	-	-	-	1,868,600	-	-	-	1,868,600	(2,325)
2034	-	-	-	1,871,700	-	-	-	1,871,700	3,100
Total	\$ 8,415,500	\$ 2,901,525	\$ 4,612,500	\$ 20,573,130	\$ 14,882,500	\$ 7,706,375	\$ 3,353,925	\$ 62,445,455	\$ (18,281,050)

Transportation Debt. The request includes \$32.9 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 \$34,333 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 \$31.8 million, or \$2.3 million less than enacted from gasoline tax proceeds for the Department of Transportation’s debt service payments. *The Governor concurs.*

Other General Obligation Bonds. The request includes \$109.0 million from general revenues for general obligation bond debt service. This is \$9.4 million more than enacted and consistent with the current service estimate provided by the Budget Office. General obligation debt service for Public Higher Education would decrease by \$1.1 million, for a statewide increase of \$8.3 million. Subsequent to the budget request, \$12.6 million of general obligation debt was defeased with one-time funds provided for FY 2024. *The Governor recommends \$2.8 million less, reflecting an updated issuance and savings from debt defeasance.*

Local Aid

Library Aid. The Department requests \$12.2 million from general revenues, or \$683,618 more than enacted to fully fund library aid at 25.0 percent of the second prior fiscal year's local expenditures for library services. Based on updated data from the Office of Library and Information Services, the increase to fully fund library aid is \$380,114; the request is \$303,504 above that amount.

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 constrained request maintains funding at the enacted level. *The Governor recommends the enacted amount of \$11.5 million, which represents a 24.2 percent reimbursement based on updated data.*

Library Construction Aid. The Department requests \$2.2 million from general revenues for library construction aid. This is \$323,502 more than enacted to reflect funding requirements for FY 2025 based on updated cost information, interest rates, and construction schedules for approved projects. The majority of the increase relates to anticipated completion for two 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 constrained request maintains funding at the enacted level. *The Governor recommends \$2.2 million, consistent with the request, to fully fund library construction aid requirements.*

Office of Energy Resources

ARPA - Electric Heat Pump Grant Program. The Assembly provided \$25.0 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. The revised request assumes spending the entire \$25.0 million in FY 2024; this includes \$5.0 million carried forward from FY 2023. The Office 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, and through the first quarter, \$1.9 million has been spent. The FY 2025 request includes no expenses; any unused funds will automatically be reappropriated. *The Governor concurs.*

Executive Climate Change Coordinating Council Projects. The Assembly authorized the one-time transfer of \$3.0 million from Regional Greenhouse Gas Initiative funds to the Executive Climate Change Coordinating Council. The request removes this and retains \$1.5 million that the Council is projected to receive, annually for its projects.

The Governor proposes legislation in Article 2 of 2024-H 7225, authorizing the State Budget Officer to create restricted receipt sub-accounts in any department or agency that the Executive Climate Change Coordinating Council allocates funding to for its projects. The recommendation reduces expenses in the Department's budget by \$4.1 million and assumes use of the one-time funding over two years in various agency budgets, including \$1.9 million for FY 2024 and \$0.8 million for FY 2025. Based on recommended expenses through FY 2025, the Council has up to \$3.0 million left for future project allocations.

E-Bike Rebates. Office of Energy Resources currently administers an electric bike rebate program, which is supported with restricted receipts allocated to the Executive Climate Change Coordinating Council. The program provides a rebate of up to \$750 on the purchase of an e-bike and each household is limited to two rebates. Additionally, the e-bike must be purchased from a retail store in the state and applicants must apply for the rebate within 180 days of purchased. Since inception of the program, approximately 1,000 rebates have been issued. The Department's request did not include new funding for this program. *The Governor recommends \$0.5 million from general revenues, noting that the program will end by April 2024, without state support.*

Salaries and Benefits (1.0 FTE). The request includes \$2.3 million from all sources for staffing of 16.0 full-time equivalent positions for the Office of Energy Resources. This is \$67,769 more than enacted, including \$71,600 from restricted receipts to fund a new assistant administrator of financial management position. The Department indicates that the current assistant administrator of financial management is eligible to retire and it would be beneficial to hire another position to prevent disruption in programs; the request assumes turnover savings equivalent to six months. It also includes benefits rates consistent with FY 2025 planning values and is essentially consistent with the current service estimate. It assumes \$0.3 million in turnover savings primarily by maintaining the Commissioner of Energy Resources position vacant.

The constrained request excludes funding and authorization for the new position. *The Governor recommends \$86,999 more than requested, including \$71,600 for the annualized cost of the new position and \$15,399 for higher than anticipated employee health benefit rates.*

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. Federal guidance was issued in July 2023, and the Office is working on the applications, which it anticipates will be submitted to the U.S. Department of Energy in January 2024. Excluding salaries and benefits, the request includes \$10.5 million, including \$10.0 million for rebates, and \$0.5 million for program administration. This includes \$455,350 for contracted services to help implement the program, and \$4,287 for auditing services. The Office administered a similar program in 2010 with American Recovery and Reinvestment Act funds. *The Governor recommends funding as requested.*

Regional Greenhouse Gas Initiative. Excluding salaries and benefits, the request includes \$19.6 million from Regional Greenhouse Gas Initiative restricted receipts or \$5.2 million more than enacted based on anticipated resources. The receipts are derived from the sale of carbon emission credits through an auction process; four auctions are held annually. The request includes \$17.0 million to provide grants to invest in projects that reduce long-term energy demands; the allocation and distribution plan for use of these proceeds will be adopted by February 2024. The request also includes the enacted amount of \$2.2 million for energy conservation projects. Program expenses of \$0.4 million are \$0.1 million more than enacted, primarily for contracted services, including legal, and clerical services. Based on programmed expenses for FY 2024 and FY 2025, the account will have an ending balance of \$15.2 million. *The Governor concurs.*

School Lighting and Energy Improvements. The Office is working with the Department of Elementary and Secondary Education to establish a new Public School LED Lighting Accelerator Program, which will provide technical assistance, procurement support, implementation oversight, and financial incentives to public schools in the state to accelerate the transition to LED lighting. The program is being supported by \$3.5 million from Regional Greenhouse Gas Initiative auction proceeds, and \$1.0 million from the School Building Authority Capital Fund. Subsequently, the Office received a \$5.0 million federal grant to make energy improvements in schools, for total funding of \$9.5 million. The request includes \$2.0 million, including \$1.5 million from the federal grant and \$0.5 million from School Building Authority Capital

funds; expenses of \$0.5 million from Regional Greenhouse Gas Initiative funds are reflected in that account. The Office notes that RI Energy will also commit \$1.5 million by providing staff support to the projects and paying efficiency incentives to municipalities. *The Governor concurs.*

Other Expenses. The request includes \$7.3 million from all sources for all remaining expenses in the Office. This is \$1.0 million more than enacted, including \$0.1 million from restricted receipts and \$1.0 million from federal funds, primarily reflecting additional resources the Office received from the Infrastructure Investment and Jobs Act. The request includes \$0.6 million from a \$2.8 million Efficiency and Conservation Block Grant; the funds will be distributed to municipalities to reduce energy use and fossil fuel emissions with \$0.3 million to implement clean energy programs. The request includes the enacted amount of \$4.0 million for the Electric Vehicle Charging Infrastructure Program. The state's plan is approved and will be administered by Department of Transportation and the Office, with consultation from the Department of Environmental Management. *The Governor recommends funding as requested.*

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 \$11.5 million, \$1.0 million more than enacted based on estimated enrollments of 38,924 in the individual/family group; the enacted budget assumed 40,889. The average per member per month premium cost is projected to increase from \$528.00 to \$562.47. HealthSource RI assumes enrollments of 8,256 in the small business group, for which the enacted budget includes 7,994. The average per member per month premium cost is projected to increase from the enacted amount of \$530.11 to \$572.17. Enrollments as of October 31, 2023, were 31,675 in the individual/family group and 7,595 in the small business group.

At the end of FY 2023, there was \$0.7 million available from assessment receipts and the Department's revised request includes these funds and HealthSource RI projected a surplus of \$0.9 million for FY 2025. *The Governor concurs.*

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 \$5.7 million from penalty payments, essentially as enacted. It also includes \$10.8 million from federal funds, or \$1.0 million more than enacted, reflecting an updated award from the Centers for Medicare and Medicaid Services. Of the total \$16.4 million requested, \$15.8 million will be used for reinsurance payments to health insurance carriers. Program expenses are \$0.6 million, including \$0.3 million to support two positions in the Division of Taxation for collection activities and \$0.2 million will be used to support HealthSource RI's staff time dedicated to reviewing and/or granting exemptions from the penalty payment, as allowed by law. *The Governor concurs and adds \$3,295 for higher than anticipated employee health benefit rates.*

ARPA - Auto-Enrollment Program. The request reflects the removal of \$1.3 million from State Fiscal Recovery funds provided to HealthSource RI to automatically enroll qualified individuals who are transitioning off Medicaid at the end of the COVID-19 emergency into a qualified health plan. A total of \$2.6 million was provided to support two months of premiums and information technology upgrades to the Unified Health Infrastructure Project; \$0.3 million was spent in FY 2023 and the revised request includes \$2.3 million for FY 2024. It should be noted that the Office's request proposes using \$250,000 from health assessment receipts to provide individuals assistance with paying their premiums. *The Governor's recommendation excludes the enacted expenses; his revised recommendation for FY 2024 includes \$1.0 million less from FY 2023 unspent funds, reflecting updated enrollment and cost projections. Any unused funds from FY 2024 will be reappropriated.*

Redetermination Activities. The request includes \$1.7 million from general revenues for HealthSource RI's share of information technology expenses for eligibility redetermination activities that resumed in April 2023. This is \$0.6 million less than enacted and consistent with the Budget Office current service adjustment. *The Governor recommends funding as requested.*

Updated Cost Allocation Plan. HealthSource RI has been part of the Executive Office of Health and Human Services' cost allocation plan for several years and contributes to the state share of covered expenses. At that time, indirect expenses were not assumed in the plan; however, it was recently determined and the Executive Office agreed that these expenses should be included. It was also determined that HealthSource RI would receive a two-year retroactive credit for indirect expenses it previously paid. The prior year credit totals \$1.0 million with \$0.6 million each for FY 2024 and FY 2025, for a total of \$2.3 million. Its request includes savings from restricted assessments by reducing previously budgeted expenses, reflecting use of the credits. These expenses are allocated to federal funds in the budget of the Executive Office, including \$0.8 million for salaries and benefits and \$0.2 million for operating expenses. *The Governor concurs.*

Other Expenses. The request includes \$6.9 million from all sources for all remaining expenses for HealthSource RI. This is \$0.6 million more than enacted, including \$1.1 million more from restricted receipts. Funds were made available from the updated cost allocation plan and the Office shifts \$0.6 million of general revenue expenses to these available receipts. The request includes new expenses of \$250,000 for the Office to provide individuals with assistance with premium payments, additional expenses for advertising and financial services. In November 2022, the Office relocated from leased space to the Department of Administration's building and the enacted budget includes expenses comparable to HealthSource RI's previous lease expense; however, it will not be charged rent. The request includes savings of \$155,000 for rent. *The Governor concurs and adds \$11,139 from all sources, primarily for higher than anticipated employee health benefit rates.*

Information Technology

Large Systems Initiatives Fund. The 2023 Assembly established a Large Systems Initiatives Fund, which is intended to support information technology projects to facilitate capture of federal participation for information technology projects once they are implemented. The Fund is administered by the state's Chief Information Officer and expenses from it are outside of the General Fund, not subject to the annual appropriations process. The Assembly transferred a total of \$128.0 million to the fund, including \$13.0 million from general revenues, of which \$8.0 million is for the state cost share for the RI Children's Information System, reflecting updated cost estimates provided by the vendor, and \$5.0 million for the Gateway to Government initiative. The request excludes this one-time expense. *The Governor concurs.*

ERP - Maintenance and Operations (3.0 FTE). The Department's capital budget request includes \$71.6 million from all sources, including \$49.8 million from the Large Systems Initiatives Fund, to develop and implement an 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 human resources and payroll systems will be implemented in the fourth quarter of calendar year 2024 and operating expenses cannot be billed before then. The last module, finance, is anticipated for implementation in the second quarter of calendar year 2025.

The request adds \$4.3 million, financed through agency billings to support maintenance and operations of the system. The Department notes that the exact structure for billing has not been determined and one possibility is to charge agencies similar to the federal grants management system. The request includes \$0.3 million for contracted services, and \$3.5 million for unspecified expenses. It also includes \$0.5 million for 3.0 new full-time equivalent positions, including a chief of data operations, an assistant director of special projects and a deputy director of financial services. The revised request includes \$0.4 million for the latter two positions. It should be noted that the 2021 Assembly authorized assessments on federal funds received, with some exclusions to support the Office of Grants Management and a grants management system. The percent of the assessment is determined annually by the State Controller and would be in proportion with budgeted expenditures; with the influx of stimulus funds, receipts were \$6.4 million in FY 2022 and \$0.2 million for FY 2023.

The constrained request removes funding and staffing authorization for the new positions. *The recommended budget reflects new charges are going to be assessed based on staffing levels and collected through the established Division of Information Technology internal service fund. A total of \$2.7 million from general revenues was added in agency budgets for their share of operating expenses, including \$0.1 million for the Department; amounts to be recovered from other sources will be determined at a later time. The recommendation inadvertently retains requested expenses of \$0.3 million from restricted receipts. The internal service fund budget assumes expenses of \$4.0 million.*

Cybersecurity Federal Grant Match. The Infrastructure Investment and Jobs Act includes a total of \$1.0 billion from federal FY 2022 through FY 2025 for a new formula grant program to provide states and local governments with funds to enhance cybersecurity. The state will receive about \$11 million; a state match, starting with 10.0 percent increasing to 40.0 percent by FY 2026 is required. The request includes \$750,000 from general revenues, \$250,000 more than enacted for the required match. The Division also notes that one option was to have municipalities provide the match; however, it indicated that would result in limited participation in the program. The request does not include the federal funds, the application was approved subsequent to the budget submission. The act requires states to distribute at least 80 percent of funds to local governments. A cybersecurity planning committee to develop a plan for spending is also required; a 29-member committee has been established.

The constrained request maintains funding at the enacted level. *The Governor recommends a total of \$1.4 million from general revenues, including \$250,000 for FY 2024 and \$1.1 million for FY 2025, which is \$0.6 million more than enacted to provide the state match for a \$6.5 million cybersecurity grant. An additional \$2.1 million will be required in the out-years to access the remaining \$4.5 million of federal funds.*

Other Expenses (3.0 FTE). The request includes \$3.4 million from information technology restricted receipts for all remaining expenses for the Division of Information Technology. This is \$2.6 million less than enacted, reflecting anticipated receipts from land sales and surcharges. The 2018 Assembly authorized the chief of the Office of Vital Records in the Department of Health to assess surcharges for certified records and to deposit the receipts into the Information Technology Investment Fund to support the state's share of the Vital Records system. The project is complete and now entering the maintenance phase. The Department of Administration concurs with the Department of Health's proposal for it to retain these receipts to pay for the expense itself. A statutory change would be needed to effectuate this proposal.

The request includes \$2.3 million to support a data management system, which will provide timely and secure access to data for authorized users. This includes \$1.8 million for software expenses and \$0.6 million to fund 3.0 new full-time equivalent positions, including 2.0 data analysts and 1.0 chief of information technology position. Funding for the latter position is included in the revised request for FY 2024. Once implemented, operating expenses are estimated to cost \$0.9 million, annually.

The Governor concurs, with the exception of funding the two new data analyst positions. He also recommends adding \$150,000 from general revenues to support an Artificial Intelligence Cybersecurity Task Force that will be convened to make recommendations to minimize risks to the public and private sectors.

Office of Management and Budget

Pandemic Recovery Office. The request includes \$2.0 million from federal funds for salary and benefit expenses of approximately 11 positions to support the Pandemic Recovery Office, which is responsible for ensuring compliance with all rules, regulations and guidance and submission of all required reports. The request is \$9.7 million less than enacted, including \$5.3 million from State Fiscal Recovery funds and \$4.3 million from Capital Projects funds; however, of the \$5.6 million allowed for administration of the fund, \$0.3 million was spent in FY 2023 and the FY 2024 revised and the FY 2025 requests include \$6.2 million. These expenses are \$0.9 million more than available funding. Subsequently, the Department indicated that it would work with the Budget Office to adjust expenses to reflect available resources. *The Governor's FY 2024 revised budget reduces expenses to align with available funding. His recommendation for FY 2025 is \$0.2 million less for salaries and benefits than requested, reflecting staffing costs and allocations.*

Office of Internal Audit. The request includes \$4.0 million from all sources to support the Office of Internal Audit, which was consolidated to increase efficiency and decrease fraud and waste. Various positions were transferred from other departments and entities to effectuate this. The request is \$0.6 million less than enacted, including \$20,135 more from general revenues. It includes \$3.1 million for salaries and benefits for 21.0 full-time equivalent positions. This is \$0.6 million less and 4.0 fewer positions than enacted, reflecting the elimination of vacant but funded positions and staffing costs and allocations. Consistent with the enacted budget, the request does not include any turnover savings. As of early December, 19.0 full-time equivalent positions were filled. The request includes \$0.8 million for operating expenses and consistent the revised request, also adds \$12,000 for maintenance of two copy machines. *The Governor concurs and adds \$8,823 from all sources, including \$2,610 from general revenues for higher than anticipated employee health benefit rates.*

Other Expenses. The request includes \$6.8 million from general revenues, or \$684,669 more than enacted for all remaining expenses in the Office of Management and Budget, including the Offices of the Director of Management and Budget, State Budget, and Regulatory Reform. The request includes \$6.3 million for salaries and benefits of 34.0 full-time equivalent positions; \$0.1 million for a partial position is allocated elsewhere in the Department. This is \$632,360 more than enacted and \$647,634 above the current service estimate to fund 4.0 full-time equivalent positions; authorizations from the Office of Internal Audit were repurposed for this. This includes 2.0 more positions in the Office of Regulatory Reform for total staffing of 4.0 positions. That Office was created to improve the state's business climate by making it easier for businesses to navigate state and local permitting and regulatory issues. It was previously supported with 7.0 positions and during the pandemic staffing authorization was reduced, reflecting workload.

The request also adds funding for a senior economic and policy analyst position in the Office of Performance Management, for staffing of 5.0 positions. It appears that position has been filled. It should be noted that the 2023 Assembly provided 2.0 new positions to enhance performance management reviews and audits. The request also adds general revenue funding for a position in the Office of the Director of Management and Budget to help implement the Enterprise Resource Planning System. It assumes turnover

savings of \$0.3 million, \$0.2 million more than enacted. As of early December, the aforementioned offices had 31.0 full-time equivalent positions filled.

The request also includes \$52,309 more for operating expenses, including \$40,000 for legal costs for bond issuance. It should be noted that these expenses are usually paid with bond proceeds. It adds \$12,309 for subscriptions, reflecting recent experience. *The Governor recommends \$0.2 million less from general revenues than requested, reflecting additional turnover. The recommendation includes \$0.1 million for higher than anticipated employee health benefit rates, and \$20,064 less for training, reflecting historical expenses.*

Division of Equity, Diversity and Inclusion

MBE/WBE Compliance Management System. The Minority Business Enterprise is responsible for supporting policies to ensure minority participation in state funded and directed construction programs and projects. According to the Division, there are 881 certified businesses. The enacted budget includes \$250,000 from general revenues to establish a centralized cloud-based system to replace the current paper-based system, which the Division indicated was too labor intensive and at risk of failure. The system is scheduled for implementation in the last quarter of FY 2024. The request includes \$175,000 or \$75,000 less than enacted for annual maintenance and operations.

The 2023 Assembly concurred with the Governor's proposal to increase the minimum amount of state purchasing and construction contracts, including local school construction projects, that are awarded to women- and minority-owned businesses from 10.0 percent to 15.0 percent, and to require at least 7.5 percent for each, effective for FY 2024. The Assembly also required the Department to annually submit a report on the status of achieving the aforementioned participation requirements in the most recent fiscal year. The Division reported achieving a 12.3 percent participation for FY 2023. *The Governor concurs and adds \$500,000 from general revenues for the Division to expand efforts to register and certify minority-owned and women-owned businesses to increase their participation in state procurements.*

Disparity Study. The request includes \$750,000 from general revenues to conduct a statewide disparity study, examining the procurement practices of state agencies that purchase goods and services. The 2023 Assembly adopted legislation, requiring the study be conducted every five years, beginning in FY 2025. A previous study examined procurement practices from July 1, 2014 to June 30, 2017 and was issued in 2021. That study cost \$0.5 million from general revenues.

The constrained request excludes these funds. *The Governor recommends \$500,000 from general revenues.*

Other Expenses. The request includes \$1.6 million from all sources, including \$1.5 million from general revenues for all remaining expenses in the Division of Equity, Diversity and Inclusion. This is \$0.2 million less than enacted, all but \$503 is from general revenues for salary and benefit expenses of 10.0 full-time equivalent positions. The request removes funding for a position that is no longer needed; authorization would have been used from the Department's current staffing level. As of early December, the Division was fully staffed. The request includes the enacted amount of \$0.1 million for operating expenses. *The Governor concurs and adds \$10,359, primarily for higher than anticipated employee health benefit rates.*

Other Programs

City Year. The Department requests 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 recommended budget funds this grant in the Department of Elementary and Secondary Education's budget.*

Federal Lobbyist Contract. The request includes new general revenue expenses of \$180,000 for a federal lobbying advisory firm to provide counsel and representation in obtaining future federal funds. The Department's revised request includes only \$90,000 for FY 2024, though \$180,000 of expenses will be incurred. The 2023 Assembly did not concur with the Governor's recommendation to include funding.

The constrained request excludes the funds. *The Governor recommends the requested expenditure.*

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. The Department requests \$343,333 from general revenues for the required contribution for the teachers' share; it inadvertently omitted the \$167,072 contribution for state employees. The total should be \$510,405. *The Governor includes the required \$510,405.*

Tort Court Awards - Settlements. The Department requests the enacted amount of \$675,000 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. As of December, \$0.1 million was spent. *The Governor recommends an additional \$675,000, for total funding of \$1.4 million. His revised budget also includes an additional \$0.8 million for FY 2024, reflecting anticipated expenses.*

Central Management. Excluding costs of centralized services, the request includes \$3.7 million from general revenues, or \$0.4 million more than enacted for expenses in Central Management. The request includes \$2.8 million to support 14.8 full-time equivalent positions; expenditures of \$0.9 million for another 6.2 positions are allocated elsewhere in the Department. Salary and benefit expenses are \$14,687 more than enacted, or \$19,347 more than the current service estimate. It includes \$0.2 million in turnover savings for which none was assumed in the enacted budget. This is offset by funding added for a new deputy director position; \$0.1 million of the cost is also allocated to the Division of Capital Asset Management and Maintenance. The Department notes that it is in the process of reorganizing operations in Central Management especially in the Central Business Office to prevent disruptions in service as half of the staff are eligible to retire. As of early December, there were two vacancies.

Operating expenses are \$0.3 million more than enacted, including \$25,000 for temporary clerical services, based on requested turnover savings, and \$0.3 million to hire a firm through a request for proposals to conduct a marketing campaign to help recruit state employees. The Department notes expenses will include a media buy and the firm would also provide branding standards that can be used across all agencies.

The constrained request excludes the funds for the marketing campaign. *The Governor recommends \$58,625 less than enacted. This excludes the marketing campaign and further reduces expenses by \$113,312, including \$75,000 for training. The recommended amount of \$0.5 million for operating expenses is essentially consistent with the revised budget and \$120,306 more than spent in FY 2023. The recommendation includes \$21,494 for higher than anticipated employee health benefit rates and additional turnover savings.*

Division of Purchases (1.0 FTE). The request includes \$4.9 million from all sources for the Division of Purchases. This is \$407,614 more than enacted, including increases of \$426,294 from general revenues and \$13,563 from restricted receipts, reflecting available resources from the 1.0 percent assessed on master price agreements from vendors. The request also includes \$32,243 less from other funds to support positions that are dedicated to transportation-related projects and one for the University of Rhode Island. Each entity reimburses the Department for the cost of the positions; however, the annual agreement with the University caps the amount at \$180,000.

The request includes \$4.6 million for salary and benefit expenses of 34.2 full-time equivalent positions. This is \$457,614 more than enacted, including \$106,890 from general revenues for a new programming services officer to provide training and conduct outreach efforts to increase local suppliers in the state's procurement process. It adds \$0.1 million and partial authorization for a buyer position, which the Department previously assumed would have been supported by State Fiscal Recovery funds; however, it appears the expense was not properly budgeted. It adds \$0.2 million for positions that were upgraded in March 2023 through the personnel public hearing process. It also assumes \$66,538 in turnover savings, or \$26,939 less than enacted. As of early December, the Division had two vacancies.

The request includes \$284,694 for operating expenses, \$50,000 less from general revenues than enacted for expenses relating to the electronic procurement system, reflecting available funds from the assessment. At the end of FY 2023, the account had a balance of \$0.9 million and the Department's request projects a balance of \$1.1 million at the end of FY 2025.

The constrained request excludes funding and staffing authorization for the new position. *The Governor recommends \$8,663 less than requested from all sources, including \$14,221 less from general revenues. Recommended salary and benefit expenses are \$58,663 less to reflect that \$25,845 added for higher than anticipated employee health benefit rates, offset by \$84,508, to primarily reflect some personnel upgrade expenses were one-time and funded in the FY 2024 revised budget. The recommendation adds \$50,000 from restricted receipts for the electronic procurement system, for which the request had removed a like amount of expenses from general revenues.*

Office of Accounts and Control. The Department requests \$8.1 million from all sources for all remaining expenses in the Office of Accounts and Control. This is \$64,373 more than enacted, including \$94,583 more from general revenues and \$30,210 less from restricted receipts. The request includes \$4.8 million to support 32.8 full-time equivalent positions, 0.8 positions more than authorized. It adds \$93,971 for partial authorizations, offset by additional turnover savings of \$158,344; the enacted budget assumed \$93,345 in savings. As of early December, the Office had one position vacant.

Additional funding for salaries and benefits will be included in the Governor's recommended budget to essentially reduce requested turnover savings. The Department notes that it had intended to allocate these expenses to rebate receipts it received from credit cards; however, a decision as to what the source of the funds should be was not finalized.

The request includes the enacted amount of \$2.1 million from restricted receipts for the grants management system. All remaining expenses of \$561,438 are \$155,000 more than enacted, including \$135,000 to obtain services related to risk management, consistent with changes included the revised budget. *The Governor recommends \$0.2 million more than requested, to reduce turnover savings and reflect higher than anticipated employee health benefit rates.*

Capital Asset Management and Maintenance (2.0 FTE). Excluding expenditures for centralized services, the request includes \$2.5 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 provide periodic inspection, appraisal or inventory of all state buildings and property. The request adds \$0.3 million to fund 2.0 new project manager positions. The request includes \$2.0 million for all other salary and benefit expenses for the remaining 11.0 full-time equivalent positions, the authorized level. This is \$0.1 million less than enacted, primarily reflecting \$0.3 million in turnover savings for which the enacted budget did not include any, and \$0.1 million is included for a new deputy director position, previously discussed. As of early December, the Division had two vacancies.

The request includes \$188,896 for operating expenses, \$46,627 more than enacted. This includes \$25,000 for staff training and \$20,000 for software upgrades of the project management tracking system.

The constrained request excludes funding and staffing authorization for the new positions. It also proposes to shift \$1.9 million of salary and benefit expenses for 10.5 full-time equivalent positions, including project managers and architects, from general revenues to ten projects that are supported with Rhode Island Capital Plan funds. This includes \$0.3 million each to the Pastore Infrastructure, State House Renovations, and the Long-term Acute Care Facility in Zambarano projects, \$0.2 million each for the Hospital Reorganization project, William Powers, Accessibility Renovations, and non-medical buildings on the Pastore Center, and \$0.2 million for three other projects. The Department indicates that the positions would be entirely dedicated to the development, oversight, and completion of capital projects. Rhode Island Capital Plan funds have been limited to use on physical assets. 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 does not recommend funding the new positions; he does concur with the proposal to include \$2.0 million in general revenue savings. Project expenses were not updated to reflect costs for salaries and benefits; it assumes these expenses can be absorbed.*

Capital - Projects. The request includes \$130.0 million from Rhode Island Capital Plan funds for 34 projects, one is new. This is \$14.0 million more than enacted and \$1.9 million less than the Department's capital budget request. *The Governor recommends \$125.3 million, consistent with the capital budget and \$4.7 million less than requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Expenses (1.0 FTE). The request includes \$13.0 million from all sources for all remaining expenses in the Department, including Human Resources, Personnel Appeal Board, Legal Services, Office of Library and Information Services, and the Division of Statewide Planning. This is \$347,105 more than enacted, including \$269,465 from general revenues. Salary and benefit expenses are \$8.1 million, or \$0.2 million more than enacted, including \$0.1 million for a new senior planner position to support non-transportation planning initiatives, and \$58,698 for partial funding for a position supporting the Personnel Appeal Board. Operating expenses are \$136,723 more than enacted. Consistent with the revised request, it includes \$50,000 for the Water Resources Board to audit public water suppliers to ensure the proper collection of water quality surcharges.

The request also includes \$31,672 more from general revenues for total funding of \$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 170 public libraries, academic libraries, state institution libraries, school libraries and other special libraries, such as the Rhode Island Historical Society. This is based on anticipated utilization; however, the request is \$284,042 more than spent in FY 2023 or requested in the FY 2024 budget.

The constrained request maintains enacted funding for the interlibrary loan delivery system. It also excludes funding and authorization for the requested new position. *The Governor recommends \$68,191 less from all sources than requested, including \$101,584 less from general revenues. He does not recommend funding the new position and but adds \$56,966, primarily from general revenues for higher than anticipated employee health benefit rates, partially offset by additional turnover savings. He also includes savings of \$21,500 for training, reflecting historical expenses.*

Department of Business Regulation

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Central Management	\$ 4,609,968	\$ 4,196,421	\$ 4,632,759	\$ 3,999,763
Banking Regulation	1,864,125	1,928,155	2,003,921	1,967,080
Securities Regulation	880,851	866,702	910,219	880,722
Insurance Regulation	6,553,051	6,195,192	7,081,132	6,717,199
Office of the Health Ins. Comm.	3,778,878	4,656,989	4,601,694	4,471,885
Board of Accountancy	5,490	5,490	5,490	5,490
Commercial Licensing, Gaming & Athletics	2,083,836	1,966,921	2,117,044	1,996,604
Building, Design & Fire				
Professionals	16,429,499	16,821,320	12,671,513	12,791,970
Office of Cannabis Regulation	6,117,205	5,735,433	6,765,041	6,814,062
Total	\$ 42,322,903	\$ 42,372,623	\$ 40,788,813	\$ 39,644,775
Expenditures by Category				
Salaries and Benefits	\$ 23,858,012	\$ 22,733,659	\$ 24,889,530	\$ 24,763,121
Contracted Services	4,102,970	5,003,890	4,942,947	4,817,947
Subtotal	\$ 27,960,982	\$ 27,737,549	\$ 29,832,477	\$ 29,581,068
Other State Operations	6,889,354	7,233,507	7,103,769	6,436,140
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	285,000	285,000	285,000	285,000
Capital	7,187,567	7,116,567	3,567,567	3,342,567
Total	\$ 42,322,903	\$ 42,372,623	\$ 40,788,813	\$ 39,644,775
Sources of Funds				
General Revenue	\$ 24,371,468	\$ 24,436,087	\$ 26,059,649	\$ 24,517,764
Federal Aid	641,503	1,232,597	470,863	845,863
Restricted Receipts	11,523,017	10,923,958	12,250,001	12,272,848
Other	5,786,915	5,779,981	2,008,300	2,008,300
Total	\$ 42,322,903	\$ 42,372,623	\$ 40,788,813	\$ 39,644,775
FTE Authorization	181.0	181.0	185.0	181.0

Summary. The Department of Business Regulation requests FY 2025 expenditures of \$40.8 million from all funds, including \$26.1 million from general revenues. The request is \$1.5 million less than enacted, including \$1.7 million more from general revenues, \$0.2 million less from federal funds, \$0.7 million more from restricted receipts, and \$3.7 million less from other fund sources. The Department requests 185.0 full-time equivalent positions, 4.0 more than enacted.

The Governor recommends the enacted level of 181.0 positions and \$1.1 million less than requested from all sources, including \$1.5 million less from general revenues, \$0.4 million more from federal funds, and \$22,847 more from restricted receipts. The recommendation includes \$0.3 million less, almost entirely from general revenues, for statewide adjustments including higher than anticipated employee health benefit

rates. There are also changes to account for utility savings and updated projections for other centralized services including six months of charges related to implementation of new systems management software.

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 \$22.7 million, including a current service decrease of \$0.6 million and a 5.0 percent reduction of \$1.0 million, adjusted for certain exclusions. The constrained budget submitted by the Commission is \$69,474 less 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 \$1.8 million above the target.*

Staffing. The 2023 Assembly authorized 181.0 full-time equivalent positions for FY 2024. The request includes 185.0 positions, including 3.0 for the Division of Building, Design and Fire Professionals and 1.0 for the Office of Cannabis Regulation. It shifts one position from Banking Regulation to Insurance Regulation. It should be noted that funding is included in the Office of Cannabis Regulation for two commissioners who are not state employees but are paid a monthly stipend. *The Governor recommends the enacted staffing authorization, shifts the Banking Regulation position as requested, and shifts one vacant position authorization from the Office of the Health Insurance Commissioner to the Office of Cannabis Regulation.*

Office of the Health Insurance Commissioner

State Flexibility Grant. The enacted budget includes \$0.2 million from federal funds for a State Flexibility to Stabilize Market Program, Cycle II grant to ensure states' laws, regulations, and procedures are in line with federal requirements. The Office received the award in September 2021 for three years and a total of \$0.7 million, of which \$0.4 million is for staffing, \$0.4 million is for contracted expenditures, and \$19,090 is for other operational expenses. The grant's staffing allocation supports one full-time equivalent senior policy analyst to administer the program. The request excludes all funding, reflecting the exhaustion of federal grant funds. *The Governor recommends funding as requested.*

Health Spending Accountability and Transparency Program. The Office requests the enacted amount of \$0.5 million from general revenues for contracted technical assistance and data analysis of healthcare claims. Work supports the Cost Trend Steering Committee's Rhode Island Healthcare Cost Trend Project. From FY 2018 to FY 2022, this program was funded by a grant from the Peterson Center on Healthcare through Brown University. *The Governor recommends funding as requested.*

Human Service Programs Rates and Benefit Analysis. The Office requests \$1.6 million from general revenues, \$1.0 million more than enacted, 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 state contracts and licenses a variety of service providers to conduct social and human services programs. The enacted budget includes \$0.6 million to represent off year funding for public meetings and budget planning. As of December 4, 2023, the Office indicates it has signed an agreement with the Executive Office of Health and Human Services for Medicaid reimbursement of a portion of these expenses.

The 2022 Assembly provided \$1.5 million, \$0.1 million less than the current request, 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, therefore the largest share of work falls within odd numbered fiscal years. Every odd numbered year, an analysis of rates is required to be submitted January 1, a comprehensive report by April 1, and an assessment and review of rate adjustments to be completed by September 1. The departments must address the rates in their budget requests by October 1.

The Office submitted its final report on September 1, but indicated that it did not include an analysis of rates for developmental disability programs, as they were being reviewed by the Department of Justice subject to a consent decree, nor for Department of Children, Youth, and Families programs, which are subject to a competitive bidding process. For programs included in the report, the Office developed a process to conduct in-depth rate reviews and applied it to around 30 percent of rates; it produced inflation adjustments for the remaining 70 percent of rates. This does not necessarily reflect the value of services covered by the rates. Department budget requests include some of these rate increases.

The constrained request includes no funding for this initiative. *The Governor recommends \$1.5 million, including \$1.1 million from general revenues and \$0.4 million from federal Medicaid funds.*

RI REACH. The Office requests \$573,074 from all sources for its contracted consumer assistance helpline and outreach vendor. The request is \$13,977 more than enacted from general revenues, which reflects current service adjustments for call center personnel and operating costs. These funds support at least 6.0 full-time equivalent positions for the Rhode Island Insurance Resource, Education, and Assistance Consumer Helpline, operated by the Rhode Island Parent Information Network. The helpline serves as the Office's designated health insurance consumer assistance program, through a live-answer toll-free helpline. The helpline has operated since FY 2014, and was federally funded through FY 2016. It was entirely general revenue funded in FY 2017. Since FY 2018, it has received \$125,000 annually from Medicaid matching funds.

The constrained request includes \$130,322 less from general revenues. It also includes a restricted assessment to cover \$116,345 of this difference, discussed later, which funds up to 25.0 percent of total contract costs through an assessment on domestic insurance companies. *The Governor recommends funding as requested.*

OHIC - Other Personnel and Operations. The Department requests \$1.9 million from all sources, including \$1.4 million from general revenues, for all other operations and the Office's remaining 10.0 full-time equivalent positions. The request is \$680 less than enacted, including \$3,220 less from general revenues and \$2,540 more from restricted receipts, which represents current service adjustments. *The Governor recommends \$6,488 less, primarily from general revenues, to reflect statewide adjustments such as higher than anticipated employee health benefit rates and updated projections for centralized services.*

Revenue Enhancement - OHIC Restricted Assessment. The Office proposes a revenue enhancement to achieve its constrained budget target. The proposal 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 25.0 percent of the annual helpline contract costs. Each assessment would be apportioned 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 Rhode Island General Law, Section 42-14-16. As submitted, estimated revenues totaling \$116,345 for FY 2025 are intended to offset general revenue support for its contracted consumer assistance helpline and outreach vendor discussed previously.

This proposal is similar to an assessment proposed by the Office in prior years, but not recommended by the Governor. *The Governor does not recommend this initiative.*

Building, Design, and Fire Professionals

E-Permitting Expansion. The Department requests the enacted amount of \$1.2 million from general revenues to support uniform construction permitting for all Rhode Island municipalities and 1.0 associated full-time equivalent position. Municipalities are required under Rhode Island General Law, Chapter 23-27.3 to provide online construction permitting as of July 1, 2023; as of December, two municipalities have

not completed the transition. FY 2025 funds reflect ongoing operating expenses such as software licenses for all 39 municipalities.

The constrained request includes \$1.0 million less, which would effectively end the program. *The Governor recommends funding as requested.*

State Building Office Staffing and Operations. The Department requests \$3.3 million, including \$2.0 million from general revenues, for staffing and operations of the State Building Office for 23.0 full-time equivalent positions. The Department's request is \$120,945 more than enacted and shifts \$47,741 from restricted receipts to general revenues. The Department indicates that these changes reflect elimination of \$51,257 of turnover savings and the transfer of certain staff to and from other divisions, including one associate director position associated with the requested increase. Article 6 of 2021-H 6122, Substitute A, as amended, changed the registration terms for the Contractors' Registration and Licensing Board from two years at \$200 to an annual \$150 fee, increasing the fee \$100 over a two-year period. FY 2024 is the first year in which all licenses are renewed annually and at the higher rate. Restricted receipt collections are projected to be sufficient for requested expenses.

The Governor recommends \$0.1 million less than requested, almost entirely from general revenues. The reduction reflects \$0.1 million of turnover savings partially offset by higher than anticipated employee health benefit rates.

Capital - Fire Academy Expansion. Consistent with its capital request, the Department requests \$1.9 million from Rhode Island Capital Plan funds, \$3.8 million less than enacted, to expand the State Fire Academy in Exeter. Major items include an auditorium, four additional classrooms, and an equipment storage building. The Academy indicates the expansion will allow it to meet the high level of demonstrated demand and expand its certification offerings. *The Governor recommends funding as requested. A detailed description of the project is included in the Capital Budget section of this publication.*

Fire Marshal New Positions (3.0 FTE). The Department requests \$0.3 million from general revenues for 3.0 new full-time equivalent positions for the Office of the State Fire Marshal. Requested positions include a fire investigator, safety inspector, and safety training officer. The Department indicates the positions would provide additional training at the Fire Academy and speed up investigations and plan review. FY 2023 spending on overtime was \$0.3 million from general revenues. Although the request indicates that the investigator position would reduce overtime expenses by around \$0.1 million, the current request does not include an associated decrease.

The constrained request excludes the positions and funding. *The Governor does not recommend the new positions.*

Fire Marshal Staffing and Operations. The Department requests \$5.9 million for all other staffing and operations of the State Fire Marshal, including \$4.8 million from general revenues, \$0.3 million from federal funds, \$0.7 million from Fire Academy restricted receipts, and \$67,300 from Quonset Development Corporation funding. Funds support the Fire Marshal's existing 39.0 full-time equivalent positions, including 3.0 positions allocated for the Fire Safety and Inspection and Review Unit. The request is \$0.4 million less from all funds, including \$0.5 million less from general revenue, \$27,318 more from federal funds, and \$4,615 less from Corporation funds. The Department later acknowledged that its request inadvertently excludes \$0.3 million for certain benefit expenses. The remaining decrease reflects staff who have retired and been replaced by positions with lower salaries and benefits, partially offset by \$0.1 million more for additional overtime expenses to more closely reflect FY 2023 spending.

The Governor's recommendation includes \$0.1 million more than enacted, primarily from general revenues. The recommendation corrects for the error; includes \$0.1 million of turnover savings; and reflects statewide adjustments for utility savings and higher than anticipated employee health benefit rates.

Cannabis Office

Adult Use Restricted Receipts. The Office collects a 10.0 percent excise tax on all retail adult use cannabis sales. The request assumes collections of \$5.4 million will be received in FY 2025 for requested expenditures totaling \$6.5 million for cannabis-related regulatory activities in six state agencies. The Office spent \$0.4 million in FY 2023. The Rhode Island Cannabis Act restricts use of these funds to program administration, public education, data collection, law enforcement support, and substance abuse services.

The carry-forward balance for FY 2025 is estimated at \$1.2 million based on FY 2024 revised receipts and expenditures. Based on the FY 2025 requested receipts and expenditures, the FY 2026 carry-forward balance would be \$0.1 million. A simple model based on collections as of October 2023 and adjusted for inflation suggests revenues will be \$8.6 million and will be more than sufficient for requested expenses. *The Governor's recommendation includes expenses that are \$17,557 more than requested for FY 2024 and \$46,209 more for FY 2025; changes appear to be within available resources.*

Cannabis Office Administrator (1.0 FTE). The Office requests \$0.3 million from restricted receipts to support 1.0 new full-time administrator to oversee the Office of Cannabis Regulation. The 2022 Assembly enacted the Rhode Island Cannabis Act, which provides for an administrator role following final issuance of Cannabis Control Commission rules and regulations. The request assumes this will occur in FY 2025. The position title was formally approved in public hearing on October 31, 2023 with a salary of \$162,270 and a total cost of around \$254,000, effectively consistent with the request. The administrator will report to the Commission, fulfill all responsibilities typical of an agency head, and shall be appointed by the Governor with advice and consent of the Senate. The request maintains the existing chief of strategic planning position currently responsible for oversight of the Office.

The constrained request excludes the position and funding. *The Governor recommends funding essentially as requested and repurposes a vacant position from the Office of the Health Insurance Commissioner.*

Cannabis Control Commission. The Office requests \$0.9 million from restricted receipts, \$0.2 million more than enacted, for staffing and operations of the Cannabis Control Commission. Funds support 5.0 full-time equivalent positions, including the commission chair, and monthly stipends for the other two commissioners who are not state employees. The enacted budget includes turnover savings equivalent to 1.9 positions. The increase reflects the inclusion of operating costs, current service adjustments, and final approved costs for the commission chair and monthly stipends, which are increasing from \$1,666 to \$2,803.

The 2022 Assembly created the Commission to oversee the cannabis industry, including authority to issue regulations, review and approve applicants, set fees, and issue emergency orders. Upon final issuance of the Commission's rules and regulations, the Office of Cannabis Regulation shall be renamed the Cannabis Office and will be functionally transferred to the Commission, although both will remain within the Department for budgetary purposes. The request assumes this will occur in FY 2025. *The Governor recommends \$12,250 more than requested, primarily to reflect higher than anticipated employee health benefit rates.*

Cannabis Office Other Operations. The Office requests \$5.8 million from restricted receipts for its remaining 20.0 full-time equivalent positions and operations associated with regulation and oversight of the state's retail and medical marijuana and industrial hemp programs. The request is \$170,060 more than enacted, including \$111,657 to restore all turnover included in the enacted budget and \$58,949 for current

service adjustments. The Department indicates it intended to request \$0.1 million less; these funds are associated with a one-time purchase of three vehicles in FY 2024.

Restricted receipts are collected into two accounts: the Medical Marijuana Licensing Account, which receives fees related to the medical program, and the Marijuana Trust Fund, which receives fees and a 10.0 percent sales tax related to the retail program. The Fund is used to support program administration and cannabis-related services across five state agencies and the Judiciary. Based on agency requests and revenue projections as of October 2023, the Fund is expected to end FY 2025 with a positive balance of \$2.2 million. *The Governor recommends \$34,320 more than requested for statewide adjustments and higher than anticipated employee health benefit rates.*

Other Business Regulation Programs

Other Salaries and Benefits. The Department requests \$11.7 million, including \$10.7 million from general revenues and \$1.0 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 \$0.3 million from general revenues and \$0.1 million from restricted receipts. The request shifts \$0.1 million from general revenues to restricted receipts based on updated revenue projections and includes \$0.2 million to restore all turnover savings in the enacted budget. The remaining increase reflects current service adjustments. *The Governor recommends \$0.2 million less to reflect \$0.3 million in turnover savings partially offset by higher than anticipated employee health benefit rates.*

Office Renovation. The Department requests \$225,000 from general revenues for a new initiative to renovate the Insurance Division workspace. The total project cost is estimated at \$450,000 and the Department's FY 2024 revised request also adds \$225,000. Work includes new flooring, electrical systems, cubicles, and other improvements to replace damage caused when portions of the building flooded in February 2022. The Department indicates that the upgrades will aide productivity, hiring, and retention. The constrained request excludes this initiative. *The Governor does not include funding for this initiative in FY 2025; however, he adds \$225,000 for FY 2024 as requested.*

Licensing Software Replacement. The Department requests \$158,000 from general revenues for a new project to replace its current outdated e-licensing platform with a modern alternative. The current platform dates back to the 1980s and is the main system used to maintain professional license records for individuals, businesses, and nonprofits under the Department's purview. Once the new system is fully operational, the Department will save \$74,000 beginning in FY 2026 from disabling the current platform. Its capital request includes \$190,352 from Rhode Island Capital Plan funds for FY 2025 for this project; it submitted similar capital requests for the past two years which were not approved. The Department indicates that it prefers its capital request, which also includes e-licensing support for gaming and athletics licensing programs. The constrained request excludes this initiative. *The Governor does not recommend specific funding for this project.*

Other Operations. The Department requests \$4.7 million from all sources for all other expenses, including \$2.7 million from general revenues and \$2.0 million from restricted receipts. Expenses include \$2.5 million for centralized services provided through the Department of Administration, \$1.6 million for actuarial services associated with insurance rate filings, \$0.1 million for travel expenses, and \$0.4 million for office supplies and a variety of other expenses. The request is \$15,000 less than enacted from restricted receipts for travel expenses. *The Governor recommends \$0.6 million less than requested from general revenues to account for statewide adjustments, almost entirely reflecting updated projections for facilities management centralized services.*

Executive Office of Commerce

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Executive Office of Commerce	\$ 2,249,368	\$ 2,148,014	\$ 2,270,177	\$ 2,264,703
Quasi-Public Appropriations	73,366,774	73,525,593	76,767,897	22,626,060
Economic Dev. Initiative Funds	64,860,000	65,460,368	38,985,000	37,485,000
Commerce Programs	101,151,499	117,794,292	102,101,499	6,276,400
Total	\$ 241,627,641	\$ 258,928,267	\$ 220,124,573	\$ 68,652,163
Expenditures by Category				
Salaries and Benefits	\$ 1,039,888	\$ 938,603	\$ 1,060,697	\$ 1,064,115
Contracted Services	-	-	-	-
Subtotal	\$ 1,039,888	\$ 938,603	\$ 1,060,697	\$ 1,064,115
Other State Operations	204,230	204,161	204,230	195,338
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	30,473,500	125,856,500	30,473,500	20,476,400
Capital	1,810,250	1,969,069	1,810,250	9,401,430
Capital Debt Service	-	-	452,553	452,553
Operating Transfers	208,099,773	129,959,934	186,123,343	37,062,327
Total	\$ 241,627,641	\$ 258,928,267	\$ 220,124,573	\$ 68,652,163
Sources of Funds				
General Revenue	\$ 66,421,142	\$ 66,319,788	\$ 44,918,074	\$ 38,255,983
Federal Aid	174,401,499	191,644,660	174,401,499	22,000,000
Restricted Receipts	-	-	-	-
Other	805,000	963,819	805,000	8,396,180
Total	\$ 241,627,641	\$ 258,928,267	\$ 220,124,573	\$ 68,652,163
FTE Authorization	5.0	5.0	5.0	5.0

Summary. The Executive Office of Commerce requests total expenditures of \$220.1 million for FY 2025, including \$44.9 million from general revenues, \$174.4 million from federal funds, and \$0.8 million from Rhode Island Capital Plan funds. The request includes the enacted level of 5.0 full-time equivalent positions. The request is \$21.5 million less from general revenues than enacted. *The Governor recommends \$151.5 million less than requested from all sources, including \$6.7 million less from general revenues, \$152.4 million less from federal funds, and \$7.6 million more from Rhode Island Capital Plan funds.*

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 \$34.8 million, including a current service reduction of \$30.3 million and a 5.0 percent reduction of \$1.3 million, adjusted for certain exclusions. The constrained budget submitted by the Executive Office 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 \$3.4 million above the target.*

I-195 Redevelopment Fund. The Executive Office requests \$1.0 million from general revenues 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. The budgets adopted for FY 2016, FY 2018, FY 2019, and FY 2024 included a total of \$30.0 million from general revenues available until exhausted or the program ends. As of September 2023, the Commission has active commitments of \$24.7 million, of which \$23.4 million has been disbursed, which suggests available funding is \$5.3 million. The 2023 Assembly extended the program's sunset date one year to December 31, 2024 and provided \$2.0 million. 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 70.7 percent of all appropriated funds and 77.6 percent of all awarded funding. The Commission has also essentially awarded itself \$4.1 million for infrastructure improvements throughout the FY 2017 to FY 2021 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. During FY 2023, the Commission sold one of two lots on parcel 9 for \$800,000 to be paid over a 20-year period.

The constrained request excludes all funding. *The Governor does not recommend new funding, but proposes extending the sunset date one year to December 31, 2025.*

Rebuild Rhode Island Tax Credit. The Executive Office requests \$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 2023 Assembly increased the award cap by \$15.0 million to \$225.0 million and raised total program funding to \$174.6 million by appropriating \$26.4 million. The new limit requires \$10.1 million annually for the next five years to fully fund the program; a somewhat lower level would be required if more years were assumed. As of November 2023, the Commerce Corporation has 52 active approved awards valued at an estimated \$190.8 million inclusive of the sales and use tax exemptions, adjusted for certain agreements.

The 2016 Assembly capped the total amount of credits awarded under the program at \$150.0 million. Credits valued between 20.0 percent and 30.0 percent of qualified project costs up to a maximum of \$15.0 million are available to projects that have demonstrated a gap between available funding and total estimated project costs. The Rebuild Rhode Island Tax Credit also includes the option to offer a sales and use tax exemption. The 2019 Assembly subjected the sales tax exemption to the cap. The 2023 Assembly extended the program's sunset date one year to December 31, 2024. The Corporation may not enter into any agreement for funding or incentives after that date. *The Governor recommends funding as requested and proposes extending the sunset date one year to December 31, 2025.*

Innovation Initiative. The Executive Office requests \$2.5 million from general revenues, \$0.5 million more than enacted, to support the innovation voucher and network matching grant initiatives. Vouchers are for small businesses with less than 500 employees to facilitate the purchase of research and development support from the state's institutions of higher education and other providers through vouchers ranging from \$5,000 to \$75,000 per business. The request provides additional technical assistance, expands allowable uses to permit administrative costs, and creates a new Patent Incentive program to provide matching funds for legal fees associated with patent applications. The request includes a new 0.5 full-time equivalent position at the Commerce Corporation and would require statutory changes.

For the FY 2016 through FY 2024 period, the program averaged about 19 awards each year, of which 14 were for vouchers. As of November 2023, the Corporation has awarded seven vouchers and five matching grants for the current fiscal year. The program has awarded a total of 121 vouchers to 97 recipients, including 2 recipients receiving total funding over \$90,000, with awards averaging \$48,489. It also awarded 36 matching grants to 24 recipients averaging \$117,158, including two recipients with three awards totaling over \$640,000 and three with two or more awards totaling over \$310,000. As of June 30, 2023, the Corporation paid out \$4.5 million for vouchers, around 82 percent of awarded voucher funding, and \$3.5 million of the awarded matching grant funds, around 77 percent of its matching grant awards.

Since FY 2016 appropriations to the program total \$11.5 million, the Corporation awarded \$10.1 million against it as of November 2023, and has \$1.4 million remaining in addition to any resources available for projects which have closed or been paid out at a lesser amount than awarded. The Corporation indicated around \$395,000 in unspent funding has been recaptured from previous awards. There is not a set distribution of funding between the two aspects of the Innovation Initiative. The funding is distributed between the award types based on the level of demand and quality of applications received by the Corporation. The 2023 Assembly raised the maximum voucher award from \$50,000 to \$75,000 and extended the program’s sunset date one year to December 31, 2024. The Corporation may not enter into any agreement for funding or incentives after that date.

The constrained request includes \$0.5 million less, consistent with the enacted level, and excludes the proposed changes. *The Governor’s recommendation includes \$1.0 million, \$1.5 million less than requested. It also expands network matching grant eligibility to employee-owned or transitioning businesses, establishes a new \$5,000 grant to defray patent application costs, and extends the sunset date one year to December 31, 2025.*

First Wave Closing Fund. The 2015 Assembly established the First Wave Closing Fund to provide financing to ensure that certain transactions that are critical to the state’s economy occur, subject to approval by the board of the Commerce Corporation. As of November 2023, the program has \$11.5 million in reserves from which to draw awards and the Executive Office does not request funds to recapitalize the program. The 2023 Assembly provided \$10.0 million to recapitalize the fund and extended the program’s sunset date one year to December 31, 2024.

For the FY 2016 through FY 2018 period, the Assembly appropriated \$15.3 million; prior to FY 2022, the Corporation awarded \$3.3 million to nine recipients. For FY 2019, the Assembly recaptured \$5.0 million in unutilized resources to the state, leaving a balance of \$7.7 million. As of September 30, 2023, only \$1.1 million of awarded funding has been disbursed. There was no program activity for FY 2020. The Corporation made two awards for FY 2021, including \$250,000 to be reimbursed by the Governor’s Workforce Board for Virgin Pulse and \$0.5 million to 401 Tech Bridge, a non-profit economic development organization affiliated with the Polaris Manufacturing Extension Partnership and similarly under the hierarchy of the URI Foundation. It made one award in FY 2022 of \$5.7 million to support redevelopment of 111 Westminster Street. *The Governor does not recommend new funding, but proposes extending the sunset date one year to December 31, 2025.*

First Wave Closing Fund	FY 2016 - FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Balance Forward	\$ -	\$ 12,702,500	\$ 7,702,500	\$ 7,202,500	\$ 1,502,500	\$ 1,502,500
Appropriation	15,300,000	-	-	-	-	10,000,000
FY 2019 Recapture	-	(5,000,000)	-	-	-	-
Available Resources	\$ 15,300,000	\$ 7,702,500	\$ 7,702,500	\$ 7,202,500	\$ 1,502,500	\$ 11,502,500
Grants Awarded	(2,597,500)	-	(500,000)	(5,700,000)	-	-
Balance Forward	\$ 12,702,500	\$ 7,702,500	\$ 7,202,500	\$ 1,502,500	\$ 1,502,500	\$ 11,502,500

P-Tech Initiative. The Executive Office’s request does not include funding to recapitalize the High School, College, and Employer Partnerships program, known as P-Tech, which supports partnerships among high schools, the Community College, other institutions of higher education, and employers to offer courses towards high school diplomas, internships, and associate degrees. A total of six programs were approved in FY 2016 and FY 2017; one program was approved in FY 2021. Of the \$1.6 million awarded, \$1.1 million was disbursed through June 2023. The 2023 Assembly extended the program’s sunset date one year to December 31, 2024 but appropriated no funds.

The Commerce Corporation Board of Directors approved funding for three districts in FY 2016, Newport, Providence, and Westerly, and extended funding to three programs in FY 2017, North Providence, Woonsocket, and the William M. Davies Jr. Career and Technical School. The Board also approved an allotment to the Community College for administrative purposes related to its participation in the program; during FY 2018, it increased the allotment from \$100,000 to \$150,000. In FY 2021, the Corporation extended funding to one program at E-Cubed Academy. In FY 2022, the Corporation provided an additional allotment to the Community College of \$30,000. *The Governor does not recommend new funding, but proposes extending the sunset date one year to the end of FY 2025.*

ARPA - Small Business and Technical Assistance. The Assembly authorized \$32.0 million from State Fiscal Recovery funds to provide grants and technical assistance to businesses impacted by the pandemic. The FY 2023 final budget allocates \$12.5 million in direct grants; \$18.0 million in technical assistance, public health capital improvements, and energy efficiency improvements; and \$1.5 million for administrative costs associated with this and for the Assistance to Impacted Industries program. Eligibility is limited to businesses with less than \$1.0 million in annual gross revenues that can demonstrate a negative impact from the COVID-19 pandemic and 20.0 percent of funds are reserved for awards to assist minority business enterprises. The Pandemic Recovery Office has flagged this project as at risk of not meeting the federal obligation and spending deadlines.

Consistent with the Governor’s recommendation, the 2023 Assembly increased the aggregate award cap from \$20,000 to \$30,000, expanded allowable uses to energy efficiency improvements, and merged the technical assistance and public health capital improvement categories, which previously were allocated \$10.5 million and \$7.5 million, respectively. Expenditures were \$18.4 million in FY 2022 and \$11.0 million in FY 2023; \$2.6 million remains unspent. The Executive Office inadvertently requested \$0.3 million in both FY 2024 and FY 2025. It did not indicate how remaining funds should be distributed between years, but any unspent funds are automatically reappropriated. *The Governor recommends \$30.0 million, \$2.0 million less for technical assistance, and includes no funding for FY 2025.*

ARPA - Assistance to Impacted Industries. The Assembly authorized \$13.0 million from State Fiscal Recovery funds to address the negative impacts of the pandemic to the tourism, hospitality, and events industry. The FY 2023 final budget allocates \$8.0 million in direct grants, \$3.0 million for place making improvements and event programming, and \$2.0 million for tourism marketing. It also limits eligibility to businesses within the industry that can demonstrate a negative impact from the COVID-19 pandemic. As October 2023, only \$0.3 million remains unspent. The Executive Office’s request includes no funding as all remaining funds were transferred to the Commerce Corporation in FY 2023. *The Governor recommends a total of \$15.0 million, adding \$2.0 million for FY 2025 for public place making improvements and event programming.*

Small Business Promotion. The Executive Office requests the enacted amount of \$1.0 million from general revenues to support the small business promotion program known as SupplyRI. 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 provides \$700,000 more, for a five-year planning study, additional staff at the Commerce Corporation, website upgrades, and additional programming and grants. Excluding onetime expenses, the Executive

Office anticipates ongoing operating costs of \$750,000 annually after FY 2025. In support of its original request, the Executive Office reported its intent to create a permanent program with program infrastructure hosted by a partner of the Corporation. The goal was to increase in-state procurement from large purchasers by creating a platform to connect large buyers with small suppliers and provide training to help small suppliers compete for business from large suppliers. As presented to the Corporation's Board, the larger participating companies collaboratively work to plan events and training for smaller companies. The Corporation indicates this program has provided assistance to over 2,500 local businesses.

The constrained request includes \$0.5 million less. *The Governor recommends funding as requested.*

Small Business Assistance. The Executive Office requests \$2.0 million from general revenues for the Small Business Assistance Program authorized by the 2015 Assembly. The Executive Office indicates its request should bring the program closer to being self-sustaining. Originally capitalized with \$5.5 million made available from debt restructuring, the program supports businesses with less than 200 employees that are having difficulty obtaining financing from traditional lending organizations. Loanable funds are capped at \$750,000. The program capitalizes third-party lenders, including those with expertise in microloans, to provide access to capital. State funds are leveraged to provide access to additional lenders' funds or technical assistance. As of September 2023, the Corporation reports \$9.3 million in appropriations has leveraged \$33.6 million in loans with \$3.5 million available from the appropriated funding.

The 2018 Assembly amended the program to increase the amount reserved for microloans from 10.0 percent to a range between 10.0 percent and 25.0 percent. From 2019 to 2022, the Assembly provided \$1.8 million to recapitalize the program. The 2023 Assembly provided an additional \$2.0 million and extended the program's sunset date one year to December 31, 2024. The Corporation may not enter into any agreement for funding or incentives after that date. The Executive Office requests repeal of the sunset provision to make the program permanent.

The constrained request includes \$0.9 million, \$1.1 million less than requested. *The Governor recommends funding as requested and proposes extending the sunset date one year to December 31, 2025.*

State Small Business Credit Initiative. The Executive Office requests 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 will receive one-time funding of \$62.5 million from the State Small Business Credit Initiative. The Executive Office indicates funds will be received in tranches of \$20.5 million, the first of which was awarded in February 2023. Funding is available 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 the socially and economically disadvantaged, with technical assistance and enhanced support for recipients that "demonstrate robust support" for those groups. The United States Department of Commerce also announced \$100.0 million for the Minority Business Development Agency to provide technical assistance to eligible underserved small businesses, from which Rhode Island is expected to receive \$0.8 million. *The Governor recommends funding as requested.*

Main Streets Revitalization. The Executive Office requests \$1.0 million from general revenues, consistent with the enacted budget, to recapitalize the Rhode Island Streetscape Improvement Fund. The request includes technical assistance and administrative costs, which would require a statutory change. The 2015 Assembly authorized \$3.0 million from general revenues for the Corporation to award loans, matching grants and other forms of financing to enhance sidewalks, wayfinding signage, and lighting in order to create an attractive environment in local business districts. Initial funds were awarded to 24 municipalities and community organizations, with the most recent award round in November 2018. As of October 2023, \$1.6 million had been disbursed. The 2022 Assembly provided \$5.0 million from general revenues to

recapitalize the program. The 2023 Assembly provided an additional \$1.0 million and extended the sunset date one year to December 31, 2024.

The constrained request includes \$1.0 million less. *The Governor recommends funding as requested and proposes extending the sunset date one year to December 31, 2025.*

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. Lack of wet lab space appropriate for use by newly founded life science companies is specifically noted as an obstacle for biomedical innovation in Rhode Island's 2020 Comprehensive Economic Development Strategy. 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. In October 2023, the Governor nominated the chair of the Hub's board.

This initiative replaced a prior \$30.0 million authorized by the 2022 Assembly intended as a match for the BioConnects New England grant application to the Economic Development Administration that was unsuccessful. The 2023 Assembly established the Rhode Island Life Science Hub and Life Science Investment Fund and provided a total of \$45.0 million for FY 2024 to support their creation. The Executive Office inadvertently requested the full \$45.0 million in both FY 2024 and FY 2025. It did not indicate how funds should be distributed between years, but any unspent funds are automatically reappropriated. *The Governor recommends \$45.0 million consistent with the enacted budget and includes no funding for FY 2025.*

ARPA - South Quay Marine Terminal. The 2023 Assembly provided \$35.0 million from State Fiscal Recovery funds to create a new South Quay Marine Terminal in East Providence. Since FY 2020, the Commerce Corporation has awarded but not yet certified \$15.0 million from Rebuild Rhode Island tax credits and \$0.2 million in Site Readiness grants to Rhode Island Waterfront Enterprises for initial dredging, infrastructure upgrades, and design work. The terminal and related upgrades to waterfront port facilities are part of a statewide infrastructure expansion plan focused around the blue economy. The facilities will be managed by a public-private partnership, on land leased from a participating private developer. The Pandemic Recovery Office has flagged this project as at risk of not meeting the federal obligation and spending deadlines.

Initially authorized in 2022, the 2023 Assembly stipulated that these funds may only be used if sufficient matching funds for completion of the project are committed by February 1, 2024. In October 2023, the Corporation announced a \$35.0 million private sector commitment and a ground lease were signed. The Executive Office inadvertently requested the full \$35.0 million in both FY 2024 and FY 2025. It did not indicate how funds should be distributed between years, but any unspent funds are automatically reappropriated. *The Governor recommends \$35.0 million consistent with the enacted budget and includes no funding for FY 2025. A detailed description of the project is included in the Capital Budget section of this publication.*

ARPA - Destination Marketing. The Executive Office intends to request \$0.9 million more from general revenues to continue a program currently funded from State Fiscal Recovery funds to conduct tourism campaigns in destination markets for airline routes to Rhode Island T.F. Green International Airport. It indicates that airlines have struggled to sustain past routes as outbound travelers far exceed inbound travelers compared to other national airports, and that this initiative is intended to balance passenger travel. The request would extend the current marketing campaign an additional year into FY 2025.

The 2022 Assembly provided \$3.0 million for this initiative and required an equivalent match from the Corporation's allocation of state hotel tax receipts. FY 2023 spending was \$0.8 million; \$2.2 million remains to be disbursed. The Executive Office inadvertently requested an additional \$1.5 million from State Fiscal Recovery funds. It did not indicate how remaining funds should be distributed between years, but any unspent funds are automatically reappropriated.

The constrained request excludes general revenue funding. *The Governor recommends \$1.4 million from general revenues for FY 2025 to continue this program. He also includes the enacted amount of \$3.0 million from State Fiscal Recovery funds; none are programmed for FY 2025.*

Other Commerce Programs

Air Service Development Fund. The Executive Office requests \$1.2 million from general revenues, \$1.1 million less than enacted, to recapitalize the Air Service Development Fund 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 from FY 2017 to FY 2019 to be administered by the Commerce Corporation. The 2020 Assembly recaptured \$0.5 million of unspent excess funds. The 2022 Assembly provided \$2.3 million to recapitalize the program. The 2023 Assembly provided an additional \$2.3 million and extended the sunset date one year to December 31, 2024. 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 Governor recommends funding as requested and proposes extending the sunset date one year to December 31, 2025.*

Wavemaker Fellowships. The Executive Office requests the enacted amount of \$4.0 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. The 2022 Assembly expanded eligibility to the fields of healthcare and mental health and provided a total of \$3.2 million. Consistent with the Governor's recommendation, the 2023 Assembly expanded eligibility to teachers with total funds of \$4.0 million. The current request continues the higher level of support for the expanded program. Assuming future cohort awards will equal appropriations, and based on reported utilization through September 2023, the request reflects sufficient funding for one new cohort and partial funding of a ninth cohort. The estimate assumes full utilization of awards, which is inconsistent with recorded disbursements.

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 that the Commerce Corporation 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 for up to four years of reimbursements to awardees. The Office of Revenue Analysis publishes a statutorily required evaluation of the program, which is available on the Department of Revenue's website.

The Corporation awarded seven two-year cohorts of 208, 219, 240, 226, 160, 121, and 262 fellowships for the FY 2016 through FY 2024 period; the latest was announced in October 2023 and included 137 healthcare fellows. The program has been appropriated \$17.4 million across the FY 2016 through FY 2024 enacted budgets. The Corporation also allocates staffing costs for a program director. Accounting for estimated staffing costs, the program should have \$4.7 million in uncommitted funding from which to make awards to an eighth cohort. The 2023 Assembly extended the program's sunset date one year to December 31, 2024. The Corporation may not enter into any agreement for funding or incentives after that date.

The constrained request includes \$423,600 less to meet the constrained target. *The Governor recommends \$3.6 million and proposes extending the sunset date one year to the end of FY 2025.*

Stay Invested in Wavemaker Fellowship Program - Cash Flow						
Fiscal Year Awards	2016-2020	2021	2022	2023	2024 Revised	2025 Governor
<i>Balance Forward</i>	\$ -	\$ 3,475,879	\$ 3,231,737	\$ 4,223,326	\$ 6,788,132	\$ 8,789,778
<i>Appropriation</i>	7,350,000	1,200,000	1,600,000	3,200,000	4,000,000	3,600,000
<i>Total Resources</i>	\$ 7,350,000	\$ 4,675,879	\$ 4,831,737	\$ 7,423,326	\$ 10,788,132	\$ 12,389,778
<i>Awards Anticipated</i>	\$ (4,177,915)	\$ (1,729,865)	\$ (1,474,375)	\$ (1,053,738)	\$ (1,729,351)	\$ (1,295,679)
<i>Administrative Costs*</i>	(424,817)	(169,599)	(123,171)	(237,408)	(246,904)	(256,780)
<i>Award Utilization*</i>	(3,449,304)	(1,274,543)	(485,240)	(397,786)	(1,751,450)	(1,295,679)
Balance Forward	\$ 3,475,879	\$ 3,231,737	\$ 4,223,326	\$ 6,788,132	\$ 8,789,778	\$ 10,837,318

**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. The Executive Office requests \$0.5 million 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 faith and credit of the state. The Executive Office indicates that by July 1, 2025, the total outstanding debt will be \$920,303 and it intends to use bond revenues and review fees to cover a portion of the balance; it has requested the remaining balance from general revenues, which the state is obligated to pay.

The constrained request excludes these funds, which would require the Authority to secure a loan and/or leverage Commerce Corporation resources. *The Governor recommends funding as requested.*

Commerce Corporation Operations. The Executive Office requests \$8.8 million from general revenues, \$0.5 million more than enacted for the Commerce Corporation’s operations. Though not a direct appropriation, the Corporation also receives a share of the 5.0 percent hotel tax to support tourism and marketing. As of August 2023, the Corporation received \$2.1 million for FY 2023, which is \$0.1 million less than August FY 2022 and \$1.5 million more than August of FY 2020 preceding the pandemic. Abnormally poor weekend weather has suppressed FY 2024 revenues. It should be noted that current law requires these funds be spent annually directly on tourism-related expenses. The Corporation received \$7.3 million for FY 2023, \$6.5 million for FY 2022, \$3.8 million for FY 2021, \$4.6 million for FY 2020, and \$5.8 million for FY 2019. For FY 2020 and FY 2021, the reduction is directly related to the coronavirus pandemic; changes in the prior years are generally reflective of changes to the hotel tax distribution formula.

The requested increase includes \$153,736 to extend one previously federally funded planning position, \$124,343 to hire one new legal position, \$120,000 to replace information technology, \$35,000 to replace the Corporation’s vehicle, \$50,000 for one-time costs associated with the Big E exposition, and \$38,552 for medical benefit adjustments.

The constrained request is \$0.1 million less, which is \$0.4 million more than enacted and excludes the requested legal position. *The Governor recommends \$8.5 million, which is \$0.2 million more than enacted and represents a 2.6 percent increase.*

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 berthing growth capacity.

The total includes \$5.0 million for additional work related to pier specialization for offshore wind development added by the 2023 Assembly. FY 2023 spending was \$6.0 million, consistent with the final budget; \$59.0 million remains to be disbursed. The Quonset Development Corporation indicates private funds estimated at \$35.8 million are under negotiation for additional dedicated offshore wind infrastructure and laydown space. The Executive Office inadvertently requested \$59.0 million in both FY 2024 and FY 2025. The Executive Office did not indicate how remaining funds should be distributed between years, but any unspent funds are automatically reappropriated. *The Governor recommends \$65.0 million consistent with the enacted budget and includes no funding for FY 2025. A detailed description of the project is included in the Capital Budget section of this publication.*

I-195 Redevelopment District Commission. The Executive Office requests \$1.9 million from general revenues, \$0.6 million more than enacted, 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 approved by the Assembly for FY 2023 and FY 2024. The requested increase is primarily associated with a proposed business attraction campaign, including \$0.3 million for additional operating expenses and \$0.3 million to add 2.5 more staff for a total of 9.5 positions.

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 fees collected or those which 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. For example, the Commission has put a per square foot of building area fee in contract terms to provide support to the District's seven acres of parks; for FY 2024, this fee is estimated to generate \$310,000. 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 constrained request excludes the increase. *The Governor recommends \$1.2 million, consistent with the enacted budget.*

Polaris Manufacturing Extension Partnership. The Executive Office requests \$750,000 from general revenue, \$300,000 more than enacted, 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, and talent development. Polaris also supports the economic development initiatives of the Executive Office and Commerce Corporation by gathering industry-specific information to inform policy initiatives. The 2022 Assembly increased funding by \$100,000 to provide a match for federal National Institute of Science and Technology funding. The Executive Office asserts that Polaris is a strong contender to receive additional federal National Institute of Science and Technology funds if it can demonstrate sufficient matching funds, which the request would supply from general revenues.

Polaris Manufacturing Extension Partnership is under the hierarchy of the URI Foundation, and is affiliated with 401 Tech Bridge, a non-profit economic development organization which has received several funding awards from the Corporation under a variety of sources. Funding has been provided under the Industry Cluster Grant, First Wave Closing Fund, Rebuild Rhode Island, and Innovation Campus programs.

The constrained request excludes the increase. *The Governor recommends \$450,000, consistent with the enacted budget.*

Small Business Innovation Research. The Executive Office requests \$2.5 million from general revenues, \$1.5 million more than enacted, 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. To be eligible, a business must meet the following conditions: be a Rhode Island-based business with 50 or fewer employees and 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 request would increase the phase I match award from \$45,000 to \$75,000 and the phase II match award from \$100,000 to \$150,000. It would also raise the maximum internship award from \$3,000 to \$6,500, which would require statutory changes. The Executive Office also expects to increase the number of businesses these awards support by around 12 percent.

The constrained request is \$1.1 million less, which is \$0.4 million more than enacted and includes only raising the maximum internship award. *The Governor's recommendation includes funding consistent with the enacted budget, raises the maximum internship award as requested, and ties internship reimbursement rates to the state's minimum wage. It also increases phase I and II award maximums from \$150,000 to \$300,000 and authorizes a new program to provide matching awards of up to \$500,000 for phase III commercialization grants.*

Urban Ventures. The Executive Office requests 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 recommends funding as requested.*

ARPA - Minority Business Accelerator. The Executive Office intends to request \$2.0 million from general revenues for a minority business accelerator grant program currently supported from State Fiscal Recovery funds. The program includes capital grants to businesses, service and program grants to business support organizations, and technical assistance. Requested general revenues would continue the program, providing additional grants, technical assistance, and support for one associated position at the Commerce Corporation. The Executive Office's FY 2024 request also proposed extending the program using general revenues; however, the Governor and Assembly did not concur. The Pandemic Recovery Office has flagged this project as at risk of not meeting the federal obligation and spending deadlines.

The 2022 Assembly provided \$6.0 million and, of these funds, allocated \$0.5 million to support the Rhode Island Black Business Association and \$0.3 million to the Roger Williams University Business Start-Up Clinic. It also required that the Executive Office work with minority small business associations to advance this program. The Executive Office indicates the program's design and additional requested funding are the result of discussion with these organizations and its March 2022 Black, Indigenous, and People of Color Small Business Ecosystem Assessment, developed in collaboration with the Rhode Island Foundation. FY 2023 spending was \$1.0 million, including all funding for the Association and Clinic; \$5.0 million remains to be disbursed. The agency inadvertently requested an additional \$4.0 million from State Fiscal Recovery

funds. The Executive Office did not indicate how State Fiscal Recovery funds should be distributed between years, but any unspent funds are automatically reappropriated.

The constrained request excludes \$2.0 million from general revenues. *The Governor recommends \$0.5 million from general revenues for FY 2025 to continue this program. He also includes the enacted amount of \$6.0 million from State Fiscal Recovery funds; none are programmed for FY 2025.*

Airport Impact Aid. The Executive Office requests 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, Lincoln, North Kingstown, and Westerly. The community payments are made proportionally based on the number of total landings and takeoffs. The Assembly annually authorizes 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 recommends funding as requested.*

Other Pass-Through Initiatives. The Executive Office requests the enacted level of \$1.4 million from general revenues for three initiatives that are passed through its budget but not part of 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. Initially, this was a three-year commitment, which 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 recommends funding as requested.*

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 State International Trade Office and works to increase the value of small and medium business' international exports. The Chafee Center was funded at \$376,200 from FY 2016 to FY 2018 and at the current level since FY 2019. *The Governor recommends funding as requested.*

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 recommends funding as requested.*

Executive Office

CPF - Broadband. The 2023 Assembly provided \$25.0 million from Capital Projects funds for projects to provide high-speed, reliable internet to all Rhode Islanders. In June 2023, Rhode Island was awarded \$108.7 million through the Infrastructure Investment and Jobs Act. As of January 2024, the federal government has not yet announced how Digital Equity Act funds will be 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 and community buildings; however, matching funds and a five-year statewide strategic plan are required.

The 2021 Assembly provided \$0.5 million from State Fiscal Recovery funds to develop a state broadband infrastructure strategic plan and hire a new Broadband Director position at the Commerce Corporation. The strategic plan was submitted in December 2022, and the position was filled in July 2022; all funds are expended. The 2022 Assembly provided \$25.0 million from Capital Projects funds to augment or provide a match for broadband investments made available through the Infrastructure Investment and Jobs Act, consistent with the strategic plan. No Capital Projects funds were expended in FY 2023. The Executive Office inadvertently requested \$9.6 million in each FY 2024 and FY 2025. It did not indicate how funds should be distributed between years, but any unspent funds are automatically reappropriated. *The Governor recommends \$25.0 million consistent with the enacted budget and includes no funding for FY 2025. A detailed description of the project is included in the Capital Budget section of this publication.*

Site Readiness. The Executive Office requests the enacted amount of \$1.0 million from general revenues to assist municipalities to develop pad-ready industrial sites. Funding for this program has remained consistent since first approved by the 2019 Assembly. In 2021, voters approved question seven for \$40.0 million from 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 improvements, including survey studies; and municipal assistance, including board training, marketing support, and assistance writing zoning ordinances or planning documents. As of November 2023, the Commerce Corporation had awarded \$3.6 million to 61 projects with 52 distinct recipients. Including carry-forward funding, there should be \$1.8 million available. *The Governor recommends funding as requested.*

Other Personnel and Operations. The Executive Office requests \$1.3 million from general revenues, \$20,809 more than enacted, for operations and personnel expenditures associated with 5.0 full-time equivalent positions. The requested increase reflects current service adjustments. The enacted budget authorized 2.0 new positions which have since been filled, including a chief financial officer and an administrative secretary. *The Governor recommends \$15,335 more than requested, including \$22,369 for updated salary costs and \$5,474 less for statewide adjustments such as higher than anticipated employee health benefit rates and updated projections for other centralized services.*

Capital. The Executive Office requests the enacted amount of \$0.8 million from Rhode Island Capital Plan funds to support the I-195 Commission's planning and zoning expenses. Requested expenditures typically do not fit the definition of capital projects; however, the Commission capitalizes these costs due to their project-specific transactional nature. The capital request includes \$21.9 million from Rhode Island Capital Plan funds for FY 2025. The Executive Office indicates that it intended to request \$11.9 million.

The approved plan also includes \$84.0 million from general obligation bonds for four projects approved by voters in November 2016 and in a March 2021 special election. This includes \$60.0 million for two projects overseen by the Quonset Development Corporation, \$20.0 million for land acquisition for the Port of Providence, and \$4.0 million for the parks located in the I-195 Redevelopment District. *The Governor recommends \$8.4 million from Rhode Island Capital Plan funds, \$7.6 million more than requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Department of Housing

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 5,364,538	\$ 3,195,314	\$ 6,340,564	\$ 5,150,450
Contracted Services	500,000	2,150,000	850,000	347,625
Subtotal	\$ 5,864,538	\$ 5,345,314	\$ 7,190,564	\$ 5,498,075
Other State Operations	1,433,065	1,539,828	1,444,565	1,879,001
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	104,853,340	288,629,731	48,153,340	24,553,340
Capital	105,000	305,000	105,000	105,000
Capital Debt Service	-	-	-	-
Operating Transfers	139,400,000	28,000,000	25,902,320	4,000,000
Total	\$ 251,655,943	\$ 323,819,873	\$ 82,795,789	\$ 36,035,416
Sources of Funds				
General Revenue	\$ 32,997,895	\$ 31,494,506	\$ 56,605,657	\$ 9,840,596
Federal Aid	210,993,898	284,661,217	18,525,982	18,530,670
Restricted Receipts	7,664,150	7,664,150	7,664,150	7,664,150
Other	-	-	-	-
Total	\$ 251,655,943	\$ 323,819,873	\$ 82,795,789	\$ 36,035,416
FTE Authorization	38.0	38.0	38.0	38.0

Summary. The Department of Housing requests \$82.8 million from all sources, including \$56.6 million from general revenues, \$18.5 million from federal funds, and \$7.7 million from restricted receipts. This is \$168.9 million less than enacted, including \$23.6 million more from general revenues and \$192.5 million less from federal funds. The request includes staffing of 38.0 full-time equivalent positions, consistent with the enacted budget. A number of housing programs are in partnership with or through the Rhode Island Housing and Mortgage Finance Corporation, also known as RI Housing.

The Governor recommends \$36.0 million from all sources or \$46.8 million less than requested, including \$46.8 million less from general revenues and \$4,688 more from federal funds. The Governor also recommends \$100.0 million from new general obligation bond funds to be placed before the voters on the November 2024 ballot for housing development, infrastructure, redevelopment, and homeownership programs for FY 2026 through FY 2028. It does not specify amounts for these uses. 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 Department this produced a general revenue target of \$9.1 million, including a current service decrease of \$23.7 million and a 5.0 percent reduction of \$0.2 million, adjusted for certain exclusions. The constrained budget submitted by the Department is \$23.9 million more than the Budget Office target and reflects removing only newly requested initiatives. *The Governor's recommendation is \$0.7 million above the target.*

Housing Production Fund. The Department requests the enacted amount of \$3.0 million from Housing Production Fund restricted receipts to provide financial or technical assistance to support the creation and preservation of affordable housing. The 2021 Assembly enacted a second tier of the Real Estate Conveyance Tax, doubling the tax to \$4.60 for each \$500 increment for residential property over \$0.8 million, and dedicated that portion to a new housing production fund, effective January 1, 2022. At the time it was estimated to yield \$4.3 million annually. FY 2023 collections were \$3.6 million. The 2021 Assembly also provided \$25.0 million from general revenues for FY 2022 to capitalize the fund and required that funds be disbursed subject to program and reporting guidelines adopted by the Coordinating Committee. As of December 2023, RI Housing has made awards totaling \$19.2 million and has \$13.2 million in available funds. *The Governor recommends funding as requested. An unspecified portion of the newly recommended general obligation bond could be used for this purpose.*

Housing Finance Tools. The Department requests \$10.0 million from general revenues to support three new housing production incentive programs to be authorized for a five-year period. Requested programs are based on nearly identical economic development incentives within the Executive Office of Commerce and are intended to encourage housing development, create affordable units, reduce congestion, and increase residential density. The request includes: a three-year sales tax rebate to exempt affordable housing projects from sales tax on goods and services used in the development process; a tax stabilization incentive to reimburse municipalities for up to 25.0 percent of forgone tax revenue from delaying full assessment of tax liability on affordable- or mixed-use housing; and a tax increment financing incentive to reimburse municipalities for payments or tax exemptions for housing development near public transit infrastructure. The Department requests flexibility in allocating funds among the three programs.

Awards would be made through a competitive process for projects that have demonstrated a gap between available funding and estimated costs. The Department anticipates up to three tax increment financing awards, which would operate similar to the agreement between the Commerce Corporation and Pawtucket for the Tidewater Landing project. The vast majority of funds would support sales tax rebates. The constrained request excludes these initiatives. *The Governor does not recommend these initiatives.*

Low-Income Housing Tax Credit. The Department requests \$25.9 million from general revenues to fund state tax incentives, which are redeemed over time, to projects eligible for the federal Low-Income Housing Tax Credit, as established by the 2023 Assembly. The design of the program is to forward fund credits, thereby creating a predictable effect on state resources when redemption of those credits begins; current project credits are estimated to be redeemed through at least FY 2033. The 2023 Assembly provided \$28.0 million from general revenues to prefund the credits against an existing award maximum of \$150.0 million based on the current sunset date. It would require \$17.4 million annually until FY 2031 to fully fund the existing obligation limit; a somewhat lower level would be required if more years were assumed and depending on the award timeline. As of December 2023, the Department is still designing the program.

Credits are available to projects that have demonstrated a gap between available funding and total estimated project costs to ensure development proceeds. A report is due annually by November 1. The 2023 Assembly established a sunset date of June 30, 2028, after which the Department may not enter into any agreement for funding or incentives. *The Governor recommends \$4.0 million, bringing total funding to \$32.0 million.*

ARPA - Targeted Housing Development. The Assembly provided \$31.0 million from State Fiscal Recovery funds for FY 2024 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 \$27.0 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 December, the Department indicates that all funds were included in the November

application round and are expected to be awarded before the end of FY 2024. The Department's request includes no funding for FY 2025. *The Governor recommends funding as requested. An unspecified portion of the newly recommended general obligation bond could be used for this purpose.*

ARPA - Housing Related Infrastructure. The Assembly provided \$4.3 million from State Fiscal Recovery funds for FY 2024 to 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. The Department indicates it is working with the Infrastructure Bank to establish the program, and it anticipates issuing a request for proposals before the end of FY 2024. The Department's request includes no funding for FY 2025. If any State Fiscal Recovery funds are unspent elsewhere, the request suggests \$7.0 million be repurposed for this initiative. *The Governor recommends \$4.3 million consistent with the enacted budget and includes no funding for FY 2025. An unspecified portion of the newly recommended general obligation bond could be used for this purpose.*

ARPA - Municipal Planning. The Assembly provided \$2.3 million from State Fiscal Recovery funds for FY 2024 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 a municipal fellowship program and \$1.0 million supports grants to study and implement zoning changes that encourage development near public transit. The Department's request includes no funding for FY 2025 and expects both programs to open applications in spring 2024. If any State Fiscal Recovery funds are unspent elsewhere, the request suggests \$4.3 million be repurposed for this initiative. *The Governor recommends \$2.3 million consistent with the enacted budget and includes no funding for FY 2025. An unspecified portion of the newly recommended general obligation bond could be used for this purpose.*

ARPA - Proactive Housing Development. The Assembly provided enabling legislation and \$1.4 million from State Fiscal Recovery funds for FY 2024 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 Department anticipates that RI Housing will formally establish the subsidiary in January, however it did not provide information on how or when funds will be spent. The Department's request includes no funding for FY 2025. If any State Fiscal Recovery funds are unspent elsewhere, the request suggests \$6.8 million be repurposed for this initiative. *The Governor recommends \$1.4 million consistent with the enacted budget and includes no funding for FY 2025. An unspecified portion of the newly recommended general obligation bond could be used for this purpose.*

ARPA - Preservation of Affordable Units. The Assembly provided \$0.5 million from State Fiscal Recovery funds for FY 2024 to preserve affordable housing units at risk of foreclosure or blight. Units that become blighted or subject to foreclosure are removed from the housing stock. The loss of these units results in greater demand on resources dedicated to homelessness and housing production. The Department indicates that it has issued a request for proposals for an organization to manage a revolving loan fund, which it anticipates awarding in the third quarter of FY 2024. The Department's request includes no funding for FY 2025. *The Governor recommends funding as requested.*

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 FY 2024 budget allocates \$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 authorized by the 2021 Assembly. 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; as of December, 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. As of the end of FY 2023, \$85.3 million remains unspent. Only \$18.0 million remains unobligated and is currently subject to a request for proposals issued in November. The Department's request includes no funding for FY 2025. It did not indicate how remaining funds should be distributed between years; unspent funds are automatically reappropriated. *The Governor recommends \$100.0 million consistent with the enacted budget and includes no funding for FY 2025. He also removes language added by the 2023 Assembly explicitly permitting the pilot to include creation of a revolving fund, although this remains an allowable use. An unspecified portion of the newly recommended general obligation bond could be used for this purpose.*

ARPA - Predevelopment and Capacity Building. The Assembly provided \$1.5 million from State Fiscal Recovery funds for consultants to provide administrative support to the Office of Housing and Community Development. 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 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 Department's capacity. The Department 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 2023, \$0.9 million remains unspent. In December the Department indicated that it expects to obligate all remaining funds before the end of FY 2024. The Department's request includes no funding for FY 2025. If any State Fiscal Recovery funds are unspent elsewhere, the request suggests \$0.5 million be repurposed for this initiative. *The Governor recommends \$1.5 million consistent with the enacted budget and includes no funding for FY 2025.*

ARPA - Down Payment Assistance. The Assembly provided \$30.0 million from State Fiscal Recovery funds to provide down payment assistance to eligible first-time homebuyers. Funds are used to provide grants to promote homeownership, up to a \$20,000 limit established by the 2023 Assembly. The program is similar to others run by RI Housing and uses nearly identical eligibility requirements. As of November, the Department indicates that 1,661 applications were received, all funds have been obligated, and \$25.8 million has been spent; the program is closed to new applications. The Department's request includes no funding for FY 2025. It did not indicate how remaining funds should be distributed between years; unspent funds are automatically reappropriated. If any State Fiscal Recovery funds are unspent elsewhere, the request suggests \$21.0 million be repurposed for this initiative. *The Governor recommends \$30.0 million consistent with the enacted budget and includes no funding for FY 2025. An unspecified portion of the new requested general obligation bond could be used for this purpose.*

ARPA - Workforce Housing. The Assembly provided \$20.0 million 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 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. FY 2024 represents the first year of the program and the Department indicates that \$12.5 million is currently subject to a request for proposals issued in November. The Department's request includes no funding for FY 2025. *The Governor recommends \$20.0 million consistent with the enacted budget and includes no funding for FY 2025. An unspecified portion of the newly recommended general obligation bond could be used for this purpose.*

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. Rhode Island Housing manages this program and makes awards on a rolling basis to supplement awards it already provides. As of the end of FY 2023, only \$16,593 has been spent. The Department indicates that \$6.9 million has been committed to 31 projects as of December and remaining funds are expected to be committed by the end of March 2024. The Department's request includes no funding for FY 2025. It did not indicate how remaining funds should be distributed between years; unspent funds are automatically reappropriated. *The Governor recommends \$10.0 million consistent with the enacted budget and includes no funding for FY 2025. An unspecified portion of the newly recommended general obligation bond could be used for this purpose.*

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. The program was originally created using \$10.0 million from general obligation bonds approved in November 2016. The FY 2024 budget allocates \$20.0 million to finance acquisition and redevelopment of blighted properties in disadvantaged communities to increase the number of commercial and public spaces and affordable housing. The remaining \$4.5 million supports critical home repairs within the same communities; no home repair funds have been obligated.

The 2022 Assembly provided \$25.0 million. Consistent with the Governor's recommendation, the 2023 Assembly provided \$0.5 million less and allocated \$4.5 million specifically for critical home repairs. As of the end of FY 2023, no funds have been spent. The Department indicates that \$16.4 million has been obligated and \$3.6 million is currently subject to a request for proposals issued in November; home repair funds are subject to a request for proposals for a vendor to administer the program and responses are due January 11, 2024. The Department's request includes no funding for FY 2025. It did not indicate how remaining funds should be distributed between years; unspent funds are automatically reappropriated. *The Governor recommends \$24.5 million consistent with the enacted budget and includes no funding for FY 2025. An unspecified portion of the newly recommended general obligation bond could be used for this purpose.*

ARPA - Statewide Housing Plan. The Assembly provided \$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 2023, no funds have been spent. The Department indicates that it has contracted with a vendor to produce this report by December 2024. The request includes no funding for FY 2025. It did not indicate how remaining funds should be distributed between years; unspent funds are automatically reappropriated. The Pandemic Recovery Office has flagged this project as at risk of not meeting the federal obligation and spending deadlines. As of October 2023, the Department has only received approval from the Office to spend \$1.0 million of the \$2.0 million dedicated to this program. *The Governor recommends \$2.0 million consistent with the enacted budget and includes no funding for FY 2025.*

Housing Opportunities for Persons with AIDS. Consistent with the enacted budget, the Department requests \$0.4 million from federal funds for the administration of the federal Housing Opportunities for Persons with AIDS. The federal grant is awarded every three years. RI Housing and the Department 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 recommends funding as requested.*

Neighborhood Stabilization Grant. The Department requests \$0.2 million for personnel costs associated with 1.0 full-time equivalent position for federal Neighborhood Stabilization Program eligible activities.

The enacted budget includes no funding, as the Department previously reported that there is no new funding for this program and all remaining program funds were exhausted at the end of FY 2023. It indicates that its current request represents remaining administrative funds, which will be used to close out the program. The Neighborhood Stabilization Program provides emergency assistance to state and local governments to mitigate abandonment and blight by purchasing foreclosed or abandoned homes to rehabilitate, resell, or redevelop in order to stabilize neighborhoods and home values. The program is authorized under Title III of the Housing and Economic Recovery Act of 2008. *The Governor recommends funding as requested.*

Emergency Housing Assistance. The Department requests \$12.0 million from general revenues for a new initiative to provide financial support to households at or below 50.0 percent of area median income at risk of homelessness or experiencing an unexpected housing transition. Funding will provide up to \$7,000 per household for rent or utilities, onetime costs that threaten employment, and moving expenses. This program is based on a similar program in Massachusetts. The Department indicates that many households become homeless as a result of unexpected short-term costs or income reductions. The intent is to prevent households from needing to draw upon homelessness assistance resources, such as shelter beds, which are also limited and costlier. The constrained request excludes this initiative. *The Governor does not recommend this initiative.*

Legal Assistance. The Department requests \$1.6 million from general revenues to continue a federally funded program to provide legal representation to households threatened with eviction. The Department made an award to Rhode Island Legal Services to run the current program, which is supported by \$3.1 million from federal pandemic relief funds only available until December 2024. The request represents six months of funding to continue the program for the remainder of FY 2025. The constrained request excludes funding for this initiative. *The Governor does not recommend this initiative.*

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. As of December 2023, the Department reports that all funds have been obligated and \$35.3 million remains unspent. Its request includes no funding for FY 2025, but any unspent funds are automatically reappropriated. If any State Fiscal Recovery funds are unspent elsewhere, the request suggests \$25.0 million be repurposed for this initiative. *The Governor recommends \$45.0 million consistent with the enacted budget and includes no funding for FY 2025.*

ARPA - Homelessness Assistance Program. The Assembly provided \$21.5 million from State Fiscal Recovery funds to provide housing navigation, stabilization and mental health services for people experiencing homelessness. The Department 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 provided \$1.5 million and required monthly progress reports beginning February 2022. The 2022 Assembly added \$20.0 million. The Department submitted its first report in March 2023 and has not submitted a report since July 2023. As of December 2023, the Department reports that all funds have been obligated and \$12.4 million remains unspent. The request includes no funding for FY 2025. It did not indicate how remaining funds should be distributed between years, but any unspent funds are automatically reappropriated. If any State Fiscal Recovery funds are unspent elsewhere, the request suggests \$15.0 million be repurposed for this initiative. *The Governor recommends \$21.5 million consistent*

with the enacted budget and includes no funding for FY 2025. The recommendation also removes language requiring that a portion of funds be used for operating subsidies for extremely low-income housing units.

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 funding be used to finance projects that require 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 the end of FY 2023, \$10.0 million remains unspent. The Department indicates it is finalizing awards for all remaining funds. The Department requested no funding for FY 2025 but did not indicate how remaining funds should be distributed; unspent funds are automatically reappropriated. If any State Fiscal Recovery funds are unspent elsewhere, the request suggests \$25.0 million be repurposed for this initiative. *The Governor recommends \$25.0 million consistent with the enacted budget and includes no funding for FY 2025.*

ARPA - Municipal Homelessness Support Initiative. The Assembly provided \$2.5 million from State Fiscal Recovery funds for FY 2024 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 Department began accepting applications from municipalities in October 2023, which will remain open until March 1, 2024 or all funds have been obligated. As of December, it reports that the first three applications from municipalities have been received and additional applications are expected shortly. The Department's request includes no funding for FY 2025. If any State Fiscal Recovery funds are unspent elsewhere, the request suggests \$1.8 million be repurposed for this initiative. *The Governor recommends \$2.5 million consistent with the enacted budget and includes no funding for FY 2025.*

Homelessness Assistance Grants. The Department requests the enacted amount of \$3.3 million from federal Emergency Shelter Grants and Title XX Shelter Transfer Grants. The Housing Resources Commission typically allocates funding competitively to the private shelter system through the Consolidated Homeless Fund. *The Governor recommends funding as requested.*

Lead Abatement and Housing Rental Subsidies. The Department requests the enacted amount of \$4.7 million from restricted lead abatement and housing rental subsidy resources. Funding is from a dedicated portion of the Real Estate Conveyance Tax; the 2014 Assembly amended the tax statute to provide a permanent stream of funding to be used by the Housing Resources Commission for lead hazard reduction abatement, rental subsidy and shelter operations. The November 2023 Revenue Estimating Conference estimated that the state would retain a total of \$14.9 million and \$15.4 million from the tax in FY 2024 and FY 2025, which should equate to a \$5.0 million and \$5.1 million yield in each year, respectively, for the Commission's share. *The Governor recommends funding as requested.*

Community Development Block Grants. The Department requests \$14.2 million from federal Community Development Block Grant funds, \$3.3 million more than the Office's enacted budget. Cranston, East Providence, Pawtucket, Providence, Warwick and Woonsocket are entitlement communities which 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 recommends funding as requested.*

Other Salaries and Benefits. The Department requests \$6.2 million from all sources, including \$5.7 million from general revenues and \$0.5 million from federal funds, for personnel expenses for its remaining

37.0 full-time equivalent positions. As of December, the Department has 17.0 positions filled. The request is \$0.8 million more than enacted, including \$1.2 million more from general revenues and \$0.5 million less from federal funds. The request shifts \$0.3 million from federal funds to general revenues, as the Department indicates that federal funds for administrative costs are lower than previously reported. The requested increase represents a number of title upgrades for currently vacant positions, and increases the average departmental salary from \$86,260 to \$101,277. The request also appears to increase the Secretary’s salary by around 8 percent; current law requires that salaries for department directors, including secretaries, may be presented in a March public hearing, and referred to the Assembly which may reject any changes.

The 2022 Assembly provided 4.0 new positions to assist with managing increased resources for federal and other housing related programs in preparation of the creation of a new Department of Housing. Consistent with the Governor’s recommendation, the 2023 Assembly added 21.0 positions in conjunction with the creation of the Department. The request reallocates staffing among functional duties compared to the enacted assumption, as shown in the following table.

Positions by Function	FY 2024 Governor/ Enacted	FY 2025 Request/ Governor	Request Change to Enacted
Analysis	6.0	10.0	4.0
Implementation	21.0	19.0	(2.0)
Administration	3.0	4.0	1.0
Legal Services	3.0	-	(3.0)
Public Relations	2.0	1.0	(1.0)
Executive Leadership	3.0	4.0	1.0
Total	38.0	38.0	-

The Governor recommends title upgrades and duty reallocations as requested and \$1.2 million less, including \$3,497 more from federal funds. The reduction reflects turnover savings equivalent to an average of 8.3 positions and is partially offset by \$70,930 more, including \$66,242 from general revenues, for higher than anticipated employee health benefit rates.

Other Operations. The Department requests \$1.4 million from general revenues, \$0.9 million more than enacted, for all other operations. The Department provides financial and operational support for the Housing Resources Commission and its housing 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 request includes the enacted amount of \$105,000 for furniture expenses associated with transitioning to a new office location. These funds were previously assumed to be one-time; however, the Department indicates that office equipment costs are projected to be greater than previously anticipated. It relocated to the Shepard Building in Providence in January 2024.

The requested increase is almost entirely associated with maintaining increased support for contractors, including legal and communications services, currently funded from State Fiscal Recovery funds for one-time support creation of the Department until newly authorized positions are filled. The Assembly has previously provided \$3.5 million from State Fiscal Recovery funds for contractors, including \$2.0 million for a statewide strategic plan and \$1.5 million for predevelopment and capacity building. As of the end of FY 2023, \$2.9 million remains unspent. Its revised request includes an additional \$150,000 for contractors. To the extent these contractors represent legal services, the Department’s request prioritizes filling other permanent roles. *The Governor recommends \$67,939 less than requested, including \$0.5 million less for contractors and \$0.4 million more for centralized services associated with the new location. There are also changes to account for six months of charges related to implementation of new systems management software. His FY 2024 recommendation includes the requested \$150,000 for additional contractors.*

Department of Labor and Training

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Central Management	\$ 1,841,623	\$ 1,769,690	\$ 1,804,840	\$ 2,069,210
Workforce Development Services	27,842,289	35,209,897	24,876,814	24,945,883
Workforce Regulation and Safety	4,828,609	4,837,864	4,803,769	4,833,768
Income Support	439,035,244	501,018,538	526,558,037	526,895,968
Injured Workers Services	10,320,752	10,075,689	10,658,086	10,630,130
Labor Relations Board	553,932	555,589	540,407	541,797
Governor's Workforce Board	43,211,583	48,761,661	24,348,146	24,429,506
Total	\$ 527,634,032	\$ 602,228,928	\$ 593,590,099	\$ 594,346,262
Expenditures by Category				
Salaries and Benefits	\$ 55,868,828	\$ 51,665,054	\$ 53,052,323	\$ 53,589,517
Contracted Services	7,921,101	8,569,190	8,978,104	8,978,104
Subtotal	\$ 63,789,929	\$ 60,234,244	\$ 62,030,427	\$ 62,567,621
Other State Operations	16,229,101	14,855,938	12,469,313	12,613,282
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	444,143,702	521,033,940	512,485,594	512,560,594
Capital	196,300	104,806	104,765	104,765
Capital Debt Service	-	-	-	-
Operating Transfers	3,275,000	6,000,000	6,500,000	6,500,000
Total	\$ 527,634,032	\$ 602,228,928	\$ 593,590,099	\$ 594,346,262
Sources of Funds				
General Revenue	\$ 17,697,227	\$ 22,190,882	\$ 17,694,419	\$ 17,990,653
Federal Aid	74,703,378	74,768,385	42,413,369	42,711,594
Restricted Receipts	30,280,568	31,213,509	31,983,377	32,037,084
Other	404,952,859	474,056,152	501,498,934	501,606,931
Total	\$ 527,634,032	\$ 602,228,928	\$ 593,590,099	\$ 594,346,262
FTE Authorization	461.7	461.7	461.7	461.7

Summary. The Department of Labor and Training requests \$594.1 million from all sources, which is \$66.4 million more than enacted, including reductions of \$2,808 from general revenues and \$31.8 million from federal funds, offset by increases of \$1.7 million from restricted receipts and \$96.5 million from other funds. The request includes the authorized level of 461.7 full-time equivalent positions. *The Governor recommends \$594.3 million from all sources, including \$18.0 million from general revenues. This is \$0.3 million more than requested, primarily from general revenues. He includes the authorized level of 461.7 full-time equivalent positions.*

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 \$17.1 million, including a current service reduction of \$2,808 and a 5.0 percent reduction of \$0.6 million, adjusted for certain exclusions. The constrained budget submitted by the agency is

consistent with the Budget Office target from reducing general revenues for Real Jobs Rhode Island. *The Governor's recommendation is \$0.9 million above the target.*

Staffing. The Department's staffing request is \$2.3 million less than enacted from all sources to support the authorized staffing level of 461.7 full-time equivalent positions; the staff allocation is consistent with its revised request. This includes increases of \$392,989 from general revenues and \$213,831 from restricted receipts, offset by reductions of \$2.9 million from federal funds and \$60,406 from other funds. The Department's various fund sources, primarily federal grants, cycle for a variety of reasons, including economic conditions, and change the resources available to support the program staff. The resulting cost allocation redistributes positions among functions. The staffing allocation by function is shown in the following table. *The Governor recommends \$52,644 more than requested from all sources, including \$24,489 more from general revenues for the authorized staffing level.*

Function	FY 2024 Enacted	FY 2025 Request	Chg. To Enacted	FY 2025 Governor	Chg. to Request
Governor's Workforce Board	19.4	21.9	2.4	21.9	-
Workforce Development	88.7	84.0	(4.6)	84.0	-
Unemployment Administration	155.2	153.5	(1.6)	153.5	-
Temporary Insurance	80.2	81.3	1.1	81.3	-
Workers' Compensation	41.9	39.8	(2.0)	39.8	-
Employer Tax	40.7	41.3	0.7	41.3	-
Police and Fire	1.0	1.1	0.1	1.1	-
Workforce Regulation and Safety	32.2	36.0	3.8	36.0	-
Other Staffing	2.5	2.7	0.2	2.7	-
Grand Total	461.7	461.7	-	461.7	-

Real Jobs Rhode Island. The Department requests \$15.6 million from all sources for the Real Jobs Rhode Island program, which is \$21.3 million less than enacted from all sources. The program places participants in job openings, advances skills of employed people, and creates a talent pipeline for businesses. Processes and programs offered vary by participant and partnership. The total includes \$5.5 million from general revenues, \$6.2 million from restricted receipts, and \$4.0 million from federal funds. Compared to the enacted budget, this is \$0.9 million more from restricted receipts, and \$22.1 million less from federal funds, of which \$2.1 million is Quality Jobs, Equity, Strategy and Training, or QUEST grant funds and \$20.0 million is State Fiscal Recovery funds; general revenues are as enacted.

It should be noted that the request exceeds available State Fiscal Recovery Fund resources by \$0.8 million. The 2023 Assembly appropriated \$30.0 million for FY 2023 and FY 2024; of which \$9.6 million was spent during FY 2023, leaving only \$20.4 million. The excess may be related to a separate but related program through the Office of Postsecondary Commissioner. Federal QUEST grant funds are available from FY 2023 through FY 2025 to reduce barriers to participation, including childcare and transportation assistance, similar to the Back to Work RI program the Department operated for FY 2021 and FY 2022. The restricted receipts reflect the allocation approved for FY 2024 at the May 2023 Governor's Workforce Board meeting. The Department noted the final allocation from the workforce board's restricted receipts is subject to actual utilization.

The following table illustrates spending by source for the program since it began in FY 2016. Spending for the program had grown each year prior to FY 2021. The coronavirus pandemic reduced the availability of Governor's Workforce Board restricted receipts, which continue to recover.

Real Jobs RI - Spending by 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	\$ 5,450,000	13,326,275	5,300,000	\$24,076,275
FY 2024 Enacted	\$ 5,450,000	26,125,000	5,300,000	\$36,875,000
FY 2024 Revised	\$ 5,450,000	31,115,132	6,158,404	\$42,723,536
FY 2025 Governor	\$ 5,450,000	4,000,000	6,158,404	\$15,608,404

The constrained request reduces the general revenues appropriation by \$0.6 million. *The Governor recommends funding as requested; his revised recommendation corrects the overstated resources.*

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 to improve resident quality of care and address the changing health care needs of nursing facility residents due to acuity and cognitive impairments pursuant to Section 23-17.5-36 of the General Laws. The Department defined the funding requirements, and targeted the University of Rhode Island to provide existing certified nursing assistants medication aide training, enhance their skill and allowing nursing staff to focus more on patient care. For FY 2022, the Department reported having one agreement in place totaling \$30,000, but nothing was spent. As of January 6, 2023, the Department reported four additional agreements with an employer totaling \$38,712; FY 2023 final spending was \$34,073. *The Governor recommends funding as requested.*

Governor's Workforce Board Grants. The Department requests \$5.5 million, \$0.9 million less than enacted from restricted receipts to support the multiple Governor's Workforce Board workforce development initiatives, and reflect 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, Institute for Labor Studies and Research, and the Westerly Education Center. The Department noted the final allocation of resources is subject to actual utilization. *The Governor recommends adding \$75,000 from regional greenhouse gas restricted receipts to establish a grant program related to environmental education, professional development, and youth apprenticeships or internships.*

Governor's Workforce Board Staffing and Operations. The Department requests \$4.5 million, \$1.0 million more 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 or grants and operations. The staffing request includes \$3.1 million to fully fund 21.9 full-time equivalent positions, which is \$0.3 million and 2.4 more positions than the enacted assumptions. All other spending is \$1.4 million or \$0.6 million more than enacted, including \$0.5 million for information technology and \$0.1 million more for centralized services provided by the Department of Administration. *The Governor recommends \$6,360 more than requested for higher than anticipated statewide employee health benefit rates.*

Year Up. Consistent with the enacted budget, the Department requests \$200,000 from general revenues for Year Up, to provide underserved young adults programming for hands-on skill development, academic coursework, internships, and wraparound support. For the FY 2018 to FY 2020 period, support to Year Up

was provided from the Governor's Contingency Fund. The 2022 Assembly provided a \$0.2 million direct appropriation in the Department's budget to continue those efforts. The Department requested the funding beginning with its FY 2024 request. *The Governor concurs.*

Workforce Development Grants. The Department requests \$7.5 million from all sources, including the enacted level of \$704,517 from general revenues. Federal funds include \$6.8 million from the Workforce Innovation and Opportunity Act, which is \$226,144 less than enacted, programming reductions are \$16,537 for youth, \$50,385 for adults, and \$310,284 for displaced workers, offset by \$150,000 more for apprenticeships and \$1,065 from Trade Readjustment Act funds. This is \$3.7 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 for subsidized employment. Workforce Innovation and Opportunity Act funds support subsidized on-the-job training, employment services and 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 recommends funding as requested.*

Workforce Development Staffing and Operations. The Department requests \$13.2 million from all sources, of which \$0.2 million is general revenues and \$13.0 million is federal funds for the remaining workforce development staffing and expenses. This is \$0.6 million less than enacted from federal funds. Staffing expenses total \$9.6 million or \$0.9 million less than enacted. The enacted budget assumes 88.7 full-time equivalent positions and no turnover savings. The request assumes 84.0 full-time equivalent positions, of which about 73 are funded. Its remaining expenses total \$3.6 million, which is \$0.4 million more than enacted, of which \$0.1 million is electronic security services and \$0.3 million is facilities improvements consistent with the enacted budget. *The Governor's recommendation is \$13,360 more than requested from all sources, including \$989 more from general revenues. This includes \$55,064 more, including \$1,054 from general revenues for statewide adjustments including higher than anticipated employee health benefit rates offset by \$41,704 to account for utility savings and updated projections for other centralized services.*

Employer Tax Unit. The Department requests \$6.1 million, \$0.2 million more than enacted from all sources for the staffing and operations of the Employer Tax Unit. The Unit administers the taxes, which 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 request generally reflects decreasing unemployment funding. It shifts \$2.8 million of existing liabilities from federal unemployment funds to disability insurance other funds, and includes increases of \$148,311 from job development restricted receipts and \$257,551 from other funds, offset by a \$212,698 federal fund reduction.

The staffing request is \$197,731 and 0.7 full-time equivalent positions more than enacted, including shifts among sources. The enacted budget assumes 40.7 full-time equivalent positions, the request fully funds 41.3 full-time equivalent positions. All other spending totals \$914,859, of which \$595,659 is for centralized services provided by the Department of Administration. Centralized services are \$116,457 less than enacted, including \$50,331 less for facilities management, \$31,342 more for human resources, and \$97,468 less for information technology expenses. All other expenses are \$111,890 more than enacted, primarily printing and postal services to reflect actual FY 2023 spending, including some costs which were shifted to other functions.

The Governor recommends \$45,303 more than requested from all sources, primarily federal funds. This includes \$50,904 more from all sources for statewide adjustments including higher than anticipated employee health benefit rates offset by \$5,601 less to account for utility savings and updated projections for other centralized services.

Unemployment Benefits. The Department requests \$222.8 million or \$79.9 million more than enacted from federal and unemployment insurance funds for payment of benefits. This includes \$800,000 less for federal employee benefits, offset by \$10,000 more from federal funds and the remainder from unemployment trust fund proceeds. Compared to the revised request, this is \$10.7 million more, nearly all from trust fund proceeds, based on Labor Market Information Unit projections. *The Governor concurs and includes legislation to delay the rate calculation from September 30, 2024 to December 31, 2024 to provide flexibility in the event of an additional deposit of excess fiscal recovery funds.*

Unemployment Administration. The Department requests \$21.6 million or \$5.6 million less than enacted from all sources for the administration of the unemployment insurance program. This is \$5.8 million less than enacted from federal funds and \$0.2 million more from restricted receipts. The staffing request assumes 153.5 full-time equivalent positions, or 1.8 fewer than enacted based on available resources, including \$1.5 million of turnover savings; however, it should be noted that the request and its supporting documents are in conflict. The request is \$0.4 million lower than the documents in support, suggesting additional available savings. The request for all other expenses is \$8.6 million, which is \$3.7 million less than enacted, including \$4.0 million less from federal funds, offset by \$0.3 million from restricted receipts, half of which are from the Tardy Fund, with half from the Job Development Fund. The request also reduces spending by \$1.3 million, primarily from the exhaustion of certain pandemic-era federal funds. Other changes total \$2.5 million less, of which \$1.3 million is for centralized services provided by the Department of Administration, and \$1.1 million is all other spending, primarily information technology and postal services. *The Governor's recommendation is \$0.2 million less than requested from federal funds nearly all of which is for staffing expenses to reflect increased employee health benefit rates and updated available resources. It also includes \$6,544 less for updated statewide projections for centralized services.*

Temporary Disability Insurance Benefits. The Department requests \$230.0 million, \$5.0 million more 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. This is \$14.0 million more than the revised request for \$216.0 million, and \$28.2 million more than FY 2023 spending of \$201.8 million. The Department requests benefit amounts based on Labor Market Information Unit projections. *The Governor concurs.*

Temporary Caregiver Benefits. The Department requests \$32.3 million or \$8.8 million more than enacted from the Temporary Disability Insurance Fund for temporary caregiver insurance benefit payments. The program allows eligible claimants up to six 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. This is \$2.3 million more than the revised request of \$30.0 million, and \$7.3 million more than FY 2023 spending of \$25.0 million. The Department requests benefit amounts based on Labor Market Information Unit projections. *The Governor concurs.*

Temporary Insurance Staff and Operations. The Department requests \$12.6 million, or \$206,476 less than enacted from temporary disability funds for staffing and operations of the temporary disability and caregiver programs. The staffing request is \$9.0 million, which is \$221,884 less than enacted for 81.3 positions. This is 1.1 positions more than enacted, consistent with its revised request, and includes \$314,124 of turnover savings, equivalent to 4.9 vacancies. The request for all other expenses is \$15,408 more than enacted for all spending, primarily for information technology; which is \$160,852 less than its revised request, excluding contracted mainframe replacement costs. *The Governor recommends \$101,887 more than requested for statewide adjustments including \$88,203 for higher than anticipated employee health benefit rates and \$13,684 more to account for utility savings and updated projections for other centralized services.*

Workers' Compensation Staffing. The Department requests \$5.2 million, \$211,118 less than enacted from workers' compensation restricted receipts to support its 39.8 full-time equivalent positions, which is

2.0 fewer than enacted. This is \$31,711 more than the revised request for the same staffing level, which excludes turnover savings, consistent with the enacted budget. *The Governor recommends \$39,743 more than requested to reflect higher than anticipated employee health benefit rates.*

Workers' Compensation Operations. The Department requests \$5.8 million or \$0.5 million more than enacted from restricted receipts for workers' compensation program operations. This includes \$0.6 million more for information technology spending and \$0.2 million less for workers' compensation insurance payments, offset by \$0.4 million less for centralized services provided by the Department of Administration. *The Governor recommends \$68,407 more than requested to account for utility savings and other updated centralized services projections.*

Police and Fire Relief Funds. The Department requests \$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. The request adds \$1,795 to reflect \$22,904 more for staffing costs, offset by reductions for pension benefits and scholarship support of \$6,356 and \$14,753, respectively. *The Governor recommends \$1,222 less than requested, primarily turnover savings and statewide adjustments for higher than anticipated employee health benefit rates and updated centralized services projections.*

Other Workforce Regulation and Safety Staffing and Operations. The Department requests \$4.8 million, \$24,840 less than enacted from general revenues, for staffing and operation costs of the Workforce Regulation and Safety Division. The staffing request is \$4.7 million, which is \$355,938 more than enacted to fully-fund 36.0 full-time equivalent positions, 3.8 positions more than the enacted budget. This includes \$2.2 million or \$110,588 less for Professional Regulation Licensing, \$809,970 or \$130,191 more for Occupational Safety, and \$1.7 million or \$336,335 more for Labor Standards. The request reduces other expenses by \$380,778 to reflect fewer available federal resources. *The Governor recommends \$29,999 more than requested for statewide adjustments, including increases of \$38,409 for higher than anticipated employee health benefit rates and \$9,247 for changes to utility savings and other updated centralized services projections, offset by \$17,657 of turnover savings.*

Office of Community Engagement. The 2023 Assembly provided the Department \$100,000 from general revenues to support its recently established Office of Community Engagement, 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. The Department requests the enacted level, including \$72,000 for its community engagement partners, and \$28,000 for training and travel. *The Governor recommends funding as requested.*

Other Staffing and Operations. The Department requests \$1.9 million, \$19,091 more than enacted from general revenues for all other staffing and operations. This includes \$572,072 for the staffing expenses of the Central Management Division and Labor Relations Board. Compared to the enacted budget this is 0.2 full-time equivalent positions more for the Board. All other requested expenses total \$1.4 million, consistent with the enacted budget, primarily for centralized services provided by the Department of Administration.

The Governor recommends \$266,468 more from general revenues. This includes \$3,950 for higher than anticipated employee health benefit rates and \$64,702 more for utility savings and updated projections for other centralized services including six months of charges related to implementation of new systems management software, offset by \$2,184 of turnover savings. It also includes \$200,000 from general revenues to produce a study of the components of the state's workers' compensation system, with a report due by March 31, 2025.

Department of Revenue

	FY 2024 Enacted	FY 2025 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Office of Director	\$ 2,348,848	\$ 2,493,427	\$ 2,436,891	\$ 2,883,605
Office of Revenue Analysis	983,531	1,010,997	1,015,404	1,015,848
Lottery Division	391,759,764	423,553,743	424,165,025	422,981,930
Division of Municipal Finance	1,759,431	1,624,177	1,760,558	1,741,697
Taxation	39,847,264	38,858,835	39,933,248	40,024,285
Registry of Motor Vehicles	36,132,264	41,686,614	35,564,018	35,672,051
State Aid	326,199,626	298,199,626	328,829,379	327,180,745
Collections	1,002,552	931,948	955,269	965,438
Total	\$ 800,033,280	\$ 808,359,367	\$ 834,659,792	\$ 832,465,599
Expenditures by Category				
Salaries and Benefits	\$ 64,001,981	\$ 63,568,803	\$ 66,642,098	\$ 66,545,448
Contracted Services	10,249,897	11,271,856	11,175,089	11,675,089
Subtotal	\$ 74,251,878	\$ 74,840,659	\$ 77,817,187	\$ 78,220,537
Other State Operations	393,225,558	429,003,087	421,697,231	421,598,322
Aid to Local Units of Government	330,760,105	302,760,105	333,389,858	331,741,224
Assistance, Grants, and Benefits	862,600	822,377	822,377	822,377
Capital	933,139	933,139	933,139	83,139
Operating Transfers	-	-	-	-
Total	\$ 800,033,280	\$ 808,359,367	\$ 834,659,792	\$ 832,465,599
Sources of Funds				
General Revenue	\$ 397,716,359	\$ 374,366,590	\$ 400,041,441	\$ 399,021,730
Federal Aid	825,339	794,957	797,054	805,667
Restricted Receipts	9,556,818	9,469,077	9,481,272	9,481,272
Other	391,934,764	423,728,743	424,340,025	423,156,930
Total	\$ 800,033,280	\$ 808,359,367	\$ 834,659,792	\$ 832,465,599
FTE Authorization	575.5	587.5	596.5	599.5

Summary. The Department of Revenue requests expenditures of \$834.7 million for FY 2025, including \$400.0 million from general revenues, \$0.8 million from federal funds, \$9.5 million from restricted receipts, and \$424.3 million from other sources, primarily lottery funds. The request is \$34.6 million more than the enacted budget. This includes \$2.3 million more from general revenues and \$32.4 million more from lottery funds, offset by reductions of \$28,285 from federal funds and \$75,546 from restricted receipts. The Department requests 596.5 full-time equivalent positions, 21.0 more than the authorized level. *The Governor recommends \$832.5 million from all sources, which is \$2.2 million less than requested. General revenues are \$399.0 million, \$1.0 million less than requested. The recommendation includes 3.0 full-time equivalent positions more than requested.*

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 \$396.6 million, including a current service reduction of \$1.9 million and a 5.0 percent reduction

of \$3.2 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$1 lower than the Budget Office target, when adjusted for a \$3.4 million revenue proposal. The proposals to achieve those reductions are noted among the items described below where appropriate. *The Governor's recommendation is \$2.6 million above the target.*

Director's Office

Staffing and Operations. The Department requests \$2.4 million from general revenues for Director's Office staffing and operations, including centralized services provided by the Department of Administration. The request is \$0.1 million more than enacted to support its 10.0 full-time equivalent positions. Turnover savings of \$0.2 million are equivalent to 1.5 full-time equivalent positions, 0.2 positions fewer than the enacted assumptions. All other spending totals \$1.0 million, as enacted, of which \$0.9 million is for centralized services expenses provided by the Department of Administration.

The Governor recommends \$0.4 million more than requested from general revenues for statewide adjustments including higher than anticipated employee health benefit rates and updated projections for other centralized services including six months of charges related to implementation of new systems management software.

Revenue Analysis

Staffing and Operations. The Department requests \$1.0 million from general revenues for Office of Revenue Analysis staffing and operations. Staffing expenses are \$31,873 more than enacted to reflect current service adjustments. Historical spending suggests staffing expenses for the Office have been overstated by about \$0.1 million. All other spending totals \$0.1 million, primarily for data analysis and software licensing. *The Governor recommends funding essentially as requested to reflect higher than anticipated employee health benefit rates.*

Lottery Division

Commission Payments. The Department requests \$395.8 million from lottery funds for commission payments. Consistent with its revised request, this is \$32.4 million more than enacted and represents an estimate of payments which corresponds to the May 2023 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 recommends funding as requested.*

Advertising. Consistent with its revised request, the Department requests \$8.5 million, \$1.5 million less than enacted from lottery funds for advertising and outreach activities. The enacted budget includes \$10.0 million, as requested by the Lottery for FY 2024, which reprogrammed a number of expenses and reduced the advertising spending by \$0.4 million. The appropriations acts for the pre-pandemic period FY 2017 through FY 2019, averaged \$10.0 million for advertising and outreach; actual spending averaged \$8.8 million. Excluding FY 2022, the most severely impacted year of the pandemic, spending from FY 2020 through FY 2023 averaged \$7.1 million or \$3.3 million below budgeted amounts. The request essentially aligns spending with actual experience. *The Governor recommends funding as requested.*

iGaming (19.0 FTE). The Department requests \$2.4 million from lottery funds and 19.0 full-time equivalent positions to continue the implementation of digital casino gambling for participants age 21 and older located within the state, beginning March 1, 2024, consistent with legislation authorized by the 2023 Assembly. This is \$1.7 million more than its revised request, which includes \$0.8 million and 11.0 full-time equivalent positions. The November 2023 Revenue Estimating Conference adopted estimate assumes

a \$458.8 million state lottery share for FY 2025, of which \$25.1 million reflects a full year of iGaming activities.

The constrained request excludes this funding. Reducing lottery expenditures does not constrain general revenue spending, but reducing implementation expenses may impact revenue collections. *The Governor recommends staffing consistent with the request, but includes \$0.4 million less to reflect turnover savings offset by statewide adjustments which assume higher than anticipated employee health benefit rates.*

Casino Staffing and Operations. The Department requests \$7.0 million from lottery funds for casino operations. This supports 54.0 full-time equivalent positions, including 31.0 positions at Lincoln and 23.0 positions at Tiverton. This is \$13,428 less and one fewer at the Lincoln facility than assumed in the enacted budget, but consistent with its revised request which transfers one position to the central Lottery division. The staffing request is \$39,725 less than enacted for current service adjustments, including \$146,369 for overtime and holiday pay to reflect the 24-hour operations of the casinos. The request lowers travel and telephone spending by \$53,153, reflecting spending more consistent with recent experience. *The Governor recommends \$0.1 million more than requested for higher than anticipated employee health benefit rates.*

Other Lottery Staffing and Operations. The Department requests \$9.4 million from lottery funds, which is \$0.4 million more than enacted, for the Division's remaining 52.0 full-time equivalent positions. This is one more than enacted to reflect the shift of one position from casino oversight activities. The increase includes \$0.2 million for staffing adjustments. Centralized services and all other operations, primarily program supplies, each increase by \$0.1 million based on prior year spending and are consistent with the revised request. *The Governor recommends \$16,488 less than requested for statewide adjustments including higher than anticipated employee health benefit rates and updated centralized services projections.*

Capital. The Department inadvertently requests \$0.9 million from Rhode Island Capital Plan funds for capital expenditures for FY 2025. This is \$1.4 million less than enacted to reflect the exclusion of lottery funds. The enacted budget includes \$2.2 million from all funds for FY 2024 assumed to be one-time for three Lottery projects. The Department's revised and capital requests include the approved projects, but change the assumptions about funding and timing. The Department subsequently reported its capital request intended to reflect the approved plan. *The Governor's operating recommendation excludes the one-time funding consistent with the approved plan. This is inconsistent with the capital budget recommendation which assumes \$1.0 million from lottery funds, programmed over two years, consistent with the Department's capital request. The Budget Office reports the capital budget prevails. A detailed description of the projects is included in the Capital Budget section of this publication.*

Division of Municipal Finance

City of Central Falls Pensions. The Department requests \$220,000, \$40,223 less than enacted from general revenues for payments by the state to Central Falls pensioners affected by the city's bankruptcy. 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; however, under current law, the program is administered by the Employees' Retirement System of Rhode Island. The reduction reflects an updated estimate of liabilities. *The Governor recommends funding as requested.*

Staffing and Operations. The Department requests \$1.5 million from general revenues for its 10.0 authorized full-time equivalent positions and other operations. This is \$41,350 more than enacted to reflect an upgrade for one position, restoration of turnover savings and other current service adjustments. The Division averaged 7.8 positions as of late November. The request for all other operations includes \$29,168 for centralized information technology services provided by the Department of Administration and \$104,871 primarily for the continued development of the Division's new information technology systems.

The Governor recommends \$18,861 less than requested from general revenues for statewide adjustments including higher than anticipated employee health benefit rates, offset by updated projections for other centralized services.

Local Aid

Motor Vehicles Excise Tax Program. The Department requests the enacted level of \$234.7 million from general revenues to reimburse local governments for revenues lost from phasing out the motor vehicle excise tax. The request is \$10.3 million less than the anticipated current service level. 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 is required to calculate and report to the executive and legislative branches the sales tax revenue change to be distributed to local governments in the second fiscal year following the phase-out, FY 2026. *The Governor's budget includes funding as requested, and includes legislation in Article 6 to repeal the requirement for the motor vehicle excise tax increase. A detailed description of the program and community data is included in the Special Reports section of this publication.*

Payment in Lieu of Taxes. The Department requests \$50.9 million for the Payment in Lieu of Taxes program, which reimburses cities and towns for property taxes which 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, which is exempt from taxation by state law. This is \$1.6 million more than enacted. 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 2024 enacted budget includes \$49.2 million which represents the full 27.0 percent. *The Governor includes funding as enacted, which is \$0.6 million less than full funding, and represents a 26.7 percent reimbursement. A detailed description of the program and community data is included in the Special Reports section of this publication.*

Distressed Communities. The Department requests the enacted level of \$12.4 million from general revenues for the Distressed Communities Relief Fund, consistent with the current service estimate. The program was established in 1990 to aid the communities with the highest property tax burdens relative to the wealth of the taxpayers. Section 45-13-12 of the General Laws establishes the following four indices to determine eligibility: percent of tax levy to full value of property, per capita income, percent of personal income to full value of property, and per capita full value of property. Effective 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 2024, eligible communities include Central Falls, North Providence, Pawtucket, Providence, West Warwick and Woonsocket; updated data for FY 2025 is not yet available. *The Governor recommends funding as requested. 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 requests \$1.9 million, which is \$1.0 million more than enacted from general revenues to reimburse communities conducting scheduled property revaluations or statistical updates for FY 2025. The request reflects anticipated expenses for maximum allowable reimbursements for communities scheduled to complete revaluations. Expenditures fluctuate annually on a triennial cycle, including an estimated \$0.9 million for FY 2024. Actual expenditures for FY 2023 and FY 2022 totaled \$0.5 million and \$0.7 million, respectively. *The Governor recommends funding as requested. A detailed description of the program and community data is included in the Special Reports section of this publication.*

Tangible Tax Exemption. The enacted budget includes \$28.0 million to reimburse municipalities for a tax exemption program authorized by the 2023 Assembly. The exemption applies as of the December 31, 2023 assessment date, or effectively for all tax years beginning on or after January 1, 2024. Article 1 of 2023-H 5200 Substitute A, as amended, includes language to reappropriate the authorized funding to FY 2025, the

year reimbursements are anticipated to be paid. The Department requests \$28.0 million for FY 2025; as this funding is accounted for in the enacted budget, the request double counts those resources.

Rhode Island General Laws, Chapter 44-5.3 establishes a statewide exemption of \$50,000 from the tangible taxes levied by local governments, except the public service corporation and renewable energy resources and equipment taxes. Each community is required to annually send its certified tax rolls to the Division of Municipal Finance by August 15, for the initial September 30, 2024 reimbursement. 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 recommends funding as requested, to reflect shifting these funds from the enacted budget to FY 2025 when the payments will be made. A detailed description of the program is included in the Special Reports section of this publication.*

Car Rental/Surcharge - Warwick Share. The Department requests the enacted amount of \$1.0 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 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 2023 spending totaled \$0.8 million, as proceeds continue to recover to the pre-pandemic level, which reached \$1.0 million during FY 2019. *The Governor recommends funding as requested.*

Division of Taxation

Youth Vaping Abatement (2.0 FTE). The Department requests \$200,000 from general revenues and 2.0 full-time equivalent positions for a youth vaping abatement initiative, in conjunction with the Executive Office of Health and Human Services, and Departments of Health, and Behavioral Healthcare, Developmental Disabilities and Hospitals. Rhode Island was a party to a multi-state settlement regarding marketing vapor products to underaged consumers; the state share of the settlement ranges from \$6.3 million to \$6.9 million, dependent on certain conditions. For the Department of Revenue, this includes \$183,450 to support two staff for enforcement and seizure activities, and \$16,570 for contraband storage and destruction. The Department notes that it requires additional statutory authority to confiscate and seize contraband vaping products.

The constrained request excludes the funding and positions. *The Governor concurs, but includes \$36,812 less than requested to reflect filling the positions in September and statewide adjustments which assume higher than anticipated employee health benefit rates.*

Enhanced Collections. The Department's constrained request proposes revenue enhancements to achieve its budget target in lieu of further spending reductions. The proposal assumes \$3.4 million of new revenues, of which personal income taxes are about one-third, sales and use taxes are one-third, and the remainder are business corporation tax collections from enhanced voluntary compliance. Current law allows the posting of the top 100 delinquent individual and business taxpayers with the largest outstanding liabilities in excess of 90 days.

The Department proposes removing the numerical limit and establishing a liability floor of \$50,000 in order to incentivize additional voluntary compliance. The revenue estimate is based on engagement from nearly three times as many current debtors, based on the lower threshold, and assumes an 80 percent collection rate from that expanded population. *The Governor's budget assumes a total of \$10.4 million in additional personal income, business, sales and use tax revenues and associated fines and fees from enhancing Division of Taxation collections efforts. This includes \$6.7 million of new tax revenues from personnel*

enhancements and expanding the existing top 100 tax delinquent list to include those owing at least \$50,000. The recommended budget includes \$0.7 million for implementations costs, including \$0.2 million for 3.0 full-time equivalent taxpayer assistant positions and \$0.5 million for contracted data mining and legal services for out-of-state collections. The FY 2025 revenue estimate includes \$5.0 million that is not expected to be recurring; the FY 2026 estimate is \$5.8 million of gross revenues.

Adult Use Marijuana. The Department requests \$266,033 from restricted receipts and 2.0 full-time equivalent positions to support compliance with the implementation of adult use marijuana tax provisions for FY 2025. This is \$240,783 less than enacted and two fewer positions to reflect projected receipts based on FY 2023 actual revenues. The enacted budget assumes \$406,816 to support 4.0 full-time equivalent positions; the request includes \$166,033 for 2.0 full-time equivalent positions. Other operational spending remains \$100,000, as enacted. *The Governor recommends funding as requested.*

Integrated Tax System Maintenance and Support. Consistent with the enacted budget, the Department requests \$6.1 million from general revenues for its maintenance, support, and a vendor services contract, including contingency contract payments. During FY 2023, the Division migrated the system to a cloud-based platform and replaced the scanners which digitize documents for the system's use and were at end-of-life; the request reallocates funding between accounts to reflect the shift. The enacted budget assumes \$0.2 million of savings from the system contract consolidating contingency contract services, compared to the prior service agreement. *The Governor recommends funding as requested.*

Tax Increment Financing. Consistent with the enacted budget and its revised request, the Department requests \$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 recommends funding as requested.*

Legal Services. The Department requests \$75,000 from general revenues as enacted for outside legal counsel to assist the Division with ongoing litigation involving the appropriate method for calculating depreciation under the state's Public Service Corporation Tax. That tax applies to the tangible personal property of telegraph, cable, telecommunications, and express corporations, used exclusively in conducting business for the corporation which is exempt from local taxation. Property subject to taxation by the state includes: lines, cables, ducts, pipes, machinery, and equipment. The state passes the collections to the local governments. Rhode Island District Court held in favor of the Division; the matter is pending appeal to the Rhode Island Supreme Court. It should be noted this tax is not affected by the 2023 tangible tax exemption. *The Governor recommends funding as requested.*

Other Staffing and Operations. The Department requests \$28.7 million, primarily from general revenues for all other expenses. This includes \$24.6 million to support 221.0 full-time equivalent positions, including one position authorized within the Office of Revenue Analysis and two positions supported by HealthSource RI individual mandate proceeds. This is \$0.1 million more from general revenues and two more positions than the enacted assumptions, after accounting for an additional \$0.3 million of turnover savings. All other spending totals \$4.1 million from general revenues including \$2.0 million for centralized services provided by the Department of Administration and \$2.0 million for all other expenses. *The Governor recommends \$0.6 million less than requested from general revenues. This includes \$532,309 of turnover savings, and \$81,841 less for statewide adjustments, which include \$284,138 more for higher than anticipated employee health benefit rates and \$365,979 less for updated centralized information technology services projections.*

Division of Motor Vehicles

Mobile DMV. The enacted budget includes \$0.8 million to purchase a mobile motor vehicle registry unit. The FY 2023 budget assumed this as one-time funding; however, development of the request for proposals was delayed and the 2023 Assembly shifted the funding to FY 2024. The request for proposals is anticipated to be released during December 2023. The request excludes the funding. *The Governor excludes funding as requested.*

License Plate Reissuance. The 2022 Assembly provided \$8.5 million from general revenues to reflect the total estimated cost to begin the reissuance of all standard registration license plates over a 24-month period during FY 2023 and has included language in the appropriations acts to provide for the automatic reappropriation of unspent funding. Based on reported spending, the Governor reappropriated \$5.4 million to FY 2024, for which the Department's revised request includes \$5.0 million, \$393,000 less than legally available. The FY 2025 request excludes funding for the reissuance in anticipation of a future reappropriation. State law requires new fully-reflective license plates be issued no less than every ten years. The reissuance had been delayed seven times previously, as recommended by three different governors. The 2022 Assembly eliminated the \$8 fee for all currently registered vehicles for this reissuance. *The Governor recommends funding as requested.*

Cleaning and Security Services. The Department requests \$0.6 million from general revenues to maintain the level of janitorial, security and screening services for the motor vehicle registries used during the pandemic period. This is \$0.4 million more than enacted and \$0.1 million less than its revised request. The request is \$41,109 more than the prior year, but \$90,482 less than FY 2022, which included additional federal support. The Department reports this essentially reflects a new current service level, but it is reviewing potential cost reductions. *The Governor recommends funding as requested.*

Federal CDL Grants. The Department requests \$0.8 million from federal funds for staffing and information technology expenses and 4.0 full-time equivalent positions to support its ongoing Commercial Driver's License Improvement Grants. This is \$28,285 less and one position more than the enacted budget; it assumes a different allocation of positions, resulting in savings. Operations spending is as enacted, primarily for programming costs. *The Governor recommends \$8,613 more than requested to reflect higher than anticipated employee health benefit rates.*

Rhode Island Motor Vehicle System. Consistent with the revised request, the Department requests \$3.7 million, \$0.2 million more than enacted from restricted receipts for contractual support for the Rhode Island Motor Vehicle System. The FY 2018 appropriations act increased the technology surcharge on all Division of Motor Vehicle transactions from \$1.50 to \$2.50 of which \$1.50 was deposited in the Information Technology Investment Fund through the end of FY 2022, with \$1 provided to the Division to pay for additional development costs. The entire fee became available to the Division as of July 1, 2022, consistent with the 2019 appropriations act. The request is \$8,789 less than FY 2023 actual spending. *The Governor recommends funding as requested.*

Reservation System. The Department requests new expenditures of \$234,264 from general revenues to update the reservation system used by the Division of Motor Vehicles. The Division implemented a reservation system when it launched the Rhode Island Motor Vehicle System on July 5, 2017. The Department reports it was informed by the Division of Information Technology that its existing system had insufficient security measures and required replacement. The Department notes that the system does not include sensitive personal information and is being replaced out of an abundance of caution. *The Governor recommends funding as requested.*

Real ID Staffing and Operations. The Department requests \$2.2 million from general revenues for staffing and operations related to the continuing implementation of federal Real ID requirements for which

the federal implementation deadline has been extended several times. The staffing request includes \$2.0 million to support approximately 18 full-time equivalent positions for this effort; remaining expenses total \$0.2 million, \$1,771 less than enacted to reflect the 10-month period prior to the deadline.

The Assembly added 40.0 full-time equivalent positions and \$2.7 million from general revenues over the FY 2019 and FY 2020 enacted budgets to support the estimated daily volume through the registry system over a 22-month period to comply with the original October 2020 federal deadline. The CARES Act extended the date by one year to October 1, 2021. The Department of Homeland Security later extended the deadline to May 3, 2023, and subsequently May 7, 2025, after which citizens will not be permitted access to secure federal sites, including federally regulated airports, without compliant credentials. The 2018 Assembly increased the fee for duplicate credentials from \$5 to \$25, and retained those fees as general revenues to offset the additional staffing expenses. From FY 2019 to FY 2023, a portion of these revenues were retained as general revenues to offset collections expenses; the 2023 Assembly enacted legislation to transfer the remaining funds to the Highway Maintenance Account, consistent with other similar fees. *The Governor recommends \$16,046 more than requested to reflect higher than anticipated employee health benefit rates.*

Other Salaries and Benefits. The Department requests \$18.3 million from general revenues for the Division's remaining 191.5 full-time equivalent positions. This is one fewer position than enacted to reflect the shift of a position to the federal commercial driver's license grant. The request is \$0.2 million less than enacted to reflect current service adjustments and additional turnover savings. *The Governor recommends \$150,740 more than requested to reflect higher than anticipated employee health benefit rates.*

Other Operations. The Department requests \$7.9 million for all other expenses for the Division of Motor Vehicles, nearly all from general revenues. The request is \$17,312 more from general revenues offset by \$14,763 from excluding Municipal Vehicle Value Commission restricted receipts. The Commission is effectively defunct with the excise tax phase-out complete. The request includes \$4.1 million for centralized services provided by the Department of Administration, \$1.3 million to print credentials, \$1.0 million for industry association dues and memberships, \$0.5 million for printing costs, \$0.3 million for rental costs, and \$0.7 million for all other expenses. The Department adjusts several expenditures to reflect prior year or projected spending, which reduces general revenues by \$4,188, offset by \$21,500 more for centralized information technology billings. *The Governor recommends \$67,366 less from general revenues for statewide adjustments to account for utility savings and updated projections for centralized services.*

Central Collections Unit

Staffing and Operations. The Department requests \$1.0 million for the staffing and operations expenses of the Central Collections Unit. This is \$47,283 less than enacted to reflect current service adjustments for its authorized 8.0 full-time equivalent positions offset by \$39,800 more turnover savings, funding 7.1 positions. The request for all other spending is consistent with the enacted budget, but \$30,633 more than FY 2023 spending. The request maintains \$51,000 for programming expenses which were essentially complete and one-time. The 2022 Assembly extended the Unit's sunset provision to 2033. The Unit's annual reporting requirement has consistently been fulfilled. *The Governor recommends \$10,169 more than requested from general revenues for statewide adjustments including higher than anticipated employee health benefit rates and updated projections for other centralized services.*

Legislature

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
General Assembly	\$ 7,292,334	\$ 9,330,903	\$ 8,330,746	\$ 8,341,687
Fiscal Advisory Staff	2,393,445	2,484,631	2,473,499	2,490,826
Legislative Council	5,320,904	5,606,592	5,348,012	5,433,534
Joint Comm. On Legislative Affairs	31,075,736	35,153,045	31,812,334	32,141,261
Office of the Auditor General	6,992,457	7,288,195	7,310,404	7,368,723
Special Legislative Commissions	13,900	13,898	13,900	13,900
Total	\$ 53,088,776	\$ 59,877,264	\$ 55,288,895	\$ 55,789,931
Expenditures by Category				
Salaries and Benefits	\$ 44,543,552	\$ 46,263,931	\$ 46,129,534	\$ 46,571,935
Contracted Services	888,600	2,479,700	1,118,770	1,118,770
Subtotal	\$ 45,432,152	\$ 48,743,631	\$ 47,248,304	\$ 47,690,705
Other State Operations	4,504,624	6,992,133	4,871,291	4,929,926
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,300,000	2,300,000	2,300,000	2,300,000
Capital	852,000	1,841,500	869,300	869,300
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 53,088,776	\$ 59,877,264	\$ 55,288,895	\$ 55,789,931
Sources of Funds				
General Revenue	\$ 50,998,683	\$ 57,472,017	\$ 52,876,457	\$ 53,358,280
Federal Aid	-	-	-	-
Restricted Receipts	2,090,093	2,405,247	2,412,438	2,431,651
Other	-	-	-	-
Total	\$ 53,088,776	\$ 59,877,264	\$ 55,288,895	\$ 55,789,931
FTE Authorization	298.5	298.5	298.5	298.5

Summary. The Legislature estimates FY 2025 expenditures of \$55.3 million and 298.5 full-time equivalent positions. This includes \$52.9 million from general revenues and \$2.4 million from restricted receipts. *The recommendation adds \$0.5 million, almost entirely from general revenues for statewide adjustments including higher than anticipated employee health benefit rates. There are also changes to account for utility savings and updated projections for other centralized services including six months of charges related to implementation of new systems management software.*

Office of the Lieutenant Governor

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 1,193,041	\$ 1,210,147	\$ 1,380,817	\$ 1,239,116
Contracted Services	68,000	68,000	112,865	43,000
Subtotal	\$ 1,261,041	\$ 1,278,147	\$ 1,493,682	\$ 1,282,116
Other State Operations	149,540	135,494	129,540	164,149
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	750	750	750	750
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,411,331	\$ 1,414,391	\$ 1,623,972	\$ 1,447,015
Sources of Funds				
General Revenue	\$ 1,411,331	\$ 1,414,391	\$ 1,623,972	\$ 1,447,015
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,411,331	\$ 1,414,391	\$ 1,623,972	\$ 1,447,015
FTE Authorization	8.0	8.0	9.0	8.0

Summary. The Office of the Lieutenant Governor requests total expenditures of \$1.6 million from general revenues, or \$0.2 million more than enacted, for FY 2025. The request includes 9.0 full-time equivalent positions, which is one more than the enacted authorization. *The Governor recommends \$1.4 million from general revenues, which is \$35,684 more than enacted, and the enacted level of 8.0 full-time equivalent positions.*

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 \$1.3 million, including a current service adjustment reduction of \$5,709 and a 5.0 percent reduction of \$67,408, adjusted for certain exclusions. The constrained budget submitted by the agency is \$0.1 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 \$0.1 million above the target.*

Policy and Administration Coordinator (1.0 FTE). The Office requests \$97,310 from general revenues and authorization for a new full-time equivalent policy and administration coordinator. The position would support interdepartmental collaboration, partnership with the Office of the Governor, and ongoing events and programs established by the Office to serve constituencies statewide. The constrained budget excludes the position. *The Governor does not recommend the position.*

Seasonal Policy Interns. Consistent with its revised request, the Office requests \$97,963 from general revenues, or \$44,321 more than enacted, for temporary staff positions for federal grant writing. The Office will continue to pursue federal fund opportunities for its work related to the State Long-Term Care

Coordinating Council, which is chaired by the Lieutenant Governor. In addition to pursuing federal funds, the positions assist with administrative tasks and existing Office initiatives, including areas such as health care, housing, and services for veterans and older adults. As of early October, the Office has three seasonal policy interns. While the enacted budget may have understated costs, it appears that the request overfunds the part-time positions. *The Governor recommends \$27,431 less than requested based on updated calculations by the Budget Office.*

Staffing Upgrades. The Office requests \$23,315 to upgrade two existing and filled full-time equivalent positions. This includes \$7,381 to upgrade one senior advisor to a supervisor of management services to be responsible for intergovernmental affairs. The remaining \$15,754 is to upgrade a policy analyst to a program manager to oversee scheduling, staff assignments, and events. The Office reports that its budget for technology upgrades and staff training has decreased, and the request assumes that these savings will fully fund the position upgrades.

The constrained budget excludes these upgrades. *The Governor does not recommend funding.*

Community Outreach. The Office requests new expenditures of \$48,000 for contracted services to assist with community outreach efforts. The Office seeks to create culturally and linguistically accessible communication, publications and information for hard-to-reach populations, such as older adults, long-term care recipients and their families, veterans and immigrants, to inform them for which state services and programs they are eligible. The Office will use practices identified in the National Strategy to Support Family Caregivers which the federal Department of Human Services released in FY 2022. The Office requested \$50,000 for this purpose unsuccessfully last year.

The constrained budget excludes this initiative. *The Governor does not recommend funding.*

Other Operations. The Office requests \$1.4 million for all other expenses, or \$125 less than enacted. This includes \$1.2 million for salaries and benefits, which is \$23,010 more than enacted. The request fully funds all 8.0 authorized full-time equivalent positions and restores turnover savings included in the enacted budget. It also includes \$0.2 million for other expenses, including legal expenses, centralized services charges, office supplies, and state fleet expenses. This is \$23,135 less than enacted and reflects \$3,135 less for staff training and \$20,000 less for equipment purchases and renovations based on an updated plan. The FY 2025 request for all these expenses is consistent with the revised request.

The constrained request is \$44,865 lower and excludes legal expenses and staff training expenses and restores equipment purchases and renovations to the enacted level.

The Governor recommends \$18,919 more than requested, including \$6,175 for salaries and benefits for statewide adjustments, including higher than anticipated employee health benefit rates. There are also changes to account for updated projections for other centralized services, including six months of charges related to implementation of new systems management software. The changes also include \$18,000 less for legal expenses and \$3,885 less for staff training and other expenses to offset increases to fund the seasonal interns.

Office of the Secretary of State

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Administration	\$ 4,639,961	\$ 4,893,335	\$ 5,098,508	\$ 5,076,740
Corporations	2,815,916	2,819,649	2,846,819	2,807,730
State Archives	756,379	713,280	24,995,128	4,491,353
Elections and Civics	4,677,314	3,537,620	4,831,485	4,491,197
State Library	879,042	642,724	662,840	649,250
Office of Public Information	655,466	706,118	1,191,392	763,969
Total	\$ 14,424,078	\$ 13,312,726	\$ 39,626,172	\$ 18,280,239
Expenditures by Category				
Salaries and Benefits	\$ 7,895,002	\$ 7,868,548	\$ 7,986,647	\$ 8,040,117
Contracted Services	1,094,980	1,113,380	1,175,280	1,088,980
Subtotal	\$ 8,989,982	\$ 8,981,928	\$ 9,161,927	\$ 9,129,097
Other State Operations	4,624,396	3,576,098	5,558,545	4,638,998
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	418,000	418,000	418,000	418,000
Capital	336,700	336,700	24,487,700	4,094,144
Capital Debt Service	-	-	-	-
Operating Transfers	55,000	-	-	-
Total	\$ 14,424,078	\$ 13,312,726	\$ 39,626,172	\$ 18,280,239
Sources of Funds				
General Revenue	\$ 11,839,843	\$ 10,902,244	\$ 13,067,268	\$ 12,112,241
Federal Aid	2,001,207	2,001,207	2,001,207	2,001,207
Restricted Receipts	583,028	409,275	407,697	409,347
Other	-	-	24,150,000	3,757,444
Total	\$ 14,424,078	\$ 13,312,726	\$ 39,626,172	\$ 18,280,239
FTE Authorization	61.0	61.0	61.0	61.0

Summary. The Office of the Secretary of State requests FY 2025 expenditures totaling \$39.6 million, which is \$25.2 million more than the FY 2024 enacted budget. The request includes \$1.2 million more from general revenues, \$0.2 million less from restricted receipts, and adds \$24.2 million from Rhode Island Capital Plan funds, primarily to construct a new archival facility. The request includes the enacted staffing authorization of 61.0 full-time equivalent positions.

The Governor recommends \$18.3 million from all sources, including \$12.1 million from general revenues. This is \$3.9 million more than enacted from all sources, including increases of \$0.3 million from general revenues and \$3.8 million from Rhode Island Capital Plan funds. The recommendation includes a new archival facility using \$60.0 million from new general obligation bond funds go before the voters in November 2024, supplemented by \$10.0 million from Rhode Island Capital Plan funds.

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 \$11.3 million, including a current service reduction of \$0.1 million and a 5.0 percent reduction of \$0.5 million, adjusted for certain exclusions. The Office did not submit a constrained budget. *The Governor's recommendation is \$0.9 million above the target.*

Elections Equipment Shift. The Office requests \$200,000, or \$1.1 million less than enacted from general revenues to account for the state's contracted elections equipment liabilities being shifted to the Board of Elections, based on legislation enacted by the 2023 Assembly, at the Office's request. Its revised request, includes \$173,235 for contract expenses paid prior to shifting the liability to the Board and \$26,765 for the Centralized Voter Roll System. As the contract was shifted for FY 2024, it appears the request is overstated by \$173,235. *The Governor's recommendation excludes this funding; it presumes use of already budgeted Help America Vote Act funds to maintain the Centralized Voter Roll System.*

Help America Vote Act. Consistent with its revised request, the Office requests the enacted level of \$2.0 million from federal Help America Vote Act election security grant funds. A total of \$9.4 million was awarded from four election security grants, with \$4.2 million available for FY 2024 and 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 assumes \$1.0 million for voting equipment and registration system updates and replacement, \$0.9 million for security expenses, and \$0.1 million for training. It should be noted that the Office and the Board of Elections have had preliminary discussions regarding the use of these funds for new poll pads. *The Governor recommends funding as requested.*

Other Election Expenses. The Office requests \$2.6 million from general revenues for the expenses of the elections and civics division, which is \$1.2 million more than enacted. This includes \$1.6 million for the primary nomination contests and subsequent November 2024 elections, which is \$212,500 more than the Budget Office's current service estimate, primarily for ballot and referenda printing, and postal expenses.

Staffing expenses total \$588,109, which is \$22,798 less than enacted to reflect reducing fellowships, current service adjustments, and changes to position grades. All other spending is \$22,280 more than enacted, including \$16,000 more for membership dues and fees, primarily for the Electronic Registration Information Center. The operations request is \$141,470 more than FY 2023 actual spending. *The Governor includes \$140,288 less than requested primarily to reflect prior year spending.*

Lego State House. The Office requests \$15,000 to build a replica of the Rhode Island State House to promote public and civic engagement through public art and lecture panels. *The Governor does not recommend this project.*

Semiquincentennial Commission. The Office requests \$574,451 from general revenues for the Semiquincentennial Commission dedicated to preparing commemorative celebrations. 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. This is \$474,451 more than enacted and \$400,000 more than the revised request.

The enacted budget includes \$70,000 for consultant expenses to support the Commission and \$30,000 for its operations. The Commission has historically developed its operating budget as it meets after accounting for the contracted support costs. The incumbent contractor was hired by the office for a separate staff role during March 2023. The request includes \$400,000 for the commission and adds \$74,451 for a seasonal employee, hired consistent with the contractor's departure, for 35 hours per week to support the Commission. The request appears to be \$6,543 more than reportedly spent for the role in FY 2023. The request does not account for the coordinator as a full-time equivalent position, though it appears to meet the definition in the appropriations act, which is a term of employment that exceeds 26 weeks, and scheduled for at least 925 hours in a one-year period. *The Governor recommends \$74,451 more than enacted but includes no change to the staffing authorization.*

Records Center. The Office requests \$1.2 million from other funds, or \$12,289 less than enacted for the Records Center, which is 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 \$38,879 less than enacted to fully fund 4.2 full-time equivalent positions, which reflects 60 percent of the six positions of the archives and Records Center, and one position from the Office of Public Information. The request also adds \$6,500 for utilities and taxes paid as part of its lease agreements and \$20,090 for all other spending, primarily records storage and retrieval. It is \$2,586 less than the revised request and excludes \$11,000 of electronic security expenses.

The allocation from the Office of Public Information is a lower cost position than the enacted assumption for a net savings to the archives of \$41,087, offset by \$2,208 more for all other staffing adjustments. For the last two fiscal years, actual collections have been insufficient to support positions outside the Records Center and archives. Proceeds to support the appropriations were short by \$0.3 million for FY 2022 and \$0.2 million for FY 2023. *The Governor recommends \$3,410 more than requested based on increased employee health benefit rates.*

State Archives. The Office requests \$845,128 from all sources, including \$462,431 from general revenues and \$382,697 from restricted receipts, for the staffing and operations of the Archives. This is \$88,749 more than enacted, including \$264,080 more from general revenues. The staffing request for the 2.8 full-time equivalent positions totals \$374,062 from all sources, which is \$20,276 less than enacted, including \$106,965 more from general revenues. All other spending is \$471,066, of which \$355,466 is from general revenues. This is \$109,025 more than enacted, including \$157,115 more from general revenues for additional computer, office and program supplies. This is \$58,900 more than FY 2023 spending.

The staff allocation is consistent with the enacted assumptions, and represents the remaining 40.0 percent of the six positions of the archives and Records Center, and one position from the Office of Public Information. The request is \$48,035 less than FY 2023 spending, some of which is from allocating a lower cost position. It is unclear if restricted receipts will be sufficient to support it.

The Office distributed more costs to general revenues because restricted historical records trust revenues for FY 2023 were \$173,800, or 32 percent lower than FY 2022. The proceeds are derived from a \$4 fee for every instrument filed for various land transactions and for probate filings, split between the state and municipalities. The fee was last increased by the 2007 Assembly and has lost a third of its value. *The Governor recommends \$111,219 less than requested from all sources, essentially all from general revenues. This includes \$2,281 more based on increased employee health benefit rates, of which \$631 is from general revenues, and \$113,500 less for all other expenses, based on prior year spending.*

New State Archives Facility. The Office's capital request includes \$90.0 million from Rhode Island Capital Plan funds to develop a new state archives facility on a site located on Capitol Hill in Providence; it assumes \$18.0 million for FY 2025, \$52.0 million for FY 2026 and \$20.0 million for FY 2027 and notes the pursuit of about \$15.0 million from undefined federal funds to reduce the state's costs. A subsequent cost update that was provided during November projected costs of \$101.7 million. The Secretary of State's budget request predates the updated amount and includes \$18.0 million for the first-year costs, consistent with its capital request.

The Governor includes total project costs of \$101.7 million, including \$10.0 million from Rhode Island Capital Plan funds programed through FY 2027, including \$3.8 million for FY 2025. The capital budget assumes \$31.7 million from private funding, and \$60.0 million from new general obligation bond funds to go before the voters in November 2024. A detailed description of the project is included in the Capital Budget section of this publication.

Information Technology Projects. The Office's capital request includes \$6.5 million from Rhode Island Capital Plan funds programmed for FY 2025 and FY 2026 for three information technology projects. The operating and capital requests are consistent for FY 2025. *The Governor does not recommend these projects. A detailed description of the projects is included in the Capital Budget section of this publication.*

State House Tours and Public Programing. The Office requests \$63,250 from general revenues, \$8,250 more than enacted for tour offerings to enhance the visitor experience at the Rhode Island State House and educational engagement. The request assumes \$30,000 for tour guides, \$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 \$8,000 for all other supplies and equipment. *The Governor recommends funding as requested.*

State House Visitor Center. The Office requests the enacted level of \$25,000 from restricted receipts to fund the State House Visitor Center and Gift Shop and its online retail site. The restricted receipt account is supported by merchandise sales. *The Governor recommends funding as requested.*

State Grants. The Office requests the enacted level of \$318,000 from general revenues for state grants to four local cultural organizations and for Rhode Island students to attend a national competition. This includes \$168,000 as enacted 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 cataloguing 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 2023 Assembly added grants for the Rhode Island Black Heritage Society, Rhode Island Council for the Humanities, and the We the People Civics Challenge. *The Governor recommends funding as requested.*

Other Salaries and Benefits. The Office requests \$7.0 million or \$60,268 more than enacted from general revenues to support the remaining 50.0 full-time equivalent positions of the Administration and Corporations divisions, State Library and Office of Public Information for FY 2025. Compared to the enacted assumptions, this reallocates a number of positions among divisions and shifts one position from the Office of Public Information to the archives and Records Center proceeds. It is unclear if proceeds from the archives and records center will be sufficient to support the position, which presents a risk to the requested level of general revenue spending. *The Governor recommends \$47,977 more than requested, based on higher than anticipated employee health benefit rates.*

Other Operations. The Office requests \$1.9 million, \$251,205 more than enacted from general revenues for all other operations, including centralized services provided through the Department of Administration and \$50,000 for a temporary contracted courier. A similar \$35,000 request for FY 2024 was not funded. Other additions include \$105,850 for postage and printing, \$60,217 for information technology, \$45,700 for leased equipment, and \$55,142 for all other expenses in the administrative and public information divisions. This is offset by \$66,936 of reductions, primarily from the Corporations Division.

The Governor recommends \$134,847 less from general revenues than requested. This includes reductions of \$56,800 from contracted services, including the requested courier, and \$88,600 for printing, travel, and computer hardware, to reflect a combination of current service estimates and adjustments to prior year spending levels. These are offset by \$10,553 for updated projections for other centralized services including six months of charges related to implementation of new systems management software.

Office of the General Treasurer

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
General Treasurer	\$ 4,135,387	\$ 4,036,268	\$ 4,411,518	\$ 3,959,013
Unclaimed Property	2,604,026	2,758,762	3,109,294	2,981,837
Employees' Retirement System	15,419,006	15,058,392	14,532,779	14,245,648
Crime Victim Compensation	1,877,046	1,682,618	1,699,167	1,700,376
Subtotal	\$ 24,035,465	\$ 23,536,040	\$ 23,752,758	\$ 22,886,874
Expenditures by Category				
Salaries and Benefits	\$ 13,189,987	\$ 12,980,088	\$ 13,682,576	\$ 13,294,432
Contracted Services	6,202,519	6,202,519	5,150,019	5,134,752
Subtotal	\$ 19,392,506	\$ 19,182,607	\$ 18,832,595	\$ 18,429,184
Other State Operations	2,842,541	2,797,015	3,301,245	2,838,772
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,706,993	1,462,993	1,462,993	1,462,993
Capital	93,425	93,425	155,925	155,925
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 24,035,465	\$ 23,536,040	\$ 23,752,758	\$ 22,886,874
Sources of Funds				
General Revenue	\$ 3,995,808	\$ 3,980,018	\$ 4,302,551	\$ 3,915,333
Federal Aid	766,369	763,919	766,625	763,030
Restricted Receipts	18,578,032	18,197,154	18,022,073	17,607,485
Other	695,256	594,949	661,509	601,026
Total	\$ 24,035,465	\$ 23,536,040	\$ 23,752,758	\$ 22,886,874
FTE Authorization	91.0	91.0	93.0	91.0

Summary. The Office requests \$23.8 million, which is \$0.3 million less than enacted and includes \$0.3 million more from general revenues. The Office requests 93.0 full-time equivalent positions, two more than the authorized level. *The Governor recommends \$22.9 million, which is \$1.1 million less than enacted and \$0.9 million less than requested. General revenues are \$0.1 million less than enacted and \$0.4 million less than requested.*

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 \$3.7 million including current service reductions of \$81,444 and a 5.0 percent target reduction of \$177,895. The Office did not submit a constrained budget. *The Governor's recommendation is \$0.2 million above the target.*

Staffing. The Office requests \$13.7 million for 93.0 full-time equivalent positions. This is \$0.5 million and 2.0 positions more than enacted. General revenues of \$2.9 million are \$0.3 million more than enacted. The Office has a core group of staff assigned to each of its four programs and allocates portions of many policy, administration, and finance positions to each program based on an estimate of the type of work the

person does. A new General Treasurer took office during FY 2023 and the FY 2024 revised and FY 2025 budget requests reflect revisions to those cost allocations. The equivalent of 1.4 positions is shifted from the Retirement System to other programs. *The Governor recommends \$13.3 million for 91.0 full-time equivalent positions. This is \$0.4 million less than requested, including \$0.2 million less from general revenues. He does not recommend the new positions, adds \$0.1 million for increased employee health benefit rate increases, includes \$0.2 million in additional turnover savings, and makes revisions to some of the proposed cost allocations.*

Crime Victim Compensation. The Office requests \$1.7 million for the crime victim compensation program, which is \$0.2 million less than enacted from all sources and \$8,379 less from general revenues. The request includes \$0.6 million for the 4.0 full-time equivalent positions that staff the program and cost allocations for a portion of ten other positions, and \$1.0 million for claims. The request is \$45,121 more than enacted from general revenues for salaries and benefits to reflect additional cost allocations. Claims are \$0.2 million less than enacted but consistent with the FY 2024 revised request. Also consistent with the revised request is \$20,000 more from general revenues for claim management software licenses. Historically, restricted receipts and federal funds were sufficient to support administrative costs, but restricted receipts have been declining for the past several years and were further affected by court closures resulting from the COVID-19 pandemic. The FY 2025 and FY 2024 revised requests assume \$380,000 of receipts; FY 2023 receipts were \$321,897. *The Governor recommends \$11,171 more from general revenues to reflect increased employee health benefit rates and concurs with the remainder of the request.*

Cybersecurity (1.0 FTE). The Office requests \$166,404 and 1.0 new position to support the cybersecurity needs of the office. The request includes \$99,844 from general revenues. The cost of the position would be split 70 percent to the Office, 20 percent to the Retirement System and 10 percent to the Unclaimed Property program. This position was requested last year but not recommended by the Governor or approved by the Assembly. *The Governor does not recommend the funding or the position.*

Retirement System Counselor (1.0 FTE). The Office requests \$0.1 million and authorization for 1.0 new counselor position for the Retirement System to reduce wait times to meet with a counselor. This position was requested and recommended last year but was not approved by the Assembly. As of early October, the System has 43.0 of its authorized 45.0 positions filled. *The Governor does not recommend the funding or the position.*

Other Retirement System Personnel. The Office requests \$8.1 million from Retirement System restricted receipts for the Retirement System's 45.0 full-time equivalent positions plus cost allocations of another 28 positions. This is \$0.2 million less than enacted and assumes turnover equivalent to approximately one position and revisions to cost allocations. *The Governor recommends \$31,199 more than requested, which includes increased employee health benefit rate increases and revisions to cost allocations.*

Other Retirement System Expenses. The Offices requests \$5.8 million from Retirement System restricted receipts for all other expenses for the Retirement System, including its computer system, Board legal counsel, postage and printing associated with distribution of the System newsletter, and rent for the building on Service Avenue. The request is \$1.0 million less than enacted. Major changes include excluding \$0.3 million from the enacted budget for an actuarial audit not required in FY 2025, \$0.6 million less for possible enhancements or upgrades to the computer system and \$0.1 million less for temporary employees that are working on a three-year data validation project. *The Governor recommends funding as requested.*

Relocation. The Office requests \$0.4 million as a placeholder for a possible move, including \$125,000 from general revenues. The Office has indicated that it was notified by the Division of Capital Asset Management and Maintenance that it would need to move from the location at 50 Service Avenue in Warwick in December 2024, while the building's climate control system is being renovated. The Office

does not know if this move will be temporary or permanent. *The Governor does not recommend funding for a possible move, but his budget retains \$65,000 that had been requested for new furniture.*

Debt Affordability Study. The Office's request removes \$80,000 from general revenues provided for FY 2024 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, which includes recommended debt capacity limits. The study is due in December 2023, which is FY 2024. The next expense will be incurred in FY 2026. *The Governor recommends \$15,267 less than requested to maintain the total general revenue allocation for the Office at the Budget Office current service level.*

Unclaimed Property. The Office requests \$2.9 million from restricted receipts for the administration of the Unclaimed Property program. This includes \$1.8 million to support the 8.0 full-time equivalent positions assigned to the program as well as cost allocations of a portion of 22 other positions, \$0.8 million for audit firms that remit revenues to the program, and \$0.3 million for other expenses, including information technology, advertising and data validation services. This is \$0.4 million more than enacted and reflects increased cost allocations of staff, additional overtime, and a new contract for audits.

This program is responsible for the collection of abandoned property and acts as custodian for both tangible and intangible property, with the mission of returning this property to its rightful owner(s). The Revenue Estimating Conference estimates the transfer to the state each May and November. Prior to FY 2021, unclaimed property transfer, claims and liability set-aside was shown as an expenditure in the Office's budget. An FY 2021 audit adjustment removed these items as expenditures to conform to a Governmental Accounting Standards Board rule and treatment. *The Governor recommends \$7,053 less than requested, which includes increased employee health benefit rates and revisions to cost allocations.*

Centralized Services. The Office requests the enacted level of \$0.6 million from all sources for centralized facilities management and information technology services. This includes \$0.4 million from general revenues. Based on FY 2023 spending, the FY 2024 enacted budget is \$0.4 million more than likely spending; general revenues would be \$0.1 million overfunded with most of the discrepancy in facilities management expenses. *The Governor includes \$127,473 less, including \$36,596 less from general revenues to account for utility savings and updated projections for other centralized services including six months of charges related to implementation of new systems management software.*

Other Salaries and Benefits. The Office requests \$3.0 million for all other salaries and benefits for the Office's other 35.0 full-time equivalent positions. This is \$0.1 million more than enacted and includes \$0.2 million more from general revenues. The request reflects current service adjustments, \$0.1 million less turnover savings, as well as revisions to cost allocations between programs. *The Governor recommends \$0.1 million less than requested, mostly from general revenues, which includes increased employee health benefit rates, additional turnover savings, and revisions to cost allocations.*

Other Operations. The Office requests \$0.7 million for all other expenses, which is \$7,204 more than the enacted budget. The request includes \$0.5 million from general revenues, of which \$0.2 million is for bank fees. The request also includes \$0.1 million from tuition savings fees to administer that program. *The Governor recommends funding as requested.*

Rhode Island Board of Elections

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 2,143,252	\$ 2,152,820	\$ 2,229,056	\$ 2,194,009
Contracted Services	313,550	385,000	1,388,000	1,075,651
Subtotal	\$ 2,456,802	\$ 2,537,820	\$ 3,617,056	\$ 3,269,660
Other State Operations	1,516,926	2,139,198	2,048,544	1,885,297
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	8,000	2,000	708,000	2,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,981,728	\$ 4,679,018	\$ 6,373,600	\$ 5,156,957
Sources of Funds				
General Revenue	\$ 3,981,728	\$ 4,679,018	\$ 6,373,600	\$ 5,156,957
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 3,981,728	\$ 4,679,018	\$ 6,373,600	\$ 5,156,957
FTE Authorization	13.0	13.0	13.0	13.0

Summary. The Board of Elections requests \$6.4 million from general revenues, or \$2.4 million more than enacted. Its request includes the enacted authorization of 13.0 full-time equivalent positions. *The Governor recommends \$5.2 million from general revenues, which is \$1.2 million more than enacted and \$1.2 million less than requested.*

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 \$5.0 million, including a current service adjustment reduction of \$1.2 million and a 5.0 percent reduction of \$118,384, adjusted for certain exclusions. The constrained budget submitted by the agency is \$41 more than the Budget Office target, achieved by reducing unidentified expenditures by \$1.3 million. *The Governor's recommendation is \$0.1 million above the target.*

Seasonal Elections Expenses. The Board requests \$1.7 million from general revenues, \$579,319 more than enacted and \$137,550 more than the Budget Office current service estimate. The enacted budget includes \$935,799 for the presidential nominating contests and the congressional special election. This includes \$371,299 for staffing expenses and \$564,500 for all other spending, of which \$350,000 is for equipment delivery.

The request includes \$430,600 for seasonal staff and \$1.3 million for election operating expenses to conduct the November 2024 elections. Compared to the enacted budget, this is \$21,869 more for staffing and \$557,450 more for other operating expenses. This adds \$400,000 for equipment delivery, \$35,000 for poll pad programming, \$68,000 for election supplies, \$25,000 for related legal expenses, \$15,000 for wireless transmission of tabulated results, \$10,000 for printing expenses, and \$4,450 for ballot drop box surveillance.

The constrained request reduces unidentified expenditures by \$1.3 million. *The Governor recommends \$81,950 less than requested. These changes reflect a combination of current service estimates and adjustments to prior year spending levels.*

Elections Equipment Contract Shift. The Secretary of State's Office provided elections equipment contracts which include \$640,651 of liabilities for FY 2025 for new accessible voting equipment; the ballot scanner and tabulation machines contract expires during FY 2024. The Board of Elections requests \$1.0 million for those expenses. The Board subsequently reported its request was overstated, citing expenses totaling \$635,941 for FY 2025. The 2015 Assembly enacted legislation providing exclusive authority to purchase new elections equipment to the Secretary of State's office. The 2023 Assembly enacted 2023-H 5462, Substitute A, requiring the Board of Elections, in consultation with the Secretary of State to submit the specifications for new equipment. *The Governor's recommendation includes \$640,651 for FY 2025, based on contractual liabilities. Subsequent to submission of the Governor's budget, it was reported that the Board had signed a new four-year contract totaling \$2.1 million, of which \$0.5 million is due for FY 2025.*

New Poll Pads. The Board requests \$700,000 to purchase 400 poll pads with a service life of six to eight years, and a two-year service contract with a two-year extension, to replace some of the existing poll pads purchased from 2016 to 2018 for \$2.2 million, with an anticipated useful life of five to seven years. The state currently has 1,610 poll pads, the Board had reported the intent to issue a request for proposals for 1,600 new poll pads. Subsequently, it reported the existing contract is to be extended, and the amount reflects the maximum estimated cost. It should be noted that the Board has discussed utilizing Help America Vote Act federal funds available through the Secretary of State's office, though the amount is yet to be identified. *The Governor's recommendation excludes this funding.*

Rent and Utilities. The Board requests \$685,896 or \$10,000 more from general revenues for its Cranston facility, including \$580,000 for rent and \$105,896 for utilities, for which it spent \$634,037, including \$559,996 for its rent and \$74,041 for utilities during FY 2023. 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 recommends \$29,896 less than requested and \$21,963 more than FY 2023 actual spending to account for statewide utility savings.*

Other Staffing and Operations. The Board requested \$2.3 million or \$92,553 more than enacted from general revenues to fully fund salaries and benefits for 13.0 full-time equivalent positions, consistent with current service level adjustments, including updated medical benefit selections, and stipends for five commissioners during FY 2025. The request for all other spending includes \$364,547, which is \$28,618 more than enacted. This includes \$9,683 more for insurance premium increases, \$8,000 more for campaign finance information technology system spending, to be consistent with recent spending and \$10,935 for all other spending, including postage; cleaning supplies; food and kitchen supplies; waste services; and office equipment maintenance.

The Governor recommends \$35,448 less than requested. This includes reductions of \$10,047 to reflect available turnover offset by higher than anticipated employee health benefit rates, and \$37,222 to reflect a combination of current service estimates and adjustments to prior year spending levels, offset by \$11,821 to reflect updated projections for other centralized services including six months of charges related to implementation of new systems management software.

Rhode Island Ethics Commission

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 1,725,006	\$ 1,729,054	\$ 1,767,979	\$ 1,756,136
Contracted Services	62,275	62,275	62,275	62,275
Subtotal	\$ 1,787,281	\$ 1,791,329	\$ 1,830,254	\$ 1,818,411
Other State Operations	340,952	362,499	361,572	471,600
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	8,826	8,826	9,326	9,326
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,137,059	\$ 2,162,654	\$ 2,201,152	\$ 2,299,337
Sources of Funds				
General Revenue	\$ 2,137,059	\$ 2,162,654	\$ 2,201,152	\$ 2,299,337
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,137,059	\$ 2,162,654	\$ 2,201,152	\$ 2,299,337
FTE Authorization	12.0	12.0	12.0	12.0

Summary. The Ethics Commission requests \$2.2 million from general revenues, which is \$64,093 more than enacted; it includes the authorized level of 12.0 full-time equivalent positions. *The Governor recommends \$2.3 million from general revenues, which is \$98,185 more than requested.*

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 \$2.0 million, including a current service reduction of \$5,989 and a 5.0 percent reduction of \$95,717, adjusted for certain exclusions.

The constrained budget submitted by the agency is \$5 lower than the Budget Office target, achieved by laying off 1.5 full-time equivalent positions and not funding a new case management system module. *The Governor's recommendation is \$0.3 million above the target.*

Financial Reporting and Opinion Module. The Commission requests \$50,000 from general revenues to design and develop a financial disclosure and advisory opinion module for its new case management system. Development for that system began during FY 2023 and is anticipated to be completed during FY 2024, for which the enacted budget includes \$40,000. The system is intended to manage and track complaints filed against, and conflict of interest statements filed by, public officials and employees. The proposed new module would centralize all records and data for: complaints, conflicts of interest, advisory opinions and financial statements in one system. The revised request includes the Governor's reappropriation of \$21,644 from FY 2023 for system design and development.

The constrained request excludes the funding. *The Governor's budget excludes this funding.*

Staffing and Other Operations. The Commission requests \$2.2 million from general revenues, including \$1.8 million to fully fund its authorized 12.0 full-time equivalent positions. The staffing request is \$42,973 more than enacted to reflect changes to benefit selection and updated planning values. The Commission requests \$383,173 for all other expenses, which is \$11,120 more than enacted. This reflects \$7,000 more for facilities rental, \$1,400 more for financial statement printing, \$1,500 more for dues for online legal research, and \$1,220 more for all other expenses.

The Commission's constrained request reduces staffing expenses by \$115,804 by laying off 1.5 full-time administrative positions, one of which was filled at the time of the request.

The Governor recommends \$108,185 more than requested. This includes \$8,282 more to account for higher than anticipated employee health benefit rates offset by \$20,125 of turnover savings and \$120,028 for updated projections for other centralized services including six months of charges related to implementation of new systems management software. The Budget Office reports the centralized services increase is related only to Division of Information Technology estimated billings.

Office of the Governor

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 7,773,873	\$ 7,655,315	\$ 7,752,988	\$ 7,819,375
Contracted Services	500	500	500	500
Subtotal	\$ 7,774,373	\$ 7,655,815	\$ 7,753,488	\$ 7,819,875
Other State Operations	465,074	464,328	465,074	484,290
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	150,000	150,000	150,000	150,000
Capital	17,100	17,100	17,100	17,100
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 8,406,547	\$ 8,287,243	\$ 8,385,662	\$ 8,471,265
Sources of Funds				
General Revenue	\$ 8,406,547	\$ 8,287,243	\$ 8,385,662	\$ 8,471,265
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 8,406,547	\$ 8,287,243	\$ 8,385,662	\$ 8,471,265
FTE Authorization	45.0	45.0	45.0	45.0

Summary. The Office of the Governor requests FY 2025 expenditures of \$8.4 million from general revenues and staffing of 45.0 full-time equivalent positions. This is \$20,885 less than enacted and consistent with the current service level. *The Governor recommends \$85,603 more from general revenues than requested.*

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 revenues target of \$8.0 million, including a current service reduction of \$20,884 and a 5.0 percent reduction of \$409,300, adjusted for centralized services information technology charges. The constrained budget submitted by the Office is \$1 below the Budget Office target achieved by eliminating the contingency fund and increasing turnover savings by \$259,300. *The Governor's recommendation is \$0.5 million more than the target.*

Salaries and Benefits. The Office requests \$7.8 million from general revenues for salary and benefit expenses for its 45.0 authorized positions. The request is \$20,885 less than enacted from general revenues, reflecting current service adjustments. The request appears to fully fund 43.0 full-time equivalent positions. It includes salary increases for several positions and increases turnover savings from the enacted assumption of about 1.5 vacancies. As of early December, the Office has 35.5 filled positions and is averaging 37.9 filled positions for FY 2024.

The Office's constrained budget request further increases turnover savings by \$259,300. *The Governor recommends \$66,387 more from general revenues for higher than anticipated employee health benefit rates.*

Contingency Fund. The Office requests 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, or where such requirements are due to unforeseen conditions or are non-recurring items of an unusual nature.

The Office's constrained request eliminates the fund. *The Governor recommends funding as enacted.*

Other Operations. The Office requests FY 2025 expenditures of \$0.5 million from general revenues for all other operations, consistent with the enacted budget. This includes \$0.2 million for information technology charges and \$0.3 million for remaining expenses. *The Governor recommends \$19,216 more than requested from general revenues for statewide adjustments to account for updated projections for centralized services including six months of charges related to implementation of new systems management software.*

Rhode Island Commission for Human Rights

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 1,955,845	\$ 1,968,808	\$ 2,134,183	\$ 2,038,174
Contracted Services	36,919	103,811	42,250	42,250
Subtotal	\$ 1,992,764	\$ 2,072,619	\$ 2,176,433	\$ 2,080,424
Other State Operations	375,083	412,532	387,947	420,802
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	500	4,500	4,500	4,500
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,368,347	\$ 2,489,651	\$ 2,568,880	\$ 2,505,726
Sources of Funds				
General Revenue	\$ 2,009,246	\$ 2,071,702	\$ 2,089,105	\$ 2,055,616
Federal Aid	359,101	417,949	479,775	450,110
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,368,347	\$ 2,489,651	\$ 2,568,880	\$ 2,505,726
FTE Authorization	15.0	15.0	16.0	15.0

Summary. The Rhode Island Commission for Human Rights requests \$2.6 million from all sources, which is \$200,533 more than enacted, including \$79,859 more from general revenue and \$120,674 more from federal funds. It includes 16.0 full-time equivalent positions, 1.0 more than enacted. *The Governor recommends positions consistent with the enacted authorization and \$63,154 less from all sources, including \$33,489 less 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 Commission for Human Rights this produced a general revenue target of \$1.9 million, including a current service increase of \$1,835 and a 5.0 percent reduction of \$86,981, adjusted for certain exclusions. The constrained budget submitted by the Commission is \$13,150 lower than the Budget Office target, achieved by laying off 1.5 full-time equivalent positions and excluding a new position request. *The Governor's recommendation is \$0.1 million above the target.*

Federal Receipts. The Commission's request assumes federal receipts of \$361,891 for FY 2025 for requested expenditures totaling \$479,775, which is \$120,674 more than enacted. The Commission spent \$263,934 in FY 2023. The Housing and Urban Development award has specific restrictions on what may be spent from those funds, it must directly concern the advancement of these cases. The Equal Employment Opportunity award does not have these restrictions, which makes expenditures from these funds more flexible.

The Commission has only spent new receipts and therefore does not spend down excess funds. The carry-forward balance for FY 2025 is estimated at \$206,143 based on FY 2024 revised receipts and expenditures,

which would be carried forward to FY 2026 based on current projections. *The Governor recommends \$29,665 less than requested.*

Paralegal (1.0 FTE). The Commission requests \$109,498 from all sources, including \$54,749 each from general revenues and federal funds, for 1.0 new full-time equivalent paralegal position. The Commission indicates the paralegal will save time for the Commission's existing two staff attorneys, benefiting due process, enforcement of antidiscrimination laws, and the speed with which cases are processed.

The constrained request excludes this position and funding. *The Governor does not recommend the position.*

Salaries and Benefits. The Commission requests \$2.0 million from all sources for salaries and benefits for the Commission's 15.0 authorized full-time equivalent positions. The request is \$68,840 more than enacted, including \$24,820 more from general revenues for current service adjustments. The requested \$44,020 increase from federal funds is associated with pay classification changes approved at a March 2023 hearing. Consistent with an amendment requested by the Governor, the 2023 Assembly added \$185,044 for the cost of upgrades to general revenue funded positions; however, it did not adjust for upgrades to federally funded positions.

The constrained request includes \$123,406 less from general revenues achieved by laying off 1.5 full-time equivalent positions. The Commission reports that this proposal would eliminate its ability to enforce anti-discrimination laws and estimates a \$51,750 loss of federal funds annually. *The Governor recommends \$13,489 more than requested, including \$11,646 from general revenues, for higher than anticipated employee health benefit rates.*

Other Operations. The Commission requests \$434,697 from all sources, including \$368,090 from general revenues and \$66,607 from federal funds, for all other expenses. The request is \$22,195 more than enacted, including \$290 from general revenues and \$21,905 from federal funds. The increase reflects additional case management system fees, \$25,000 from a new federal grant to advertise and promote fair housing, partially offset by adjustments to more closely reflect FY 2023 spending. *The Governor recommends \$32,855 more than requested, including \$9,614 from general revenues and \$23,241 from federal funds, for updated projections for other centralized services including six months of charges related to implementation of new systems management software.*

Public Utilities Commission

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 8,729,784	\$ 8,938,515	\$ 9,658,767	\$ 9,454,519
Contracted Services	3,721,836	3,783,836	3,698,836	3,773,836
Subtotal	\$ 12,451,620	\$ 12,722,351	\$ 13,357,603	\$ 13,228,355
Other State Operations	1,429,680	1,134,394	1,476,180	1,092,917
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	380,000	130,000	130,000	130,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 14,261,300	\$ 13,986,745	\$ 14,963,783	\$ 14,451,272
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	593,775	702,387	705,992	711,984
Restricted Receipts	13,667,525	13,284,358	14,257,791	13,739,288
Other	-	-	-	-
Total	\$ 14,261,300	\$ 13,986,745	\$ 14,963,783	\$ 14,451,272
FTE Authorization	54.0	54.0	58.0	56.0

Summary. The Public Utilities Commission requests FY 2025 expenditures of \$15.0 million, which is \$0.7 million more than enacted from all sources, primarily restricted receipts. Restricted receipts are generated from billing the regulated utilities for the 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. The Commission requests 58.0 full-time equivalent positions, which is 4.0 more than the authorized level, adding two staff to each entity. *The Governor recommends \$14.5 million, which is \$0.2 million more than enacted and \$0.5 million less than requested. His recommendation includes only the two new requested positions for the Division.*

Commission Staff (2.0 FTE). The Commission requests \$0.3 million for 2.0 new full-time equivalent positions to support the Commission, a new chief financial analyst and a senior attorney. The Commission currently has 12.0 full-time equivalent positions, of which three are Commissioners. There is an administrative support position and a clerk, leaving seven professional staff to assist the Commissioners in evaluating and managing the case filings that are received each year. The additional staff would assist in the analyses that support the Commissioners' review of cases. These two positions were requested last year but not recommended by the Governor or approved by the Assembly. *The Governor does not recommend the positions or the funding.*

Division Staff (2.0 FTE). The Commission requests \$0.3 million and authorization for 2.0 new full-time equivalent positions for the Division, a deputy chief of legal services and an administrative clerk/paralegal. The Division funds 2.0 full-time, dedicated regulatory staff within the Office of Attorney General. The Commission's budget request indicates that the Office has notified it that it will no longer continue this arrangement. The Division is requesting the addition of 2.0 new positions in its own budget

to replace those staff. There would be no new cost to the Division, rather the cost would shift from paying for the positions in the Attorney General's budget to paying for the positions in its own budget. The Attorney General's FY 2025 budget request maintains the full-time equivalent positions but does remove the funding. *The Governor recommends funding essentially as requested and the new positions.*

Other Salaries and Benefits. The Commission requests \$9.1 million from all sources for other salary and benefit expenses for its 54.0 authorized positions. This is \$347,784 more than enacted and reflects current service adjustments consistent with Budget Office planning values and the restoration of turnover savings equivalent to about two full-time equivalent positions. The enacted budget assumed about two vacancies. As of early October, the Commission had one vacancy. *The Governor recommends \$0.1 million more than requested to account for increased employee health benefit rates.*

Microgrid Consultant. The Commission's request includes the \$100,000 in the enacted budget for the Commission to hire a consultant to advise it in developing a rate structure to integrate microgrids into the state's power system. The Commission has not begun to implement this legislative initiative, pending further clarification. *The Governor recommends funding as requested.*

Executive Climate Change Coordinating Council Projects. The Assembly authorized the one-time transfer of \$3.0 million from Regional Greenhouse Gas Initiative funds to the Executive Climate Change Coordinating Council, which appears in the Department of Administration's budget. *The Governor recommends shifting this funding to the agencies that will work to achieve the Council's goals and includes \$75,000 for contracted services in the Commission's budget. The work planned is not specified.*

Affordable Clean Energy Security. The Commission requests 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, which became law on June 29, 2022, 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. *The Governor recommends funding as requested.*

Gas Pipeline Safety. The Commission requests \$86,462 from the federal gas pipeline safety grant for contracted professional services and operating costs. This is \$1,500 less than enacted for staff training but closer to FY 2023 spending. 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 recommends funding as requested.*

Transportation Network Company Regulatory Oversight. The Commission requests the enacted amount of \$24,029 from restricted receipts for the operating costs associated with regulation of transportation network companies. 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. These expenditures support expenses such as supplies, printing and staff training. *The Governor recommends funding as requested.*

Dual Party Phone Relay Service. The Commission requests the enacted level of \$318,415 from restricted receipts to manage the Dual Party Phone Relay Service. State law establishes that the Commission provide "an appropriate funding mechanism to recover the costs of providing this service from each residence and business telephone access line or trunk in the state." The Commission is required to remit \$50,000 annually to the Department of Human Services and \$100,000 to the Commission on the Deaf and Hard of Hearing for telephone equipment and to continue the emergency and public communication access program. *The Governor recommends funding as requested.*

Rate Case Reserve Account. The Commission requests 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 would include materials, external legal counsel, official 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 proceedings. Expenditures have typically been far below budgeted amounts. *The Governor recommends funding as requested.*

Energy Facility Siting Board. The Commission includes \$225,000 from restricted receipts to support the work of the Energy Facility Siting Board for FY 2025. This is the same as enacted for FY 2024. The Board regulates the issuance of licenses to construct major energy facilities. All expenditures related to the investigation are billed back to the applicants. Funding is used for expert witnesses, stenographers, print advertising notices, and advisory opinions. *The Governor recommends funding as requested.*

Rent. The Commission's headquarters are in a state-owned building in Warwick. The Commission annually transfers \$333,420 from its restricted receipts to the general fund for rent. Rent for this property has been deposited as general revenues since 2004. Prior to that, proceeds went to the sinking fund for debt defeasance as it was a former asset of the Depositors Economic Protection Corporation. In November, the administration notified the Commission that it would no longer charge it rent effective beginning in FY 2024. The November revenue estimate excludes this payment. *The Governor recommends removing the \$333,420 rent payment.*

Other Operations. The Commission requests \$2.4 million from restricted receipts for all other operations, which is \$225,000 less than enacted but similar to the revised request. The request includes \$0.9 million for professional consultants including stenographers, legal and financial counsel, and a database administrator for the Commission's published decisions and hearings. It also includes \$0.8 million for rent and utilities, travel, office supplies, postal services, and printing; \$0.4 million for building maintenance and repairs; \$0.2 million for centralized services; and \$0.1 million for computers and its fleet. The majority of the change to the enacted budget reflects the removal of \$250,000 that was included for an electronic business portal that the Commission is no longer pursuing. The other changes are to align expenditures more closely to FY 2023 spending. *The Governor recommends \$49,843 less than requested to account for utility savings and updated projections for other centralized services.*

Executive Office of Health and Human Services

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Central Management	\$ 253,531,253	\$ 287,654,449	\$ 324,551,080	\$ 305,297,077
Medical Assistance	3,561,482,505	3,420,620,733	3,813,828,266	3,663,482,906
Total	\$ 3,815,013,758	\$ 3,708,275,182	\$ 4,138,379,346	\$ 3,968,779,983
Expenditures by Category				
Salaries and Benefits	\$ 36,358,849	\$ 37,227,556	\$ 41,270,674	\$ 39,002,494
Contracted Services	174,703,985	164,891,469	239,031,581	207,616,939
Subtotal	\$ 211,062,834	\$ 202,119,025	\$ 280,302,255	\$ 246,619,433
Other State Operations	12,542,619	13,165,486	12,472,871	24,899,515
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	3,591,222,090	3,492,872,441	3,845,486,199	3,697,143,014
Capital	186,215	118,230	118,021	118,021
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,815,013,758	\$ 3,708,275,182	\$ 4,138,379,346	\$ 3,968,779,983
Sources of Funds				
General Revenue	\$ 1,314,146,804	\$ 1,280,599,214	\$ 1,466,410,230	\$ 1,408,896,492
Federal Aid	2,448,794,456	2,367,067,094	2,635,567,521	2,504,657,492
Restricted Receipts	52,072,498	60,608,874	36,401,595	55,225,999
Other	-	-	-	-
Total	\$ 3,815,013,758	\$ 3,708,275,182	\$ 4,138,379,346	\$ 3,968,779,983
FTE Authorization	218.0	218.0	238.0	233.0

Summary. The Executive Office requests \$4,138.4 million from all sources, including \$1,466.4 million from general revenues, \$2,635.6 million from federal funds and \$36.4 million from restricted receipts and a staffing level of 238.0 full-time equivalent positions. The request is \$323.4 million more than enacted, including \$152.3 million more from general revenues, \$186.8 million more from federal funds and \$15.7 million less from restricted receipts. It also includes 20.0 new positions.

The Governor recommends expenditures of \$3,968.8 million from all sources, including \$1,408.9 million from general revenues. This is \$153.8 million more than enacted and \$162.0 million less than requested from all sources. It is \$94.7 million more than enacted and \$57.5 million less than requested. The Governor includes 233.0 full-time equivalent positions, which is 15.0 more than enacted and 5.0 fewer than requested.

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 \$1,345.5 million, including a current service adjustment increase of \$102.1 million and a 5.0 percent reduction of \$70.7 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$5.2 million above the Budget Office target and the proposals to achieve those reductions are summarized early in the analysis and noted among the items described below where appropriate. *The Governor's recommendation is \$63.4 million above the target.*

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.

Medicaid Expenses - State/National Comparison. The following table compares national and state FY 2021 Medicaid spending using the Medicaid and Children’s Health Insurance Program Payment and Access Commission (MACPAC) MACStats Data Book (December 2023). 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. Full benefit enrollees have access to all Medicaid benefits. It also divides the enrollees into population groups. Rhode Island’s spending on children, shown separately and primarily through RIte Care, is higher than the national average. Spending on their parents, listed as adults in the table, is lower than the national average. There are not many who receive only a partial benefit; therefore, there is little difference between the two comparisons. The Medicaid expenses for these populations are in the Executive Office of Health and Human Services’ budget.

For disabled individuals, expenses appear in the budgets of the Executive Office of Health and Human Services, as well as the Departments of Human Services, Behavioral Healthcare, Developmental Disabilities and Hospitals, and Children, Youth and Families. Costs for this population are also above the national average when comparing only full-benefits enrollees and all enrollees.

Finally, expenses for the aged population are also higher when comparing both the full benefit enrollees and all enrollees. Because of the availability of Medicare for this population, roughly 20 percent of the total population served does not receive a full benefit. Expenses supporting this population are in the budgets of the Executive Office of Health and Human Services and the Department of Human Services.

Medicaid Expenses/Cost Per Enrollee				
Population	All Enrollees		Full Benefit Enrollees	
	US	RI	US	RI
Children	\$ 3,584	\$ 6,899	\$ 3,591	\$ 6,900
Adults	5,462	5,176	6,388	5,250
Expansion	7,486	7,431	7,508	7,430
Blind/Disabled	23,935	22,542	26,792	23,984
Aged	18,514	11,162	24,247	13,303
Average	\$ 8,651	\$ 9,062	\$ 9,303	\$ 9,264

Source: MACStats: Medicaid and CHIP Data Book December 2023; Medicaid Benefit Spending for FY 2021

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 2024 guidelines are shown in the following table.

Percent of Federal Poverty Level Based on Annual Income								
Family Size	100%	133%	135%	175%	180%	185%	200%	225%
1	\$ 15,060	\$ 20,030	\$ 20,331	\$ 26,355	\$ 27,108	\$ 27,861	\$ 30,120	\$ 33,885
2	20,440	27,185	\$ 27,594	35,770	36,792	37,814	40,880	45,990
3	25,820	34,341	\$ 34,857	45,185	46,476	47,767	51,640	58,095
4	31,200	41,496	\$ 42,120	54,600	56,160	57,720	62,400	70,200
5	36,580	48,651	\$ 49,383	64,015	65,844	67,673	73,160	82,305
6	41,960	55,807	\$ 56,646	73,430	75,528	77,626	83,920	94,410
7	47,340	62,962	\$ 63,909	82,845	85,212	87,579	94,680	106,515
8	52,720	70,118	\$ 71,172	92,260	94,896	97,532	105,440	118,620

For families with more than 8 members, add \$5,380 for each additional member for the 100 percent calculation.

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, 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 for either medical assistance, cash assistance or services to adults with developmental disabilities to the estimate 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 7, 2023, and based on current law, set the FY 2025 medical assistance expenditures at \$3,657.4 million, including \$1,356.3 million from general revenues, which is \$138.2 million more than enacted, including \$89.5 million more from general revenues. The following table itemizes medical assistance expenditures in FY 2022 and FY 2023, FY 2024 as enacted by the 2023 Assembly, adopted by the caseload estimators and recommended by the Governor.

Each program represented in this table is discussed separately though some issues do affect more than one. This includes the Certified Community Behavioral Health Clinics initiative described below. *The Governor recommends \$3,640.8 million, including \$1,352.9 million from general revenues, which is \$16.6 million less than the conference estimate, including \$3.4 million from general revenues. Any program changes requiring Assembly approval are contained in Article 9 of 2024-H 7225.*

Certified Community Behavioral Health Clinics. The enacted budget includes \$20.3 million, of which \$6.9 million is from general revenues, for five months of expenses reflecting a February 1, 2024 start date to implement the federal model for the Certified Community Behavioral Health Clinics. The original date was July 1, 2023. Testimony from the Executive Office at the November Caseload Estimating Conference assumes contingently certifying three sites by February 1, 2024, and certifying ten sites by July 1, 2024, but was delayed by the 2023 Assembly based on a budget recommendation from the Governor. The November conference estimate includes \$11.4 million, of which \$4.3 million is from general revenues for FY 2024 and \$122.6 million, of which \$49.3 million is from general revenues for FY 2025.

The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals received \$1.0 million from federal funds for a planning grant to apply for the second round of demonstration grants for states to receive an enhanced federal fund rate during the four-year period to implement the federal model. Rhode Island is one of 15 states to receive the funds with 10 states receiving the demonstration grant. The application is due by March 20, 2024 with notification of successful application by the end of June.

Medical Assistance	FY 2023 Reported	FY 2024 Enacted	FY 2024 Revised	FY 2025 Nov. CEC	FY 2025 Gov. Rec.
Hospitals					
Regular Payments	\$ 65.2	\$ 59.0	\$ 59.2	\$ 61.5	\$ 59.0
State Directed Payments	-	287.9	287.9	284.0	284.0
DSH Payments	158.9	14.7	14.7	14.7	14.7
Total	\$ 224.2	\$ 361.7	\$ 361.8	\$ 360.2	\$ 357.7
Long Term Care					
Nursing/Hospice Care	\$ 295.7	\$ 344.8	\$ 328.8	\$ 396.3	\$ 396.3
Home & Community Care	123.7	133.4	152.2	173.5	191.0
Total	\$ 419.5	\$ 478.2	\$ 481.0	\$ 569.8	\$ 587.3
Managed Care					
RItE Care	\$ 943.6	\$ 1,036.5	\$ 987.5	\$ 1,040.2	\$ 1,036.9
RItE Share	2.2	2.3	2.1	2.2	3.0
Fee For Service	25.7	31.2	29.1	30.4	30.4
Total	\$ 971.5	\$ 1,070.0	\$ 1,018.7	\$ 1,072.8	\$ 1,070.3
Rhody Health Partners	\$ 288.6	\$ 326.8	\$ 301.1	\$ 347.1	\$ 338.3
Medicaid Expansion	\$ 784.5	\$ 821.7	\$ 753.6	\$ 765.5	\$ 749.5
Rhody Health Options	\$ 165.4	\$ 175.2	\$ 179.9	\$ 194.0	\$ 203.8
Pharmacy	\$ (2.2)	\$ 1.3	\$ (0.3)	\$ (0.7)	\$ (0.7)
Pharmacy Part D Clawback	\$ 81.3	\$ 95.7	\$ 98.0	\$ 107.8	\$ 107.8
Other Medical Services	\$ 159.3	\$ 188.7	\$ 176.5	\$ 240.9	\$ 226.7
Medical Assistance Total	\$ 3,091.9	\$ 3,519.2	\$ 3,370.3	\$ 3,657.4	\$ 3,640.8
Federal Funds	\$ 2,051.5	\$ 2,243.8	\$ 2,128.7	\$ 2,292.6	\$ 2,279.4
General Revenues	1,030.5	1,266.9	1,233.1	1,356.3	1,352.9
Restricted Receipts	9.9	8.5	8.5	8.5	8.5

\$ in millions

The Governor includes Section 4 to delay implementation of the federal Certified Community Behavioral Health Clinics model from February 1, 2024 to July 1, 2024. It also adds language declaring that any changes in federal requirements, or guidance, could result in the Executive Office of Health and Human Services delaying certification of a clinic or clinics. The Governor's FY 2025 budget includes \$79.7 million, of which \$29.1 million is from general revenues and no funding for FY 2024 based on these changes. His recommendation is \$42.9 million less than the conference estimate making several changes to the assumption made in November. Those change are shown in the following table. The Governor also includes a new position in the program integrity unit to track third party liability claims for these services.

Certified Community Behavioral Health Clinics	FY 2025		
	Nov. CEC	Governor's Recommendation	Change
Start Date	2/1/2024	7/1/2024	
# of Certified Sites	At least 10 sites on July 1, 2024	4 sites on July 1, 2024 4 sites on January 1, 2025	\$ (16.5)
Rates	Uses 3 cost reports/Sites fully operational in FY 2025	Lowest of the 3 cost reports/using the updated timeline	(2.1)
Third Party Liability Recovery (Medicare)	N/A	Savings taken from recoveries	(9.6)
Inflation	Inflator applied	No inflator	(14.7)
Adopted Estimate	\$ 122.6	\$ 79.7	\$ (42.9)

\$ in millions

Budget Proposals

The Executive Office’s budget request proposes five initiatives that affect the medical assistance program for total costs of \$85.4 million, including \$33.9 million from general revenues; each is shown separately in the next table along with the applicable caseload programs. The paragraphs that follow explain each proposal which is also noted later in the analysis with the affected program.

The Governor recommends \$55.5 million for the rate increase, including \$22.0 million from general revenues and \$42.0 million less, of which \$16.0 million is from general revenues, from change to the Certified Community Behavioral Health Clinics initiative. The following table shows the Executive Office’s request and the Governor’s recommendation. The proposals are also noted in the specific programs affected.

Proposal	Caseload Programs	Request - Unconstrained		Governor's Recommendation	
		Gen. Rev.	Total	Gen. Rev.	Total
Rate Increase	LTC/MC/RHP/ RHO/Expansion & Other Medical	\$ 32,532,191	\$ 80,026,927	\$ 22,040,297	\$ 55,496,976
Certified Community Behavioral Health Clinics	MC/RHO/RHP/ Expansion & Other Medical	-	-	(16,025,891)	(42,910,473)
Housing Support Services	Expansion & Other Medical	863,909	2,383,719	-	-
Recuperative Care for Homeless Individuals		408,064	1,129,219	-	-
Emergency Department Critical Care Rates	Hospitals/MC/RHP/ RHO Expansion &	142,885	433,380	-	-
Adult Dental Services	MC/RHP/Expansion	(11,460)	1,464,942	-	-
Unconstrained Total			\$ 33,935,589	\$ 85,438,187	\$ 6,014,406

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 2025 budget submissions along with any variances from the rate recommendations. The final report was submitted September 1, 2023 and made recommendations on \$157.8 million in fee-for-service activity that would result in a \$44.5 million increase.

The Executive Office requests \$80.0 million, of which \$32.5 million is from general revenues for a rate increase that is applicable to a wider base than the study used. The request assumes that increases would be done in two steps with the second half occurring in FY 2026 and notes the magnitude of the more expansive application of the increase, which totals \$217.7 million. The request also includes \$0.5 million for system changes.

The request reflects about half of the increases in the first year but with an October 1, 2024 start date which covers nine months of the fiscal year. The Executive Office assumption differs in a number of ways from the study including application to managed care plans, data from FY 2023 and utilization growth with increased rates. It also includes additional expenses not captured within the rate review, such as substance use disorder residential services and administrative aspects of managed care rates. The request excludes inflation-based recommendations from the analysis if the benefit is already subject to an annual inflator under current law.

For FY 2025 the increases include: \$39.3 million for home and community-based services, including through the Rhody Health Options programs; \$34.1 million for services through RItE Care, Rhody Health Partners and the expansion plan; and \$6.7 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. The following table compares the assumptions made in the Office of the Health Insurance Commissioner’s report and the detail used in in the Executive Office’s request.

Scope of Services in Rate Review	OHIC	EOHHS
Fee-For Service Base Expenses	\$ 157.8	\$ 157.8
Managed Care Base Expenses	-	231.9
Data used for Inflation Index	April 2022 to March 2023	Highest quarter of FY 2023
Increase in Utilization	N/A	Recent Trends & Rates
Annualized Base Total	\$ 157.8	\$ 389.7
Calculated Total Increase	\$ 44.5	\$ 217.7

\$ in millions

The Governor’s budget adds \$55.5 million, including \$22.0 million from general revenues to fund one third of the rate increase that was the basis for the Executive Office’s request as shown in the table below. His recommendation assumes the rates will be phased in over three years and in effect October 1, 2024. The only exception is that the full \$3.8 million value of the rate increase for Early Intervention would occur in the first year. He includes Section 5 of Article 9 seeking Assembly approval for the rate increase.

Rate Review	FY 2025 Request		FY 2025 Gov. Rec.	
	Gen. Rev.	Total	Gen. Rev.	Total
Home and Community Based Services	\$ 17.7	\$ 39.3	\$ 11.3	\$ 25.9
Behavioral Health Care Services	6.4	21.9	4.1	14.5
Children's Services	8.5	18.9	6.6	15.1
Total	\$ 32.5	\$ 80.0	\$ 22.0	\$ 55.5

\$ in millions

Housing Support Services. The Executive Office requests \$2.6 million, including \$1.0 million from general revenues, to provide housing supports to Medicaid eligible individuals. This includes: security deposit; payments of first, last and up to six months of rent; and move-in supports, including utility set-up, asthma remediation, and pest removal. The total increase includes \$0.2 million for system changes and contracted services to implement the initiative.

The proposal assumes a start date of April 1, 2025. The out-year costs for the benefit are: \$20.4 million for FY 2026, \$43.4 million for FY 2027, \$93.4 million for FY 2028 and \$102.0 million for FY 2029. It should be noted that the estimate assumes that approximately 25 percent of the individuals receive services through the expansion program, which has a higher Medicaid match rate of 90 percent, so state costs will be affected by the different match rates depending on participation.

The estimate assumes that 600 individuals will initially receive services increasing to 10,000 by year five of the proposal. The proposal requires federal approval of the waiver request extension which includes this new benefit; the Centers for Medicare and Medicaid Services has informed states, including Rhode Island, that waiver approvals have been delayed up to 12 months, or through December 31, 2024. The constrained request does not include this proposal. *The Governor does not recommend this proposal.*

Housing Support Services	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Individuals	600	1,200	3,600	7,400	10,000
Total	\$ 2,383,719	\$ 20,360,477	\$ 43,403,008	\$ 93,375,289	\$ 102,256,448
<i>General Revenues</i>	<i>\$ 863,919</i>	<i>\$ 7,379,146</i>	<i>\$ 15,730,335</i>	<i>\$ 33,841,539</i>	<i>\$ 37,060,293</i>

Recuperative Care for Homeless Individuals. The Executive Office requests \$1.2 million, including \$0.4 million from general revenues, for a recuperative care, or a medical respite, program for homeless individuals. The benefit provides acute and post-acute care for individuals who need to prepare for, undergo, and recover from medical treatment and to recuperate from injuries and illness, including infectious diseases. The total request includes \$0.1 million for system changes and contracted services to implement the initiative.

Starting in January 2023, a recuperative care pilot program, using time-limited federal funds, provided services to approximately 50 homeless individuals at one site. The Executive Office submitted its Medicaid waiver extension in December 2022 and included this program as a newly covered benefit. Waiver approval is anticipated by July 2024 and for FY 2025, the Executive Office will support the program with remaining federal funds, which expire in March 2025, and Medicaid funds, matched by general revenues, for the three months after that.

The Executive Office proposes at least three care centers and assumes 55 beds for FY 2025, 70 beds for FY 2026, and 100 for FY 2027 and the following years. The FY 2025 request assumes a \$225 daily rate, increased annually after that. The out-year costs for the benefit are: \$5.9 million for FY 2026, \$8.6 million for FY 2027, \$8.8 million for FY 2028 and \$8.9 million for FY 2029. This includes general revenue expenses of \$1.8 million for FY 2026, \$2.7 million for FY 2027 and FY 2028, and \$2.8 million for FY 2029. This proposal is also subject to approval of the Medicaid waiver extension. The constrained request does not include the proposal. *The Governor does not recommend this proposal.*

Recuperative Care	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
# of Beds	55	70	100	100	100
Daily Rate	\$ 225	\$ 230	\$ 235	\$ 240	\$ 245
Total	\$ 4,516,875	\$ 5,876,500	\$ 8,577,500	\$ 8,760,000	\$ 8,942,500
<i>General Revenues</i>	<i>\$ 1,399,960</i>	<i>\$ 1,821,362</i>	<i>\$ 2,658,510</i>	<i>\$ 2,715,074</i>	<i>\$ 2,771,638</i>

Emergency Department Critical Care Rates. The Executive Office requests \$0.4 million, including \$0.1 million from general revenues, to increase the two rates paid for critical care services at the hospital emergency departments: evaluation and management between 30 and 74 minutes and critical care after the first 74 minutes. This proposal is intended to align with the state’s reimbursement rate for both critical care services and be comparable to Massachusetts. The rates would be raised from \$29.72 to \$215 for the initial treatment and from \$17 to \$95 for time spent after that. This minimum fee schedule will result in an increase for two health plans, Tufts Health Plan and UnitedHealthcare. The other health plan, Neighborhood Health Plan of Rhode Island already has a rate above the \$215 and \$95 fee schedules. Unlike the inpatient and outpatient hospitals rates, these services are not subject to an annual inflation adjustment. The constrained request excludes this proposal. *The Governor does not recommend this proposal.*

Adult Dental Services. The Executive Office requests \$1.5 million to shift adult dental expenses to the managed care plans and increase rates for dental care provided under anesthesia. This change would be effective January 1, 2025, with annualized expenses totaling \$3.0 million. The proposals include general revenue savings of \$11,460 because expenses paid through the managed care plans will include the higher match rate for those enrolled in the expansion program. The constrained request does not include the proposal.

The Executive Office’s constrained budget request excludes all of the added programs and also proposes

five initiatives for which the savings is \$186.4 million, including \$66.7 million from general revenues. Each is shown separately in the next table along with the applicable caseload programs. The paragraphs that follow explain each proposal which is also noted later in the analysis with the affected program.

The Governor recommends savings of \$29.2 million, including \$9.4 million from general revenues, reflecting several proposals. The following table shows the Executive Office's request and the Governor's recommendation. The proposals are also noted in the specific programs affected.

Proposal	Caseload Programs	Request - Constrained		Governor's Recommendation	
		Gen. Rev.	Total	Gen. Rev.	Total
	LTC/MC/RHO/				
Eligibility Changes	Expansion & Other Medical	\$ (32,134,074)	\$ (75,049,999)	\$ -	\$ -
State Directed Payments	Hospitals	(25,000,000)	(82,152,207)	-	-
Graduate Medical Education		(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
Income Verification - The Work Number	MC/RHP & Expansion	(6,502,113)	(25,446,464)	(6,378,125)	(25,446,464)
RItE Share Enrollment	MC	(581,825)	(1,293,232)	(569,151)	(1,293,232)
Total		\$ (66,718,012)	\$ (186,441,902)	\$ (9,447,276)	\$ (29,239,696)

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, 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 constrained request proposes six months of savings totaling \$75.0 million, of which \$32.1 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 Governor does not recommend the proposal.*

Optional Population - SSI-Like. The state provides Medicaid benefits through the Supplemental Security Income program to individuals who have been approved based on income and disability and are enrolled in the Rhody Health Partners managed care program. A person who has been denied federal disability because of income exceeding program limits or lack of a disability that meets the definition can apply through the Executive Office's Office of Medical Review and that staff will determine if a person is eligible for an optional state program that provides the same benefits. This program, commonly referred to as "SSI-like", currently has an enrollment of approximately 13,100 individuals.

The Executive Office proposes eliminating this program and includes savings of \$21.3 million, of which \$9.6 million is from general revenues. The request does not make any adjustments to its administrative costs for staff assigned to do the reviews and approvals or denials. Individuals would need to purchase health insurance through the commercial plans. *The Governor does not recommend the proposal.*

Optional Population - Home and Community Based Services. The state provides Medicaid benefits to individuals with income up to 225 percent of poverty who are eligible for home and community-based services. The Executive Office proposes lowering that to 175 percent of poverty for savings of \$2.1 million, of which \$0.6 million is from general revenues. *The Governor does not recommend the proposal.*

Optional Population - Nursing Home Residents. For nursing home residents, the income level is up to 225 of poverty after meeting their required contribution or the cost of care. The Executive Office proposes lowering that to 175 percent of poverty for savings of \$48.2 million, including \$21.8 million from general revenues, which shifts cost to about 1,840 residents. *The Governor does not recommend the proposal.*

Optional Population - Medically Needy. As noted, 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 around \$20,100 may also have Medicaid benefits through the expansion program. The state also provides a path for Medicaid eligibility if someone does not fit either one of these criteria but has high medical bills. This population is referred to as “medically needy” and there are about 900 individuals enrolled in the program. The Executive Office proposes eliminating this optional population for savings of \$3.5 million, including \$1.6 million from general revenues. Beneficiaries would be able to get coverage through HealthSource RI, which has income-based subsidies. *The Governor does not recommend the proposal.*

Optional Population - Rite Care Parents. The state provides medical benefits to parents with children who have a family income at or below 138 percent of poverty or for a family of four, which is \$38,295. The Executive Office proposes lowering that to 116 percent, or \$32,190 for that same family of four, for savings of \$50,000 from all sources. This change would impact 649 parents. *The Governor does not recommend the proposal.*

Medicaid CNOM Programs. The enacted budget includes \$17.8 million, including \$7.8 million from general revenues, for programs in the health and human service agencies for which the state leverages federal funds because of approval through the Medicaid waiver. This includes the 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. The services were previously state only and the state must maintain its optional population in order to continue to receive the federal funds. They are collectively known as “cost not otherwise matchable.”

The agencies request a total of \$18.2 million, including \$8.3 million from general revenues, for FY 2025 for these programs. If the eligibility changes for the optional populations in the constrained budget listed above are accepted, the state will no longer be able to claim Medicaid for these services.

The proposed savings also do not reflect the November caseload estimate which may alter total available funding for the initiative and excludes any other initiatives being implemented so savings may also be subject to change. *The Governor does not recommend the proposal.*

State Directed Payments. The constrained request reduces the enacted amount of \$287.9 million for state directed payments to the hospitals by \$82.2 million, including \$25.0 million from general revenues, by lowering the percentages applied to inpatient and outpatient services to meet the target set by the Budget Office. It does not alter the proposed hospital license fee. *The Governor does not recommend the proposal.*

Graduate Medical Education. The constrained request eliminates the enacted amount of \$2.5 million from general revenues for graduate medical education payments to the state’s community hospitals. Payments include \$1.0 million to Lifespan for its Level I Trauma Center, \$1.0 million to Care New England for its Neonatal Intensive Care Unit and \$0.5 million for Landmark Hospital’s residential training program. *The Governor recommends eliminating the payment.*

Income Verification - The Work Number. The Executive Office’s constrained request includes medical benefit savings of \$25.4 million, including \$6.5 million from general revenues, from the July 2024 start date of a new interface between RI Bridges and Equifax’s income verification product, The Work Number, to allow access to monthly data to determine eligibility for medical assistance benefits and programs through the Department of Human Services.

It is unclear why the medical benefit savings and administrative expenses are part of the constrained request since the system update takes place in March 2024, with those changes funded in the revised request, and as noted result in medical benefit terminations starting in August 2024.

The Executive Office’s first quarter report identifies this initiative as the remedy in its required update to address an audit finding in the state’s Office of the Auditor General 2022 review of the Medicaid program that identified cases where known employee wages were not reported accurately or through the Department of Labor and Training’s data interface which is on quarterly basis. The Office recommended that the Executive Office correct operational deficiencies in RI Bridges income validation process and implement a technical solution which increases reporting frequency and improves accuracy of wage data within the system.

Starting in March 2024, the Executive Office will update its RI Bridges eligibility system to incorporate this income verification service, anticipated to be operational in July with medical benefit terminations starting by the end of August. The proposed medical benefits savings of \$25.4 million, including \$6.5 million from general revenues, assumes that 251,000 adults over the age of 19 go through the new process, and that 121,000 individuals will have a match, resulting in 5,900 individuals determined to be ineligible for medical benefits. It should be noted that by the start of FY 2025, the state will have completed the federally required redetermination process as part of the public health unwinding.

The administrative expenses for the Equifax product are requested in the Executive Office, Department of Human Services and HealthSource RI’s revised and FY 2025 budgets. The requests include \$1.0 million, of which \$0.3 million is from general revenues for FY 2024 and \$8.4 million for FY 2025, including \$3.0 million from general revenues. Costs include a monthly service fee of \$7,200 and \$11.15 for each matched transaction up to 745,000; the request incorrectly includes a \$72,000 monthly service fee. The following table shows the administrative expenses and savings assumed in the medical assistance program for a net change of \$17.0 million in savings for FY 2025. *The Governor recommends the proposal essentially as requested.*

The Work Number		FY 2024		FY 2025		2-Year Total	
		Gen. Rev.	Total	Gen. Rev.	Total	Gen. Rev.	Total
Expenses	EOHHS	\$ 111,647	\$ 618,865	\$ 1,397,156	\$ 5,571,223	\$ 1,508,803	\$ 6,190,088
	DHS	190,554	324,271	1,640,672	2,807,527	1,831,226	3,131,798
	HSRI	-	35,785	-	-	-	35,785
<i>Subtotal</i>		\$ 302,201	\$ 978,921	\$ 3,037,828	\$ 8,378,750	\$ 3,340,029	\$ 9,357,671
Savings	EOHHS	-	-	(6,502,113)	(25,446,464)	(6,502,113)	(25,446,464)
Total		\$ 302,201	\$ 978,921	\$ (3,464,285)	\$ (17,067,714)	\$ (3,162,084)	\$ (16,088,793)

RIte Share. The RIte Share premium assistance program allows families who are 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 2,500 individuals. The constrained request includes savings of \$1.3 million, including \$0.6 million from general revenues, from increasing enrollment in RIte Share while still maintaining full coverage. The proposal assumes savings from enrolling an additional 1,500 individuals in the program. It should be noted that prior initiatives to increase enrollment have not been achieved and enrollment was affected by the public health emergency. *The Governor recommends the proposal as requested, including \$0.3 million, of which \$0.1 million is from general revenues, to increase program staff.*

Hospitals

The November Caseload Estimating Conference estimate includes hospital expenses totaling \$360.2 million, of which \$122.2 million is from general revenues. It includes \$61.5 million for direct medical services and supplemental hospital payments, \$284.0 million for the state directed payments and \$14.7 million for uncompensated care payments to community hospitals. *The Governor recommends \$2.5 million less than the caseload estimate.*

Hospitals. The November Caseload Estimating Conference estimate includes FY 2025 expenditures of \$360.2 million, including \$122.2 million from general revenues. The estimate is \$1.4 million less than enacted, including \$0.8 million more from general revenues, to reflect several adjustments. The estimate assumes a 3.3 percent increase for both inpatient and outpatient rates and 2.4 percent increase in the number of either inpatient or outpatient days.

The estimate also includes \$284.0 million, of which \$88.3 million is from general revenues, for the state directed payments; \$16.5 million, of which \$6.2 million is from general revenues, for upper payment limit reimbursements made to the community hospitals; and \$2.5 million from general revenues for graduate medical education payments.

Community Hospitals Payments	FY 2024 Enacted	FY 2024 Revised	FY 2025 Nov. CEC	FY 2025 Gov. Rec.	Change to Nov. CEC
State Directed Payments					
State	\$ 88,293,022	\$ 90,391,035	\$ 88,293,022	\$ 88,293,022	\$ -
Federal	199,634,003	197,535,990	195,695,195	195,695,195	-
Subtotal	\$ 287,927,025	\$ 287,927,025	\$ 283,988,217	\$ 283,988,217	\$ -
Uncompensated Care					
State	\$ 6,631,019	\$ 6,631,019	\$ 6,439,413	\$ 6,439,413	\$ -
Federal	8,107,853	8,107,853	8,299,459	8,299,459	-
Subtotal	\$ 14,738,872	\$ 14,738,872	\$ 14,738,872	\$ 14,738,872	\$ -
Upper Payment Limit					
State	\$ 6,494,272	\$ 6,252,623	\$ 6,220,373	\$ 6,220,373	\$ -
Federal	10,648,588	10,252,371	10,284,621	10,284,621	-
Subtotal	\$ 17,142,860	\$ 16,504,994	\$ 16,504,994	\$ 16,504,994	\$ -
Graduate Medical Education					
State	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ -	\$ (2,500,000)
Total	\$ 322,308,757	\$ 321,670,891	\$ 317,732,083	\$ 315,232,083	\$ (2,500,000)

The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments and several new proposals affecting hospital payments that assumes \$92.7 million is savings, of which \$31.2 million is from general revenues. The most significant change is an \$82.2 million reduction to the state directed payments. *The Governor's recommendation reduces the conference estimate by eliminating the \$2.5 million graduate medical education payments.*

State Directed Payments. The enacted budget includes \$287.9 million, of which \$88.3 million is from general revenues, to establish a hospital state-directed payment program through the managed care plans to promote quality improvements at the community hospital. The payments made are equivalent to 56.7 percent of the commercial rate for inpatient and 78.4 percent of the commercial rate for outpatient services. This supplemental payment is determined by inflating relevant managed care, hospital specific inpatient and outpatient claims to close the gap between what Medicaid is currently paying to what commercial insurances pay for similar services. The hospitals will make a \$211.7 million license fee payment for FY 2025 that offsets the general revenues portion of this payment.

As noted, the constrained request reduces this payment by \$82.2 million, including \$25.0 million from general revenues. It does not alter the proposed hospital license fee. *The Governor recommends funding consistent with the caseload estimate.*

Disproportionate Share Payments to Hospitals. The November caseload estimate includes \$14.7 million for the disproportionate share payments for uncompensated care costs to the state’s community hospitals. This includes \$6.6 million from general revenues and matching federal funds. This is consistent with the enacted budget and revised request. The state’s federal allotment of \$8.4 million is matched by general revenues to total \$15.3 million. Starting with FY 2024, Rhode Island’s federal payment was lowered by about 90 percent to reflect 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.

Rhode Island’s calculation for the uncompensated care payments includes costs incurred treating uninsured individuals and the Medicaid “shortfall” which represents the difference between payments made by the state for its Medicaid recipients (including managed care enrollees and fee-for-service patients) and what the hospitals’ costs are for that treatment. Each hospital has its own set of costs for each procedure so there may be different charges for the same procedures among hospitals; however, the state pays the same rate for the same services for Medicaid eligible individuals, regardless of which hospital provides the treatment. *The Governor recommends funding consistent with the caseload estimate. He also includes Section 3 to clarify that the calculation of uncompensated care costs is offset by state directed payments.*

Upper Payment Limit Reimbursements. The enacted budget includes \$17.1 million, of which \$6.5 million is from general revenues, to make the upper payment limit reimbursements to the state’s community hospitals. The November caseload estimate of \$16.5 million, including \$6.2 million from general revenues is consistent with the FY 2024 revised caseload estimate, which was lowered based on updated information. The budget request was submitted prior to the November Caseload estimate.

Hospitals currently receive quarterly inpatient and outpatient supplemental Upper Payment Limit based reimbursements. The reimbursement provides adjustments to increase resources to community hospitals by paying a rate that is equal to what Medicaid would pay for the same services. Under current federal regulations, states have greater flexibility in setting the Medicaid rates that they pay to nursing homes, hospitals and other providers. The regulations establish that states may pay facilities a total amount up to the level that Medicare would pay for the same services, group facilities together in calculating this upper payment limit, and pay some facilities more than others. This has allowed states to recognize that some public facilities have higher operating costs from treating patient populations that are sicker and more likely to have no healthcare coverage at all. *The Governor recommends funding consistent with the caseload estimate.*

Graduate Medical Education. The enacted budget includes \$2.5 million from general revenues for graduate medical education payments to the state’s community hospitals. Payments include \$1.0 million to Lifespan for its Level I Trauma Center, \$1.0 million to Care New England for its Neonatal Intensive Care Unit and \$0.5 million for Landmark Hospital’s residential training program. The Executive Office’s request and the November caseload estimate includes the funding.

As noted, the constrained request eliminates these payments. *The Governor recommends eliminating the payments.*

Hospital License Fee. The 2023 Assembly established a three-tier system for the hospital license fee with separate rates applicable to revenues generated by inpatient and outpatient services for the community hospitals. The tiers are based on the hospital type, including the volume and type of patient served. The new rates are intended to average 5.78 percent for FY 2024 and FY 2025 and assume total revenues of

\$212.4 million of which \$0.7 million is from the Eleanor Slater Hospital fee. There is also a separate rate of 5.25 percent at Eleanor Slater Hospital. All rates are based on 2022 revenues.

This new hospital license fee was one part of the larger plan that changes how the state finances the community hospitals. The other changes are the federally required reduction in the uncompensated care payments and the new Hospital State Directed Managed Care Payment program.

The Governor includes Section 1 to extend the FY 2025 hospital license fee for Eleanor Slater Hospital at 5.25 percent rate based on 2022 revenues. Based on updated information, the budget assumes these payments to be \$1.2 million in FY 2024 and FY 2025, or \$0.5 million more than enacted.

Hospital License Fee	FY 2024 Enacted			FY 2025 Governor		
	Community Hospitals	Eleanor Slater	Combined	Community Hospitals	Eleanor Slater	Combined
Base Year	2022	2022		2022	2022	
Tax Rate	5.78%*	5.25%		5.78%*	5.25%	
Amount	\$ 211,684,677	\$ 688,004	\$ 212,372,681	\$ 211,684,677	\$ 1,181,838	\$ 212,866,515
Total	\$ 211,684,677	\$ 688,004	\$ 212,372,681	\$ 211,684,677	\$ 1,181,838	\$ 212,866,515

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

Long Term Care

The Caseload Estimating Conference estimate includes long term care expenses at \$569.8 million, of which \$250.8 million is from general revenues. This includes \$396.3 million for nursing facilities and hospice care and \$173.5 million for home and community care. The estimate is \$91.6 million more than enacted, including \$39.2 million more from general revenues; it is \$88.8 million above the revised estimate for FY 2024. The increase includes the scheduled October 1, 2024 rate increase of 6.6 percent, the nursing facility rate review, and updated utilization trends. Long term care fee-for-service costs total \$569.8 million and combined with the \$194.0 million in Rhody Health Options are \$763.8 million, including \$336.1 million from general revenues.

The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments and one proposal to increase rates. There is also a constrained request changing eligibility. *The Governor recommends \$17.5 million more than the conference estimate, including \$7.7 million more from general revenues, to reflect his proposed rate increase.*

Nursing Facilities and Hospice Care. The Caseload Estimating Conference estimate includes FY 2025 expenditures of \$396.3 million, of which \$174.4 million is from general revenues for the state’s nursing facilities. The estimate is \$51.5 million more than enacted, including \$21.8 million more from general revenues and is \$67.5 million more than the revised estimate for FY 2024. The estimate includes \$37.7 million for the statutory change to nursing facility rates that requires the Executive Office to revise costs following a review of the direct and indirect care cost data beginning October 2024 using the most recent facility reports. The estimate also includes the regular October 1, 2024 rate increase estimated at 6.6 percent and an increase in the number of individuals requiring services.

The Executive Office’s constrained budget proposals regarding eligibility changes would result in savings of \$40.3 million, including \$18.2 million from general revenues, from nursing home expenses.

The Governor recommends funding consistent with the conference estimate. He also adds \$10.0 million from State Fiscal Recovery funds to be disbursed in the first three months of FY 2025 to assist nursing facilities until the October 1, 2024 rate changes take effect. The Governor also includes Section 2 ensuring that the reimbursement review process to revise the nursing home rates will include other direct care costs

in addition to direct care rates adjusted for acuity and an indirect care rate in the base per diem for all facilities.

Home and Community Care. The November Caseload Estimating Conference estimate includes \$173.5 million for home and community care expenses, including \$76.4 million from general revenues for FY 2025. This is \$40.1 million more than enacted, including \$17.3 million more from general revenues and \$21.3 million more than the revised estimate. The estimate includes caseload and cost inflators consistent with the Executive Office’s testimony at the caseload conference. This includes shifting of \$16.9 million from other programs for conflict free case management services and \$22.7 million more than enacted for all other home and community-based services.

The Executive Office rate increase budget proposal noted earlier would increase rates by \$26.6 million, including \$12.0 million more from general revenues. The constrained budget excludes this increase and proposes further savings of \$3.3 million, including \$1.5 million from general revenues, from eligibility changes. *The Governor recommends \$17.5 million more than the estimate, of which \$7.7 million is from general revenues, from the proposed rate increase.*

Managed Care

The Caseload Estimating Conference estimate includes managed care expenses of \$1,072.8 million of which \$459.1 million is from general revenues. The estimate includes RItE Care expenses at \$1,040.2 million, RItE Share at \$2.2 million and fee-for-service expenses at \$30.4 million; a discussion of each follows.

The November estimate is \$2.8 million more than enacted, including \$6.4 million more from general revenues and \$52.0 million more than the FY 2024 revised estimate. This estimate assumes a 5.0 percent increase in the monthly cost per person and enrollment of approximately 195,700 individuals, or 3,000 fewer than the revised estimate.

The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments and several new proposals. The Executive Office’s budget proposals affecting this program would increase spending by \$17.7 million, of which \$8.0 million is from general revenues, for several proposals that affect the managed care program. This includes increasing rates and shifting expenses for adult dental services to the managed care plans.

The constrained budget excludes those initiatives and proposes savings of \$8.9 million, including \$4.0 million from general revenues, from changes to eligibility, income verification, and the RItE Share enrollment process. *The Governor recommends \$2.5 million less than the conference estimate, including \$1.1 million less from general revenues, from proposals that include: income verification, RItE Share enrollment, rate increases, and funding for Certified Community Behavioral Health Clinics.*

RItE Care. The Caseload Estimating Conference estimated RItE Care expenditures at \$1,040.2 million, including \$444.4 million from general revenues and revision to the caseload enrollment and demographics that influence program costs. This is \$3.7 million more than enacted, including \$1.6 million from general revenues. The estimate assumes that the end of the public health emergency results in about 5,100 fewer enrollees and includes a 5.0 percent increase to the monthly capitated rates. The estimate includes \$14.5 million for the state only Cover All Kids program, which is \$7.0 million more than enacted and \$2.0 million more than the revised estimate. *The Governor recommends \$3.3 million less than the estimate, of which \$1.9 million is from general revenues, from the rate increase, income verification and Certified Community Behavioral Health Clinics proposals.*

RItE Share. The Caseload Estimating Conference estimate includes RItE Share expenditures of \$2.2

million, including \$1.3 million from general revenues, and is \$0.1 million less than the enacted budget and \$0.1 million more than the revised estimate. The premium assistance program allows families who are 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 2,500 individuals.

The constrained request includes savings of \$1.3 million, including \$0.6 million from general revenues, from increasing enrollment. The program is staffed by one full-time equivalent position and three contracted full-time employees. The request adds \$0.4 million, including \$0.2 million from general revenues to convert the contactors to full-time positions and adds two more for a total of five.

The Governor recommends the proposal and increases RIte Share medical expenses to \$3.0 million, \$0.8 million more than the caseload estimate. He also recommends adding \$0.3 million, including \$0.1 million from general revenues for the new and converted positions assuming the new positions will be filled in September.

Fee-Based Managed Care. The Caseload Estimating Conference estimate includes fee-based managed care expenditures of \$30.4 million, of which \$13.4 million is general revenues. The expenses are for additional services provided to those in the contracted managed care system. The Executive Office's request is consistent with the enacted budget and does not reflect the adopted estimate. *The Governor recommends funding as requested.*

Rhody Health Partners

Rhody Health Partners. The Caseload Estimating Conference estimate includes expenditures of \$347.1 million, of which \$153.9 million is from general revenues, for the Rhody Health Partners managed care program for adults with disabilities for FY 2025. The estimate is \$20.3 million more than enacted, including \$8.0 million more from general revenues. The estimate includes a 5.0 percent increase in the monthly cost per person and slightly higher enrollment. It also includes \$26.7 million, or \$24.7 million more than enacted for a full year of funding for the Certified Community Behavioral Health Clinics initiative.

The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments. The Executive Office's request adds \$6.6 million, of which \$2.9 million is from general revenues from its proposals to increase rates and shifting expenses for adult dental services to the managed care plans.

The constrained budget proposes savings of \$11.2 million, including \$4.0 million from general revenues, from changes to eligibility and income verification. *The Governor recommends \$8.8 million less than the estimate, of which \$3.9 million is from general revenues, from proposals that include: income verification, rate increases, and funding for Certified Community Behavioral Health Clinics.*

Medicaid Expansion

The November caseload estimate includes \$765.5 million to provide Medicaid coverage to adults between ages 19 to 64, without dependent children, with incomes at or below 138 percent of poverty. This includes updated enrollment of approximately 96,000 enrollees and is \$56.2 million less than enacted and assumes a 5.0 percent increase in the monthly cost per person. The total also includes \$81.6 million from general revenues for the state match, \$7.7 million less than the enacted budget. The estimate assumes \$26.0 million for a full year of the Certified Community Behavioral Health Clinics initiative for which only partial funding is estimated for FY 2024.

The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of

current service adjustments. The Executive Office's request also proposes adding \$13.0 million, of which \$1.3 million is from general revenues, for its budget proposals to increase rates, shift expenses for adult dental services to the managed care plans and establish two new housing related programs.

The constrained budget proposes savings of \$14.2 million, including \$1.4 million from general revenues, from the income verification initiative. *The Governor recommends \$16.0 million less than the estimate, of which \$1.6 million is from general revenues, from proposals that include: income verification, rate increases, and funding for Certified Community Behavioral Health Clinics.*

Rhody Health Options

Rhody Health Options. The state has a managed care contract with Neighborhood Health Plan of Rhode Island to managed acute care and long-term care services for individuals eligible for both Medicare and Medicaid. The caseload conference estimate includes \$194.0 million, of which \$85.4 million is from general revenues.

The estimate is \$18.8 million more than enacted, including \$7.9 million more from general revenues. This reflects a 5.0 percent increase in the monthly cost per person and a portion of the funding anticipated for the review of the direct and indirect care cost data beginning October 2024 using the most recent facility reports that will impact rates.

The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments and adds \$12.7 million, of which \$5.7 million is from general revenues for the proposal to increase rates.

The constrained budget excludes this increase and proposes savings of \$10.5 million, including \$4.7 million from general revenues by changing eligibility standards. *The Governor recommends \$9.8 million more than the estimate, of which \$4.3 million is from general revenues, from proposals that include rate increases, and funding for Certified Community Behavioral Health Clinics.*

Pharmacy

The Caseload Estimating Conference estimate includes pharmacy expenses of \$107.1 million; this includes direct pharmacy costs and the state's estimated Medicare Part D clawback payment. The budget request was submitted prior to the November Caseload estimate and it contains earlier estimates of current service adjustments. *The Governor recommends funding consistent with the caseload estimate.*

Fee-for-Service. The Caseload Estimating Conference estimate includes savings of \$0.7 million for FY 2025 pharmacy expenses, which reflects fee-for-service pharmacy costs offset by federal rebates; this is \$0.2 million less than enacted for updated program expenses. The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments.

The constrained budget lowers expenses by \$0.7 million, of which \$0.3 million is general revenues, from the proposal for eligibility changes. *The Governor recommends funding consistent with the 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 \$107.8 million, which is \$12.1 million more than enacted for an 8.4 percent increase in monthly costs and 1.5 percent increase in enrollment to cover about 45,000 individuals.

The benefit provides coverage with a series of deductibles and co-payments based on the recipient's income level. For individuals enrolled in Medicaid as well as 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, which has been calculated based on a nationwide formula. The dual eligibles do not pay any annual deductible but do pay a \$1 co-payment for generic drugs or \$3 co-payment for brand names. *The Governor recommends funding consistent with the caseload estimate.*

Other Medical Services

The Caseload Estimating Conference estimate includes expenditures for other medical services at \$240.9 million, which includes \$95.7 million from general revenues, \$136.6 million from federal funds and \$8.5 million from restricted receipts. The estimate is \$51.4 million more than the enacted budget, including \$23.7 million from general revenues. Notably, the estimate includes \$52.4 million, or \$50.7 million more than enacted, for the Certified Community Behavioral Health Clinics initiative and shifts \$13.1 million of conflict free case management expenses to other programs.

Payments include \$110.7 million for federal Medicare premiums made on behalf of qualified recipients so that they are able to retain this benefit along with Medicaid for medical coverage. This is \$8.1 million more than enacted and represents 46.0 percent of the other medical services program expenses.

The estimate also includes \$0.3 million from federal funds for COVID-19 vaccinations for FY 2025, which is \$2.3 million less than enacted and \$0.8 million less than the revised estimate. Other payments for rehabilitation services including physical and occupational therapy, dialysis, physician and optometry services, behavioral health care services, durable medical equipment and transportation services are increased by \$8.0 million to reflect projected spending.

The \$8.5 million from restricted receipts provides direct general revenue savings for the children's health account; this is consistent with the enacted budget. Every commercial 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 are paid from this account that would otherwise require general revenues. 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 and 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 \$6.1 million, including \$2.7 million from general revenues for the proposed rate increase and new housing related programs described earlier in the analysis.

The constrained budget excludes the new initiatives and proposes savings of \$4.6 million, including \$2.1 million from general revenues from eligibility changes. *The Governor recommends \$14.2 million less than the estimate, of which \$6.3 million is from general revenues, from proposals that include rate increases and funding for Certified Community Behavioral Health Clinics.*

Technology Projects

Unified Health Infrastructure Project. 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 through the Department of Administration's budget. The expenses to operate the eligibility system, including the design and development, maintenance and operation, financial consultants, postage and notification, and staff from the Division of Information Technology to assist with the system

functions, are identified separately in the budget submissions in the agencies. This allows for the comparison of expenses to the enacted budget and prior years. For FY 2025, those expenses are \$98.8 million, or \$1.2 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 2023	\$ 107,101,509	\$ 404,194,643	\$ 49,262,860	\$ 20,749,570	\$ 585,593,055
FY 2024 Enacted					
EOHHS	\$ 14,381,097	\$ 43,882,038	\$ -	\$ -	\$ 58,263,135
DHS	13,559,111	18,389,865	-	-	31,948,976
HealthSource RI/Contact Center	2,204,186	-	-	5,166,245	7,370,431
Total	\$ 30,144,394	\$ 62,271,903	\$ -	\$ 5,166,245	\$ 97,582,542
FY 2024 Gov. Rev.					
EOHHS	\$ 14,195,456	\$ 49,716,388	\$ 216,430	\$ -	\$ 64,128,274
DHS	14,392,414	20,098,223	-	-	34,490,637
HealthSource RI/Contact Center	1,728,043	-	-	5,162,338	6,890,381
Total	\$ 30,315,913	\$ 69,814,611	\$ 216,430	\$ 5,162,338	\$ 105,509,292
FY 2025 Request					
EOHHS	\$ 13,140,434	\$ 46,359,595	\$ -	\$ -	\$ 59,500,029
DHS	14,794,430	17,255,094	520,708	-	32,570,232
HealthSource RI/Contact Center	1,510,000	-	-	5,179,891	6,689,891
Total	\$ 29,444,864	\$ 63,614,689	\$ 520,708	\$ 5,179,891	\$ 98,760,152
FY 2025 Gov. Rec.					
EOHHS	\$ 14,371,314	\$ 50,210,694	\$ -	\$ -	\$ 64,582,008
DHS	14,362,757	17,036,734	520,708	-	31,920,199
HealthSource RI/Contact Center	1,497,552	-	-	5,013,568	6,511,120
Total	\$ 30,231,623	\$ 67,247,428	\$ 520,708	\$ 5,013,568	\$ 103,013,327
FY 2016 through FY 2025 Recommendation	\$ 166,862,286	\$ 537,623,943	\$ 49,999,998	\$ 31,091,799	\$ 789,862,499

There are other expenses that 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 that are also budgeted in multiple agencies and are considered part of the project.

The Executive Office requests \$59.5 million from all sources, including \$13.1 million from general revenues in its FY 2025 budget request. This is \$1.2 million more than enacted, including \$1.2 million less from general revenues, for anticipated expenses to operate the system. Other expenses include \$1.3 million more for the call center, primarily from federal funds.

The request reflects projected spending and shifting expenses from the development phase to project maintenance. It also includes \$4.5 million for salary and benefit expenses, \$1.2 million less than enacted, primarily from federal funds, for 26.4 positions. The Executive Office requests \$8.8 million for FY 2025 in its capital request, discussed separately in the Capital Budget section of this publication. *The Governor recommends \$15,739 more than enacted, including \$3,164 from general revenues, for statewide increase to employee health benefit rates.*

Income Verification - The Work Number. The Executive Office's constrained request includes \$5.6 million, including \$1.4 million from general revenues for payments made to Equifax for its income verification product, The Work Number, which will allow the state to have access to another data source to determine eligibility for medical assistance benefits and programs through the Department of Human

Services. Total expenses of \$8.4 million, including \$3.0 million are spread across the budgets of the Executive Office, Department of Human Services, and HealthSource RI. As previously discussed, savings are taken in the medical assistance program from terminating benefits for those found ineligible through this process. It was also noted that monthly expenses for the Equifax product is \$7,200, not \$72,000, overstating annual expenses by \$0.8 million. *The Governor recommends funding as requested and does not correct for the overstated monthly expenses.*

Medicaid Enterprise System. The Executive Office requests \$88.0 million, including \$8.8 million from general revenues, to re-procure the Medicaid Management Information System, which is the primary means for processing Medicaid claims, third-party liability review, and data management. This is \$81.9 million more than enacted, including \$8.2 million from general revenues. The request is not consistent with the capital budget submission, which totals \$97.9 million for FY 2025 and total funding of \$353.3 million for the system. This includes \$6.0 million for FY 2024 and \$3.4 million in prior year spending for the planning process.

The request includes \$6.1 million, of which \$0.6 million is from general revenues, for the North Highland Company to complete the planning portion of the project. This brings the total for this part of the project to \$12.2 million over three-years; the revised budget includes \$2.7 million for the second year. This is \$2.7 million more than the capital request to reflect an updated project cost.

The request includes \$10.9 million, including \$1.0 million from general revenues, for independent verification and validation activities associated with a new project and is \$9.4 million above the capital request. The following tables shows the separate components of the request. The constrained request excludes the additional funding.

FY 2025			
Module/Operation	Enacted	Request	Gov. Rec.
Systems Integrator	\$ -	\$ 30.0	\$ 15.0
Data Storage	-	16.0	8.0
Independent Verification & Validation	2.0	10.9	3.0
Third Party Liability	1.3	7.3	6.0
Planning Vendor	2.7	6.1	3.4
Provider Management	-	8.0	4.0
Test Management	-	5.0	5.0
Electronic Visit Verification	-	3.0	-
Operational Effectiveness	-	1.7	1.7
Total	\$ 6.0	\$ 88.0	\$ 46.1
<i>General Revenues</i>	<i>\$ 0.6</i>	<i>\$ 8.2</i>	<i>\$ 4.6</i>

\$ in millions

The Governor recommends \$46.1 million more than enacted, including \$4.6 million from general revenues, to reflect a slower project timeline but assumes the overall cost is the same.

Medicaid Management Information System Expenses. The Executive Office requests \$29.7 million, including \$7.3 million from general revenues, for Medicaid Management Information system expenses. This is \$6.5 million more than enacted, including \$1.9 million more from general revenues. The Assembly provided funding only for expenses that were specified by the Executive Office in its FY 2024 budget request. That request had also contained \$6.2 million for unidentified needs, which the Assembly excluded and reduced expenses accordingly.

The FY 2025 proposal adds funding to remain consistent with its FY 2024 request and provided a list of activities to be performed by the contractor but did not identify the specific costs for each one. The request also adds the annual adjustment as part of the negotiated contract totaling \$1.2 million to bring the contract total to \$27.1 million for the final year.

The four-year contract with the system's operator, Gainwell Technologies, effective April 1, 2021 to March 20, 2025, totals \$104.7 million. The third and final year of the contract, which includes portions of FY 2024 and FY 2025, have an unidentified price increase adjustment that was not included in the enacted budget. In April 2022, the Executive Office negotiated a 6.62 percent price increase for FY 2024 and the adjustment for FY 2025 is 4.65 percent. The contractor processes an estimated 11 million transactions a year at \$0.20 a transaction, manages the data warehouse, and performs prior authorization, utilization and claims reviews, training and outreach activities, and other core system functions.

The constrained request excludes \$6.5 million in additional funding. *The Governor adds \$5.3 million, of which \$1.6 million is from general revenues, for system expenses. This is \$1.2 million less than requested, including \$0.3 million less from general revenues. The Governor's revised recommendation retains the enacted level of funding.*

HealthFacts RI/All Payer Claims Database. The Executive Office requests \$8.5 million, including \$0.4 million from general revenues, to support the state's All Payer Claims Database, known as HealthFacts RI and is \$0.8 million more than enacted primarily from federal funds. The request adds \$0.5 million for contracted services totaling \$5.8 million related to the Freedman Healthcare and OnPoint Health Data contracts for data enhancements and analytic functions and reporting activities. The Department of Health's budget also supports the two contracts and its request includes \$0.7 million from restricted receipts. The Executive Office reports that there were 18 data requests in FY 2020, 49 in FY 2021, and 89 in FY 2022. Through September 2023, there were 180 requests. It anticipates an average of 20 new projects a month.

The request includes \$0.7 million, or \$0.1 million more than enacted, for approximately four full-time equivalent positions, including three currently filled and one vacancy; this is one more than included in the enacted budget. It also includes \$1.2 million for operating expenses, including \$0.2 million for system maintenance. *The Governor recommends \$6,089 more than requested, including \$631 more from general revenues, for statewide increases to employee health benefit rates.*

CurrentCare. The Executive Office request includes \$4.7 million to make the payment for the state's share for medical assistance recipients in the CurrentCare, the state's electronic health information exchange. The state payment is based on all its Medicaid beneficiaries already being enrolled in the exchange through the opt-in process. This is consistent with the revised request and is \$0.4 million more than enacted, including \$0.4 million less from general revenues. The electronic network that gives medical professionals access to their patients' health information is operated by the Rhode Island Quality Institute. *The Governor recommends funding as requested.*

CurrentCare/Opt Out. The Executive Office's request includes \$6.0 million, of which \$0.6 million is from general revenues, to change the enrollment process from an opt-in one to an opt-out one to comply with a statutory change made by the 2021 Assembly. This is \$4.4 million more than enacted, including \$0.4 million more from general revenues, and not consistent with the capital request. The Executive Office's capital request, submitted earlier than the operating request, includes \$4.3 million over six years for this project. This includes \$1.6 million for FY 2024 and FY 2025 and \$0.3 million annually for FY 2026 through FY 2029 to cover design, development, and implementation costs for the transition to the opt-out model as well as operational, technical, project management, regulatory compliance, and communications. *The Governor recommends funding as requested.*

RI Quality Reporting System. The Executive Office requests \$3.1 million to continue support for the RI Quality Reporting System, which includes \$0.3 million from general revenues and \$2.8 million from federal funds, which had been funded using Medicaid funds matched by the time-limited Health System Transformation fund, now requires a general revenue match. The Executive Office has not provided a response to questions about the increase in costs for the system.

The system supports Medicaid agencies providing electronic clinical quality reporting through a centralized Quality Reporting System. Clinical data is collected and aggregated across the Accountable Entities in system and matched with enrollment from the managed care organizations. The information is sent to each organization on their members and used to calculate performance-based payments to the providers. *The Governor recommends total funding as requested but uses available Health System Transformation funds instead of general revenues for the match.*

Unite Us - Community Resource Platform. The Executive Office requests \$1.0 million for Unite Us to run the community resource platform, which is an eReferral system allowing for social services recommendations from health care providers to community-based organizations. This is \$0.1 million less than enacted and includes \$1.0 million from Medicaid funds matched by \$0.1 million from the final year of available Health Care System Transformation Project restricted receipts. However, the contract ends in FY 2024 and the Executive Office reports that funding is not required for this project. *The Governor does not reduce the available restricted receipts through the Health Care System Transformation Project allowing for the use of funds for other projects such as RI Quality Reporting System.*

Policy and Planning

Home and Community Based Support - ARPA. The Executive Office requests \$21.6 million from all sources, or \$32.7 million less than enacted, to reflect the provision of the American Rescue Plan Act that allows for an additional ten percentage points of Medicaid reimbursement on eligible home and community-based services that took place from April 1, 2021 through March 31, 2022. The request also includes \$0.6 million for salary and benefit expenses. The program requires that general revenue savings be reinvested to fund expansionary home and community-based activities.

HCBS Plan - ARPA		EOHHS			
Proposals	October 2023 Submission	Pre-FY 2024	FY 2024	FY 2025	5-Year Total
1 Increasing Access to HCBS Services Building Infrastructure to Expand	\$ 62.3	\$ 60.2	\$ 2.1	\$ -	\$ 62.3
2 Provider Capacity and Care Continuum	47.4	7.3	30.0	10.2	47.5
3 No Wrong Door Enhancement Initiative	15.5	2.5	10.9	2.2	15.6
4 Updating Technology	1.6	0.2	0.6	0.9	1.7
5 HCBS Workforce Training	6.8	1.3	5.5	-	6.8
6 Quality Improvement/Promoting Equity	4.3	-	3.2	1.1	4.3
7 HCBS Equity	0.9	-	0.4	0.4	0.8
8 Phase III & Overall Contracted Support	9.0	0.1	2.7	6.2	9.0
Total	\$ 147.8	\$ 71.6	\$ 55.4	\$ 21.0	\$ 148.0

\$ in millions

The next table shows the projects anticipated to be funded in FY 2024 and FY 2025. *The Governor recommends \$9,518 more than requested for statewide adjustments for higher than anticipated employee health benefit rates.*

Project	Category	FY 2024	FY 2025
Accountable Entities	2	\$ 14.9	\$ 3.3
eLTSS Technology Project	2	3.1	1.9
Mobile Response and Stabilization Services	2	2.9	-
Medical Respite Pilot Program	2	2.7	1.4
First Connections	2	1.3	-
Self-Directed Program Expansion	2	1.3	-
Brain Injury Capacity Study	2	1.5	-
Health Equity Zones	2	0.7	0.2
Housing Supports	2	0.5	-
Mini-Grants	2	0.6	-
DOH - Existing Care Collaborative	2	0.3	0.3
Tele-dentistry at Emergency Rooms	2	0.2	-
Portable Dental Equipment Mini-Grants	2	0.1	-
Certified Community Behavioral Health Clinics Expansion	2	-	1.6
988 Hotline	2	0.3	-
Conflict Free Case Management	3	0.4	-
Advanced Certification for Direct Services Workers	5	2.9	-
Equity Challenge Grants	6	0.6	0.6
Olmstead Plan	7	0.4	0.4
Communication/Media Campaign	8	0.6	-
Contracted Administrative and Financial Services	8	3.3	0.9
Training	8	1.3	1.3
Unidentified		1.1	11.3
Total		\$ 40.9	\$ 23.2

\$ in millions

Olmstead Plan. The FY 2024 enacted budget identifies \$250,000 from federal funds for the state to develop an Olmstead Plan. The most recently approved federal plan for use of these time limited funds includes \$0.4 million in FY 2024 and FY 2025. The Executive Office is in the process of developing the plan, which should be completed by March 2025. *The Governor's recommendation funds the plan.*

Pay for Success. The Executive Office requests \$1.5 million for the Pay for Success program and its one full-time position, which is \$9,344 less than enacted for updated benefit expenses. A program update was provided and as of June 2023, the pilot program has transitioned from the planning phase to the operational one. 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. As of June 30, 2023, there are also contracts with four service providers, Crossroads, House of Hope, Open Doors, and East Bay Community Action Program. The evaluation plan, developed in collaboration with Faulkner Consulting Group and the Rhode Island Coalition to End Homelessness, was finalized and is pending feedback from the federal Department of Housing and Urban Development.

The legislation authorizes 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 FY 2022 final 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 both FY 2023 and FY 2024. *The Governor recommends \$737 more than enacted for statewide adjustments for higher than anticipated employee health benefit rates.*

Certified Community Behavioral Health Clinics. The Executive Office requests \$0.5 million, including \$0.3 million from general revenues, for contracted actuarial and financial services as the state implements

the Certified Community Behavioral Health Clinics initiative; the request is consistent with the enacted budget, which provided funding to establish the rate for the new model. The November Caseload Estimating Conference includes \$105.1 million from all sources in the Rhody Health Partners, expansion and other medical services programs for reimbursement for services provided by the clinics assuming a start date of February 1, 2024.

The Governor recommends funding as requested and adds \$0.1 million for a new position in the program integrity unit to identify other sources of coverage through third-party liability claims to reduce Certified Community Behavioral Health Clinics initiative expenses in the medical assistance program. His budget assumes \$9.6 million in savings from other sources.

Statewide Opioid Funds. The Executive Office includes \$7.1 million from restricted receipts, which is \$2.9 million more than enacted, from multiple opioid fund sources for FY 2025. This includes \$6.5 million from opioid abatement funds, \$0.4 million from opioid stewardship funds and \$0.1 million from McKinsey Opioid Settlement funds. The Executive Office is coordinating with the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals on distribution of the funds. Combining FY 2023 expenses of \$3.0 million and \$20.8 million included in the FY 2024 revised request, there is a three-year total of \$24.8 million, from these sources.

The Assembly adopted legislation requiring an annual January 1 report to the Speaker of the House of Representatives, President of the Senate and the Attorney General on how the opioid abatement funds were spent. The recent report shows spending of \$6.8 million through December 2023 from allocations totaling \$30.2 million for FY 2023 and FY 2024, leaving a balance of \$23.4 million. This includes \$0.5 million on program administration and \$0.3 million in data analysis to support Department of Health staff to expand data surveillance capacity and accelerate data collection and reporting on overdoses and fatalities. *The Governor recommends \$18.2 million more than requested for planned uses. The following table shows the recommendation in the four agencies receiving the funds.*

Governor's Recommendation					
Agency	Pre-FY 2023	FY 2023	FY 2024	FY 2025	5-Year Total
EOHHS	\$ -	\$ 3,296,603	\$ 15,075,410	\$ 25,238,667	\$ 43,610,680
BHDDH	1,803,172	2,124,235	11,750,778	6,282,507	21,960,692
Health	926,565	2,643,786	6,772,800	4,749,471	15,092,622
Corrections	2,053,595	1,699,177	1,976,587	1,331,555	7,060,914
Total	\$ 4,783,332	\$ 9,763,801	\$ 35,575,575	\$ 37,602,200	\$ 87,724,908

The next table shows FY 2023 spending and Governor's recommendations for FY 2024 and FY 2025 by category. Additional information is available at eohhs.ri.gov/Opioid-Settlement-Advisory-Committee.

Category	FY 2023	FY 2024	FY 2025
Treatment	\$ 2,131,587	\$ 6,436,499	\$ 5,374,698
Prevention	2,467,847	5,425,472	2,900,000
Social Determinants of Health	1,126,841	6,619,779	2,350,000
Harm Reduction and Rescue	2,442,190	9,298,976	4,589,318
Recovery	545,197	3,500,439	3,800,508
Racial Equity	-	300,000	500,000
Governance	505,982	2,840,808	2,676,695
Data	544,157	1,153,602	1,299,009
Not Yet Identified	-	-	14,111,972
Total	\$ 9,763,801	\$35,575,575	\$37,602,200

Youth Vaping Abatement. The Executive Office requests \$350,000 from general revenues for a youth vaping abatement initiative, in conjunction with the Executive Office of Health and Human Services, and Departments of Health and Behavioral Healthcare, Developmental Disabilities and Hospitals. Rhode Island was a party to a multi-state settlement regarding marketing vapor products to underaged consumers; the state share of the settlement ranges from \$6.3 million to \$6.9 million, dependent on certain conditions. The Executive Office includes \$200,000 for Health Equity Zones and \$150,000 for contracted project management. The constrained budget excludes this request.

The Governor does not recommend funding in the Executive Office’s budget but does include it in the other agencies. The following table shows the information for the agency requests and the Governor’s recommendation for FY 2025.

Agency	Activity	Request	Gov. Rec.	At 6 Months	At 2 Years	At 5 Years	Over 5 Years
EOHHS	Health Equity Zone Abatement	\$ 200,000	\$ -	Decrease availability of illegal flavored vaping products	Reduce disciplinary actions in schools for using e-cigarettes or vaping devices	Increase cessation and treatment among youth and diverse populations	Improve economic mobility and reduce healthcare costs of former tobacco users
	Consultant Services	150,000	-				
DOH	Expansion Pilot for Minority and Menthol Populations	150,000	150,000		Increase knowledge of tobacco retailer laws, policies, and procedures	Reduce rates of e-cigarette or vaping use among youth	
	School-Based Model Policy Incentives Pilot	60,000	200,000				
BHDDH	Prevention Programming: Rhode Island Teen Institute	165,000	50,000		Improve youth engagement in tobacco and substance use prevention programs	Decrease rates of disparity in local community retail access to tobacco products	
	Enforcement: Tobacco Retailer Enforcement Training	75,000	-				
DOR	2 FTE for Regulation	183,430	146,618				
	Flavored ENDS Contraband Storage and Destruction	15,570	16,570				
Total		\$ 999,000	\$ 563,188				

Children and Youth - Behavioral Health System of Care Grant. The Executive Office received a four-year, \$10.6 million federal grant to expand behavioral health services available to children and their families and includes \$3.0 million for FY 2025. The request is \$0.5 million more than enacted and includes \$2.4 million for a Community Based Intensive Care Team, \$0.4 million each for new contracted positions including a project director and a family lead coordinator. FY 2023 expenses totaled \$1.0 million and the revised request includes \$3.7 million for a three-year total of \$7.7 million.

The Executive Office plans on one Community Based Intensive Care Team to provide services to 35 children in the first year, expanding to 40 in the second year, and 45 in the third and fourth year of the grant. The Executive Office notes in its application that it is also seeking funding for a second care team and at the end of the grant intends to create a statewide program funded through the Medicaid program that will require a state match.

The program involves accepting referrals from the 24-hour 988 crisis hotline, schools, primary care providers, with an in-person response within one hour of receiving the referral. The initial screening will occur over the phone when the referral is received to determine eligibility for the response and stabilization

services. Youth who do not meet the eligibility criteria for these stabilization services will be referred to a more appropriate level of care, such as lower level of care setting, hospital, or the Department of Children, Youth and Families. *The Governor recommends funding as requested.*

Preschool Development Grant. The Executive Office requests \$0.2 million for the preschool development grant and birth to five planning grants funds, which is \$0.3 million less than enacted, to fund contracted administrative staff and a public awareness campaign from remaining funds from the \$4.0 million grant primarily spent in FY 2023 and FY 2024. *The Governor recommends funding as requested.*

Health System Transformation Project. The Executive Office requests \$3.2 million from Health System Transformation funds, which is \$24.5 million less than enacted to reflect expiration of the funds. Through the project, federal funds and restricted receipts supported programs that addressed access to healthcare, the healthcare workforce and the state's system of care. Funding is anticipated to total over \$219 million from FY 2017 through FY 2025 and includes \$166.2 million for the Accountable Entities, \$26.8 million for staff and consultants, \$19.4 million for workforce transformation programs, \$6.2 million for projects that addressed health related social needs, and \$0.5 million for the Quality Reporting System.

The request includes \$0.7 million for staffing, or \$2.1 million less than enacted, which is essentially consistent with revised request as the funding expires. It also includes \$1.5 million, or \$1.6 million less than enacted for contracted financial, evaluation, and staff support services.

The request also includes \$1.1 million, or \$19.8 million less than enacted, for payments to the six certified Accountable Entities that include: Blackstone Valley Community Health Center, Coastal Medical Integrated Health Partners, Providence Community Health Center, and Prospect Health Services of Rhode Island. A more detailed description of the program is in the Medicaid Report in the Special Reports section of this publication.

The Governor recommends \$0.2 million more than requested for statewide adjustments including higher than anticipated employee health benefit rates and increases for contracted financial and administrative services. His recommendation also uses \$0.3 million from these funds to replace the state match requested for the Rhode Island Quality Reporting System.

Health System Planning and Oversight (2.0 FTE). The Executive Office requests \$1.0 million from general revenues for health care system planning and oversight in coordination with the Office of the Health Insurance Commissioner. This proposal assumes amending the Rhode Island Coordinated Health Planning Act of 2006 and use the health care advisory council structure and processes to implement data-driven options for health care planning and strategic alignment of existing efforts, with a collaborative public/private approach. The Department of Health, along with the Executive Office and Office of the Health Insurance Commissioner were the principal staff for the council; however, the council was disbanded and held its last public meeting on September 16, 2015.

The FY 2025 request includes \$0.4 million for two positions, and \$0.6 million for consultant services and operating expenses. This is the start of a five-year plan and out-year costs, including the two positions, will be \$1.5 million for FY 2026 and \$1.8 million for FY 2027 through FY 2029. Staff and a planning and research consultant will: interview state healthcare and community leaders; conduct a national scan of successful state health planning processes; review existing regulatory oversight and model legislative proposals; and prioritize initial scope of work and priorities to carry out two to three major healthcare system planning projects each year.

The constrained budget excludes the funding and the new positions. *The Governor recommends \$0.9 million, primarily from general revenues, which is \$0.1 million less than requested assuming the new positions will be filled in September.*

Workforce Ladders to Licensure. The Executive Office requests \$1.0 million from general revenues for a new Ladders to Licensure grant program for FY 2025. This would be for the first year of a three-year plan totaling \$5.0 million to support partnerships between healthcare and education providers to develop career ladders that address critical workforce shortages and increase the supply and diversity of the health professional workforce. The request includes \$0.9 million for partnership grants and \$0.1 million for contracted administrative services. The program is intended to incentivize employers and education partners to develop connected and streamlined academic pathways and workplace-based career ladders that enable workers to obtain postsecondary credentials. It is part of *The Rhode Ahead, Rhode Island Health and Human Services Workforce Initiative* to address workforce challenges.

The constrained request excludes the proposal. *The Governor does not recommend the proposal.*

Other Programs

HIV Treatment Services and Administration. The Executive Office requests \$13.4 million for HIV services and administration expenses, which is \$74,730 less than enacted. The request decreases community support by \$0.3 million to \$4.1 million, reflecting available resources and includes \$7.0 million, or \$0.2 million more for pharmaceutical expenses. It also increases salary and benefit expenses by \$0.1 million to \$0.9 million from federal funds to reflect the updated cost allocation plan that spreads expenses across programs. *The Governor adds \$4,934 for statewide adjustments including higher than anticipated employee health benefit rates.*

Early Intervention Services. The Executive Office requests \$2.1 million, including \$0.1 million from general revenues, for Early Intervention Services. This is \$0.7 million more from all sources, primarily from federal funds and reduces direct funding available to the nine providers. Funding provides for administrative support, performance incentives, professional development and staff recruitment and retention. This is consistent with the revised request that reflects available funding. *The Governor recommends funding as requested.*

Nursing Facilities - Rate Revisions. The 2022 Assembly included legislation that required the Executive Office to revise costs for nursing facilities following a review of the direct and indirect care cost data beginning October 2024 using the most recent facility cost reports. This change addressed active audit findings related to the federally approved rate methodology. The enacted budget includes \$0.3 million, including \$0.2 million from general revenues, for contracted services to complete the rate revisions in FY 2024. The request retains the enacted level of funding, which was a one-time need. The Executive Office anticipates releasing a preliminary report in February 2024. The completion of this review will be used as the state transitions to the new Patient Driven Payment Model, discussed separately. *The Governor recommends funding as requested.*

Nursing Facilities Payment System. The Executive Office requests \$2.8 million, including \$1.1 million from general revenues, for contracted services and system changes to redesign the Medicaid payment policy for nursing facilities to align with new federal requirements. States are required by the Centers for Medicare and Medicaid Services to shift from the current Resource Utilization Group Model used for reimbursements to the Patient Driven Payment Model by October 1, 2025. Federal technical support for the current system ended as of October 1, 2023; however, states are allowed the option of an alternative method, Optional State Assessments, until October 1, 2025. Rhode Island will use the alternative model as it transitions to the new system.

The contractor will assist with the transition to the new system, which will include a qualitative evaluation of the current rate setting methodology, engaging stakeholders and drafting the necessary Medicaid state plan changes. The constrained request does not include the proposal. *The Governor recommends funding as requested.*

Long Term Services and Supports. The Executive Office requests \$3.0 million from federal money follows the person grant funds to reflect available funding, which is \$1.4 million less than enacted. The request includes \$0.4 million to St. Elizabeth’s Home for its Supportive Housing and Accessible Affordable Housing model and \$0.1 million for Faulkner Consulting to develop a sustainability plan for the affordable housing model. The request also includes \$0.3 million for contracted administrative services. Funding also provide supports to individuals to transition to community-based placements. *The Governor recommends funding as requested.*

Court Monitor and Consent Decree Coordinator. The Executive Office requests the enacted level \$400,000, including \$200,000 from general revenues, to pay for a court monitor and consent decree coordinator as part of the state settlement with the Department of Justice to address community based and employment services for adults with developmental disabilities in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. This includes \$300,000 for the monitor and \$100,000 for the coordinator. *The Governor recommends funding as requested.*

Children’s Cabinet - Early Childhood Programs. The Executive Office excludes the \$220,000 from general revenues provided in the enacted budget for a transition plan for the coordination and administration of childhood programs and services to a new Office of Early Childhood Planning. Funding paid for a consultant to assist the Children’s Cabinet with the plan. *The Governor recommends funding as requested.*

Communications Consolidation/Operations (4.0 FTE). The Executive Office requests the transfer of four public information officers, one each from the Departments of Human Services, Health, Behavioral Healthcare, Developmental Disabilities and Hospitals, and Children, Youth and Families, to comply with the current statutory requirement to consolidate and coordinate communications for the health and human services agencies within its umbrella.

Funding should total \$0.5 million, including \$0.4 million from general revenues, for three positions with funding for the Department of Health’s position being retained in that agency’s budget; this is shown in the following table. The request inadvertently adds \$0.9 million.

	Agency	FTE	General Revenues	Federal Funds	Total
To	EOHHS	4.0	\$ 1,699,567	\$ 163,391	\$ 1,862,958
From	DHS	(1.0)	(102,747)	(44,709)	(147,456)
	BHDDH	(1.0)	(168,855)	(9,093)	(177,948)
	DCYF	(1.0)	(104,025)	(35,045)	(139,070)
	DOH	(1.0)	-	-	-
Total		-	\$ 1,323,940	\$ 74,544	\$ 1,398,484
Transfer should be		4.0	\$ 375,627	\$ 88,847	\$ 464,474

The Governor’s recommendation transfers six positions, including three from the Department of Health, and one each for the other agencies. He includes \$0.5 million, of which \$0.3 million is from general revenues, for three of the six positions. His recommendation retains funding for those transferred from the Department of Health in that agency.

	Governor	FTE	General Revenues	Federal Funds	Total
To	EOHHS	6.0	\$ 296,991	\$ 162,344	\$ 459,335

Legal Services (6.0 FTE). The Executive Office requests \$0.8 million, including \$0.6 million from general revenues, for six new legal positions to support the Medicaid program and the Departments of Children,

Youth and Families, Human Services, and Health. The new positions include one deputy chief of legal counsel, three senior legal and two legal assistants. Legal staff will assist with estate recovery and third-party liability activities, coverage in Family Court, and administrative functions. The 2023 Assembly added two attorneys for the Department of Children, Youth and Families to reduce attorney caseloads and one for the Department of Human Services' child support enforcement unit.

Current legal staff includes: seven filled positions and two vacancies in child support enforcement; two vacancies; four filled for the Department of Health, with no vacancies; seven filled at the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals and no vacancies; and 17 assigned to the Department of Children, Youth and Families, of which 15 are filled and two are vacant. The constrained budget excludes the funding and the new positions. *The Governor does not recommend the proposal.*

Medicaid Eligibility Quality Control Staff (5.0 FTE). The Executive Office requests \$0.6 million, including \$0.3 million from general revenues, for five new positions for the Medicaid Eligibility Quality Control Unit. The 2023 Assembly transferred the unit, and its 3.0 full-time equivalent positions from the Department of Human Services which was budgeted consistent with the Governor's recommendation at the request of the Executive Office. The new positions include: a chief health program evaluator, two investigative auditors, a programming services officer and a quality control reviewer. The Executive Office reports that the unit was staffed by five full-time equivalent positions at the Department of Human Services and adding another five will bring the staffing level closer to what is needed to address the current workload.

The unit reports the ratio of erroneous excess payments in its medical assistance program. Federal guidelines note that to avoid potential conflicts of interest during the case reviews, the agency and staff responsible for the development, direction, implementation, and evaluation of the reviews and associated activities must be functionally and physically separate from the state agency and staff responsible for Medicaid policy and operations, including eligibility determinations. The constrained budget excludes the funding and the new positions. *The Governor recommends \$85,108 more than enacted from all sources, including \$42,554 from general revenues, for one new position assuming a September 2024 start.*

Long Term Services and Supports (3.0 FTE). The Executive Office requests \$0.4 million, including \$0.1 million from general revenues, for three new positions for long term services and supports programs. The new positions include a chief of family health systems to review federal and state regulations and budget proposals and analyze impact on long term care programs, amend policies and regulations associated with those programs; and ensure compliance with state and federal regulations. There is also a senior medical care specialist to support implementation and compliance with conflict free case management certification standards and a medical care specialist to review and approve provider compliance with those standards. The constrained budget excludes the funding and the new positions. *The Governor does not recommend the proposal.*

Medicaid Proposals - Administrative Expenses. The Executive Office requests \$0.8 million, including \$0.2 million more from general revenues for one-time system changes for the Medicaid proposals. This includes \$0.5 million for the rate review increases and \$0.3 million for the housing supportive services and recuperative care proposals. The proposals are explained in the medical assistance section of the analysis. The constrained budget excludes the funding. *The Governor includes \$0.5 million more than enacted, including \$0.1 million from general revenues, for the implementation cost associated with the rate increase.*

Other Salaries and Benefits. The Executive Office requests \$29.3 million for other salaries and benefits, including \$15.9 million from general revenues and \$13.4 million from federal funds. This is \$0.9 million more from all sources and \$0.2 million more from general revenues to fund 193.0 authorized positions. This includes benefit and step changes. The request also funds a portion of five positions in the Departments of Health, Children, Youth and Families and Administration totaling \$0.9 million. *The Governor*

recommends \$0.2 million more than requested, primarily from general revenues for statewide adjustments including higher than anticipated employee health benefit rates.

Special Education. The Executive Office requests \$28.5 million from federal funds for special education services provided by the local education agencies. This includes the enacted level of \$19.5 million for direct services and \$9.0 million for administrative costs. *The Governor recommends funding as requested.*

Capital Projects. The Executive Office requests \$421.0 million for four new information technology projects, including \$377.8 million from federal funds, \$42.5 million from general revenues, and \$0.7 million from restricted receipts. The capital request includes \$5.0 million spent in FY 2023, \$351.7 million for FY 2024 through FY 2028 and \$64.4 million in the post-FY 2028 period. *The Governor recommends the technology projects in the operating budget. He does not include them in the capital plan. A detailed description of the projects is included in the Capital Budget section of this publication.*

Centralized Services. The Executive Office requests \$10,321 less than enacted for centralized services that total \$4.8 million, including \$2.7 million from general revenues. This includes \$2.2 million for facilities management, \$2.0 million for information technology, and \$0.5 million for human resources.

The Governor recommends \$3.2 million, including \$1.8 million from general revenues, which is \$1.6 million less than requested, including \$0.9 million less from general revenues. This includes \$0.9 million less for statewide savings for utilities and \$0.8 million less for information technology services and includes six months of charges related to implementation of new systems management software.

Other Operations. The Executive Office requests \$3.6 million, including \$2.3 million from general revenues for all other operations. This is \$0.4 million more than enacted, including \$0.1 million from general revenues, to adjust for all other administrative and contracted services. *The Governor recommends \$0.2 million more than requested, primarily from general revenues.*

Department of Children, Youth and Families

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Central Management	\$ 49,496,112	\$ 49,945,887	\$ 23,697,124	\$ 22,484,285
Child Welfare	260,421,337	247,260,533	273,325,951	283,111,530
Youth Development Services	38,762,931	37,935,266	39,528,161	38,513,777
Children's Behavioral Health	17,482,028	25,741,081	19,987,526	17,425,671
Higher Education Incentive Grants	200,000	200,000	200,000	200,000
Total	\$ 366,362,408	\$ 361,082,767	\$ 356,738,762	\$ 361,735,263
Expenditures by Category				
Salaries and Benefits	\$ 95,684,196	\$ 88,736,031	\$ 93,967,760	\$ 91,084,982
Contracted Services	7,085,318	6,642,280	6,688,428	6,642,280
Subtotal	\$ 102,769,514	\$ 95,378,311	\$ 100,656,188	\$ 97,727,262
Other State Operations	16,982,398	20,404,166	18,669,564	19,308,293
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	210,010,069	207,209,863	218,963,010	226,249,708
Capital	36,600,427	38,090,427	18,450,000	18,450,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 366,362,408	\$ 361,082,767	\$ 356,738,762	\$ 361,735,263
Sources of Funds				
General Revenue	\$ 217,262,746	\$ 209,135,694	\$ 241,119,644	\$ 235,873,200
Federal Aid	132,358,539	136,031,263	98,925,637	109,908,506
Restricted Receipts	1,491,123	665,810	1,437,888	703,557
Other	15,250,000	15,250,000	15,255,593	15,250,000
Total	\$ 366,362,408	\$ 361,082,767	\$ 356,738,762	\$ 361,735,263
FTE Authorization	705.5	705.5	713.5	714.5

Summary. The Department of Children, Youth and Families requests \$356.7 million from all sources, including \$241.1 million from general revenues, \$98.9 million from federal funds, \$1.4 million from restricted receipts, and \$15.3 million from Rhode Island Capital Plan funds. This is \$9.6 million less than enacted, including \$23.9 million more from general revenues. The request includes 713.5 full-time equivalent positions inadvertently; the intended request is for 720.5 full-time equivalent positions, 15.0 more than the enacted authorization.

The Governor recommends \$361.7 million from all sources, which is \$4.6 million less than enacted, including \$18.6 million more from general revenues. The recommendation is \$5.0 million more than requested, including \$5.2 million less from general revenues. The Governor recommends 714.5 positions, 9.0 more than enacted.

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 \$216.2 million. The amount includes current service adjustments of \$9.9 million and a 5.0 percent target

reduction, adjusted for certain exclusions, of \$10.9 million. The Department’s constrained request is \$0.5 million less than the target level. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor’s recommendation is \$19.7 million above the target.*

Staffing. The Department requests \$94.0 million, which is \$1.7 million less than enacted for 713.5 positions inadvertently; the request intended to include 720.5 full-time equivalent positions, 15.0 more than the enacted authorization. The request adds 14.0 new positions within Youth Development Services, 1.0 within Children’s Behavioral Healthcare, 1.0 within Child Welfare, partially offset by transferring 1.0 communications position within Central Management to the Executive Office of Health and Human Services. The request adds 3.0 positions to Central Management, offset by a like amount of positions within Child Welfare. It also shifts positions between the Children’s Behavioral Health and Child Welfare programs which often overlap in duties and responsibilities and shifting positions between the programs is not uncommon.

Full-Time Equivalent Positions					
Program	FY 2024 Enacted	FY 2025 Request*	Change to Enacted	FY 2025 Gov. Rec.	Change to Enacted
Central Management	74.0	76.0	2.0	76.0	2.0
Children's Behavioral Healthcare/Child Welfare	491.5	490.5	(1.0)	490.5	(1.0)
Youth Development Services	140.0	154.0	14.0	148.0	8.0
Total	705.5	720.5	15.0	714.5	9.0

**Intent*

As of late October, there were 613.0 filled positions and 92.5 vacancies. The Department’s request assumes an average of 671.7 positions filled or 49.8 vacancies. By fund source, the request includes \$5.6 million less than enacted from general revenues and \$3.9 million more from federal funds.

It is worth noting that the Department had 62 resignations occur during 2022 which is more than 2020 and 2021 combined which had 26 and 27, respectively. Through the end of August 2023, there have been 21 resignations. Excluding retirements, in 2018, about 37 percent of staff departures were resignations, reaching a five-year high in FY 2022 of 59 percent. Through its September accreditation report, the Department reports 48 percent of its non-retirement staff departures have been resignations.

The Governor recommends \$2.9 million less than requested, including \$2.5 million less from general revenues. This includes adding \$0.9 million, of which \$0.7 million is from general revenues for increased health benefit costs. Those costs are offset by \$3.8 million of increased turnover savings, including \$3.2 million from general revenues. His recommendation for 714.5 positions adds the requested two positions for Children’s Behavioral Health licensing, eight youth development positions and the communication staff transfer. At the end of January 2024, the Department had 85.5 vacancies.

Placements

The Department provides placement services for youth removed from their home and offers foster care when appropriate, but places children into group homes when more extensive treatment and services are required. The Department manages some homes under its direct supervision while other 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.

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 request includes higher placement costs and 20.0 more placements than the revised request, including 12.0 placements for the female youth facilities, 4.4 more for group homes, 2.9 residential treatment center placements, and 0.6 more for all other residential care placements. The increase in placements appears to reflect increased availability which is expected to occur in FY 2025 because of contract renegotiations, which are expected to be completed by the start of FY 2025 and provider initiatives, such as provider wage stabilization and enhanced rates, that the Assembly included in the enacted budget. For FY 2025, the Department also includes \$13.3 million from all sources for an increase above the enacted budget, which is \$7.8 million.

Placement	Description/Services	Population					
		FY 2024 Enacted	FY 2024 Rev. Req.	Diff. from Enacted	FY 2025 Req.	FY 2025 Diff. from Rev. Req.	October Population
Congregate Care	Residential Based Placements	396.4	365.6	(30.8)	373.5	7.9	346.6
Assessment and Stabilization Centers	Trauma centers with counseling	14.9	17.1	2.2	17.9	0.8	17.7
Bradley	In-patient psychiatric care, long-term treatment	29.8	29.8	0.0	29.8	0.0	33.3
Group Homes	Less-intensive treatment plans, counseling	102.5	98.7	(3.8)	103.3	4.6	91.9
Independent Living	Unrestricted community access, live in own apartment	63.9	51.2	(12.7)	53.7	2.5	51.2
Residential Treatment Centers	Intensive treatment, behavior modification/treatment; includes psychiatric female youth facilities	80.1	61.5	(18.6)	64.4	2.9	50.2
Semi Independent Living	Semi-restricted community access, sleep-in staff	34.0	31.7	(2.3)	28.3	-3.4	32.6
Out-of-State	Most troubled children care with specialized behavioral needs	71.2	75.6	4.4	76.1	0.5	69.7
Foster Care	Home Based Placements	1,479.0	1,319.0	(160.0)	1,381.0	62.0	939.0
Total		1,875.4	1,684.6	(190.8)	1,754.5	69.9	1,285.6

Foster Care Placements. The Department provides home-based placements to between 1,300 and 1,600 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 youth goes in a non-kinship home. Within each of these, there are therapeutic foster homes for youth with more intensive treatment needs than traditional foster homes. The recruitment of foster homes is done by the Department and contracted private agencies. Many of the private agency homes recruit therapeutic homes.

Through the first four months of FY 2024, the Department averaged 991.5 placements which is 389.5 fewer than the 1,381 foster care placements assumed in the request and 487.5 less than the 1,479.0 assumed in the enacted budget. In FY 2023, the Department averaged 1,193.4 foster care placements. During the pandemic, provider staffing issues caused a lack of congregate care placement availability resulting in youth who would be placed into congregate care being placed in lower levels of care than necessary, primarily foster care. The Department expects congregate care placement availability increases to occur in FY 2025 because of contract renegotiations which are expected to be completed by the start of FY 2025 and approved

provider initiatives, such as approved wage stabilization and enhanced rates. During the pandemic, placements also declined because of a decrease in child abuse reports; the Department expected to see an increase in all placements once the pandemic was over, but that has not yet occurred. The caseload through the end of October does not reflect the changes expected in the revised request with a total of 1,347.0 youth being in Department care or 338 less than assumed in the revised request. *The Governor does not identify specific population or cost per youth assumptions. His budget is \$5.0 million less than requested based on Budget Office projections consistent with revision to the FY 2024 budget.*

Rate Increase. The Department’s request includes an additional \$13.3 million from all sources for FY 2025, including \$10.0 million from general revenues and \$3.3 million from federal funds, for expected rate increases resulting from its service array contract renegotiation. The enacted budget also includes \$7.8 million for the renegotiation, bringing the Department’s updated FY 2025 estimate cost increase to \$21.1 million. The procurement is happening in phases through FY 2024, beginning with congregate care which had a request for proposals that closed in September 2023. No timeline is finalized, but when the congregate care contracts are finished, they will be followed by the home and community-based service contracts, adoption related support services and private foster care agency services. Providers will continue to receive stabilization support payments until each new contract takes effect. The additional funding is excluded in the constrained request.

The Governor recommends \$30.3 million above the enacted budget for expected rate increases, including \$27.0 million from general revenues. This is \$17.0 million more than requested from general revenues based on preliminary information. The recommendation does not appear to adjust for potential federal matching funds.

Contract Status by Placement Type			
Placements/Services	RFI Issuance	RFP Issuance	New Contracts Take Effect
Congregate Care	11/15/2022	5/25/2023	12/31/2023
Foster Care	8/24/2022	FY 2024	Prior to FY 2025
LBQTQI+ Services	8/23/2022	9/18/2023	Prior to FY 2025
Home & Community Based Services	12/22/2022	9/18/2023	Prior to FY 2025
Therapeutic Foster Care	2/7/2023	FY 2024	Prior to FY 2025
Adoption Services	N/A	FY 2024	Prior to FY 2025

Congregate Care. The Department requests \$83.0 million from all sources, including \$58.9 million from general revenues, for congregate care placements. This is \$0.8 million less than enacted from all sources, including \$4.4 million more from general revenues suggesting a lower incidence of federal matching. The enacted budget includes \$6.9 million for a rate increase for the Department as it renegotiates its congregate care provider contracts which is anticipated to be completed prior to July 1, 2024. The request assumes an additional \$13.3 million for all providers, discussed separately. The request assumes 22.9 fewer placements than assumed in the enacted budget and 7.9 more placements than assumed in the revised request. The Department expects for provider staff levels to continue to increase which would result in additional placement availability at other levels of care.

The request assumes a cost per youth in each congregate care placement adjusted based on FY 2023 costs and the rate increase provided in the enacted budget. Larger changes to the revised request include a 9.7 percent increase for semi-independent living facilities, and an approximately 4.5 percent change for residential treatment centers. The cost per placement for out-of-state placements, the costliest of Department placements, is essentially consistent with the revised request.

The Governor recommends \$2.3 million more than enacted and \$3.1 million more than requested from all sources. By source, he includes \$2.4 million less than enacted from general revenues and \$6.8 million less than requested. This appears to assume a somewhat higher caseload assumption unlike his FY 2024 revised

recommendation and no shift to general revenues. The Medicaid claiming and rate increase items identified separately are both higher than requested from general revenues and also affect the congregate care spend which may account for some discrepancies in the Governor's recommendation.

Out-of-State Medicaid Claiming Issues. The Rhode Island Medicaid Office requires all providers who work with the Department to register as Rhode Island Medicaid providers. As of November 15, the Department has 42 youths in out-of-state placements being billed through Medicaid, despite these providers not being registered in Rhode Island. Federal law requires that all providers who serve Medicaid beneficiaries be enrolled in their respective Medicaid programs. The average cost per out-of-state placement assumed for FY 2025 is \$353,275, including \$82,618 from federal funds. Based on this, of the requested 76.1 youths assumed to be placed out-of-state, the Department assumes that 25.5 will need to be paid entirely from general revenues and adds \$2.1 million for this expense, offset by a like amount of federal funds. The constrained budget excludes this initiative. *The Governor recommends adding \$3.9 million, or \$1.8 million more than requested, from general revenues, to account for the lack of Medicaid claiming in FY 2025. He also includes \$2.3 million in his revised recommendation.*

Female Residential Facilities. The 2022 Assembly provided \$12.0 million from State Fiscal Recovery funds to expand existing in-state capacity at private facilities and initial design of a new qualified residential treatment program facility which is maintained in the request. The Department contracted with St. Mary's Home for Children to add 12 beds to expand existing in-state capacity for female youth placements within a psychiatric residential treatment program. The \$11.0 million contract assumes placements become available during the third quarter of FY 2025. Of that total, the Department spent \$2.1 million in FY 2023, \$6.9 million is requested for FY 2024 and \$2.0 million for FY 2025

The remaining \$1.0 million was provided to design the new female youth facility and the 2022 Assembly included \$45.0 million from Rhode Island Capital Plan funds from FY 2024 through FY 2026 to construct such a facility. The request maintains the enacted \$15.0 million in FY 2024. The Department spent \$0.3 million for the design in FY 2023; the Department does anticipate using the remaining amount for FY 2024, although it is not included in the request. Through the end of October, the Department has spent \$63,556 of these funds. Currently, female youth who would otherwise be served in state facilities are placed in out-of-state residential facilities which are among the most expensive and intensive placements in use. The Department's request includes \$5.2 million from all sources, including \$1.5 million from general revenues, for the operation of at least one new psychiatric residential facility for female youth currently residing in out-of-state congregate care placements. The request is \$4.9 million less than the budget had identified as needed from all sources, including \$3.1 million more from general revenues. *The Governor recommends placement funding as requested but budgets all remaining State Fiscal Recovery funds in FY 2024.*

Foster Care. The Department requests \$20.6 million from all sources, including \$17.7 million from general revenues for home based foster care placements. The request is \$9.0 million less than enacted, including \$6.2 million less from general revenues. The enacted budget includes \$0.9 million for a foster care provider rate increase which is now expected to occur at the start of FY 2025. The request assumes an additional \$13.3 million for all providers, discussed separately. Through October 2023, the Department has averaged 991.5 placements which is 201.9 fewer than assumed in the request. In July 2023, when the budget was being prepared, the population was 1,049 and has decreased monthly since then, reaching a low of 939 in October. For FY 2023, the Department averaged 1,193.4 placements which is 184.6 fewer than assumed in the request. The Department assumes a cost per placement of \$14,924 which is \$1,583 less than its revised request. It is unclear why the cost per youth would decrease and this is the second consecutive year this decrease has been requested.

The Governor includes \$2.3 million less than requested from all sources, including \$1.9 million less from general revenues. This reflects a lower caseload assumption, consistent with his FY 2024 revised recommendation.

ARPA - Provider Workforce Stabilization Payments. The Assembly provided a total of \$22.9 million from State Fiscal Recovery funds for wage stabilization payments to direct care staff of congregate care and community-based providers in contract with the Department. This was in response to providers reporting a high number of vacancies and staff recruitment issues which has resulted in a capped or reduced number of youth that providers are able to serve. Payments began in FY 2022. The Assembly also included language specifying that the \$7.9 million included for FY 2024 remain available only until a contracted service provider's new contract takes effect. The request excludes these funds, as the contract renegotiations are expected to be complete prior to the start of FY 2025. *The Governor excludes funding as requested; his revised recommendation budgets all remaining funds.*

ARPA - Foster Home Lead Abatement and Fire Safety Upgrades. The Department requests \$1.5 million from State Fiscal Recovery funds for lead abatement and fire suppression upgrades for foster homes that cannot meet licensing requirements because of lead or fire standards. The FY 2023 budget included \$1.5 million for this purpose; however, the Department experienced continual delays with this project and no spending occurred, and that funding is included in the FY 2025 request. These funds would be used on homes. One goal of this initiative is to allow for additional foster care placement opportunities, and fewer group-based placements. The Department of Health promulgates the rules and regulations for lead prevention that a foster home must comply with to be licensed. States can leverage federal funds for foster care payments if a child or youth is residing in a licensed foster care home. The Department has previously reported that lead safety compliance makes recruitment efforts more challenging, especially in the urban core where the housing stock is older. At the time of the request, conversations with Rhode Island Housing to effectuate the lead removal remain ongoing. According to the Pandemic Recovery Office's first quarter report, the Department plans to send letters to 14 foster care providers that are currently pending a kinship license due to a failed lead inspection. *The Governor's budget excludes all funding for this project which has experienced repeated delays and there has been no spending to date.*

COVID Child Welfare Grants. The Department requests \$0.3 million, or \$0.7 million less than the enacted budget, for federal COVID-related child welfare services grants, reflecting the remaining balance anticipated to be available for FY 2025. The majority of these grants can be used to enhance community-based and prevention-focused programs and activities designed to strengthen child abuse prevention activities. It also includes funding to improve the child welfare system in accordance with the Child Abuse Prevention and Treatment Act. *The Governor recommends funding as requested.*

Child Care. The Department requests \$6.8 million, including \$2.5 million from general revenues, for child care costs. The request is \$0.5 million less than enacted for child care expenses for children in foster care, nearly all of which is from federal funds, to be more consistent with FY 2023 spending and federal claiming expenses, adjusted for a lower population. In recent years, the Department has been allocated Temporary Assistance for Needy Families funds to offset general revenue expenses for these youths; however, it has experienced difficulty providing the documentation necessary for federal compliance with funding requirements; it is unclear why. The request is \$0.4 million more than the revised request, reflecting a higher population than assumed in the revised request. *The Governor recommends funding total funding essentially as requested.*

Unlicensed Child Care Rate Enhancement. The Department requests \$0.5 million, including \$0.4 million from general revenues, to effectuate a rate increase for unlicensed child care providers. Some families utilize unlicensed child care services, such as those who have youths with medical issues or who work unusual hours such as the third shift. The Department pays \$100 per week for these services delivered usually by family friends. Many families report difficulty finding care at this rate; the Department requests funding to raise the weekly support to \$400 a week for approximately 26 youths. The Department indicates that it does not believe any law or policy change is required to effectuate this change, as it does not believe there is any requirement for it to use the unlicensed child care home rate for this population. The constrained request excludes these funds. *The Governor does not recommend this proposal.*

Adoption and Guardianship. The Department requests \$33.6 million from all sources, including \$22.9 million from general revenues, for adoption and guardianship expenses. The request is \$0.9 million more than enacted, including \$1.0 million more from general revenues. This includes adoption subsidies, pre-adoption placements and both relative and non-relative guardianships. The Department indicates that it is working toward moving youth from foster homes and congregate care homes to permanent homes when appropriate. The request assumes average adoption costs of \$9,435 per youth are 1.1 percent more than the revised request and 11.2 percent more than enacted. Guardianship costs of \$9,548 per youth are 0.2 percent less than the revised request and 10.9 percent more than enacted. The average rate for these two placements increased from FY 2023 by \$1.32 and \$2.00, respectively, reflecting more new placements paid at higher rates. 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 a population of 3,554 which is 158 more than the revised request population of 3,396. *The Governor recommends \$0.4 million less than requested, which appears to assume a lower population, similar to his FY 2024 revised recommendations.*

Home and Community Based Services. The Department requests \$43.0 million from all sources, including \$24.2 million from general revenues, for its home and community-based services. The request is \$10.8 million more than enacted from all sources, including \$13.4 million more from general revenues, to reflect updated usage estimates for its youth and family support services. It is worth noting that the Department expects to renegotiate all provider contracts by July 1, 2024, which will include higher rates and is expected to help address service delivery issues. Similar to congregate care and foster care, the enacted budget includes funding for a provider rate increase to effectuate new contracts which are expected to be complete prior to the start of FY 2025. The request assumes an additional \$13.3 million for all providers, discussed separately. The procurement is happening in phases through FY 2024, beginning with congregate care which had a request for proposals that closed in September 2023.

The revised request includes \$41.0 million from all sources for these services, largely reflecting ongoing provider staffing issues which reduce service availability; these issues are assumed to be resolved in the request from initiatives included in the enacted budget, such as provider wage stabilization and enhanced rates, and contract renegotiations, which are expected to conclude prior the start of FY 2025. These services include counseling, education programs, family support services for preparation for reunification, family centered treatment, parent aides, and the Positive Parenting program. While the services primarily reflect foster care placements, they also include children in congregate care, other placements, and in-home populations. *The Governor recommends \$0.4 million more than requested; including \$6.6 million less from general revenues, assuming greater availability of federal match.*

Voluntary Extension of Care. The Department requests \$1.3 million from general revenues for its Voluntary Extension of Care program for updated expenses for rent and other services. The request is \$14,943 more than enacted and \$62,261 more than the revised request, reflecting updated cost projections. The Department has been unable to claim federal funds for these youth because of federal income limits linked to Title IV-E eligibility for this population. The program lets individuals age 18 through 21 remain in state care with the Family Court retaining oversight. *The Governor recommends \$0.1 million more than requested based on Budget Office projections.*

Children's Rights Settlement. Consistent with the enacted budget, the Department requests \$0.1 million from general revenues for a data validator that is required as part of the state's settlement with Children's Rights. In May 2018, the case was settled in the federal Court of Appeals for the First Circuit with the Department obliged to fulfill mutually agreed upon commitments for improvement and related reporting. For each commitment, the Department must submit proof of compliance data to an independent data validator. Findings and assessments are then submitted to the Office of the Child Advocate who will determine criteria fulfillment. Failure to comply triggers corrective action plans. Upon completion of each assessment for two consecutive six-month periods, the Department may request that the Court allow it to

exit from monitoring for that specific commitment. Through the most recent report published January 2023, the Department has exited 12 of the 20 commitment areas. *The Governor concurs.*

Local Education Agency Reimbursement. Local school districts are responsible for certain education costs for children in state care. In order to ensure reimbursements are made to providers, the Department began paying the costs directly in FY 2020 and seeking reimbursement from the appropriate local education agency directly, eliminating the need for the provider to do so. Historically, it has been difficult to track the amount the Department pays to providers for education services exclusively. The Department indicates that it expects to receive full reimbursement from local education agencies for payments to residential treatment centers that provide education services; however, it identifies \$9.4 million for reimbursements and only \$4.3 million in payments. The request assumes \$0.7 million more in reimbursements than assumed in the enacted budget and \$0.4 million more in payments. This apparent overstatement of reimbursements suggests a \$0.3 million shortfall is possible. *The Governor's budget assumes the need for \$2.0 million more than requested, including \$0.8 million from general revenues based on updated Budget Office projections.*

Higher Education Incentive Grant. The Department requests \$401,145 for higher education support payments from all sources, including \$200,000 from general revenues for the statutorily mandated funding for the Higher Education Incentive Grant. It also includes \$201,145 from federal funds for Education and Training Vouchers which is \$32,623 less than enacted and excludes \$50,000 in previous year funding which is not expected to be needed in FY 2025. The Department spent \$260,194 in FY 2023, including \$54,372 from general revenues, \$200,007 from federal funds, and \$5,815 in unspent restricted receipt funds from prior years. The enacted budget includes a new requirement that the Department provide information on higher education for Department youth with the first report due in December 2023.

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. In order to qualify for these grants, a youth must have been in Department foster care on or after their 16th birthday and spent at least two years in foster care. General revenues have historically been paid to the Office of Postsecondary Commissioner during the fall, but in March 2021, it was reported that the Department was making payments directly to the youth's education institution. Similar to the Higher Education Incentive Grant, 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 Governor proposes Section 28 of Article 3 to modify several aspects of the program including requiring earlier notifications to eligible children and qualifying 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 changes how awards are made. It establishes reporting requirements similar to those required as part of the FY 2024 enacted budget; the Department has not yet submitted the current report. The Governor does not recommend additional funding which suggests smaller awards to more applicants for FY 2025.

Emergency Housing. The Department requests \$8.4 million from general revenues for emergency housing for families in which housing is a barrier to reunification which is \$5.9 million more than assumed in the enacted budget. The request is \$0.4 million more than the revised request, reflecting anticipated growth in these expenses through FY 2025. The Family Court has the authority to require the Department to provide housing, most often in the form of a hotel and appears to have increased this practice. After averaging about \$0.1 million annually, costs grew to \$0.9 million for FY 2022. They increased more than four-fold in FY 2023 to \$3.1 million. *The Governor recommends \$3.0 million, or \$0.5 million more than enacted and \$5.4 million less than requested. This includes \$1.2 million from the Department of Human Services' federal Temporary Assistance to Needy Families block grant funds based on updated projections and planning for how these expenses are addressed.*

All Other Placements and Services. The Department requests \$6.0 million from all sources, including \$2.3 million from general revenues, for all other placements and services. The request is \$0.6 million more than enacted, including \$0.5 million more from general revenues, based on previous year expenses. These costs include intensive supervision for youth and training for nursing and religious chaplains. These placements also include medical treatments provided to children, a first month rent payment when it is the last barrier to reunification, parent aide services including education (tutoring, SATs, unfunded summer school, etc.) among other costs that are not covered by any other source of payment. *The Governor recommends \$2.5 million less than enacted from all sources, which includes \$1.1 million more than enacted from general revenues. This is \$3.1 million less than requested including \$3.7 million less from federal funds based on updated Budget Office projections.*

Youth Development Services

Training School Staff (14.0 FTE). The Department requests \$1.8 million from general revenues and authorization for 14.0 new training school staff positions which is a full year of funding. The Department experienced an influx of youth in FY 2022 and FY 2023. During FY 2021, the population average reached an all-time low of 24. During FY 2022 and FY 2023, it averaged 36 and 47, respectively; as of November 1, it was 43. Previously, the Department had one module each for sentenced boys and girls and one for non-sentenced which serves as an intake center. Notably, prior to the enacted budget which repurposed four existing positions to the training school and added three new positions, the past three budgets included reductions to training school staff. In its FY 2022 request, the Department shifted 11.0 personnel from its Training School allocation to other programs. The Department is requesting 14.0 additional positions which are necessary to permanently open its fourth module.

The constrained request excludes funding and authorization for these positions. *The Governor recommends \$0.3 million for eight new positions assuming overtime savings will offset the cost.*

Other Salaries and Benefits. The Department requests \$18.4 million from all sources, including \$18.3 million from general revenues, for authorized staff positions at the Rhode Island Training School. The request is \$0.7 million less than enacted, mostly from general revenues, reflecting current service adjustments and new hires beginning at a lower cost. The request funds 129.7 of the 140.0 positions. As of late November, Youth Development Services has averaged 114.7 filled positions or 15.0 fewer than funded in the request. The request includes \$0.6 million more than enacted for overtime and is \$0.2 million more than the revised request. *The Governor recommends \$0.1 million more than requested, primarily from general revenues, for statewide adjustments for higher than anticipated employee health benefit rates.*

Education Services. The Department requests \$161,620, including \$136,814 from general revenues, for non-payroll education expenses at the Training School. The request is \$48,250 more than enacted and general revenue funding is essentially consistent with FY 2023 expenses, and the revised request. The largest expense is for temporary staff needs, including long term substitute teachers and post-secondary instructors; this expense was \$63,143 in FY 2023 which the request includes \$19,281 more than enacted to be consistent. Educational services are provided to all residents of the Rhode Island 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 recommends funding as requested.*

Institutional Support Services. The Department requests \$1.5 million, \$0.1 million more than enacted essentially all from general revenues, for institutional support services at the Training School. The Department spent \$1.4 million in FY 2023. These expenses include legal costs, repairs and maintenance, food, non-prescription medicine and clothing expenses for juveniles. *The Governor adds \$3,237 primarily from general revenues, for statewide adjustments for higher than anticipated employee health benefit rates.*

Juvenile Probation and Parole. The Department requests \$0.4 million from general revenues, or \$15,961 more than enacted, for Juvenile Probation, reflecting a higher population. These services include the supervision of adolescents that are placed on probation by the Family Court. The request is typically based on the previous year's population which was 256. Through the end of October, the population was 225 and averaged 219 probation and parolees which is 37 less. *The Governor recommends \$957 less than requested for statewide utility savings.*

Other Operations

Communications Consolidation (-1.0 FTE). The Department requests to transfer a communications position to the Executive Office of Health and Human Services and excludes \$139,070 less from all sources, including \$104,025 from general revenues. The Executive Office is requesting all of its umbrella agencies to shift its public information officer positions to its Office; for the Department, this is 1.0 full-time equivalent position. The Executive Office's statute requires these positions be concentrated in its Office, similar to the way legal staff and chief financial officers are treated. The Executive Office indicates that this will allow for better, more consistent communications for all of its Departments. This proposal is excluded in the constrained budget. *The Governor recommends the transfer.*

Licensing Children's Behavioral Healthcare Organizations (2.0 FTE). The Department requests \$236,717 from all sources, including \$206,014 from general revenues and \$30,703 from federal funds, for two new positions to oversee the licensing of Children's Behavioral Healthcare Organizations. The Department has determined it needs to license children's behavioral health services as it is necessary to ensure oversight of the quality statewide and to comply with federal Medicaid rules, which the Department appears to be currently out-of-compliance. It is anticipated that the implementation of licensing will begin by July 1, 2024. At that time, these positions would begin review of applications and site visits.

The Department has drafted licensing regulations and, once finalized, it is anticipated that it will require two positions, a social caseworker and a clinical social worker, which will be necessary to review the required application materials, perform site visits, assess provider procedures and treatment records, and follow up on concerns identified by service recipients or through the initial and ongoing license reviews. It is anticipated that 50 to 60 agencies will be licensed every two years with ongoing visits and monitoring activities performed on a continuous basis. These positions and funding are excluded in the constrained request. *The Governor recommends the new positions and updated funding for higher than anticipated employee health benefit rates.*

Other Salaries and Benefits. The Department requests \$73.7 million from all sources, including \$52.9 million from general revenues, for all remaining staff expenses for its approved 564.5 positions. The request is \$2.8 million less than enacted from all sources, including \$6.7 million less from general revenues, more closely reflecting current staffing levels and those experienced over the past year. The request inadvertently excluded 8.0 positions and their funding. Adjusting to correct this error, the request assumes 2.4 vacancies for the Children's Behavioral Health program, 11.8 vacancies in Central Management and 26.4 vacancies in the Child Welfare program. The 91.0 positions added by the 2021 Assembly for accreditation assuming full workloads and no longer distinguished from other frontline staff positions. The Department anticipates an increase in federal fund availability based on its cost allocation plan which determines what amount of staffing costs are attributable to federal funds; those funds replace general revenues.

The Governor recommends \$1.5 million less than requested, including \$1.1 million less from general revenues. This includes adding \$0.5 million, of which \$0.3 million is from general revenues, for increased health benefit costs. Those costs are offset by \$2.0 million of increased turnover savings, including \$1.4 million from general revenues.

Temporary Staff. Consistent with the revised request, the Department requests \$1.8 million, or \$43,082 more than enacted, including \$0.4 million more from general revenues, partially offset by \$0.3 million less from federal funds, for temporary staff which is usually used to fill vacancies until permanent staff can be hired. This is essentially consistent with FY 2023 spending. The Department bases the amount attributable to federal grants on the previous year and allocates the expected remaining need to general revenues. It is likely that the federal share of these expenses is understated, as \$0.4 million from one grant is excluded that should have funding available for FY 2025. *The Governor recommends funding as requested.*

Cost Allocation Plan and Family First Compliance. Consistent with the revised request, the Department requests \$1.8 million, or \$0.5 million more than enacted from federal funds for cost allocation plan consulting. This corrects the previous year's request which did not properly account for an entire year of these expenses and is consistent with FY 2023 spending. The Department uses a consultant, Public Consulting Group, for the development and maintenance of its cost allocation plan. The 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, based on random moment in time studies. The newest contract, signed in 2021, added provisions to assist 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 recommends funding as requested.*

Parking and Occupancy. Consistent with the revised request, the Department requests \$4.3 million from all sources, including \$3.9 million from general revenues, for its parking and rent expenses. The request is \$0.4 million more from general revenues, partially offset by \$31,687 less from federal funds, which reflects updated cost projections. The Department pays rental expenses for several locations, the largest being its headquarters at 101 Friendship Street in Providence. It also pays parking expenses at the 75 Clifford Street parking garage. *The Governor recommends funding as requested.*

Technology. Consistent with the revised request, the Department requests \$4.9 million, including \$2.3 million from general revenues, \$2.0 million from federal funds, and \$42,000 from restricted receipts, for computer supplies, software, and equipment. The request is \$1.0 million more than enacted, including \$0.6 million more from general revenues, and \$0.4 million from other sources. The general revenue increase is for a new contract to lease new copiers and printers which would replace older models. The Department indicates that its information technology contract is paid largely from non-state sources which had costs higher than expected in FY 2023; the revised request adjusts expenses to reflect that updated cost. *The Governor recommends funding as requested.*

Legal. Consistent with the revised request, the Department requests \$92,853 from general revenues for temporary legal services while it fills vacant legal positions. It is \$215,848 less than enacted. At the time of its FY 2024 budget request in October 2022, the Department had six vacancies, and a year later had two. The FY 2024 enacted budget of the Executive Office of Health and Human Services included upgrades for all authorized legal counsel position salaries to help alleviate staffing issues. *The Governor recommends funding as requested.*

Vehicles. The Department requests \$0.8 million from general revenues for FY 2025 vehicle expenses which is \$0.5 million less than enacted, consistent with its FY 2025 through FY 2029 capital request. The capital request assumes its 103-vehicle fleet will be fully state-owned by the end of FY 2024. Beginning in FY 2025, the Department will begin to replace its state-owned vehicles with an entirely leased fleet by FY 2030. Between FY 2025 and FY 2029 lease costs increase annually, reflecting increases in the number of leased vehicles which will gradually replace state-owned vehicles. The capital request includes \$90,000 for FY 2025 growing to \$264,000 for FY 2029. *The Governor recommends funding as requested.*

Placement Monitoring. Consistent with the revised request, the Department requests \$1.3 million, mostly from general revenues, for travel expenses for the oversight of Department youth and their placement facilities, largely reflecting increases for out-of-state youth monitoring. The request is \$0.6 million more than enacted mostly from general revenues. Rhode Island General Law, Section 14-1-65 requires the Department to petition the Family Court for a hearing prior to being placed out-of-state, and ensure that there are no suitable in-state facilities available, 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 for placements less than 35 miles from the home of the parent with previous custody. The request is essentially consistent with FY 2023 actual expenses. *The Governor recommends funding as requested.*

Clothing. The Department requests \$0.3 million, or \$0.2 million more than enacted, for gift cards to assist youth with obtaining clothing once they enter Department care. The Department is providing these gift cards to foster parents who take in children who are in need of essential items immediately. The Department reports that annual expenditures for these items were under \$50,000, but its reliance on these cards has increased in recent years. This is consistent with the revised request. *The Governor recommends funding as requested.*

Capital Projects. The Department requests \$18.5 million from all sources for its capital projects, including \$15.3 million from Rhode Island Capital Plan funds. The request is \$18.2 million less than enacted from federal funds, reflecting FY 2025 expenses for the replacement of the Rhode Island Children's Information System. The request includes \$15.0 million for the construction of a residential treatment facility for female youth, consistent with the approved plan. *The Governor recommends funding as requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Centralized Services. Consistent with the revised request, the Department requests \$5.7 million, or \$0.7 million less than enacted, for centralized services provided through the Department of Administration. By source, this includes \$0.1 million more from general revenues and \$0.9 million less from federal funds, consistent with the FY 2023 experience for federal funds and updated billings. In total, the request is \$1.0 million less than FY 2023 spending. *The Governor recommends \$0.6 million more than requested to account for utility savings and updated projections for other centralized services including six months of charges related to implementation of new systems management software.*

Other Operations. The Department requests \$2.3 million from all sources, including \$2.0 million from general revenues, for all other expenses. This includes \$0.3 million for insurance, \$0.3 million for security services, \$0.3 million for staff training, \$0.2 million for interpreters and translators, \$0.2 million for utilities, \$0.1 million for subscriptions, and \$0.9 million for all other expenses. The request is \$137,911 less from all sources than enacted, including \$55,987 less from general revenues and is \$2,367 less than the revised request. Adjustments are largely to reflect the FY 2023 experience. *The Governor recommends \$52,372 less than requested, including \$38,512 from general revenues, primarily for consultant services.*

Target - Placement Changes. The Department's constrained request includes savings of \$10.9 million from general revenues from a series of placement changes, including accepting fewer youth into its care and providing services to these youth while they remain in their homes. The mechanisms to achieve this proposal are unidentified and the Department indicates that it is a broad reduction to its placement expenses without specific plans or indicating which placements would be impacted by this proposal. It is unclear what changes to policy would need to occur to effectuate this. *The Governor does not recommend this request.*

Department of Health

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Central Management	\$ 28,468,354	\$ 27,658,211	\$ 32,591,230	\$ 30,284,399
Community Health and Equity	124,126,466	156,353,443	175,219,413	165,526,762
Environmental Health	18,213,199	19,493,357	19,546,292	19,566,006
Health Lab. & Medical Examiner	15,827,184	15,663,659	16,610,584	19,877,692
Customer Services	20,157,076	23,567,085	20,019,635	22,625,588
Policy, Info. & Communications	5,302,889	8,100,450	7,857,988	6,906,738
Preparedness, Response, Infectious Disease & Emergency Services COVID-19	22,009,331 93,491,536	24,170,340 110,521,145	19,487,366 76,940,218	19,672,901 57,721,419
Total	\$ 327,596,035	\$ 385,527,690	\$ 368,272,726	\$ 342,181,505
Expenditures by Category				
Salaries and Benefits	\$ 78,633,119	\$ 77,909,275	\$ 81,703,126	\$ 80,951,024
Contracted Services	33,278,199	45,855,598	48,717,164	30,048,574
Subtotal	\$ 111,911,318	\$ 123,764,873	\$ 130,420,290	\$ 110,999,598
Other State Operations	130,602,058	156,698,283	140,819,451	138,482,859
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	53,752,112	67,439,305	58,354,168	50,798,469
Capital	31,330,547	37,625,229	38,678,817	41,900,579
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 327,596,035	\$ 385,527,690	\$ 368,272,726	\$ 342,181,505
Sources of Funds				
General Revenue	\$ 35,655,172	\$ 34,558,400	\$ 41,084,707	\$ 37,353,947
Federal Aid	225,090,085	262,579,394	222,477,052	193,961,061
Restricted Receipts	66,450,778	88,380,907	103,910,967	106,844,735
Other	400,000	8,989	800,000	4,021,762
Total	\$ 327,596,035	\$ 385,527,690	\$ 368,272,726	\$ 342,181,505
FTE Authorization	574.4	575.6	581.6	572.6

Summary. The Department of Health requests FY 2025 expenditures of \$368.3 million from all sources. This is \$40.7 million more than enacted, including increases of \$5.4 million from general revenues, \$37.5 million from restricted receipts, of which \$37.3 million is for immunization expenses, and \$0.4 million from other funds. Expenditures from federal funds are \$2.6 million less than enacted. It also requests staffing of 581.6 full-time equivalent positions, 7.2 more than enacted and 5.0 more than included in the revised request. As of early December, the Department had 19.8 positions vacant.

The Governor recommends expenses of \$342.2 million from all sources, including \$37.4 million from general revenues. This is \$26.1 million less than requested, of which \$28.5 million is from federal funds to adjust expenses to available federal grants, and to exclude one-time State Fiscal Recovery funds. He

recommends staffing of 572.6 full-time equivalent positions, 3.0 fewer positions than the revised budget, reflecting the transfer of positions to 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 Health this produced a general revenue target of \$33.6 million, including a current service adjustment reduction of \$0.5 million and a 5.0 percent reduction of \$1.5 million, adjusted for certain exclusions. The constrained budget exceeds the target level by \$0.1 million. The proposals to achieve the reductions are noted among the items described below where appropriate. *The recommendation is \$3.8 million above that.*

Salaries and Benefits. The Department requests \$81.7 million from all sources, including \$23.9 million from general revenues for salary and benefit expenses for 581.6 full-time equivalent positions. The request is \$3.1 million more than enacted, including increases of \$1.4 million from general revenues, \$0.9 million from federal funds, and \$0.8 million from restricted receipts. It reflects the transfer of a position to the Executive Office of Health and Human Services and adds \$0.9 million for 8.2 new full-time equivalent positions, for a net increase of 7.2 positions. It should be noted that the 2023 Assembly authorized an additional 39 positions and it concurred with the Governor's recommendation to retain funding in the budget 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 as operating, which will likely be used for salaries and benefits if additional staffing authorization is provided, or for contracted services. This makes it difficult to determine how many positions are funded. Salaries and benefits are \$3.2 million more than the revised request for FY 2024, excluding expenses for the new positions. The request assumes turnover savings of \$1.8 million, which is equivalent to 13.0 positions. As of early December, the Department averaged 31 vacancies.

The Governor recommends \$81.0 million for salaries and benefits, this is \$0.8 million less from all sources than requested, including \$1.4 million less from general revenues. The recommendation includes \$0.7 million, including \$0.1 million from general revenues for statewide adjustments including higher than anticipated employee health benefit rates. This is partially offset by additional turnover savings of \$0.1 million, which is equivalent to one vacancy. The Governor recommends staffing of 572.6 full-time equivalent positions, 9.0 fewer positions than requested. This includes 2.0 additional positions transferred to the Executive Office and 7.0 fewer new positions.

Centralized Services. The request includes \$8.6 million from all sources for the Department's share of centralized services provided by the Department of Administration. This is \$0.7 million less than enacted, including \$0.1 million less from general revenues. The request includes the enacted amount of \$1.2 million for human resources, \$2.9 million or \$18,765 less for facilities management, and \$4.5 million for information technology support, which is \$0.7 million less than enacted and is essentially consistent with the revised request for FY 2024. The request is \$1.1 million more than FY 2023 spending.

The Governor recommends \$10.0 million, or \$1.4 million more than requested from all sources, including \$0.3 million more from general revenues. This includes \$0.3 million less for statewide utility savings, \$37,881 for charges related to implementation of new systems management software, and \$0.1 million for human resources support. The recommendation also includes \$1.5 million more for information technology services, for total expenses of \$6.0 million. This is \$2.0 million more than current year projected spending and \$1.5 million more than the revised budget.

COVID-19

CDC Funding. On March 13, 2020, President Trump declared that a nationwide emergency exists as a result of COVID-19 beginning on January 20, 2020. Through March 2021, six federal acts were adopted, providing the Centers for Disease Control and Prevention with approximately \$60 billion to prepare for,

promote, distribute, administer, monitor, and track coronavirus vaccines to ensure broad-based distribution and vaccine coverage. A portion of these funds can be used through federal fiscal years 2023 and 2024 and some remain available until expended. The Centers for Disease Control and Prevention provide funding to states, municipalities and other entities for surveillance, laboratory capacity or other preparedness and response activities. According to information obtained from the Department, the state will receive a total of \$407.6 million. This includes \$81.7 million for the construction of the new health laboratory facility. The following table shows COVID-related funding and expenses.

Total Available* \$ 407,570,169				
Expenditures	Per year	Cumulative	Expired	Balance
FY 2020 Spent	\$ 3,256,480	\$ 3,256,480	\$ -	\$ 404,313,689
FY 2021 Spent	66,254,107	69,510,587	-	338,059,582
FY 2022 Spent	59,127,552	128,638,139	-	278,932,030
FY 2023 Spent	84,073,705	212,711,844	(15,176,716)	194,858,325
FY 2024 Gov. Rev.	99,057,220	311,769,064	-	95,801,105
FY 2025 Governor	68,921,829	380,690,893	-	26,879,276

**Prior publications used FFIS data; current information from DOH*

Through FY 2023, \$212.7 million has been spent, and one grant expired, leaving \$15.2 million unspent for k-12 reopening schools related initiatives, for which the state was awarded \$31.9 million. The Department attributed the underspending to the restrictions of the award. The Centers for Disease Control and Prevention required that 85.0 percent of the funds had to be used for direct support to k-12 schools and the remaining 15.0 percent was for the Department’s administrative expenses or indirect costs. The Department stated that it worked to identify state and contract staff working specifically on k-12 COVID testing and mitigation efforts so the charges could be allocated to the grant; however, it was not possible to identify sufficient indisputable charges that directly supported schools only. Based on requested expenses for FY 2024 and FY 2025, \$7.4 million of the funds would remain available. *The Governor recommends \$68.9 million, \$14.8 million less than requested to align expenses with funding for two grants. Based on recommended expenses for FY 2024 and FY 2025, a balance of \$26.9 million would remain. Of this amount, \$11.1 million is for the new health lab.*

New Health Laboratory. The request includes \$37.0 million from all sources, including new expenses of \$4.0 million from indirect cost restricted receipts and the enacted amount of \$33.0 million from federal funds to construct a new 80,000 square foot health laboratory. It should be noted that the Department’s capital budget assumes a total project cost of \$89.3 million from all sources, of which \$50.7 million would be used in FY 2025. The capital budget request is \$11.2 million more than the approved plan, which had assumed \$78.1 million from federal funds, or \$3.7 million less than the federal award, reflecting the Department’s updated project plan. It also adds \$3.2 million from Rhode Island Capital Plan funds, and a total of \$4.4 million from restricted receipts for cost overruns. Subsequent to its budget submission, the project cost was revised to \$97.7 million, or \$16.0 million more than the federal grant amount and a federal cost extension was granted through July 31, 2026. *The Governor recommends total funding consistent with the updated project cost. The operating budget includes \$40.2 million for FY 2025, which is \$7.2 million more than enacted; however, these expenses are \$10.5 million less than the recommended capital budget.*

ARPA - COVID-19 Operational Support. The FY 2025 request includes \$14.3 million, or \$20.6 million less than enacted from the \$34.9 million provided from State Fiscal Recovery funds for FY 2024 to continue COVID-19 mitigation activities and to address the public health impacts of the pandemic in the state. The Department’s capital budget request assumes use of \$7.4 million of these funds, including \$3.4 million to establish a data lake to manage health datasets, and \$4.0 million to continue the development of the Rhode Island COVID System Salesforce-based platform and re-procure vendors through a request for proposals process. Remaining funds will be used to support epidemiological operations, including case investigation and information technology. *The Governor’s revised budget includes \$32.2 million for FY 2024, or \$2.7*

million less than enacted. The capital budget does not assume use of these funds for the requested projects. The FY 2025 recommendation excludes all expenses; unspent funds will automatically be reappropriated.

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 each for 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 expire on August 30, 2024. Through FY 2023, \$5.8 million has been spent, leaving a balance of \$10.5 million. Both FY 2024 revised and FY 2025 requests each include \$12.8 million, \$7.6 million more than enacted; however, these expenses are \$15.1 million more than available funding. Subsequently, the Department noted that it will work with the Budget Office to align expenses with available funding. *The Governor's recommendations for both years reduce requested expenses by a total of \$14.7 million, including \$9.9 million for FY 2025 to align expenses with available funding.*

COVID Relief - Other Expenses. The request includes \$28.5 million from federal funds, or \$4.7 million more than enacted for all remaining COVID-19 expenses. It includes \$4.7 million for salaries and benefits of 32.2 full-time equivalent positions. This is \$3.0 million more than enacted, reflecting staffing costs and allocations. It appears that \$2.6 million of this was previously allocated to State Fiscal Recovery funds. The request does not include turnover savings; however, there were five vacancies at the time of the budget submission.

The request also includes \$4.6 million or \$2.1 million more for data analytics, technical enablement and development-related expenses, personnel costs for contractors providing support, and information technology expenses. Remaining expenditures of \$19.2 million are \$0.4 million less primarily from various COVID-19 Health Disparities grants, which were provided to support the public health response, mitigation efforts, and individual support, including temporary housing. Subsequent to submitting its request, the Department notified the Budget Office that upon further review, it would not have sufficient funding to support requested expenses from an immunization grant. *The Governor recommends \$0.2 million less than enacted, or \$4.9 million less than requested to align expenses with available funding.*

Preparedness, Response, Infectious Disease and Emergency Services

Center for Emergency Medical Services. The Department requests \$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. This is \$103,963 less than enacted, including \$153,203 less from general revenues and \$49,203 more from federal funds. The request includes \$0.7 million for salary and benefit expenses of 6.0 full-time equivalent positions. This is \$55,560 more than enacted and \$57,111 more than the current service estimate to fund a partial health program administrator position, within the Department's existing staffing level. The request removes the enacted amount of \$0.3 million from general revenues and federal funds for unspecified operating expenses. The Department had assumed this funding for three positions to oversee the First Responder's Opioid Overdose Prevention grant and other initiatives. All remaining expenses are \$0.1 million less for clerical services, program supplies, and indirect cost charges. *The Governor concurs and adds \$2,913 from all sources, including a slight increase from general revenues, primarily for higher than anticipated employee health benefit rates.*

Emergency Preparedness and Response. The request includes \$8.2 million from federal funds, or \$0.4 million less than enacted for the Center of Emergency Preparedness and Response, which is responsible for hospital preparedness and public health emergency response activities. The enacted budget includes \$0.8 million as unspecified expenses to fund 5.4 new positions; including assistant health program administrators to assist with research, development, review, evaluation, and maintenance of emergency response plans. It also includes a health policy analyst who will co-chair the Healthcare Coalition of Rhode Island with the Hospital Association of Rhode Island, manage all emergency training and exercise coordination, and make

recommendations. The request shifts these expenses to salaries and benefits and includes a total of \$4.7 million for fund 33.3 full-time equivalent positions. This is \$0.2 million less for 1.2 fewer positions than enacted. The request includes \$1.2 million for grants; these funds provide hospitals and municipalities with financial support to develop and expand capabilities to respond to public health emergencies. Program expenses of \$3.5 million are \$246,975 less than enacted, reflecting depletion of stimulus funds. *The Governor concurs and adds \$39,727 from federal funds for higher than anticipated employee health benefit rates.*

Other Expenses. The request includes \$9.5 million for all remaining expenses in the Division for prevention and control of infectious, communicable diseases in the areas of HIV/AIDS, sexually transmitted diseases, viral hepatitis and tuberculosis. The request is \$2.0 million less than enacted, including \$71,197 more from general revenues and \$2.1 million less from federal funds; this reflects the removal of \$1.2 million from stimulus funds and \$0.9 million of supplemental funding for HIV/AIDS and sexually transmitted diseases. The request includes \$5.5 million for salaries and benefits of 43.1 full-time equivalent positions. This is \$0.6 million less and 0.3 fewer positions than enacted, reflecting staffing costs and allocations. The request includes \$53,523 in turnover savings essentially as enacted, and benefit rates consistent with FY 2025 planning values.

The request includes \$1.1 million for grants, including \$0.4 million from general revenues for the state-funded tuberculosis specialty clinic at Miriam Hospital and a contract for Rhode Island Hospital for ambulatory pediatric tuberculosis services. It also includes \$0.7 million from federal funds to various organizations such as AIDS Care Ocean State and Family Service of RI for HIV prevention services. *The Governor concurs and adds \$52,665, including \$7,016 from general revenues for higher than anticipated employee health benefit rates, partially offset by additional turnover savings.*

Central Management

Health Equity Zones. The Department's request includes \$2.7 million from general revenues to support the Health Equity Zones, which are geographical areas designed to achieve health equity by eliminating health disparities using place-based strategies to promote healthy communities. In 2015, ten zones were created and five more were added in 2021 and now provide services to 26 cities and towns. The request is \$0.4 million more than enacted from all sources, shifting all expenses to state support. It reflects the removal of \$0.8 million from federal stimulus funds, which the Department projects will be exhausted by June 2024, and \$1.5 million from its indirect cost restricted receipts; the Department is preserving these receipts to support project cost overruns for the new health laboratory. The request includes \$0.9 million, to support 6.0 full-time equivalent positions and the enacted amount of \$0.2 million for contracted services. It also includes \$1.7 million, which is \$0.4 million more than enacted, and \$0.1 million more than the revised request for infrastructure funding to support the Health Equity Zones, which averages to \$111,455 per zone.

The constrained request excludes the requested general revenues as well as the enacted amount of \$0.1 million that is currently used for state match. *The Governor concurs with the Department's proposal and excludes all expenses.*

Other Expenses (-1.0 FTE). The request includes \$22.4 million from all sources for all remaining expenses in Central Management. This is \$0.3 million less than enacted, including increases of \$0.1 million from general revenues and \$1.5 million from federal funds, and \$1.9 million less from restricted receipts, primarily indirect cost receipts as the Department is preserving these receipts for cost overruns for the new health laboratory facility project. The Department uses its indirect cost recovery restricted receipts to offset costs associated with administering federally funded programs. 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. A portion of the Department's federal grants allow a percent cost recovery charge on the actual amount expended. It is projecting a surplus of \$0.8 million at the end of FY 2025.

The request includes \$10.9 million for salary and benefit expenses of 69.9 full-time equivalent positions. This is \$94 less than enacted and is essentially consistent with the current service estimate provided by the Budget Office. It reflects the transfer of a position to the Executive Office of Health and Human Services for the consolidation of communication-related positions; the intent is to also transfer funding of \$176,528. The Department and the Executive Office are working on how to budget for it since the position is currently supported with restricted receipts and statutory authority to create an account is needed.

The request includes \$2.5 million budgeted as grants, \$0.5 million more than enacted primarily from federal funds to address maternal behavioral health conditions, such as depression, anxiety, and substance use disorder. It also includes \$8.8 million for operating expenses, \$0.9 million less than enacted. This includes \$0.9 million more from a \$15.3 million five-year grant from the Centers for Disease Control and Prevention to help the state build its workforce and data systems to respond to future public health emergencies. The Department notes that in year one, an assessment of current capacity, gaps, and opportunities for modernizing the public health data infrastructure will be undertaken. In years two through five, the plan will address job satisfaction, retention, and employee wellness. All remaining expenses are \$1.8 million less, primarily reflecting available resources.

The Governor recommends \$22.5 million from all sources, \$116,270 more than requested, primarily for higher than anticipated employee health benefit rates. The recommendation reflects the transfer of 3.0 full-time equivalent positions to the Executive Office for consolidation of communication-related positions, 2.0 more than requested adding other staff with similar responsibilities. Funding for them is retained in the Department's budget.

Community Health and Equity

First Connections Benefits to EOHHS. The Department proposes transferring Medicaid benefits funding of \$124,709 and the general revenue match of \$147,269 for the First Connections Program to the Executive Office of Health and Human Services. The program provides services to prenatal women, including home and health assessments, developmental screening, and connections to community resources. The Executive Office noted that the transfer is technical in nature as the Department will continue to manage and offer the services; however, providers will bill the Department for non-Medicaid claims and the Executive Office for Medicaid claims. This is consistent with the revised request; however, it should be noted that the Assembly did not concur with this same proposal last year and retained these expenses in the Department. *The Governor concurs.*

Family Home Visiting Benefits to EOHHS. The request includes \$7.3 million from federal funds for expenses relating to home visiting programs, which are designed to work with women from pregnancy 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 programs are primarily funded by the Maternal, Infant and Early Childhood block grant. The request is \$3.4 million less than enacted from all sources, including \$0.8 million from general revenues. This reflects the Department's proposal to transfer Medicaid benefit expenses of \$1.7 million, including \$0.8 million from general revenues to the Executive Office of Health and Human Services. The Department will continue to provide the services; however, providers will bill the Department for non-Medicaid claims and the Executive Office for Medicaid claims. This is consistent with changes in the revised request; however, it should be noted that the Assembly did not concur with this same proposal last year and retained these expenses in the Department.

Remaining expenses are \$1.7 million less than enacted, reflecting anticipated federal grant awards. It includes \$1.5 million for salaries and benefits of 10.7 full-time equivalent positions. This is \$0.6 million and 3.3 positions more than enacted. This reflects staffing costs and allocations and benefit rates consistent with FY 2025 planning values. Like the enacted budget, the request does not include any turnover savings. At the time of the budget submission, the Department had 0.4 positions vacant. The request includes \$4.3 million, or \$2.9 million less for benefit payments that would be paid through the Department. Operating expenditures are \$0.6 million more, primarily for unspecified expenses. *The Governor concurs with the proposal and adds \$9,680 from federal funds for higher than anticipated employee health benefit rates.*

Cancer Registry and Screening (0.2 FTE). The Department requests expenditures of \$3.8 million from all sources, including \$0.5 million from general revenues for various cancer screening related programs. This is \$0.5 million more than enacted, including \$0.3 million from general revenues, to bring total funding to \$0.4 million for the Rhode Island Cancer Registry Program. Pursuant to current law, an annual appropriation of \$0.4 million for the program is required. It appears that \$0.4 million was provided through FY 2004 as part of community service grants and was reduced in subsequent budgets and eventually eliminated. The Department contracts with the Hospital Association of Rhode Island, which maintains the state's cancer registry, a statewide surveillance database related to cancer patient population.

The request includes \$1.4 million for salaries and benefits of 10.5 full-time equivalent positions. This is \$54,484 and 0.2 positions more than enacted. This brings staffing to one full-time position to support the Women Cancer Screening Program, which provides resources to 2,600 income-eligible women annually, to receive breast and cervical cancer screening services. It also includes \$1.0 million, or \$0.1 more than enacted, which is provided to various community-based organizations for screening services. All remaining expenses are \$65,922 more than enacted, including \$24,207 for medical supplies and \$15,657 for indirect cost charges.

The constrained request maintains enacted funding for the Rhode Island Cancer Registry Program. *The Governor recommends \$172,821 less from all sources than requested. He includes \$218,423 from general revenues for the registry program, which will support two staff members consistent with his revised recommendation. This is \$182,589 less than requested. The recommendation also adds \$9,768 from federal funds for higher than anticipated employee health benefit rates.*

Youth Vaping - Juul Settlement Funds. In September 2022, Juul Labs Inc. agreed to pay \$440 million over a period of six to ten years in a multi-state settlement for marketing of nicotine vaping products to youth. The settlement included 33 states, and the amount allocated to Rhode Island ranges from \$6.3 million to \$6.9 million, dependent on certain conditions to be paid over several years and deposited as general revenues. Funds will be used in conjunction with the Executive Office of Health and Human Services, and Departments of Revenue and Behavioral Healthcare, Developmental Disabilities and Hospitals. Pursuant to the settlement agreement, funds can be used for any lawful purpose. One of the long-term goals is to reduce rates of e-cigarette or vaping use among youth. The request includes \$210,000 from general revenues to be used by the Department for two pilot programs: School-Based Model Policy Incentives pilot and the Expansion Pilot for Minority and Menthol Populations.

The constrained request excludes these funds. *The Governor recommends \$350,000 from general revenues to support school-level vaping intervention programs, \$140,000 more than requested, reflecting an updated plan to allocate more funding to school-based initiatives.*

Immunization Programs. The Department requests \$100.9 million from all sources, including \$22.6 million from federal funds and \$78.3 million from restricted receipts for immunization programs. The restricted receipts are generated based on a rate per person enrolled in fully-insured or self-insured plans. For FY 2024, the rates increased from \$14.78 to \$24.83 for the childhood program, and from \$3.56 to \$6.24 for adults. At the end of FY 2023, the accounts had \$16.1 million in available resources; balances are

calculated in setting rates for the following year. Reserves for each account are maintained in order to address any changes in current vaccine recommendations and/or new vaccines being added to the recommended schedules. The Department projects receipts of \$80.3 million for FY 2025; the rates are generally set in April or May of each year.

The request is \$42.5 million more than enacted, based on vaccine purchasing projections. Of the increase, \$42.1 million is primarily reflecting expenses for COVID and Respiratory Syncytial Virus, or RSV vaccines. Salary and benefit expenses of \$3.0 million for 21.9 full-time equivalent positions, are \$0.1 million and 0.6 more positions than enacted. All other expenses are \$0.4 million more, \$0.1 million each for indirect cost charges, advertising, and contracted services for development of immunization assessment rates. *The Governor concurs and adds \$23,816 to account for higher than anticipated employee health benefit rates.*

WIC Nutrition Assistance. The Department requests \$26.7 million from federal funds, \$4.8 million more than enacted, for the Women, Infants, and Children nutrition assistance program, which 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. The request includes \$4.7 million more for benefit payments, based on program utilization; the request of \$23.3 million is \$1.2 million more than projected expenses for FY 2024, and \$4.2 million more than FY 2023 spending. Program expenses of \$3.4 million are \$66,711 more than enacted, including \$125,000 for contracted information technology support. *The Governor concurs and adds \$11,534 for higher than anticipated employee health benefit rates.*

Healthy Eating and Active Living (2.0 FTE). In September 2023, the Department was awarded a new five-year grant from the Centers for Disease Control and Prevention to support a Physical Activity and Nutrition Program, including safe and accessible physical activity, healthy food choices, and breastfeeding support. The Department requests \$1.0 million, including \$0.5 million for salaries and benefits of 3.5 full-time equivalent positions, 2.0 are new. The Department notes one position each will be dedicated to coordinating physical activities and nutrition. Remaining funds will be used to provide support to community-based organizations, including Health Equity Zones, evaluation services and campaign initiatives. *The Governor recommends adding only one position and provided \$0.1 million less than requested.*

Chronic Care and Disease Management. Excluding items previously discussed, the request includes \$3.5 million for the Center for Chronic Care and Disease Management, including the Home Asthma Response program, which is designed to reduce emergency department visits and hospitalizations, Alzheimer's disease and related disorders, and stroke prevention. The request is \$2.2 million less than enacted; all but \$0.1 million less is from federal funds, reflecting updated awards for diabetes, heart disease and stroke prevention and control program expenses. *The Governor concurs and adds \$17,063 to account for higher than anticipated employee health benefit rates.*

Other Expenses. The request includes \$18.4 million from all sources, including \$15.6 million from federal funds for all remaining expenses in the Division of Community Health and Equity. This is \$0.5 million more than enacted, including increases of \$340 from general revenues, \$0.4 million from federal funds and \$0.1 million from restricted receipts. The enacted budget includes \$0.8 million as operating expenses to fund 6.5 positions, including public health promotion specialists to plan, develop, implement and evaluate drug overdose outreach and education projects. It also includes program administrators to provide oversight on evaluation activities for the Drug Overdose Prevention and Surveillance programs and a senior clinical laboratory scientist who would be responsible for analyzing specimens in support of various toxicological initiatives, including drug overdoses. The request shifts \$0.4 million of these expenses to salaries and benefits and includes a total of \$6.1 million for 42.0 full-time equivalent positions. This is \$0.3 million and

6.3 positions more than enacted, reflecting staffing costs and allocations. It also restores the enacted turnover savings of \$13,214; however, at the time of the budget submission, there were 5.6 positions vacant. The request includes \$6.6 million, or \$1.4 million less than enacted for grants. Of this amount, \$1.7 million is from the \$1.9 million that was allocated to the Department to conduct a comprehensive statewide birth through age five needs assessment to provide more choices for child care centers, home visiting service providers and home-based child care providers. It includes \$5.4 million or \$1.7 million more for operating expenses, including \$0.9 million for temporary staff support and contractor support for programs, including drug overdose, media campaigns, and program evaluation, screening and other services. It also includes \$0.3 million for indirect cost charges. *The Governor concurs and adds \$60,096 from all sources, including \$1,892 from general revenues, primarily for higher than anticipated employee health benefit rates.*

Environmental Health

Statewide Landlord Registry. The Department requests \$1.5 million from general revenues to establish a statewide publicly accessible online database to ensure compliance with the Residential Landlord and Tenant Act. This includes \$0.9 million for contracted services, including clerical, and \$0.6 million for operating expenses, such as software maintenance. Operating expenses are projected to cost \$0.8 million annually.

The legislation adopted in 2023, requires all landlords to register certain information with the Department, including a lead certificate of conformance for each dwelling unit, 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. The act also established penalty fees for noncompliance, which will be deposited as restricted receipts to be used for poisoning prevention and other activities. It appears that these funds can be used to establish the registry; however, the law requires that the registry be established by March 20, 2024. The Department indicates it will propose amendments to the act, including the removal of personal information being made publicly available. Provided that funding is approved for FY 2025, the Department would not be in compliance with the date requirement; the Department indicates it will also propose extending the date.

The constrained request excludes these funds. *The Governor recommends \$1.3 million from general revenues to create the mandated registry, identifying landlords who are not in compliance. He includes legislation in Article 3 of 2024-H 7225, delaying the establishment of the registry to no later than September 1, 2025. The legislation also delays the assessments of fees and penalties.*

Blood Lead Poisoning Prevention. The Department requests \$1.6 million from all sources for blood lead poisoning prevention activities. The program provides staff to investigate complaints and inquiries about lead poisoning, arrange inspections when elevated blood lead levels are found, make referrals for case management and provide follow up after the inspection to ensure the lead abatement was completed and the individual's blood lead level has returned to a reasonable level. The request is \$0.1 million less than enacted, primarily from federal funds. It includes \$0.2 million, essentially as enacted from general revenues and expenses from restricted receipts are \$26,404 less.

In 2019, through a memorandum of understanding with the Housing Resources Commission, the Department took on responsibility for enforcing the lead mitigation rules in exchange for annual funding from the Commission through June 30, 2022. The memorandum of understanding was extended through June 30, 2025, and is essentially consistent with the first agreement; however, funding was increased from \$350,000 to \$500,000 annually. The request includes \$0.7 million of expenses supported by these receipts.

The request includes \$0.8 million for salary and benefit expenses of 6.7 full-time equivalent positions. This is \$59,449 less than enacted, reflecting staffing costs and allocations. It also includes \$1.2 million for operating expenses. This is \$82,865 less than enacted, including \$41,580 less for indirect cost charges

based on reduced federal funds. *The Governor concurs and includes \$5,370 from all sources, including \$1,192 from general revenues for higher than anticipated employee health benefit rates.*

Regional Poison Control Center. The Department requests the enacted amount of \$200,000 from general revenues to fund the Regional Poison Control Center, which aids medical diagnosis for 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; however, these funds have been depleted.

The constrained budget removes the requested funding for the Poison Control Center. The Department indicates that if this proposal is accepted, it would not renew the contract that is set to expire on June 30, 2024. *The Governor recommends funding consistent with the enacted budget.*

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 7,200 “farm-to-table” food establishments, including restaurants, caterers, food markets, bakeries, food processors, dairy producers, bottlers, and bottle beverage plants. The request is \$0.7 million less than enacted, including \$0.2 million less from general revenues, and \$0.5 million less from federal funds, primarily reflecting exhaustion of several grants, including \$0.4 million from the Food and Drug Administration for the Manufactured Food Regulatory Program Standards grant. Funds were awarded to conform with national standards to prevent foodborne illness.

It includes \$4.1 million for salaries and benefits of 37.6 full-time equivalent positions. It should be noted that the request also includes \$382,551 from general revenues, budgeted as operating expenses for staffing costs, as the Department did not have room in its staffing cap to allocate this expense to. Accounting for this, staffing costs are \$0.4 million less than enacted, \$0.2 million each from general revenues and federal funds. It assumes turnover savings of \$0.5 million, which is \$0.3 million more than enacted. It also includes \$0.4 million for operating expenses, which is \$0.3 million less than enacted, reflecting available federal funds. *The Governor concurs and includes \$38,318 from all sources, including \$30,033 from general revenues for higher than anticipated employee health benefit rates. This is partially offset by additional turnover savings.*

Water Quality Protection Programs. The Department requests \$7.1 million and 30.6 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 \$0.9 million more than enacted, including \$68,328 less from general revenues. The Infrastructure Investment and Jobs Act authorized funding to address water infrastructure projects. The request includes \$4.0 million for salaries and benefits. This is \$0.4 million more than enacted, to fund approximately two additional positions within the Department’s existing staffing authorization and to restore the enacted turnover savings of \$15,113. The 2023 Assembly provided \$0.8 million to fund 8.0 new full-time equivalent positions, including engineers, and environmental scientist positions to work on contaminants, including lead. The Department notes that all but two of the positions have been filled. At the time of the budget submission, there were four vacancies.

The request includes \$3.1 million for operating expenses, or \$0.6 million more than enacted, including \$0.6 million for environmental and engineering services. The Department notes that the Rhode Island Infrastructure Bank has arranged for engineering firms to provide it with assistance to review perfluoroalkyl and polyfluoroalkyl, or PFAS contaminants-related projects and to provide technical assistance to small public water systems. The request also adds \$0.4 million for indirect cost charges; these are partially offset by adjustments to various expenses, including information technology support. *The Governor concurs and*

includes \$35,879 from all sources, including \$1,379 from general revenues primarily for higher than anticipated employee health benefit rates.

Occupational Health and Safety Programs. The request includes \$671,044 from all sources, including \$67,693 from general revenues for the state's match to support the Occupational Health and Safety Program, which works to eliminate hazardous conditions in the workplace. The Department works with occupational hazard consultants to visit businesses with less than 250 employees to help them find occupational hazards and recommends approaches to address these hazards. These services are provided to employers upon request and at no cost.

The enacted budget includes \$191,415 for operating expenses to support 1.7 full-time equivalent positions to conduct field visits and to consult on workplace safety and health practices. The request shifts \$124,909 of this expense to salaries and benefits and includes \$508,528 for 4.0 full-time equivalent positions. Staffing expenses are \$61,825 less for 0.7 fewer positions; the requested four positions are filled. All remaining expenses are \$129,825 more than enacted, including \$100,535 for indirect cost charges.

The constrained request proposes \$97,012 in general revenue savings by eliminating the state Occupational Safety and Health Administration Consultation Program. Onsite consultation services are separate from enforcement and do not result in penalties or citations. *The Governor maintains funding for the program and includes \$0.7 million from all sources. This is \$3,067 more than requested, including a slight increase from general revenues primarily for higher than anticipated employee health benefit rates.*

Other Expenses. The request includes \$2.8 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 \$0.3 million less than enacted, including \$26,605 more from general revenues. It includes \$2.0 million for salaries and benefits of 13.5 full-time equivalent positions; this is \$0.3 million less for 3.6 fewer positions than enacted, reflecting staffing costs and allocations. It also includes \$0.8 million, or \$30,454 less for operating expenses. *The Governor concurs and adds \$58,250 more from all sources than requested, including a slight reduction from general revenues for turnover savings. This is offset by expenses for higher than anticipated employee health benefit rates.*

Health Laboratories and Medical Examiners

Office of State Medical Examiners. The Department requests \$4.1 million from all sources to support the Office of State Medical Examiners. This is \$214,893 more than enacted, including \$233,368 more from general revenues. The enacted budget includes \$153,503 from general revenues as operating expenses, to support an assistant medical examiner position for six months. The request shifts this expense to salaries and benefits and includes \$2.7 million for 17.0 full-time equivalent positions. Accounting for this, staffing expenses are \$0.6 million more than enacted. It fully funds the assistant medical examiner position, for a total of three, and adds \$0.2 million and authorization for a case manager and partial authorization for an associate director to oversee operations of the Office. The latter position was previously supported with stimulus funds, which the Department assumes will be exhausted. In March 2023, the Department of Administration held a public hearing to increase the wage for assistant medical examiners, and at a subsequent hearing in August, the salary for the chief medical examiner was increased from \$295,000 to \$375,000. The request includes funding for the wage increases and assumes turnover savings of \$0.4 million, which is \$0.2 million more than enacted. As of early December, there were three vacancies, including the chief medical examiner and an assistant medical examiner.

The request includes \$1.5 million for all remaining operating expenses, which is \$0.4 million less than enacted. It includes \$0.6 million, or \$0.3 million less for contracted medical examiners, reflecting more positions being filled. It also includes \$49,000 less for other contracted services, such as livery, x-ray and

histology services. *The Governor concurs and includes \$12,638 from general revenues for higher than anticipated employee health benefit rates. This is partially offset by additional turnover savings.*

Breathalyzer Unit. The request includes \$0.6 million from general revenues and federal funds, and staffing of 4.0 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. In 2020, the program certified 2,006 police officers. The Department noted that approximately 1,600 breathalyzer calibrations are performed annually. The request is \$67,026 less than enacted, including \$5,065 more from general revenues. Salary and benefit expenses of \$0.4 million are \$46,461 less and 0.4 fewer positions than enacted, reflecting staffing costs and allocations. It also restores the enacted turnover savings of \$7,554. As of early December, all of the positions were filled.

Operating expenses of \$220,305 are \$20,565 less than enacted, including \$4,100 for test kits and adjustments to indirect cost charges. These expenses are essentially consistent with the revised request and \$0.1 million more than spent in FY 2023.

The constrained request proposes to shift general revenue expenses of \$0.3 million for 2.0 full-time equivalent positions to municipalities, using a tiered system based on the number breathalyzer units calibrated and law enforcement officers trained. Based on the number of calibrations conducted in FY 2022, the costs would range from \$100 to \$385. Statutory authority to effectuate this would be needed. *The Governor maintains approved funding from general revenues and federal funds for the program. He recommends \$0.6 million, which is \$822 more than requested from all sources primarily for higher than anticipated employee health benefit rates.*

Forensic Laboratories. The Department requests \$3.5 million from all sources for operating expenses for the forensic laboratories, which provide testing for the identification of confiscated drugs as well as conducting DNA analysis of evidence to assist law enforcement agencies in solving drug-related and other crimes. The request is \$0.7 million more than enacted, including increases of \$0.1 million from general revenues and \$0.6 million from federal funds, reflecting new funding from the U.S. Department of Justice to reduce the forensic DNA backlog. It includes \$2.2 million for salaries and benefits of 18.0 full-time equivalent positions. It reflects a shift \$0.2 million for salaries and benefits from general revenues to the newly available federal grant, for a net increase of \$0.1 million primarily to restore turnover savings. The 2023 Assembly provided \$0.1 million from general revenues to fund a new forensic scientist to ensure that DNA samples are collected efficiently at the courthouse, immediately after a conviction. The position was filled in October.

The request also includes \$1.2 million for operating expenses, or \$0.6 million more than enacted, including \$0.3 million for laboratory instruction, \$0.2 million for medical supplies and \$0.1 million for maintenance of laboratory equipment. These changes are essentially consistent with the FY 2024 revised request.

The constrained request proposes a portion of funding for the forensic laboratories be tied to drug tests based on a tiered municipal approach and assumes savings of \$0.7 million from general revenues for 5.5 full-time equivalent positions and operating expenses. Under the proposal, municipalities would pay for processing drug tests. The cost would be \$75 to \$7,500 for cases under 100; \$150 to \$750 for 100 to 500 cases, and \$390 for 500 or more cases. Statutory authority to effectuate this would be needed. *The Governor maintains approved funding from general revenues and federal funds for the laboratories. He recommends \$3.5 million from all sources, which is \$18,768 more than requested, including \$15,189 from general revenues for higher than anticipated employee health benefit rates. This is partially offset by additional turnover savings.*

Capital - Health Lab and Medical Examiners Equipment. Consistent with the capital budget request, the request delays annual funding of \$0.4 million from FY 2024 to FY 2025 to replace obsolete medical

equipment. The Department notes that it needs equipment for the new health laboratory facility; however, it does not have sufficient space to store the equipment. It is working on a Memorandum of Understanding with the Rhode Island Emergency Management Agency to store some of the instruments; however, it appears that the Agency's facility is almost full. *The Governor concurs. A detailed description of the project is included in the Capital Budget section of this publication.*

Other Expenses (1.0 FTE). The Department requests \$7.1 million from all sources for all remaining expenses in the Health Laboratories program, including the Centers for Biological Sciences and Environmental Sciences, which performs blood lead, radon and other testing. This is \$0.5 million less than enacted, including \$0.2 million more from general revenues and \$0.7 million less from federal funds. The request includes \$0.1 million from general revenues to fund a new environmental laboratory scientist to conduct testing of lead in drinking water in public schools. The Department notes that the federal funds it received for this are set to expire. Remaining salary and benefit expenses of \$4.3 million for 37.0 full-time equivalent positions are \$0.7 million less than enacted. This includes \$0.4 million less for 2.9 fewer positions, reflecting staffing costs, allocations and overtime expenses. It also increases turnover savings to \$0.4 million, for which the enacted budget includes \$0.2 million.

The request includes \$2.6 million for operating expenses, which is \$143,447 more than enacted, including \$135,000 for a contracted clinical laboratory scientist to provide data of testing for infectious diseases. The request also includes adjustments for medical supplies, such as test kits, chemicals, reagents and glassware, and contracted medical services.

The constrained request excludes funding and authorization for the new position, and expenses for the contracted clinical laboratory scientist. It also proposes to privatize blood lead laboratory operations and includes savings of \$0.4 million from the elimination of 2.4 clinical laboratory scientists, and operating expenses. This proposal would require a change to current law, which requires that children under age 6 be tested at certain intervals for lead levels in their blood. Current law also requires that the Department of Human Services pay when the client is Medicaid eligible, the Department of Health pay when the individual has no health insurance and the insurer pay when an individual has health insurance. These reimbursements from insurers are deposited into the general fund and fees are based on the rates paid by the insurers to private labs for blood lead analysis. Revenues from blood lead testing in FY 2022 were \$114,359; the net savings would be \$238,083.

The Governor recommends \$209,774 less, primarily from general revenues to exclude funding for the requested new position. The recommendation includes \$20,530 for higher than anticipated employee health benefit rates, which is partially offset by additional turnover savings, and concurs with the remainder of the request.

Customer Services

Vital Records Surcharge from IT Restricted Receipts. The 2018 Assembly authorized the chief of the Office of Vital Records in the Department of Health to assess surcharges for certified records and to deposit the receipts into the Information Technology Investment Fund to support the state's share of the Vital Records system. The project is complete and now entering the maintenance phase. The Department of Administration concurs with the Department of Health's proposal for it to retain these surcharges to pay for the ongoing expenses directly; it includes \$0.4 million from general revenues. A statutory change would be needed to effectuate this proposal. *The Governor concurs and includes legislation in Article 6 of 2024-H 7225.*

Center for Vital Records. Excluding items previously discussed, the request includes \$2.7 million from all sources for the Center for Vital Records, which is responsible for a statewide vital records system involving the births, marriages, deaths and fetal deaths that occur in the state. The request is \$91,266 more

than enacted, all but \$252 is from federal funds. The enacted budget includes \$0.1 million from federal funds as operating expenses to fund a new genealogical clerk, who would be responsible for searching microfiche and vital records for tracing family lineage or title searches and providing certified copies of records. The request shifts this expense to salaries and benefits and includes \$1.7 million for 14.6 full-time equivalent positions. Accounting for this, expenses are \$12,744 more than enacted, reflecting staffing costs, allocations and overtime.

The request includes \$1.0 million for operating expenses, which is \$0.1 million more than enacted, including \$0.1 million for clerical services, and \$0.2 million for information technology support for the electronic death registration system, which includes connectivity to eligible hospitals' systems in addition to vital records systems of the federal government and other states. It also includes \$0.2 million less for indirect cost charges. *The Governor concurs and adds \$13,233 from all sources, including \$3,370 from general revenues for higher than anticipated employee health benefit rates. This is partially offset by additional turnover savings.*

Opioid Stewardship and Abatement Settlement Funds. The request includes \$2.0 million from restricted receipts for opioid treatment, rescue, recovery, and prevention programs. This is \$1.6 million less than enacted, reflecting the removal of \$1.1 million for outreach services, and expenses for drop-in centers. The request includes the enacted amount of \$1.8 million from Opioid Stewardship funds, including \$0.5 million each for harm reduction infrastructure and to purchase naloxone. 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. It also reflects the removal of \$0.1 million from the McKinsey and Company settlement funds. *The Governor recommends \$4.7 million, which is \$2.7 million more than requested, reflecting an updated plan. This includes \$2.9 million more from abatement settlement funds and \$0.1 million less from Opioid Stewardship funds.*

Center for Health Facilities Regulation (4.0 FTE). The Department requests \$7.5 million from all sources to support the Center for Health Facilities Regulation, which is responsible for ensuring that approximately 2,400 state licenses and federally certified Medicare/Medicaid health care facilities, health service agencies, assisted living residences and adult day care programs meet the applicable health and safety, and quality standards and regulations of state and federal law. The request is \$0.5 million more from all sources than enacted, including \$0.4 million from general revenues. It includes \$6.0 million for salary and benefit expenses of 41.4 full-time equivalent positions. This is \$0.3 million more than enacted, including \$0.5 million from general revenues for 4.0 new positions. The positions include a licensing aide to help reduce licensing wait times, a principal economic and policy analyst, a health facility compliance specialist, and a nursing care evaluator. The Department notes that the Centers for Medicare and Medicaid Services review its performance in terms of quality, timeliness and enforcement of health facilities. The positions would also investigate complaints. Remaining salary and benefit expenses are \$0.2 million less, reflecting staffing costs and allocations; it assumes \$0.1 million in turnover savings, essentially as enacted.

The request also includes \$1.5 million for operating expenses, which is \$226,424 more than enacted, including \$174,802 from general revenues to obtain contracted services to comply with the Nursing Home Staffing and Quality Care Act. It requires 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 revised request also includes \$155,174 for this expense.

The constrained request removes funding and authorization for the new positions. *The Governor recommends \$0.4 million less than requested from all sources, including \$0.5 million less from general revenues to exclude funding for the requested new positions. The recommendation includes \$38,857 for*

higher than anticipated employee health benefit rates, which is partially offset by additional turnover savings, and concurs with the remainder of the request.

Center for Health Professional Boards and Licensing (1.0 FTE). The request includes \$4.4 million from all sources for the Center of Health Professional Boards and Licensing, which is responsible for certifying, licensing, and disciplining health care professionals, as well as identifying professional standards to ensure the highest quality health care in the state. It is \$0.2 million more than enacted, including \$0.3 million more from general revenues and excludes \$0.1 million from federal funds provided through the CARES Act to ensure that health care services are in compliance with federal regulatory health and safety standards. It also includes \$0.2 million or \$11,828 less for the Adult Use Marijuana Licensing program.

Of the requested amount, \$3.7 million is for salaries and benefits of 29.4 full-time equivalent positions, which is \$0.2 million more than enacted, including \$0.1 million to fund a new licensing aide position. Remaining salary and benefit expenses are \$0.1 million more, reflecting staffing costs and allocations. It assumes turnover savings of \$0.2 million, essentially as enacted. Operating expenses of \$0.6 million are \$26,735 less than enacted. The constrained request removes funding and authorization for the new position.

The Governor recommends \$72,805 less than requested primarily from general revenues to exclude funding for the requested new position. He adds \$21,629 for higher than anticipated employee health benefit rates, which is partially offset by additional turnover savings and concurs with the remainder of the request.

Other Expenses. The request includes \$2.3 million from all sources for all remaining expenses in the Division. This is \$0.3 million more than enacted; expenses from general revenues are \$39,500 less. The enacted budget includes \$86,234 from general revenues for operating expenses for a new executive assistant to coordinate schedules, ensuring that letters, notices and decisions are followed with respect to licensing. The request shifts this expense to salaries and benefits and includes \$1.8 million for 12.2 full-time equivalent positions. Accounting for this, staffing expenses are \$0.4 million more than enacted for approximately four positions, reflecting staffing allocations and costs. It also includes \$0.5 million for operating expenses, or \$0.2 million less than enacted for software maintenance costs associated with the prescription drug monitoring system, which provides information regarding prescription of controlled substances in order to prevent improper or illegal use. *The Governor concurs and adds \$19,679 from all sources, including \$1,629 from general revenues for higher than anticipated employee health benefit rates. This is partially offset by additional turnover savings.*

Policy, Information and Communications

Insurer Assessment. The Department proposes charging health insurers an assessment, similar to the vaccine programs to support two initiatives. The initial estimate suggests \$1.44 per person enrolled in fully-insured or self-insured plans would generate \$900,000 annually. Legislation to effectuate this is required. The Department's request allocates the portion paid from private and commercial insurers to the health professional loan repayment program and the state's portion to fund Healthcare Workforce Data activities, subsequently described. *The Governor does not recommend this proposal.*

Health Professional Loan Repayment. The Department requests expenditures of \$2.5 million from federal funds and restricted receipts 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 \$1.7 million more than enacted, including \$0.5 million from federal funds, and \$1.2 million from restricted receipts, which were used to provide the 50.0 percent minimum match on the federal grant. The federal program was amended and effective October 1, 2022, a state match is no longer required. State match was covered by donated funds from UnitedHealthcare, the Rhode Island Health Center Association, Neighborhood Health and Delta Dental, Blue Cross Blue Shield, and the Rhode Island Foundation.

Of the \$1.2 million from restricted receipts, \$535,000 is from donated funds, and \$669,317 is from the proposed health insurers assessment. The Department notes that the additional funds would help the state's effort to increase primary care physicians and other health care professionals, and that historically, it has been able to fund approximately 50 percent of requests. Expenditures were \$1.0 million each for FY 2021 and FY 2022; reflecting a project delay, \$14,812 was spent for FY 2023.

The constrained request excludes expenses associated with the assessment. *The Governor recommends \$1.8 million from current sources.*

Healthcare Workforce Data. The Department requests \$330,683 from general revenues for contracted services, which would fund approximately three positions to collect demographic and workplace data from licensed healthcare professionals upon licensure and/or renewal. This assumes use of \$230,683 from the health insurer assessment, previously discussed. It should be noted that two of the contractors are already funded with indirect cost restricted receipts. The Department's request maintains that funding, and also assumes expenses from the health insurer assessment, and adds \$0.1 million for the third contracted position. The Department indicates that the data would allow it to collect standardized information to address workforce shortages, enhance access to care and reduce health disparities. It notes that the current data that is collected may not be accurate, especially data on nursing shortages. The Department currently licenses 150,000 health care professionals. The Department indicates that it reviewed sections of the general laws that currently allow it to collect certain information for reporting purposes; however, it does not believe that current law allows it to collect demographic information. It should be noted that Department previously requested funding for this; however, it was not recommended by the Governor nor approved by the Assembly.

The constrained request removes funding as well as staffing authorization for the positions. *The Governor proposes legislation in Article 3 of 2024-H 7225, authorizing the Department to collect the demographic and other data upon the licensure and/or renewal process. He does not recommend additional resources to do that.*

Other Expenses. The Department requests \$5.0 million and staffing of 18.7 full-time equivalent positions for the Division of Policy, Information and Communications, which includes: Center for Health Data and Analysis, the Center for Public Health Communications, Legislative and Regulation Affairs, and the Office of the Associate Director, which provides policy redirection and operational oversight and coordination. The request is \$0.6 million more than enacted, including increases of \$0.2 million from federal funds, \$0.4 million from restricted receipts, and a slight increase from general revenues. Salary and benefit expenses of \$2.9 million are \$0.1 million more than enacted to support 1.1 more positions, reflecting staffing costs and allocations. The request assumes \$57,860 in turnover savings, \$29,974 more than enacted; there were no vacancies at the time of the budget submission.

The request also includes \$2.1 million or \$0.5 million more for operating expenses, including \$0.3 million for maintenance and technical support of the All-Payer Claims Database, also known as the HealthFacts RI project, which is used to examine the use, quality, and cost of healthcare in the state. It includes \$0.2 million more for the annual survey that measures changes in the health of people in the state as part of the Behavioral Risk Surveillance System. *The Governor concurs and adds \$26,340 from all sources, including \$3,141 more from general revenues for higher than anticipated employee health benefit rates, which is partially offset by additional turnover savings.*

Department of Human Services

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Central Management	\$ 17,315,063	\$ 18,609,682	\$ 14,321,066	\$ 14,473,421
Child Support Enforcement	18,191,037	17,601,116	22,915,181	18,436,579
Individual and Family Support	185,902,347	202,459,508	183,713,315	179,048,782
Office of Veterans Services	49,855,837	48,037,123	53,275,296	52,173,754
Health Care Eligibility	27,645,904	32,710,210	28,106,692	27,456,677
Supplemental Security Income	17,095,200	16,613,000	17,095,200	16,521,000
Rhode Island Works	98,142,400	93,966,964	102,032,919	96,620,520
Other Programs	381,151,667	373,524,583	353,746,456	363,892,424
Office of Healthy Aging	38,696,911	35,521,967	38,443,850	28,532,561
Total	\$ 833,996,366	\$ 839,044,153	\$ 813,649,975	\$ 797,155,718
Expenditures by Category				
Salaries and Benefits	\$ 127,532,384	\$ 121,057,951	\$ 123,389,510	\$ 122,669,794
Contracted Services	41,548,859	54,659,892	53,390,473	48,298,794
Subtotal	\$ 169,081,243	\$ 175,717,843	\$ 176,779,983	\$ 170,968,588
Other State Operations	41,222,371	43,980,143	44,114,888	42,163,272
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	618,431,953	612,945,238	582,925,459	577,513,686
Capital	2,181,326	2,998,530	6,553,370	6,313,370
Capital Debt Service	-	-	-	-
Operating Transfers	3,079,473	3,402,399	3,276,275	196,802
Total	\$ 833,996,366	\$ 839,044,153	\$ 813,649,975	\$ 797,155,718
Sources of Funds				
General Revenue	\$ 155,552,694	\$ 152,106,751	\$ 149,127,917	\$ 142,005,719
Federal Aid	666,947,828	673,679,194	652,361,432	646,350,116
Restricted Receipts	5,933,660	7,433,917	6,299,568	6,243,767
Other	5,562,184	5,824,291	5,861,058	2,556,116
Total	\$ 833,996,366	\$ 839,044,153	\$ 813,649,975	\$ 797,155,718
FTE Authorization				
Department of Human Services	770.0	770.0	779.0	779.0
Office of Veterans Services	267.0	267.0	271.0	267.0
Office of Healthy Aging	33.0	33.0	34.0	33.0
Total FTE Authorization	1,070.0	1,070.0	1,084.0	1,079.0

Summary. The Department of Human Services, including the Office of Veterans Services and Office of Healthy Aging, requests total funding of \$813.6 million from all sources, including \$149.1 million from general revenues, \$652.4 million from federal funds, \$6.3 million from restricted receipts, and \$5.9 million from other funds. This is \$20.3 million less than enacted, including \$6.4 million less from general revenues and \$14.6 million less from federal funds, offset by \$0.4 million more from restricted receipts and \$0.3 million more from other funds.

The Department requests 1,084.0 full-time equivalent positions, 14.0 more than the enacted authorization. This includes 10.0 new positions for its call center located in Pawtucket, 1.0 transferred to the Executive Office of Health and Human Services, 4.0 new positions for the Rhode Island Veterans' Home and 1.0 new position for the Office of Healthy Aging. As of early December, the Department has 159.0 vacancies.

The Governor recommends total funding of \$797.2 million from all sources, including \$142.0 million from general revenues. This is \$16.5 million less than requested, including \$7.1 million less from general revenues. His recommendation includes authorization for 1,079.0 full-time equivalent positions, 9.0 more than enacted.

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 \$136.4 million, including a current service decrease of \$12.5 million and a 5.0 percent reduction of \$6.6 million, adjusted for certain exclusions. The constrained budget submitted by the agency meets 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 \$5.6 million above the target.*

Federal Poverty Guidelines. The federal poverty guidelines are used for the purpose 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 2024 guidelines are as follows.

Percent of Federal Poverty Level Based on Annual Income									
Family Size	100%	138%	150%	180%	185%	200%	225%	250%	300%
1	\$ 15,060	\$ 20,783	\$ 22,590	\$ 27,108	\$ 27,861	\$ 30,120	\$ 33,885	\$ 37,650	\$ 45,180
2	20,440	28,207	30,660	36,792	37,814	40,880	45,990	51,100	61,320
3	25,820	35,632	38,730	46,476	47,767	51,640	58,095	64,550	77,460
4	31,200	43,056	46,800	56,160	57,720	62,400	70,200	78,000	93,600
5	36,580	50,480	54,870	65,844	67,673	73,160	82,305	91,450	109,740
6	41,960	57,905	62,940	75,528	77,626	83,920	94,410	104,900	125,880
7	47,340	65,329	71,010	85,212	87,579	94,680	106,515	118,350	142,020
8	52,720	72,754	79,080	94,896	97,532	105,440	118,620	131,800	158,160

For families with more than 8 members, add \$5,380 for each additional member for the 100 percent calculation.

Staffing (14.0 FTE). The Department requests authorization for 1,084.0 full-time equivalent positions for FY 2025, 14.0 more than the enacted budget. The request adds 10.0 positions for the call center and transfers 1.0 communications position to the Executive Office of Health and Human Services. It also adds 4.0 new positions for the Rhode Island Veterans' Home and 1.0 new position for the Office of Healthy Aging. The request appears to fund about 1,080 positions. As of early December, 2023, the Department has 911.0 filled positions and is averaging 900.4 in FY 2024. The Department averaged 889.3 filled positions in FY 2023, 870.4 in FY 2022, 921.3 in FY 2021, and 939.9 in FY 2020. Historical staffing patterns are shown in the following table.

Fiscal Year	Average Filled Positions			
	DHS	OVS	OHA	Total
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

The 2022 Assembly provided authorization for 20.0 new positions to support increased eligibility redetermination activity as the public health emergency ended and required the Department to submit a report every 60 days on its progress in recruiting and retaining staff. 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. The reports the Department has filed as of November 16, 2023 indicate that almost 300 positions have been filled in the over 18 months since the reporting requirement began. However, roughly half of these were internal candidates, which causes new vacancies, and there continues to be other attrition. In this same time period, the number of filled positions, excluding those associated with Veterans Services and Healthy Aging, has increased by only 13.

The Governor's recommendation adds 10.0 positions for the call center and transfers 1.0 full-time equivalent communications position to the Executive Office of Health and Human Services. These changes bring the total recommended positions to 1,079.0, nine more than enacted.

Centralized Services. The Department requests \$14.3 million for centralized services provided by the Department of Administration. The request is \$36,047 more from general revenues. This includes \$5.1 million for facilities management, \$2.0 million for human resources, and \$7.2 million for information technology services. The first quarter report for FY 2024 shows that the Department was billed \$1.1 million for facilities management, \$0.5 million for human resources, and \$1.4 million for information technology services. This indicates that the agency is on track to spend amounts consistent with its revised request. *The Governor recommends \$2.3 million less than requested, including \$1.4 million less from general revenues, to account for utility savings and updated projections for other centralized services including six months of charges related to implementation of new systems management software.*

Cash Assistance Programs

The Caseload Estimating Conference estimate includes \$115.5 million from all sources, including \$29.0 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 \$1.6 million less than enacted, including \$0.1 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 2022 and FY 2023, adopted by the caseload estimators in November 2023, enacted by the Assembly and recommended by the Governor. Each category is discussed separately. *The Governor recommends funding consistent with the conference estimate.*

Maintenance of Effort Requirement. The Department is required to spend \$60.4 million from general revenues as its maintenance of effort requirement for the \$95.0 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 the penalty if either rate is not met. For Rhode Island, this increases by \$4.0 million to \$64.4 million if one or both of the work participation rates are not met. The state has not met its 90.0 percent two-parent participation rate, so it must maintain the higher maintenance of effort.

Work participation rates are the percent of qualified parents that are participating in work, work-like activities or the individualized employment plan. Almost all individuals receiving Rhode Island Works are required to immediately enter into individualized employment plans, which can include job search and readiness, vocational or adult education, on-the-job training and subsidized employment. The Department has not met its 90.0 percent two-parent work participation rate, which requires one parent to engage in work activities for 35 hours a week, because families who are in non-compliance with their work plan remain on

the active caseload. The rules and regulations call for individuals and families to be sanctioned and have benefits reduced or eliminated when they are not in compliance with the individual employment plan, miss appointments, or refuse or quit employment.

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 higher \$64.4 million requirement will be met.

Cash Assistance	FY 2022 Actual	FY 2023 Actual	FY 2024 Enacted	FY 2024 Gov. Rev.	FY 2025 Nov. CEC	FY 2025 Governor
Rhode Island Works						
Persons	6,413	8,245	8,518	8,520	8,975	8,975
Monthly Cost per Person	\$ 234.51	\$ 230.00	\$ 232.00	\$ 233.00	\$ 234.00	\$ 234.00
Total Costs/Federal Funds	\$ 19.5	\$ 24.7	\$ 26.0	\$ 25.9	\$ 27.5	\$ 27.5
Child Care						
Subsidies	5,404	5,605	6,776	6,050	6,400	6,400
Annual Cost per Subsidy	\$ 10,104	\$ 10,639	\$ 10,650	\$ 10,750	\$ 10,800	\$ 10,800
General Revenue	\$ 8.1	\$ 9.1	\$ 10.2	\$ 10.2	\$ 10.1	\$ 10.1
Federal Funds	46.5	50.5	62.0	57.9	59.0	59.0
Total Costs	\$ 54.6	\$ 59.6	\$ 72.2	\$ 68.0	\$ 69.1	\$ 69.1
SSI						
Persons	32,695	31,630	31,900	31,000	31,000	31,000
Monthly Cost per Person	\$ 44.25	\$ 44.00	\$ 44.51	\$ 44.50	\$ 44.25	\$ 44.25
Total Costs/General Revenues	\$ 17.4	\$ 16.6	\$ 17.1	\$ 16.6	\$ 16.5	\$ 16.5
SSI Transition/Bridge						
Persons	114	352	558	578	826	826
Monthly Cost per Person	\$ 184.88	\$ 154.00	\$ 186.00	\$ 170.00	\$ 177.00	\$ 177.00
Total Costs/General Revenues	\$ 0.8	\$ 1.2	\$ 1.8	\$ 1.8	\$ 2.4	\$ 2.4
General Revenue	\$ 26.3	\$ 26.9	\$ 29.1	\$ 28.6	\$ 29.0	\$ 29.0
Federal Funds	66.0	75.2	88.0	83.8	86.5	86.5
Total Cash Assistance	\$ 92.3	\$ 102.1	\$ 117.1	\$ 112.4	\$ 115.5	\$ 115.5

\$ in millions

Rhode Island Works. The November Caseload Estimating Conference estimate includes program expenditures for Rhode Island Works of \$27.5 million, entirely from federal funds. The estimate increased the monthly caseload by 457 cases to a level of 8,975 and the monthly cost per person by \$2.00 to \$234.00. Total estimated expenditures are \$1.5 million more than the enacted budget, reflecting the enrollment and cost increases noted, as well as adjustments for clothing and other supportive services. The FY 2025 request adds \$660,000 from federal funds for two proposals, discussed separately. *The Governor recommends funding consistent with the conference estimate.*

Earned Income Disregard. The Department requests \$550,000 from federal funds to increase the current monthly income disregard from \$300 to \$525. Once a family's net income has been determined, the Department calculates the family's monthly benefit amount. Currently, from the net income, it disregards \$300 per month plus one-half of the remaining earned income. Based on applicant incomes, the Department estimates that changing the disregard will increase the caseload by 70 cases per month. The 2022 Assembly

increased the disregard from \$170 to \$300. The requested total increase includes \$15,000 for one-time system changes to RI Bridges.

The constrained request excludes the proposal. *The Governor does not recommend the proposal.*

Hardship Disregard. The Department requests \$125,000 from federal funds to allow a family receiving the Rhode Island Works monthly benefit through the hardship disregard to retain any income earned for the first six months of employment or until the family's income exceeds 185 percent of poverty. The proposal assumes ten families would participate and stay on the program after gaining employment. The requested cost includes \$15,000 for one-time system changes.

The constrained request excludes the proposal. *The Governor does not recommend the proposal.*

Child Care. The November Caseload Estimating Conference estimate includes child care expenditures of \$69.1 million, of which \$10.1 million is from general revenues. This is \$3.0 million less than enacted, primarily from federal funds. The estimate decreases anticipated FY 2025 child care subsidies by 376 for an average of 6,400 subsidies and increases the annual cost by \$150 to \$10,800. The FY 2024 enacted budget appropriated \$4.0 million to establish a one-year pilot program, which extends child care benefits to eligible childcare educators and staff. The pilot exempts participants from copayments and allows them to choose their preferred childcare facility. The estimate includes \$3.0 million of this in FY 2024 and \$1.0 million in FY 2025 based on federal rules requiring 12-month continuous enrollment.

A family is eligible for child care assistance either through the Rhode Island Works program (if they qualify for Works they are automatically eligible for child care assistance) or if they qualify as low income, which is at or below 200 percent of federal poverty. However, families meeting that criteria initially remain eligible until the family income exceeds 300 percent of poverty. Eligibility has also been permanently expanded to families enrolled in a degree program at a Rhode Island institution of higher education. The 2023 Assembly included a one-year pilot program starting August 1, 2023 to provide child care without a co-payment to staff who work for child care providers and have a family income up to 300 percent of poverty.

Child care rates have been increased in four of the last five budgets. Most recently, 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. It also established tiered reimbursement rates for school age children. *The Governor recommends funding consistent with the conference estimate.*

Child Care Eligibility. The Department requests \$3.3 million from federal funds to increase eligibility from 200 percent to 261 percent of the federal poverty level for a family to receive subsidized child care; this change would align with Massachusetts and Connecticut child care programs. This includes \$57,000 for one-time system changes. The change would be effective January 1, 2025 with annualized costs totaling \$7.0 million. To the extent federal funds are not available in the future, this will come from general revenues. The constrained request excludes the proposal. *The Governor does not recommend the proposal.*

Supplemental Security Income Payments. The November Caseload Estimating Conference estimate includes direct supplemental security income expenditures of \$16.5 million from general revenues, or \$0.6 million less than enacted. The caseload decreases by 900 persons to a monthly level of 31,000. Estimators decreased the monthly cost per person by \$0.26 to \$44.25. The estimate also includes transaction fees of \$60,000. The Department requests the enacted funding for the program as the request was submitted prior

to the November caseload conference. *The Governor recommends funding consistent with the conference estimate.*

The following table includes the separate categories and monthly payments for calendar year 2024.

Supplemental Security Income Payments	CY 2024		
	State	Federal	Total
Individual living alone	\$ 39.92	\$ 943.00	\$ 982.92
Couple living alone	\$ 79.38	\$ 1,415.00	\$ 1,494.38
Individual living with others	\$ 51.92	\$ 628.67	\$ 680.59
Couple living with others	\$ 97.30	\$ 943.34	\$ 1,040.64
Resident in assisted living	\$ 332.00	\$ 1,275.00	\$ 1,607.00
Supplement	\$ 45.00	\$ 30.00	\$ 75.00

Supplemental Security Income Transition/Bridge Program. The November Caseload Estimating Conference estimates expenditures for the supplemental security income transition/bridge program at \$2.4 million, entirely from general revenues. The estimate includes \$1.8 million for cash payments and \$0.6 million for burials. The estimate assumes 826 monthly persons, or 268 more than the enacted budget, and decreases the monthly cost per person by \$9.00 to \$177.00. The estimate is \$0.5 million more than enacted. This program is designed for individuals who maintain an active application for the supplemental security income program. *The Governor recommends funding consistent with the conference estimate.*

Burial Payments. The Department proposes increasing burial reimbursements and adds \$450,000 from general revenues. Currently, the state pays a maximum of \$1,020 for a burial and this would increase that to \$1,190. This includes the funeral, cost of the plot, and liner. The proposal would also raise the crematory payment from \$150 to \$200. It should be noted that friends or relatives of the decedent may privately contract with the funeral director and contribute up to \$1,600 for additional/upgraded services and merchandise. The constrained request excludes the proposal. *The Governor does not recommend the proposal.*

Assisted Living State Supplemental Payments. The Department requests \$106,707 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. This is \$51,296 less than enacted and caseload testimony suggests total expenditures may be \$93,730 based on an average of 40 individuals. *The Governor recommends funding as requested.*

Hardship Payments. The Department's request eliminates the \$90,000 from general revenues included in the enacted budget for hardship contingency payments, which provide temporary support to individuals who do not qualify for the supplemental security income or Rhode Island Works programs. Payments have been declining annually and declined by over 90 percent in the five-year period from FY 2018 through FY 2022; final FY 2023 expenses were \$357. The Department has indicated that the rules and criteria for the program are strict and applicants often do not want to fill out the paperwork for the \$100 payment, especially since the applicants must reapply each month in which they request the payment. This does not require a statutory or rules and regulations change since the payment is at the Director's discretion and subject to an annual appropriation. *The Governor's recommendation includes \$90,000 for the payment.*

Other Programs

Program Eligibility Administration. The Department requests \$113.2 million from all sources, including \$48.6 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 RI Bridges also known as the Unified Health Infrastructure Project. The request is \$4.8 million more than enacted from all sources, including \$0.7 million more from general revenues. *The Governor recommends \$3.5 million less than requested, including \$2.3 million less from general revenues.*

Staff and Other Expenses	General Revenues Eligibility			All Sources Eligibility		
	UHIP	Admin.	Total	UHIP	Admin.	Total
FY 2024 Enacted	\$ 13.0	\$ 34.9	\$ 47.9	\$ 31.1	\$ 77.4	\$ 108.5
Revised Request	14.2	34.6	48.8	34.1	83.3	117.4
Revised Change to Enacted	\$ 1.1	\$ (0.3)	\$ 0.9	\$ 3.0	\$ 5.9	\$ 8.9
FY 2025 Request	14.1	34.4	48.6	31.2	82.1	113.2
Request Change to Enacted	\$ 1.1	\$ (0.4)	\$ 0.7	\$ 0.1	\$ 4.7	\$ 4.8

\$ in millions; excludes centralized services

Income Verification - The Work Number. The Department’s request includes \$2.8 million, including \$1.6 million from general revenues for payments made to Equifax for its income verification product, The Work Number, which will allow the state to have access to another data source to determine eligibility for medical assistance benefits and programs through the Executive Office of Health and Human Services and the Department of Human Services. Total expenses of \$8.4 million, including \$3.0 million from general revenues and \$5.4 million from federal funds, are spread across the budgets of the Executive Office, Department of Human Services, and HealthSource RI.

It should be noted that the Executive Office of Health and Human Services’ revised request assumes that the income verification tool will be incorporated into the RI Bridges eligibility system in the March 2024 update, operational in July, with benefit terminations starting by the end of August. The revised budget includes \$1.0 million, of which \$0.3 million is from general revenues, for this proposal. The payment includes a monthly service fee of \$7,200 and \$11.15 for each matched transaction up to 745,000 transactions; the revised and FY 2025 requests incorrectly include a \$72,000 monthly service fee, overstating costs by \$0.8 million. The Department of Human Services’ budget does not include any expenses for FY 2024. The constrained request does not include the funding. *The Governor recommends funding as requested, retaining the error which overstates funding by \$797,600.*

Call Center Workforce (10.0 FTE). The Department’s request includes \$1.0 million, including \$0.5 million from general revenues, for ten new positions for its Pawtucket call center. There are approximately 40 staff assigned to it. This includes four eligibility technicians I and II, one eligibility technician III and a supervising eligibility technician. The request assumes that recruitment to fill the positions, once approved, will begin immediately. The constrained request excludes the new positions and funding. *The Governor recommends the new positions and funding as requested.*

Other Staffing. The Department requests \$58.7 million, including \$27.9 million from general revenues, for all other eligibility administration staff expenses. This includes \$10.9 million for the Unified Health Infrastructure Project and \$48.7 million for the other program areas. The request is \$3.8 million less than enacted from all sources, including \$1.3 million less from general revenues and primarily reflects the Department’s cost allocation plan based on the programs that staff are working on. The Department updates its cost allocation quarterly based on random moment in time studies.

The constrained budget includes savings of \$1.4 million, of which \$0.9 million is from general revenues, from reducing overtime expenses for field office staff. It also shifts \$1.8 million of staffing expenses to federal funds. *The Governor recommends \$0.7 million less than requested, including \$0.6 million less from general revenues, for all other staffing. This reflects the constrained proposal to reduce overtime expenses and increases for statewide health benefits.*

Rent for Satellite Offices. The Department requests \$4.0 million from all sources for office space rent, which is \$0.1 million more than enacted, to bring costs closer to expected levels. This includes a one-year lease for the Holden Street location at \$476,000 plus utilities and \$579,250 for the Reservoir Avenue location, which is on a month to month basis. The Assembly authorized five-year lease terms for both locations to address field office occupancy issues in Providence.

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 Department of Administration on Smith Street. The Fountain Street location serves clients; staff were also moved to other field offices, including Pawtucket and to the Pastore Campus in Cranston. *The Governor recommends funding as requested.*

Other Expenses. Excluding centralized services, the Department requests \$50.1 million from all sources, including \$19.0 million from general revenues and \$31.1 million from federal funds, for all operating expenses for administration of the eligibility programs. This is \$4.7 million more than enacted, including \$0.2 million less from general revenues. The Unified Health Infrastructure Project budget is projected to be \$20.2 million, which is \$3.4 million more than enacted, including \$1.8 million more from general revenues. The request also includes planned grant expenses in the amount of \$3.4 million, specifically for employment related services. In addition, the Department increases expenses for telephone services offset by reduced expenses for office supplies and equipment for administration of other programs. *The Governor recommends funding essentially as requested.*

ARPA - Child Care Support. The Department requests \$3.4 million from State Fiscal Recovery funds, primarily for payments to child care workers. The Assembly authorized a total of \$42.0 million. This began with use of \$19.0 million 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 multi-year plan included \$12.6 million for FY 2022, \$21.3 million for FY 2023, \$1.2 million for FY 2024, and \$0.5 million for FY 2025. The Department spent \$12.6 million in FY 2022 and \$9.8 million in FY 2023. The remaining funds would be spent in FY 2024 and FY 2025, which totals \$41.1 million or \$0.9 million less than approved. *The Governor does not include any funding for FY 2025; his FY 2024 revised recommendation exhausts the total \$42.0 million allocation.*

Enacted Child Care Support Initiatives	FY 2022	FY 2023	FY 2024	FY 2025	Total
Retention Bonus - \$3,000	\$ 12.5	\$ 12.1	\$ 12.9	\$ -	\$ 37.4
Family-Based Provider Support	0.2	0.4	-	-	0.6
Workforce Registry & Quality Improvements	-	0.1	1.9	-	2.0
TEACH Program	-	0.1	1.9	-	2.0
Total Authorized	\$ 12.6	\$ 12.7	\$ 16.7	\$ -	\$ 42.0
<i>FY 2024 Revised/FY 2025 Request</i>	<i>\$ 12.6</i>	<i>\$ 9.8</i>	<i>\$ 15.3</i>	<i>\$ 3.4</i>	<i>\$ 41.1</i>
Change to Authorized Plan	\$ -	\$ (2.9)	\$ (1.4)	\$ 3.4	\$ (0.9)
<i>FY 2024 Gov. Revised/FY 2025 Governor</i>	<i>\$ 12.6</i>	<i>\$ 9.8</i>	<i>\$ 19.5</i>	<i>\$ -</i>	<i>\$ 42.0</i>
Change to Authorized Plan	\$ -	\$ (2.9)	\$ 2.9	\$ -	\$ -

\$ in millions

Child Care Quality Improvements. The Department requests \$7.4 million, or \$2.4 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 quality contracts, and available discretionary block grant funding. 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 any regulatory changes. *The Governor recommends funding as requested.*

Child Care Stabilization Grants. The Department's request does not include any spending from federal child care stabilization and development block grant funds authorized under the American Rescue Plan Act, Consolidated Appropriations Act of 2021, and Coronavirus Aid, Relief, and Economic Security Act to provide grants to child care providers with operating expenses during the pandemic. The FY 2024 enacted budget includes the final \$0.8 million of the \$57.3 million awarded to the state. *The Governor recommends funding as requested.*

Child Support Enforcement Program - Lien Network. The Department requests \$3.8 million from restricted receipts to support the Lien Network operated by the Child Support Enforcement program, 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 in FY 2021, which now appear in its budget. These receipts are fees collected for and paid to the vendor. The request is \$210,000 more than enacted, consistent with the revised request, that increases expenditures for unplanned activities needed to migrate to the new platform. *The Governor recommends funding as requested.*

Child Support Services Case Management System. The Department requests \$7.6 million from all sources, including \$2.6 million from general revenues, for a new project 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 over the next three to five years leaving Child Support Services as the sole agency using the system; the current contract expires between 2024 and 2026. The Department reports that Connecticut estimated \$68 million 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 Office is in the early planning stages of the software system changeover.

The request includes \$5.5 million for the new system for FY 2025 which is consistent with the Department's capital request. The out-years are estimated at \$10.0 million for FY 2026; \$8.8 million for FY 2027 and \$6.0 million for FY 2028. General revenue expenses are \$1.8 million, \$3.4 million, \$3.0 million and \$2.0 million for FY 2025 through FY 2028. The current services adjustment reduces general revenues by \$425,000 for one-time planning funds for the network; the request excludes the funds.

The constrained request excludes \$5.5 million, including \$1.9 million from general revenues, for the new system. *The Governor recommends \$1.0 million, including \$0.4 million from general revenues, or \$4.0 million less than requested, of which \$1.1 million is from general revenues. Actual project expenses are still contingent on the final plan for the new system.*

Child Support Enforcement Program. The Department requests \$9.8 million from all sources, including \$3.6 million from general revenues and \$6.2 million from federal funds, for expenditures related to child support enforcement. This is \$0.6 million less than enacted, including \$0.2 million more from general revenues. This is \$0.9 million less from federal funds for the existing RIKidsBridge system, \$0.1 million more for salary and benefit expenses, and \$0.2 million more for contracted security and constable services. *The Governor recommends \$0.4 million less than requested, primarily from general revenues, and includes the statewide increase for health benefit rates and further reductions in estimated expenses needed for the existing system.*

Preschool Development Grant. The Department requests \$1.0 million from federal preschool development funds. This is \$1.6 million less than enacted to reflect available funds. The enacted budget includes \$1.7 million along with \$1.2 million in FY 2023 to be 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. Funds were used to implement a wage supplement pilot program intended to retain staff and incentivize providers to improve their education credentials and quality rating. Federal funds support development, planning, and coordination of the state's early childhood system, specifically from birth to age five. Other projects included a facilities study and family needs assessment. *The Governor recommends funding as requested.*

Supplemental Nutrition Assistance Program - Benefits. The Department requests \$349.4 million from federal funds for direct benefit payments and ongoing pandemic-related enhancements for the Supplemental Nutrition Assistance Program. This excludes \$25.4 million for the pandemic electronic benefits transfer card program, which is a special benefit granted by the United States Department of Agriculture's Food and Nutrition Service to further assist eligible families during the public health emergency. Benefits were available through the end of federal FY 2023, with the last official issuance in the summer of 2023.

Total projected payments are \$19.6 million less than enacted and \$108.3 million less than the FY 2023 actual experience. The request also includes \$0.3 million in bonus funding. The Department was approved to provide pandemic related benefits for elementary and secondary education students eligible for free and reduced-price lunch. During the school year, benefits are only provided if schools close for five or more days. Participating households have been receiving supplemental benefit payments since the start of the pandemic that equal the difference between their current benefit amount and the maximum amount for their household size or \$95, whichever is higher. These extra benefits are only available during the declaration of a public health emergency, which expired on January 11, 2023. *The Governor recommends funding as requested.*

Supplement Nutrition Assistance Program - Summer Benefit. The Department requests \$0.4 million from all sources, including \$0.2 million from general revenues, for the administrative expenses to implement a permanent Summer Electronic Benefit Transfer Program. This includes \$0.3 million for one-time system changes in RI Bridges.

The federally authorized program provides a \$40 monthly per child benefit 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 will be annually adjusted for inflation. States must submit a letter of intent by January 1, 2024 to be eligible for the federal funds. Rhode Island's letter of intent has been submitted. The request does not include any funding for the direct benefit. The constrained request excludes the proposal. *The Governor recommends \$10.2 million for benefits and \$0.8 million for administrative expenses.*

Supplement Nutrition Assistance Program Replacement - Skimming. The Department requests \$300,000, including \$203,000 from federal funds and \$97,000 from general revenues, to replace an individual's supplemental nutrition assistance benefits that are stolen as a result of skimming. The payment is federally reimbursable once a state has an approved plan and Rhode Island's plan was approved and implemented on October 1, 2023. The Department is requesting a portion of the expenses from general revenues for cases that do not meet federal guidelines. For FY 2024, the Department is using its indirect cost recovery receipts to repay individuals affected by skimming, which is consistent with FY 2023.

The constrained request excludes the proposal. *The Governor does not recommend this proposal.*

Supplemental Nutrition Assistance Program - Supportive Programs. The Department requests \$4.0 million from federal funds, \$0.5 million less than enacted, for employment and training and nutrition education programs to support Supplemental Nutrition Assistance Program participants. This is consistent with the revised request reflecting available federal funds. The employment program includes services and supports designed to help recipients gain skills, earn credentials, and establish goals in order to secure work. The nutrition education program aims to prevent and reduce dietary health related disparities among low

income groups by improving dietary and physical activity behaviors, addressing food insecurity, and promoting health policies, systems, and environments. *The Governor recommends funding as requested.*

Supplemental Nutrition Assistance Program - Healthy Incentives Pilot. The Department excludes the \$10.0 million from general revenues enacted for the Rhode Island Healthy Incentive Pilot program. 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 transfer card, with incentive thresholds to be determined by the Department of Human Services. The 2022 Assembly provided \$11.5 million from general revenues for the program, including information technology upgrades. The Department has not been able to implement the program in a timely way and appropriations have been shifted accordingly. The legislation calls for the pilot to begin on January 1, 2023 and operate until funds are expended. After multiple delays, the project started in January 2024 and all funds are expected to be expended during FY 2024. *The Governor recommends funding as requested.*

LIHEAP, Water and Weatherization Assistance Programs. The Department requests \$34.2 million from federal sources for benefits related to the low-income home energy assistance, water, and weatherization assistance programs. This is \$3.7 million more than enacted to reflect current grant awards. The request also excludes the most recent federal supplemental award. The low-income home energy assistance program provides funds to assist Rhode Island's low-income households meet the increasing costs of home energy and reduce the severity of an energy related crisis. The weatherization assistance program provides cost effective, energy efficient weatherization improvements. It also provides low income individuals, particularly elderly, persons with disabilities, families with children, high residential energy users, and households with a high energy burden, with weatherization improvements to lower utility costs. New water assistance funding will assist low income households with water and wastewater bills. *The Governor recommends funding as requested.*

Community Services Block Grant. The Department requests \$4.4 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 and is \$70,000 more than the enacted budget. *The Governor recommends funding as requested.*

Rhode Island Alliance of Boys and Girls Clubs. The Department includes the enacted amount of \$450,000 from general revenues for the Alliance's Project Reach program. The Department's constrained request reduces funding by \$202,500. *The Governor recommends funding as enacted.*

Institute for the Practice and Study of Non-Violence. The Department requests the enacted level of \$250,000 from general revenues to support the Institute's Violence Reduction Strategy program. The Department's constrained request reduces funding by \$112,500. *The Governor recommends funding as enacted.*

Rhode Island Community Food Bank. The Department requests the enacted level of \$550,000 from general revenues for food collection and distribution through the community food bank. The Department's constrained request reduces funding by \$247,500. *The Governor recommends funding as enacted.*

ARPA - Food Bank. The Assembly provided \$3.0 million from State Fiscal Recovery funds in FY 2024 to support the Rhode Island Food Bank; the Department's FY 2025 request excludes the one-time funding. *The Governor recommends funding as requested.*

Community Action Agencies. The Department includes the enacted level of \$600,000 to support services provided by the state's nine community action agencies. The Department's constrained request reduces funding by \$270,000. *The Governor recommends funding as enacted.*

Crossroads. The Department requests 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 funding for emergency shelters and reduces funding for other services by \$225,000 for total savings of \$585,000. *The Governor recommends funding as enacted.*

Domestic Violence Prevention Activities. The Department requests \$1.6 million from all sources for domestic violence prevention activities, specifically family violence prevention and services. This includes the enacted amount of \$1.2 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. 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 federal stimulus funds.

General revenue funding of \$400,000 is provided for the Domestic Violence Prevention Fund established in state statute. The Department's constrained request reduces general revenues by \$180,000. *The Governor recommends funding as enacted.*

Day One. The Department requests \$0.8 million from all sources, including \$0.3 million from general revenues, for outreach programs and supportive services programs at Day One. The request is \$0.2 million more than enacted from federal funds that were not spent in FY 2023 to be used to assist with the transition to remote service provision. The Department's constrained request reduces funding from general revenues by \$120,150. *The Governor recommends funding as enacted.*

Center for Southeast Asians. The Department requests 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 reduces funding by \$11,250. *The Governor recommends funding as enacted.*

Refugee Assistance. The Department requests \$5.8 million from federal funds to support refugee assistance programs. The request is \$3.4 million more than enacted to reflect newly awarded grants. The request also includes \$3.2 million for projected award payments and \$1.8 million for cash assistance program benefits. The request includes \$125,000 from general revenues for two organizations that provide support services, including \$75,000 for Higher Ground International and \$50,000 for the Refugee Dream Center. The constrained request includes savings of \$56,250 from reducing both grants. *The Governor recommends funding as enacted.*

Head Start. The Department requests the enacted amount of \$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 Governor recommends funding as requested.*

Vocational Rehabilitation Services. The Department requests \$28.0 million from all sources for staffing and operational expenses to provide vocational rehabilitation services, including \$3.8 million from general revenues and \$24.2 million from federal funds, which is \$106,964 less than enacted, including \$25,423 less from general revenues. The Office provides resources and services to residents with disabilities through three program areas: vocation rehabilitation, supported employment services and disability determination services.

Expenses include \$16.6 million for salaries and benefits for the 134.0 authorized positions that support these services, which is essentially consistent with the enacted budget. The request also includes \$7.4 million primarily from federal funds for these services and \$0.9 million, including \$0.5 million from general revenues, for consultants who provide medical and counseling services for clients and assist with client eligibility determinations as well as information technology consultants to manage the federal client database program. It also includes \$1.3 million primarily from federal funds for other operating expenses. *The Governor recommends \$143,727 more than requested, including \$9,620 more from general revenues for statewide adjustments including higher than anticipated employee health benefit rates.*

Medicaid Rehabilitative Services. The Department requests \$1.5 million, or \$0.1 million more than enacted and the revised request, for three programs managed by the Office of Rehabilitation Services that provide services eligible for federal matching funds under provisions of the global 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 request is also \$0.6 million more than FY 2023 expenses. *The Governor recommends funding as requested.*

Services for the Blind and Visually Impaired. The Department requests \$1.3 million from all sources, including \$1.1 million from general revenues, for services to the blind and visually impaired. The request is \$2,458 less than enacted, which reflects the shifting of salary and benefit expenses from general revenues to federal funds as well as decreased expenses for medical services based on projected program participation and vendor costs. It should be noted that average expenses were \$0.8 million in the last three fiscal years; FY 2023 spending totaled \$0.9 million. *The Governor recommends funding essentially as requested.*

Communications Staff Consolidation (-1.0 FTE). The Department's request transfers \$147,456, of which \$102,747 is from general revenues, and one communications position to the Executive Office of Health and Human Services. This is part of the proposal to transfer these positions from the health and human services agencies to the Executive Office's budget to be consistent with its statutory requirements. The constrained request excludes the proposal. *The Governor recommends the transfer.*

Other Staffing. The Department requests \$1.2 million from all sources, including \$1.0 million from general revenues, for all other remaining staffing costs for central management and individual and family support programs. This is \$31,720 less than enacted, including \$56,226 more from general revenues, which reflects the reallocation of staff expenses in accordance with the agency's cost allocation plan. The expenses also reflect additional turnover savings and overtime expenses as well as current service adjustments. *The Governor recommends \$27,763 more than requested, including \$4,349 more from general revenues, primarily for statewide adjustments including higher than anticipated employee health benefit rates.*

Capital - Blind Vending Facilities. The Department requests the enacted level of \$165,000 from Rhode Island Capital Plan funds for the ongoing construction and renovation of statewide vending facilities consistent with the Department's capital budget request. There are currently 15 facilities that operate under the name COFFEE PLUS. *The Governor recommends funding as requested. A detailed description of the project is included the Capital Budget section of this publication.*

Other Operations. The Department requests \$0.4 million from all sources, including \$0.3 million from general revenues, for all other agency expenses. This is \$0.2 million more than enacted, of which \$0.1 million is from general revenues. The request includes \$0.2 million from general revenues for its portion of the state's grants management system. It is consistent with the revised request; however, it is not certain if the funding is needed since this expense is usually paid for through the Department's federal grants. All other changes are \$12,189 less from all sources, including \$68,001 less from general revenues, primarily for office supplies. *The Governor recommends funding as requested.*

Office of Veterans Services

The Office of Veterans Services is comprised of three program areas, each serving Rhode Island's veterans and their families in different capacities. The Veterans' Home in Bristol serves approximately 194 veterans daily as a nursing home and provides supportive services for residents. 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 assist in the daily costs of care of the residents at the Home. This rate is increased annually on October 1 and the percent increase is tied to the increases in healthcare costs nationally. The request assumes federal reimbursement consistent with federal FY 2023 rates, for a total of \$12.2 million. The per diem reimbursement varies to include: \$520.94 for those with a service connected disability, \$127.17 for those in a nursing home, and \$54.89 for those in the dormitory setting. *The Governor includes \$12.1 million based on the assumption that federal FY 2024 rates increase by 11.7 percent over the federal FY 2023 rates.*

Restricted Receipts. The Office of Veterans Services collects restricted receipts from residents at the Veterans' Home located in Bristol. Residents 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 due to 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. Fees are paid monthly to the Home and any failure to make payment when due can be cause for dismissal from the facility, though prior to dismissal, the resident is afforded administrative due process. Residents with a 70 percent or greater service related disability do not pay a maintenance fee as the Home receives an enhanced federal per diem for them.

The Office anticipates collecting \$0.6 million from Veterans' Home resident restricted receipts based on a 144 residents census in both FY 2024 and FY 2025. The Home has nearly 200 nursing home beds, but the census dropped as low as 121 residents in January 2022; as of December 2023, the census is 144. The Home currently averages four resident departures per month, which includes deaths or movement home or to another facility. *The Governor's recommendation is based on 144 residents as requested.*

Veterans' Home - Operations. The Office requests \$38.9 million from all sources, including \$25.5 million from general revenues, for all other expenses at the Veterans' Home and its 248.0 authorized positions. This is \$0.8 million less than enacted, including \$0.7 million less from general revenues, \$0.4 million less from restricted receipts, and \$0.3 million more from federal funds. It reflects current service adjustments and appears to assume no change in the number of residents. As of December 2, 2023, the Home has 205.0 positions filled. The constrained request proposes savings of \$1.5 million from all sources, including \$1.1 million from general revenues, through a hiring freeze. *The Governor recommends funding as requested.*

Veterans' Community Service Grants. The Office requests 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 that provide funding to veteran, active duty military, and family support services such as meal delivery, legal counseling, case management services, and health and wellness classes, among others. The request also includes \$100,000 to support the Veterans Services Officer program and \$50,000 for Operation Stand Down. *The Governor recommends funding as requested.*

Digitalization Project. The FY 2024 enacted budget includes a one-time expense of \$250,000 from general revenues for a new digitalization project to scan, digitize, and store physical documents of military service records and discharge paperwork in a searchable database. The Office has over 60,000 of these records stored in filing cabinets. This initiative preserves these documents and facilitates the fulfillment of

requests for records by veterans, family members, or other state agencies. The database would be for authorized personnel use only. Approval of the project assumed an annual cost of \$10,000. The Office's request retains the enacted level of funding. The project has been delayed but is expected to be underway by February 2024. *The Governor recommends funding as requested.*

Burial Equity for Guards and Reserves (4.0 FTE). The enacted budget includes \$550,000 from general revenues to implement the Burial Equity for Guards and Reserves Act, which allows qualifying non-resident veterans, national guard members and reservists, and their families and dependents to be eligible to be buried in state veterans' cemeteries, as long as their service was not terminated under dishonorable conditions. This includes \$202,600 to convert six seasonal cemetery positions to four full-time gardener positions and \$344,340 for operating expenses in anticipation of an increase in burials. The Office had requested a higher funding level and more positions. The federal change is effective as of January 1, 2024.

The Office requests \$313,087 from general revenues and four new full-time equivalent positions, for total funding of \$863,087 for this expense in FY 2025. This represents the full value of the funding requested last year. The new staff includes three cemetery specialists and one customer service specialist. The constrained request excludes the funding and new positions. *The Governor does not recommend the \$0.3 million for the new positions.*

Operations. The Office requests \$2.4 million from general revenues for all other expenses, which is \$0.3 million less than enacted. This largely reflects adjustments for the remaining 23.0 full-time equivalent positions that staff the Office and Veterans' Memorial Cemetery.

The constrained request proposes \$30,000 in savings by eliminating Saturday burials, which is consistent with federal practice. The Office also proposes new revenues of \$405,762 from collecting a plot allowance for non-veterans buried at the Cemetery; it currently receives a federal plot allowance of up to \$828 for each veteran burial but does not receive an allowance for non-veterans. Legislation would be required to collect it. *The Governor recommends \$2,909 less than requested, including \$6,850 less for statewide utility savings offset by increases in other operating expenses.*

Capital Projects. The Office requests \$6.0 million from all sources for projects at the Rhode Island Veterans' Memorial Cemetery in Exeter and Veterans' Home in Bristol. This is \$4.3 million more than enacted and includes changes to several projects consistent with the capital budget request. *The Governor recommends \$0.2 million less than requested. A detailed description of the 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 2025 request is \$37.8 million, including \$14.5 million from general revenues, \$19.1 million from federal funds, \$4.1 million from other funds and \$46,200 from restricted receipts. The request is \$0.3 million less than enacted, including \$1.5 million more from general revenues, \$1.7 million less from federal funds and \$14,800 less from restricted receipts. The request also adds a new position for the Aging and Disability Resource Center for a staffing authorization of 34.0 full-time equivalent positions. *The Governor recommends \$28.0 million, including \$11.3 million from general revenues and 33.0 positions.*

Aging and Disability Resource Center (1.0 FTE). In its original FY 2024 budget submission, the Office requested \$500,000 from general revenues to supplement federal support to assist the Aging and Disability Resource Center, also known as The Point, with counseling, applications, and transition support services for all persons applying for Long-Term Services and Support. The 2023 Assembly provided \$250,000 and the Office again requests \$500,000. The request also adds \$137,900 from federal Title III Supportive Services funds for a new project manager to oversee the work done by the United Way of Rhode Island to operate The Point and coordinate with the Executive Office of Health and Human Services on conflict-free case management and person-centered option counseling planning activities.

The constrained request does not include the new position or funding for either proposal. *The Governor does not recommend the proposals.*

Conflict Free Case Management. The FY 2024 enacted budget includes \$14.4 million, of which \$6.4 million is from general revenues, to provide person-centered planning and conflict-free case management to Medicaid beneficiaries who receive long-term services and supports in a home or community-based setting starting January 1, 2024 in the Executive Office of Health and Human Services. The enacted budget shifted six months of expenses from the Office of Healthy Aging because the case management services will now be paid through the Medicaid program. The Office's FY 2025 request shifts the remaining expenses to the Medicaid program. The total is \$0.2 million less from all sources, including \$0.1 million from general revenues.

It should be noted that the Office has a separate case management program through the cost not otherwise matchable (CNOM) Medicaid pathway that was not shifted to the Executive Office and is discussed separately. *The Governor recommends funding as requested.*

Case Management Services. The Office has been awarded a one-year, \$250,000 grant from the Department of Human Services to be spent by September 30, 2024, for case management services provided by West Bay, East Bay and Tri-Town Community Action Programs and Child and Family Services. Services are provided to individuals who are not eligible for the same benefit through Medicaid. The FY 2024 revised request includes \$200,000 and \$50,000 is planned to be spent in FY 2025. The request includes \$400,000 in anticipation of continued funding, or \$350,000 more than the grant award. *The Governor recommends funding as requested.*

Home and Community Care Services - Rate Increase. The 2022 Assembly included statutory requirements for the Office of the Health Insurance Commissioner to undertake a comprehensive review of these 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 the FY 2025 budget submissions along with any variances from the rate recommendations. The final report, submitted September 1, 2023, reviewed and made recommendations on \$157.8 million in fee-for-service activity.

The Office requests \$2.0 million, including \$0.9 million from general revenues, for its portion of the increase from the rate review which will affect home care, adult day care and case management services; the rate will be in effect on October 1, 2024.

The constrained request excludes the funding for this proposal. *The Governor's recommendation adds \$1.3 million, including \$0.6 million from general revenues, for the rate increase assuming the full rate that was recommended will be phased in over three years, with one third each year.*

Home and Community Care Services - Other Changes. The Office requests \$8.6 million from all sources, including \$3.9 million from general revenues and \$4.7 million from federal funds for home care, adult day care services, and case management services. Based on updated utilization, which is not quite as high as the enacted budget assumes, the request is \$1.6 million less than enacted, including \$0.6 million less from general revenues. It is \$3.3 million more than the revised request and \$3.8 million more than FY 2023 spending, suggesting a lower percentage of time before pre-pandemic utilization occurs.

The constrained request proposes savings of \$0.5 million from all sources, including \$0.2 million from general revenues, for adult day care services as participation rates and expenditures have been decreasing in recent years. *The Governor recommends \$5.9 million less than requested, including \$2.8 million less from general revenues. When combining the rate increase with this reduction, the recommendation totals \$4.0 million, including \$1.6 million from general revenues. This is \$0.4 million less than FY 2023 expenses and \$0.9 million less than the revised recommendation; this appears to be an inadvertent error that underfunds the program.*

Paratransit Services for the Elderly. The Office requests \$8.7 million from all sources, including \$3.9 million from general revenues, \$0.6 million from federal funds, and \$4.1 million from intermodal surface transportation funds, or gas tax proceeds. This is \$0.9 million more than enacted primarily from general revenues and essentially consistent with the revised request to reflect projected utilization. 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.

Under current law, gasoline tax distribution dedicates 1-cent to the elderly/disabled transportation program. The current practice is for the Department of Human Services through the Office of Healthy Aging to retain 21.0 percent of the funds for administrative and non-emergency transportation expenses, and 79.0 percent is provided to the Rhode Island Public Transit Authority for some of the services provided.

The Governor includes Section 10 of Article 6 of 2024-H 7225 to codify current practice on the treatment of the 1-cent for elderly/disabled transportation services in state law by altering the distribution of that one cent effective July 1, 2024, with the Authority receiving the funds. His recommendation transfers gas tax proceeds of \$3.1 million and recommends remaining funding essentially as requested.

Supportive Services. The Office requests \$2.0 million from federal funds for supportive services for older and disabled individuals. This is \$1.1 million less than enacted, which reflects a decrease in Title III-B funding for projected award payments. It reduces American Rescue Plan Act funds authorized in response to the coronavirus emergency to reflect expiration of the funds which 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. *The Governor recommends funding as requested.*

Elder Abuse Prevention. The Office requests \$0.4 million from federal funds for adult protective services. This is \$0.3 million less than enacted, primarily from funds authorized in response to the public health emergency. The request includes \$0.4 million for services and \$75,000 for consultants. *The Governor recommends funding as requested.*

Elder Nutrition Programs. The Office requests \$5.0 million from federal funds for elderly nutrition programs, including home delivered and congregate meals. This is \$0.4 million less than enacted from federal funds reflecting projected availability. Total funding includes the enacted level of \$680,000 from general revenues of which \$630,000 is for a grant to Meals on Wheels as identified in Article 1 of the FY 2024 enacted budget.

The constrained budget reduces general revenue funding by \$129,507, or approximately 20 percent of the grant. *The Governor recommends funding as enacted.*

Family Caregiver Support. The Office requests \$1.1 million from federal funds authorized in response to the coronavirus public health emergency for family caregiver support. This is \$0.3 million less than enacted, which primarily represents the remaining balance of the grant authorized under the American Rescue Plan Act carried forward from FY 2024. 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 constrained budget reduces the respite care grant to the Diocese of Providence by \$61,896, or about 20 percent. *The Governor recommends funding as enacted.*

Preventative Health and Vaccines. The Office requests \$181,588 from federal funds for preventative health services and access to vaccines for elderly residents. This is \$48,465 less than enacted, which primarily reflects available one-time funding authorized in response to the public health emergency. Vaccine access funding can be used for advocacy and outreach. Funding is for preventative health supports programs that deliver evidence-based health promotion and disease prevention, including the risk of falls, chronic diseases, mental health, and medication management. *The Governor recommends funding as requested.*

Senior Center Communities. The Office requests \$1.2 million from general revenues to support senior center communities, which is consistent with the enacted amount as identified in Article 1 of the FY 2024 enacted budget.

The constrained request reduces funding by \$228,541. *The Governor recommends adding \$0.2 million for total funding of \$1.4 million.*

Elderly Housing Security. The Office requests the enacted level of \$85,000 from general revenues to implement security measures in elderly housing complexes. Responsibility for the program is contained in Rhode Island General Law, Section 42-66.1-3 and the Office annually issues a Request for Proposals to award the funds, which support new lighting, doors, and alarms. The funds can be used for a variety of purposes to make elders feel safe in their homes. The constrained request reduces funding by \$16,188. *The Governor recommends funding as enacted.*

Long Term Care Ombudsman. The Office requests \$250,183 from all sources, including the enacted amount of \$126,750 from general revenues, or \$5,336 less than enacted for the Long Term Care Ombudsman. The request includes \$109,002 from federal Title VII funds, which is \$26,666 more than enacted offset by \$32,002 less from federal funds authorized in response to the coronavirus public health emergency for projected award payments. 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 and it fulfills 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 constrained request reduces general revenues by \$7,618. *The Governor recommends funding as enacted.*

Volunteer Guardianship Program. The Office requests the enacted level of \$40,000 from general revenues to support the volunteer program which provides guardianship services to low-income, older, and at-risk persons residing throughout the state 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. Final expenses for FY 2022 and FY 2023 were \$693 and \$895, respectively. *The Governor recommends funding as requested.*

Behavioral Health Liaison. The Office's request includes \$37,404 from federal mental health block grant funds to support the Healthy Aging Behavioral Health Liaison. The Office entered into an agreement with Behavioral Health Link and the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to fund a contracted position supporting the behavioral health needs of older adults for FY 2024 and FY 2025. *The Governor recommends funding as requested.*

Senior Companion Program. The Office requests \$404,775, of which \$135,984 is from general revenues for the senior companion program. This includes \$104,452 more from all sources, including \$70,100 more from general revenues, for increased travel reimbursements and payments to program participants. *The Governor recommends funding as requested.*

Other Staffing. The Office requests \$4.5 million for the remaining staffing expenses, including \$2.3 million from general revenues. The request is \$7,432 less than enacted, including \$3,940 less from general revenues and a \$3,492 reduction to federal funds. The funding supports the 32.0 authorized positions not allocated to the other federal grants noted above. *The Governor recommends \$23,767 more than requested, including \$11,047 from general revenues, for statewide adjustments including higher than anticipated employee health benefit rates.*

Other Operations. The Office requests \$2.4 million for remaining grants and expenditures, including \$1.0 million from general revenues, \$1.3 million from federal funds, and \$45,000 from indirect cost restricted receipts collected on federal grants. The request is \$0.1 million less than enacted, primarily from federal funds. This includes \$0.1 million less from the "Internet for All" initiative authorized under the Digital Equity Act and the expanding and strengthening the public health workforce initiative and \$0.1 million less from federal funds to assist with Medicare enrollment. The request includes \$1,000, or \$14,000 less than enacted, for the pharmaceutical assistance program. The general revenue increase of \$14,097 is primarily for mileage reimbursement for the protective services unit. *The Governor recommends funding as requested.*

Dept. of Behavioral Healthcare, Developmental Disabilities and Hospitals

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Services for the Dev. Disabled	\$ 469,110,006	\$ 497,408,095	\$ 500,671,556	\$ 510,589,146
Hospital & Comm. Rehab. Services	114,613,069	112,559,855	120,969,090	107,849,120
Rhode Island Psychiatric Hospital	35,216,359	35,266,607.00	36,748,205	35,149,422
Behavioral Healthcare Services	48,955,103	62,490,312	44,288,394	46,732,770
Central Management	3,179,538	4,604,340	4,527,706	4,056,674
Hosp. & Comm. System Support	1,774,606	1,752,948	2,054,588	1,931,484
Total	\$ 672,848,681	\$ 714,082,157	\$ 709,259,539	\$ 706,308,616
Expenditures by Category				
Salaries and Benefits	\$ 127,886,380	\$ 44,406,212	\$ 61,595,917	\$ 45,937,970
Contracted Services	13,329,017	15,156,789	13,587,527	12,962,541
Subtotal	\$ 141,215,397	\$ 59,563,001	\$ 75,183,444	\$ 58,900,511
Other State Operations	56,744,367	25,629,319	21,610,602	23,660,251
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	473,201,421	628,186,999	610,934,098	622,844,337
Capital	1,687,496	702,838	1,531,395	903,517
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 672,848,681	\$ 714,082,157	\$ 709,259,539	\$ 706,308,616
Sources of Funds				
General Revenue	\$ 310,886,337	\$ 322,704,470	\$ 336,754,877	\$ 321,342,155
Federal Aid	349,233,547	375,846,199	367,161,251	371,599,345
Restricted Receipts	12,328,797	15,061,944	4,943,411	12,867,116
Other	400,000	469,544	400,000	500,000
Total	\$ 672,848,681	\$ 714,082,157	\$ 709,259,539	\$ 706,308,616
FTE Authorization	1,202.4	1,204.4	1,201.4	1,203.4

Summary. The Department requests \$709.3 million from all sources, including \$336.8 million from general revenues, \$367.2 million from federal funds, \$4.9 million from restricted receipts, and \$0.4 million from Rhode Island Capital Plan funds for FY 2025. The request is \$36.4 million more than the FY 2024 enacted budget and includes \$25.9 million more from general revenues, \$17.9 million more from federal funds, and \$7.4 million less from restricted receipts. It also proposed a significant change to account for staffing and related expenses for the 24-hour operations that bill Medicaid for a portion of the services delivered. This makes certain comparisons difficult.

The request includes 1,201.4 full-time equivalent positions, 1.0 fewer than enacted to reflect the proposal to consolidate communications positions in the Executive Office of Health and Human Services.

The Governor recommends \$706.3 million from all sources, including \$321.3 million from general revenues. The recommendation is \$33.5 million more than enacted and \$3.0 million less than requested. General revenues are \$10.5 million more than enacted, and \$15.4 million less than requested. The

Governor recommends 1,203.4 full-time equivalent positions, 1.0 more than enacted. This includes 2.0 positions for management and oversight of the state-owned facilities and the requested transfer to consolidate communication positions.

By category, the Governor's recommended budget reclassifies \$113.1 million of expenses, mostly personnel, to grants as part of a proposed change to the way Medicaid billings for Eleanor Slater Hospital and the state-run system for adults with developmental disabilities are budgeted. This is similar to the changes included in the request. The following table shows those changes.

Category	Governor	Old Category	Change in Presentation
Salaries and Benefits	\$ 4,267,402	\$ 100,477,631	\$ 96,210,229
Contracted Services	240,240	2,741,246	2,501,006
Other State Operations	12,103,403	25,850,817	13,747,414
Capital	795,222	1,482,779	687,557
Assistance, Grants, and Benefits	123,040,591	9,894,385	(113,146,206)
Total	\$ 140,446,858	\$ 140,446,858	\$ -

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 \$326.9 million, including a current service adjustment increase of \$21.5 million and a 5.0 percent reduction of \$5.4 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$10,197 lower than 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 \$5.6 million below the target.*

Departmentwide

Staffing. The Department requests 1,201.4 full-time equivalent positions for FY 2025, which is 1.0 positions below than the enacted authorization. It transfers a communications position to the Executive Office of Health and Human Services as part of a proposal to consolidate these positions consistent with current law. The enacted budget transferred staff among divisions primarily to reallocate staff where needed at the request of the Department. The revised and FY 2025 requests further shift administrative positions between divisions and also adjust staffing needs for Eleanor Slater Hospital and the state psychiatric facility.

The following table shows the enacted budget, FY 2025 request and Governor's recommendations for staffing by the divisions along with detail on filled positions as of the end of the second quarter. *The Governor recommends two new positions for the oversight and maintenance of the group homes and transfers the communications position.*

Division	Enacted	Gov. Rev.	Request	Gov. Rec.	Gov. Rec. to Gov. Rev.	12/2 Filled report
Central Management	42.0	43.0	42.0	42.0	(1.0)	35.0
Hospital Community & System Support	65.0	69.0	67.0	69.0	-	62.0
Developmental Disabilities	308.0	307.0	307.0	307.0	-	264.0
Behavioral Healthcare Services	43.6	46.0	46.0	46.0	-	43.0
Eleanor Slater Hospital	661.0	610.0	610.0	607.0	(3.0)	468.4
State Psychiatric Hospital	82.8	129.4	129.4	132.4	3.0	106.8
Total	1,202.4	1,204.4	1,201.4	1,203.4	(1.0)	979.2

Communications Consolidation (-1.0 FTE). The Department requests to transfer a communications position to the Executive Office of Health and Human Services and excludes \$177,948, of which \$168,855 is from general revenues. The Executive Office is requesting all of its umbrella agencies to shift its public

information officer positions to its Office; for the Department, this is 1.0 full-time equivalent position. The Executive Office’s statute requires these positions be concentrated in its Office, similar to the way legal staff and chief financial officers are treated. The Executive Office indicates that this will allow for better, more consistent communications for all of its Departments.

The constrained request excludes the proposal. *The Governor recommends the transfer and \$1,255 less than requested, including \$68,238 more from general revenues for the position.*

Cost Allocation Plan. 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 FY 2025 request includes \$0.3 million from general revenues, or \$11,722 more than enacted, to pay for the cost allocation plan.

The FY 2024 enacted budget assumes a finance office staffed with 53.0 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 on a quarterly basis 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 recommends \$23,100 less than requested from general revenues for the plan.*

Group Home Oversight and Maintenance (2.0 FTE). The Department’s request does not directly fund positions dedicated to the oversight and maintenance of group homes and residential facilities that house the Department’s clients. *The Governor recommends adding \$0.3 million more than requested from general revenues for two new positions responsible for oversight and maintenance of state-owned group homes for individuals receiving services through the Divisions of Developmental Disabilities and/or Behavioral Healthcare Services.*

He also includes several sections of Article 2 of 2024-H 7225 to create the Group Home Facility Improvement Fund and transfers into the fund proceeds from the sale of state-owned group homes, or community residences, that are licensed by the Department or rents collected from agencies providing services in those homes. The proceeds will be used for the ongoing upkeep and maintenance of state-owned facilities at the discretion of the Department and exempts the fund from the ten percent indirect cost recovery. Sections 4 and 7 exempt the proceeds from being transferred to the information technology restricted receipt account.

Security Services. The Department requests \$3.6 million, or \$0.6 million more than enacted, for security services based on updated projections. Expenses are entirely funded from general revenues. This is \$1.3 million less than expenses for FY 2023 and \$0.1 million more than the revised request. Most of the increase is for Eleanor Slater hospital. *The Governor recommends funding as requested.*

Security Services					
Division	FY 2024 Enacted	FY 2024 Gov. Rev.	FY 2025 Request	FY 2025 Gov. Rec.	Rec. to Enacted
Eleanor Slater Hospital	\$ 1,007,029	1,760,730	\$ 1,560,730	\$ 1,560,730	\$ 553,701
State Psychiatric Facility	1,993,505	1,717,505	1,993,505	1,993,505	-
Hospital and Community Support	26,538	16,276	16,276	16,276	(10,262)
Developmental Disabilities	-	42,000	42,000	42,000	42,000
Behavioral Healthcare Services	-	5,888	5,888	5,888	5,888
Central Management	16,843	1,488	1,488	1,488	(15,355)
Total - General Revenues	\$ 3,043,915	\$ 3,543,887	\$ 3,619,887	\$ 3,619,887	\$ 575,972

Centralized Services. The Department requests \$27.7 million from all sources, including \$21.2 million from general revenues, for centralized services provided through the Department of Administration. Consistent with requested revisions to FY 2024, the request reduces funding by \$5,956 and shifts \$0.4 million in general revenue expenses to restricted receipts. Both changes occur in the Division of Behavioral Healthcare Services and appear to be in error; details by division are shown in the following table.

The Governor recommends \$9.7 million less than requested, including \$3.6 million less from general revenues, to account for utility savings and updated projections for other centralized services including six months of charges related to implementation of new systems management software. Annualizing second quarter billings equate to \$22.3 million, or \$4.3 million more than recommended. It should be noted that the statewide centralized services second quarter report also assumes about a third of the expenses are Medicaid eligible.

Centralized Services by Division						
Division	FY 2024 Enacted	FY 2024 Gov. Rev.	FY 2025 Request	FY 2025 Governor	Governor to Enacted	Governor to Revised
Eleanor Slater Hospital	\$ 19,040,864	\$ 13,465,521	\$ 19,040,864	\$ 11,650,880	\$ (7,389,984)	\$ (1,814,641)
State Psychiatric Facility	3,319,168	3,281,314	3,319,168	2,457,067	(862,101)	(824,247)
Developmental Disabilities	2,565,857	2,378,244	2,565,857	2,014,198	(551,659)	(364,046)
Behavioral Healthcare Services	830,141	785,283	824,185	673,568	(156,573)	(111,715)
Hospital and Community Support	635,197	562,637	635,197	321,859	(313,338)	(240,778)
Central Management	1,355,721	1,205,033	1,355,721	927,876	(427,845)	(277,157)
Total - All Funds	\$ 27,746,948	\$ 21,678,032	\$ 27,740,992	\$ 18,045,448	\$ (9,701,500)	\$ (3,632,584)
<i>General Revenues</i>	<i>\$ 21,571,003</i>	<i>\$ 20,863,277</i>	<i>\$ 21,171,003</i>	<i>\$ 18,012,990</i>	<i>\$ (3,558,013)</i>	<i>\$ (2,850,287)</i>

The following table shows expenses by type of centralized service, and includes \$20.5 million for facilities management which represents nearly three quarters of the total. Billings for all charges through the first quarter of FY 2024 total \$5.7 million which suggests an annualized total of \$22.9 million.

Centralized Services by Service						
Service	FY 2024 Enacted	FY 2024 Gov. Rev.	FY 2025 Request	FY 2025 Governor	Governor to Enacted	Governor to Revised
Facilities Management	\$ 20,468,357	\$ 14,405,397	\$ 20,468,357	\$ 11,337,567	\$ (9,130,790)	\$ (3,067,830)
Human Resources	2,182,704	2,182,704	2,182,704	2,360,814	178,110	178,110
Information Technology	5,095,887	5,089,931	5,089,931	4,347,067	(748,820)	(742,864)
Total - All Funds	\$ 27,746,948	\$ 21,678,032	\$ 27,740,992	\$ 18,045,448	\$ (9,701,500)	\$ (3,632,584)
<i>General Revenues</i>	<i>\$ 21,571,003</i>	<i>\$ 20,863,277</i>	<i>\$ 21,171,003</i>	<i>\$ 18,012,990</i>	<i>\$ (3,558,013)</i>	<i>\$ (2,850,287)</i>

Capital Projects. The Department requests \$0.4 million from Rhode Island Capital Plan funds for two projects, consistent with the enacted budget. *The Governor recommends \$0.1 million more for one project however it appears the intent was to fund both projects using capital plan funds. 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 or medical services to support adults with developmental disabilities. As of October 2023, there are 4,372 individuals receiving services through either the state-run system or through community-based providers. This includes 3,831 individuals receiving direct residential, employment and community-based programs, as well as family supports, including respite.

The Department requests \$500.7 million, of which \$226.3 million is from general revenues, for programs to support adults with developmental disabilities. It includes \$0.1 million from Rhode Island Capital Plan funds and \$1.4 million for centralized services. The request is \$31.6 million more from all sources,

including \$18.8 million from general revenues. The request includes \$467.9 million for the community-based system and \$32.8 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. *The Governor recommends \$510.6 million, including \$225.8 million from general revenues, which is \$9.9 million more than requested, including \$0.5 million less from general revenues. This includes changes made at the caseload conference.*

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 Medicaid expansion. Those who are eligible for both Medicare and Medicaid, referred to as “dual eligible,” have the opportunity to 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 to not enroll in managed care continue to receive direct medical benefits through a fee-for-service reimbursement system.

Of the 3,800 program participants, the November caseload estimate assumes that approximately 1,350 individuals are enrolled in Rhody Health Options at a cost of \$19.1 million, another 1,065 in Rhody Health Partners at a cost of \$26.5 million and the remaining 1,385 in fee-for-service. *The Governor recommends funding consistent with the caseload estimate for this population.*

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, 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 for either medical assistance, cash assistance or services to adults with developmental disabilities to the estimate 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. There is caseload reporting requirement for the three agencies participating in the caseload conference process; it must be submitted by the 15th of each month. *The Governor includes Section 18 of Article 3 of 2024-H 7225 to change the reporting date to the 25th for the Department only; he retains the 15th for the Executive Office of Health and Human Services and the Department of Human Services. The change is intended to have the information provided be closer to the actual expenses.*

Privately Operated System. The Caseload Estimating Conference met on November 7, 2023 and based on current law, set the FY 2025 expenditures for private community developmentally disabled services at \$462.2 million, including \$203.7 million from general revenues. This is \$42.6 million more than enacted from all funds and \$17.8 million more from general revenues. The Department’s request was submitted prior to the caseload estimate, and therefore does not reflect the adopted estimate.

The following table itemizes private community-based expenditures included in the enacted budget, adopted by the caseload estimators in November 2023, and recommended by the Governor. Each category

is discussed separately. *The Governor recommends \$0.2 million more than the caseload estimate, including \$0.1 million from general revenues, for day programs; that change is discussed separately.*

Private Community Developmentally Disabled	FY 2024 Enacted	FY 2024 Gov. Rec.	FY 2025 Nov. CEC	FY 2025 Gov. Rec.
Residential Rehabilitation	\$ 265.1	\$ 284.7	\$ 296.0	\$ 296.0
Day Program	91.3	98.1	102.0	102.2
Employment	9.5	8.5	9.0	9.0
Transportation	12.4	14.1	14.8	14.8
Case Management and Other Support Services	10.9	10.0	10.5	10.5
Support Services Expansion	-	2.0	4.0	4.0
L9 Supplemental Funding	30.1	25.1	25.5	25.5
Non-Medicaid Funded	0.3	0.3	0.3	0.3
Total	\$ 419.5	\$ 442.8	\$ 462.2	\$ 462.4
Federal Funds	\$ 233.6	\$ 246.6	\$ 258.4	\$ 258.5
General Revenues	\$ 185.9	\$ 196.3	\$ 203.7	\$ 203.8

\$ in millions

As previously noted, the Governor also adds two new positions, which are funded in the hospital and community support program, for management and oversight of the group homes for this population and those with behavioral health issues.

Residential Rehabilitation. The November Caseload Estimating Conference estimate includes FY 2025 expenditures of \$296.0 million, including \$130.3 million from general revenues for the residential rehabilitation program. The estimate is \$11.3 million more than the revised estimate, including \$4.3 million from general revenues, assuming a higher usage of services through the annual authorizations. Services are provided in a variety of community-based settings, including 24-hour group homes, individual living situations such as an apartment or home, or shared living arrangements such as with a relative. *The Governor recommends funding consistent with the conference estimate.*

Day Program. The November Caseload Estimating Conference estimate includes FY 2025 expenditures of \$102.0 million, including \$44.9 million from general revenues for day program services. This is \$3.9 million more than the revised estimate, including \$1.5 million from general revenues, to reflect the anticipated increase in use of authorizations. Day Program expenses capture services offered at a center-based day program, a community-based day program or home-based day program, including the provision of education, training, and opportunities to acquire the skills and experience needed to participate in the community.

The Department requests \$0.8 million, including \$0.4 million from general revenues, for its portion of the rate increase included in the Office of the Health Insurance Commissioner’s final report that impacts professional supports; the rate will be in effect on October 1, 2024. The constrained request does not include this proposal. *The Governor’s recommendation adds \$0.2 million to the conference estimate, or one-third of the request. This is consistent with his recommendation for the rate increases in the Executive Office and Office of Health and Human Services to be phased in over three years.*

Employment. The November Caseload Estimating Conference estimate includes FY 2025 expenditures of \$9.0 million, including \$4.0 million from general revenues, for employment services. This is \$0.5 million, of which \$0.2 million is from general revenues, above the revised estimate. Employment captures activities such as job assessment and development, job coaching, job retention, and prevocational training for adults with developmental disabilities. *The Governor recommends funding consistent with the conference estimate.*

Transportation. The November Caseload Estimating Conference estimate includes FY 2025 expenditures of \$14.8 million, including \$6.7 million from general revenues, for transportation expenses. This is \$0.7 million more than the revised estimate, including \$0.3 million from general revenues. In addition to the expenses for transportation day activity, the Conference estimate includes \$2.3 million for transportation services provided by the Rhode Island Public Transit Authority. *The Governor recommends funding consistent with the conference estimate.*

Case Management and Other Support. The November Caseload Estimating Conference estimate includes FY 2025 expenditures of \$10.5 million, including \$4.6 million from general revenues, for case management and other support services. This is \$0.5 million more than the revised estimate, including \$0.2 million more from general revenues, for services. An individual can receive these assorted services including, but not limited to, attendant care, home modifications, assistive technology, and support facilitation. *The Governor recommends funding consistent with the conference estimate.*

Support Services Expansion. The November Caseload Estimating Conference estimate includes FY 2025 expenditures of \$4.0 million, including \$1.8 million from general revenues, to expand support services. The new services include remote supports, companion room and board, vehicle modifications, personal care in the workplace, peer support and family to family training. *The Governor recommends funding consistent with the caseload estimate.*

L9 Supplemental Funding. The November Caseload Estimating Conference estimate includes FY 2025 expenditures of \$25.5 million, including \$11.2 million from general revenues, for L9 supplemental funding provided in addition to the annual authorizations. This is \$0.4 million more than the revised estimate assuming increased utilization of the additional services. *The Governor recommends funding consistent with the conference estimate.*

Non-Medicaid Funded. The November Caseload Estimating Conference estimate includes FY 2025 general revenue expenditures of \$311,000 for an individual in an out-of-state placement and \$30,000 for monthly payments to family caregivers of individuals who formerly resided at the Ladd Center. *The Governor recommends funding consistent with the conference estimate.*

Consent Decree Activities - Contracted Services. The Department requests \$1.9 million, including \$1.0 million from general revenues, for contracted services related to workforce development consent decree compliance. This is \$1.3 million more than enacted, including \$0.6 million more from general revenues. It extended the contract with the Sherlock Center for services such as employment and activity surveys, technology training for program staff, and technical assistance to providers. This increase funds work with Direct Support Workforce Solutions through the University of Minnesota's Institute for Community Integration through December 31, 2025. The work will include: a statewide marketing campaign and recruitment, data collection and reporting, training and professional development, selection and retention, and technical assistance. The revised request includes a \$1.7 million increase for this purpose. *The Governor recommends funding as requested.*

Conflict-Free Case Management. The Department requests \$1.4 million, including \$0.3 million from general revenues, for conflict free case management software through Wellsky, which is \$1.3 million less than enacted, including \$0.1 million less from general revenues. The FY 2024 enacted budget includes funding to set up the system, and the FY 2025 request is for ongoing expenses.

The constrained request includes savings of \$0.6 million, including \$0.1 million from general revenues. *The Governor recommends \$0.4 million more than requested, primarily from federal funds, for ongoing expenses.*

Staffing and Other Operations. The Department requests \$12.1 million, including \$5.9 million from general revenues, for staffing and all other administrative expenses. This is \$1.5 million less than enacted, of which \$1.3 million is from general revenues, primarily for salary and benefit expenses. The request includes \$10.4 million, of which \$5.0 million is from general revenues, to fund 59 of the Division’s 61 positions. This is consistent with the revised request which exceeds FY 2023 spending by \$2.1 million, which appears to be attributable to the cost allocation plan.

The request also includes \$1.7 million or \$0.1 million more than enacted, for all other operating expenses. This includes \$1.4 million for centralized services, and \$0.4 million for mileage allowance, staff training and office expenses. *The Governor recommends \$0.1 million more than requested, primarily from general revenues for statewide adjustments including higher than anticipated employee health benefit rates.*

Rhode Island Community Living and Supports Program (RICLAS). There are 21 state-run group homes and apartments that provide overnight care that have the capacity to provide residential services to 116 clients. As of October 2023, there were 105 clients in these facilities. The Department’s current services request includes \$32.8 million for these clients, including \$14.9 million from general revenues, \$16.5 million from federal funds and \$1.4 million from restricted receipts. The request is \$0.5 million more than enacted, including \$1.2 million more from general revenues, \$0.8 million less from Medicaid funds and \$40,686 more from restricted receipts. The Department proposes a significant change to account for staffing and related expenses for the 24-hour operations that bill Medicaid for a portion of the services delivered, this makes it difficult to track expense categories at the hospital, but to a lesser degree with the group homes.

The request includes \$32.8 million to operate the 24-hour facilities, which is essentially consistent with the enacted budget and revised request. It is \$3.8 million more than spent in FY 2023, an increase in the annual cost per person to \$312,106.

RICLAS	FY 2023 Actual	FY 2024 Enacted	FY 2024 Gov. Rev.	FY 2025 Request	FY 2025 Governor
Expenses	\$29,514,261	\$32,379,149	\$32,436,949	\$32,771,086	\$32,597,738
Average # of Persons*	107	105	105	105	105
Annual Cost Per Person	\$ 275,834	\$ 308,373	\$ 308,923	\$ 312,106	\$ 310,455

*FY 2024 enacted, revised and request based on October census

The constrained request includes savings of \$0.8 million from all sources, including \$0.4 million from general revenues, from no longer hiring temporary staff starting July 1, 2024. *The Governor recommends \$26,899 less than requested, including \$0.9 million less from general revenues, for statewide adjustments including higher than anticipated employee health benefit rates, and makes further adjustments for all other program expenses.*

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, which provides additional services through federal resources primarily the Substance Abuse, Mental Health and Social Services block grants.

The November 2023 caseload estimate for FY 2025 includes \$765.5 million to provide Medicaid coverage to adults between ages 19 and 64, without dependent children, with incomes at or below 138 percent of poverty in the Executive Office of Health and Human Services’ budget. This reflects enrollment of approximately 96,000.

Substance Use and Mental Health Treatment Services Grants. The Department requests \$16.0 million, or \$1.6 million less than enacted, from federal mental health and substance abuse block grant funds, as well as enhanced federal resources made available through recent legislation. This is based on a revised spending plan that spreads funding over multiple years. The following table shows the separate federal grants included in the enacted budget, FY 2025 request, and Governor’s recommendation. The revised request includes \$18.2 million.

FY 2025					
Block Grant	FY 2024 Enacted	Request	Change to Enacted	Gov. Rec.	Change to Request
Substance Abuse	\$ 7.5	\$ 7.7	\$ 0.1	\$ 7.7	\$ -
ARP: Substance Abuse	2.7	2.7	0.0	2.7	-
CAA: Substance Abuse	1.8	-	(1.8)	-	-
Mental Health	2.7	3.4	0.7	3.4	-
ARP: Mental Health	2.3	2.3	-	2.3	-
CAA: Mental Health	0.6	-	(0.6)	-	-
Total	\$ 17.7	\$ 16.0	\$ (1.6)	\$ 16.0	\$ -

\$ 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 constrained request includes general revenue savings of \$350,000 from shifting staffing expenses to the mental health and substance abuse block grants though it does not alter uses of the grants. *The Governor recommends funding as requested.*

Social Services Block Grant - Mental Health Treatment Services. The Department requests 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. *The Governor recommends funding as requested.*

Opioid Funds. The Department requests \$1.5 million to support recovery housing and medication assistance treatment from opioid funds. This is \$5.5 million less than enacted, excluding \$5.1 million from abatement funds and \$0.4 million from stewardship funds. The planned use of the funds includes investments in school- and community-based mental health services, recovery housing, and contracted medical and administrative services. *The Governor recommends \$4.7 million more than requested to reflect the updated spending plan. The following table shows the recommendation in the four agencies receiving the funds.*

Governor's Recommendation					
Agency	Pre-FY 2023	FY 2023	FY 2024	FY 2025	5-Year Total
EOHHS	\$ -	\$ 3,296,603	\$ 15,075,410	\$ 25,238,667	\$ 40,314,077
BHDDH	1,803,172	2,124,235	11,750,778	6,282,507	19,836,457
Health	926,565	2,643,786	6,772,800	4,749,471	12,448,836
Corrections	2,053,595	1,699,177	1,976,587	1,331,555	5,361,737
Total	\$ 4,783,332	\$ 9,763,801	\$ 35,575,575	\$ 37,602,200	\$ 77,961,107

The next table shows FY 2023 spending and Governor’s recommendations for FY 2024 and FY 2025 by category. Additional information is available at eohhs.ri.gov/Opioid-Settlement-Advisory-Committee.

Category	FY 2023	FY 2024	FY 2025
Treatment	\$ 2,131,587	\$ 6,436,499	\$ 5,374,698
Prevention	2,467,847	5,425,472	2,900,000
Social Determinants of Health	1,126,841	6,619,779	2,350,000
Harm Reduction and Rescue	2,442,190	9,298,976	4,589,318
Recovery	545,197	3,500,439	3,800,508
Racial Equity	-	300,000	500,000
Governance	505,982	2,840,808	2,676,695
Data	544,157	1,153,602	1,299,009
Not Yet Identified	-	-	14,111,972
Total	\$ 9,763,801	\$35,575,575	\$37,602,200

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 that totaled \$0.6 million and FY 2024 includes the remaining \$1.7 million that must be obligated by December 31, 2024 and spent by December 31, 2026. The Department’s revised request includes \$0.8 million, or \$0.9 million less than enacted, and includes \$0.6 million for FY 2025, exhausting the funds. The Pandemic Recovery Office reports spending of \$152,150 in FY 2023 suggesting the request understates available funds by \$0.7 million. *The Governor recommends the full authorization of \$2.2 million for FY 2024.*

ARPA - 988 Hotline. The Assembly authorized \$3.9 million from State Fiscal Recovery Funds over FY 2023 and FY 2024 for the 988 hotline to maintain compliance with the National Suicide Hotline Designation Act of 2020 and Federal Communications Commission-adopted rules to ensure a consistent level of service for total funding of \$3.9 million. FY 2023 expenses totaled \$0.2 million and the remaining funds are included in the FY 2024 revised request, exhausting the time-limited funds. The hotline is operated by Horizon Health Partners, which used its BH Link program to provide the necessary staffing and operations to meet the federal requirements.

To continue operations of the hotline, the Department requests \$3.5 million, including \$1.8 million from general revenues, \$1.6 million from federal Medicaid funds and \$0.2 million from the Transformation Transfer Initiative grant. Funding includes \$2.3 million to support hotline center operations for approximately 30 positions and \$1.2 million for other expenses. The request assumes general revenues can be matched by Medicaid since a significant portion of the callers have that coverage. For this to occur, the Department must enter into an agreement with the Executive Office to leverage Medicaid for administrative expenses for the hotline. Any direct services for the Medicaid eligible callers would be billed to the Executive Office’s budget through the Medicaid program.

The constrained request excludes this proposal. *The Governor recommends \$1.9 million from State Fiscal Recovery funds and \$0.2 million from the federal grant; this is \$1.5 million less than requested. FY 2025 is the final year that fiscal recovery funds will be available to support the hotline and a permanent funding solution still needs to be identified.*

988 Hotline Services Support - Federal Funds. The Department requests \$0.8 million from a new \$1.0 million, three-year grant to expand services provided by the Lifeline Center, or the 988 hotline. *The Governor recommends \$0.1 million more than requested.*

Trauma Services. The Department requests \$0.4 million from new Bipartisan Safer Community Act funds to provide mental health services on the scene of a traumatic event, especially for those with complex issues. *The Governor recommends funding as requested.*

State Opioid Response Grant. The Department requests \$7.9 million from federal State Opioid Response Grant funds, which is \$0.6 million less than enacted, to reflect an updated grant award. The Department has not provided further requested details on its plan beyond the stated allocation of \$2.4 million for community support activities and Narcan purchases included in the enacted budget. *The Governor recommends \$9,160 more than requested for statewide adjustments for higher than anticipated employee health benefit rates.*

Unallowable Grant Expenses. The Department requests \$325,000 from available asset forfeiture funds, which is \$250,000 more than enacted, to pay for non-direct expenses that are not allowed under the State Opioid Response federal grant. It submitted its plan for use of the federal grant to the Substance Abuse and Mental Health Services Administration for approval of each provider's budget submission and a determinization was made that only about \$750,000 of the \$950,000 in non-direct expenses was allowable. The Department is using the restricted receipts to make up the difference. *The Governor recommends funding as requested.*

Partnership for Success Grant. The Department requests \$1.3 million from federal strategic prevention framework state incentive grant funds to support activities that deliver and sustain effective substance abuse and/or mental health services. This includes preventing the onset and reducing the progression of substance abuse, including childhood and underage drinking and reducing substance abuse-related problems in communities and building prevention capacity and infrastructure at the state and community levels. The request is \$0.8 million more than enacted primarily for services. *The Governor concurs.*

Rhode Island Early Diversion Program. The Department's request includes \$100,000 from federal funds for the early diversion program that initiates a direct transfer approach for law enforcement to divert individuals affected by mental health or co-occurring substance use disorders from arrest to services. A law enforcement liaison will be contracted to work with police departments so that individuals can be transported to the Behavioral Health Link (BH Link) assessment and triage center or request on-site assistance. The center provides short-term crisis stabilization services and makes connections to treatment and recovery services. This is the fifth and final year of the grant that totals \$1.7 million. *The Governor recommends funding as requested.*

Homelessness Services. The Department includes \$0.9 million from federal funds for a new initiative to be used for outreach to those who are homeless, or at-risk, along with assessments and connections to appropriate treatment. The revised request includes \$0.8 million for the initiative. *The Governor recommends funding as requested.*

Recovery Housing. The Department received \$1.0 million from federal grant funds through the Department of Housing and the federal Department of Housing and Urban Development to provide stable, temporary housing for 24 months to low income individuals with a substance use disorder. The four-year \$1.0 million grant was awarded in 2021. The revised request includes \$0.9 million and \$0.1 million is requested in FY 2025. FY 2023 expenses totaled \$20,924. *The Governor concurs.*

Youth Vaping Abatement. The Department requests \$240,000 from general revenues for a youth vaping abatement initiative, in conjunction with the Executive Office of Health and Human Services, and the Departments of Health, and Behavioral Healthcare, Developmental Disabilities and Hospitals. Rhode Island was a party to a multi-state settlement regarding marketing vapor products to underaged consumers; the state share of the settlement ranges from \$6.3 million to \$6.9 million, dependent on certain conditions. Funding will support youth vaping abatement activities, including prevention programming and retailer enforcement training.

The constrained budget excludes this request. *The Governor recommends \$50,000 for abatement activities and includes \$350,000 in the Department of Health for school-based initiatives.*

Substance Abuse Prevention/Student Assistance. The Department requests \$60,000 for student prevention programs from available asset forfeiture funds, which is consistent with the enacted budget; however, this appears to be in error since it has been reported that there are no available funds. *The Governor recommends funding as requested.*

Primary and Behavioral Healthcare Grant. The Department requests \$1.3 million less from federal funds for the expiration of the Promoting Integration of Primary and Behavioral Healthcare Grant; funding was available through December 31, 2023. The grant promoted integration and collaboration in clinical practice between primary and behavioral healthcare and supports the integrated care models for primary care and behavioral healthcare. Funding was awarded to Community Care Alliance and Gateway Healthcare. *The Governor recommends funding as requested.*

Other Staffing and Operations. The Department requests \$8.7 million, including \$3.8 million from general revenues, for all other staffing and operations. This is \$163,831 less than enacted and \$15,660 more from general revenues. Salaries and benefits are \$7.2 million, including \$3.0 million from general revenues, which is \$1.3 million more than enacted, including \$0.9 million more from general revenues, which appears to be based on the updated cost allocation plan.

Other operations are \$1.5 million from all sources, including \$0.8 million from general revenues, or \$0.2 million more than enacted, primarily from general revenues. The request includes \$0.6 million from all sources for various administrative expenses, \$0.7 million for contracted administrative services, and \$0.2 million for other federal grants.

The constrained request includes general revenue savings of \$176,888 from using Public Consulting Group to update how staffing hours are tracked. *The Governor recommends \$0.1 million more than requested to include the savings from updated tracking and statewide adjustments for higher than anticipated employee health benefit rates.*

Eleanor Slater Hospital

Hospital Operations. The Department requests \$121.0 million from all sources, including \$63.1 million from general revenues, \$56.6 million from federal funds and \$1.0 million from restricted receipts for hospital expenses at both the Cranston campus and Zambarano unit in Burrillville. The request is \$6.4 million more than enacted and \$3.1 million more from general revenues and includes centralized services for purposes of calculating the annual cost per patient at \$778,510.

The enacted budget assumes 143 of the average 155 patients have either Medicaid, Medicare or both. The remaining patients do not have coverage. The following table shows the daily rate paid by Medicaid, matched by general revenues, for the eligible patients including the revised and FY 2025 requests.

The Governor recommends \$107.8 million, or \$13.1 million less than requested, which includes statewide utility savings and updated projections for other centralized services including six months of charges related to implementation of new systems management software, previously discussed. The average annual cost per patient, assuming 155 patients, is \$695,801.

Sources. The enacted budget includes \$3.2 million from anticipated Medicare Part D payments and other third-party payments that was consistent with the Department's request and Governor's recommendation. The request includes only \$1.0 million, or \$2.2 million less than enacted. The year-to-date collections through October are \$0.6 million, with a prior year balance of \$3.0 million from FY 2022 and FY 2023. This request appears to assume \$5.2 million more from federal Medicaid billing to offset the reductions in other sources. The constrained request adds \$3.6 million from restricted receipts. *The Governor*

recommends \$4.5 million from third party payments, consistent with the constrained request and \$1.3 million more than enacted.

Medicaid Billings	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2024 Gov. Rec.	FY 2025 Request	FY 2025 Gov. Rec.
# patients	146	143	133	133	136	136
Daily Rate	\$ 1,920	\$ 1,732	\$ 1,900	\$ 2,145	\$ 1,932	\$ 1,949
Total	\$ 75,265,796	\$ 90,410,522	\$ 100,948,405	\$ 104,138,003	\$ 101,039,186	\$ 96,763,722
Medicaid	\$ 43,316,963	\$ 50,403,866	\$ 56,278,736	\$ 53,575,321	\$ 56,571,840	\$ 50,768,748

Uses. The Department requests \$6.4 million more than enacted, including \$3.1 million from general revenues, for hospital operations. As noted earlier, the budget submission makes 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. Other than a shift of \$0.4 million in legal services from central management, it is unclear why the expenses are increasing compared to the enacted budget.

Excluding changes discussed separately, including centralized services, the request is \$4.3 million more than enacted, including \$2.2 million more from general revenues. The Department has not been able to explain the difference.

Excluding all other changes, the Governor recommends \$4.5 million less than requested, including \$4.3 million less from general revenues. As requested, the budget shifts expenses billable to Medicaid to grants from other categories. The following table shows what the change in presentation is by category for the shift in those expenses.

Category	Governor	Old Category	Change in Presentation
Salaries and Benefits	\$ 4,001,669	\$ 71,007,425	\$ 67,005,756
Contracted Services	117,646	2,554,142	2,436,496
Other State Operations	9,995,529	23,291,086	13,295,557
Assistance, Grants, and Benefits	93,189,315	9,801,714	(83,387,601)
Capital	544,961	1,194,753	649,792
Total	\$ 107,849,120	\$ 107,849,120	\$ -

Hospital License Fee. The Department requests \$0.7 million from general revenues for its hospital license fee payment, which is consistent with enacted budget. The rate is 5.25 percent on 2022 base revenues. It should be noted that the payment made for FY 2023 was \$3.8 million to reflect updated revenues from 2021.

The Governor includes Section 1 of 2024-H 7225, to extend the FY 2025 hospital license fee for Eleanor Slater Hospital at 5.25 percent rate based on 2022 revenues. Based on updated information, the budget assumes these payments to be \$1.2 million in FY 2024 and FY 2025, or \$0.5 million more than enacted.

Hospital License Fee	FY 2024 Enacted			FY 2025 Governor		
	Community Hospitals	Eleanor Slater	Combined	Community Hospitals	Eleanor Slater	Combined
Base Year	2022	2022		2022	2022	
Tax Rate	5.78%*	5.25%		5.78%*	5.25%	
Amount	\$ 211,684,677	\$ 688,004	\$ 212,372,681	\$ 211,684,677	\$ 1,181,838	\$ 212,866,515
Total	\$ 211,684,677	\$ 688,004	\$ 212,372,681	\$ 211,684,677	\$ 1,181,838	\$ 212,866,515

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

The request includes specific proposals excluded from the constrained request, each is discussed separately.

Specialty Contracted Medical Doctors. The Department requests \$0.3 million more than enacted, including \$0.1 million from general revenues, for New England Premier Healthcare to provide four contracted physicians to replace three vacant positions and a new contracted administrator. The request includes \$0.3 million each for the physicians and \$0.1 million for an administrator totaling \$1.4 million. The offsetting expenses total \$1.1 million for the full-time equivalent positions. It should be noted that the staffing authorization remains the same.

The constrained request eliminates the proposal. *The Governor's recommendation includes the new doctors but assumes savings from vacant positions to fund them.*

Medicare Part D. The FY 2024 enacted budget includes \$1.8 million for pharmacy expenses paid through the Medicare Part D program for eligible patients at Eleanor Slater Hospital which offsets general revenues. The receipts were included in the Department's FY 2024 constrained request, recommended by the Governor, and accepted by the Assembly. The Department's FY 2025 request lowers the anticipated receipts to \$0.7 million, or \$1.1 million less than enacted, which is consistent with the revised request. The Part D receipts are being collected and total \$0.5 million through October 2023.

The constrained budget increases collections to \$1.4 million, or \$0.7 million more than its request. There is also a balance of \$0.2 million from unspent funds from FY 2022 and FY 2023. *The Governor recommends using the \$1.4 million in these receipts for pharmacy expenses.*

Other Non-Medicaid Reimbursements. The FY 2024 enacted budget includes \$1.4 million for hospital expenses through that can be paid for through Medicare or other commercial payers for eligible patients at Eleanor Slater Hospital which offsets general revenues. The receipts were included in the Department's FY 2024 constrained request, recommended by the Governor, and accepted by the Assembly. The Department's FY 2025 request lowers the anticipated receipts to \$0.3 million, or \$1.1 million less than enacted, which is consistent with the revised request. The receipts are collected and total \$0.2 million through October 2023.

The constrained budget includes \$3.1 million from restricted receipts, or \$2.9 million more than its request. It is unclear why this proposal is repeated for FY 2025 and the receipts are lowered in both requests. There is also a balance of \$2.8 million from unspent funds from FY 2022 and FY 2023. *The Governor recommends general revenue savings of \$2.9 million from shifting expenses to one-time restricted receipts.*

Pharmacy Operations. The Department's constrained request includes savings of \$0.3 million from pharmacy expenses by adjusting certain expenses, in ways that have not been specifically identified. *The Governor recommends the reduction.*

Rhode Island State Psychiatric Facility

Hospital Operations. The Rhode Island State Psychiatric Facility received approval to operate a 52-bed facility separately from the Eleanor Slater Hospital in October of 2022; the bed count has since been increased to 53. The Department requests \$36.7 million, which is \$1.5 million more than the enacted budget. The request, consistent with the revised request, increases the staffing authorization from 82.8 to 129.4 full-time equivalent positions. The annual cost for each patient is \$693,362; the enacted budget assumes an annual cost of \$677,238 for a lower patient census. *The Governor's recommendation assumes an annual cost per patient of \$663,196 for total funding of \$35.1 million.*

Mental Health Workforce. The Department requests \$0.7 million from general revenues to fund currently vacant positions adding eight mental health workers. It should be noted that the current staffing authorization for mental health workers is 46 and as of the December 2, 2023, 44 of the positions are filled.

The constrained request excludes the funding. *The Governor adds \$0.3 million to fund three vacant mental health worker positions, or \$0.4 million less than requested.*

Staffing and Other Medical Services. The Department requests \$26.3 million from general revenues for salaries and benefits and additional contracted medical services. This is \$2.0 million less than enacted for staffing and \$4.1 million more for medical services. The requested staffing authorization is for 129.4 positions, which is 46.6 more than enacted and consistent with the revised request. The staffing request reflects updated staffing expenses and assumes keeping 20 positions vacant. As of the November 20, 2023, there are 108.3 positions filled. To offset the decrease in staffing expenses, the Department requests \$4.1 million in contracted medical services expenses. *The Governor recommends \$0.2 million more than requested primarily for statewide adjustments for higher than anticipated employee health benefit rates.*

Out-of-State Facility. The Department requests the enacted amount of \$1.5 million from general revenues for a contract with a South Carolina facility to provide residential treatment services for up to five forensic patients on an as-needed basis. *The Governor recommends funding as requested.*

Security Services. As described earlier in this analysis, the Department requests \$2.1 million from general revenues for security services, which is consistent with the revised request and enacted budget; it is \$0.1 million less than FY 2023 expenses. *The Governor recommends funding as requested.*

New Vehicles. The Department requests \$97,000 from general revenues for two new 12-person vans to transport patients to doctor's appointments and court.

The constrained budget does not include the proposal. *The Governor does not recommend the proposal.*

New Equipment. The FY 2024 enacted budget included a one-time expense of \$268,000 from general revenues to reflect a delay in the delivery of new sinks and commercial washers and dryers from FY 2023. The current services budget removed the funding for FY 2025. The Department requests \$150,000, or \$118,000 less than enacted, for other one-time equipment purchases. *The Governor concurs.*

Other Operating Expenses. The Department requests \$0.6 million less than enacted from general revenues for a total of \$6.7 million for all other operating expenses. This includes \$0.4 million more for pharmaceuticals and medical supplies, \$0.3 million more for food, \$0.2 million more for janitorial and laundry supplies, and \$0.1 million more for contracted information technology and temporary contracted services.

The constrained budget includes savings of \$0.6 million in operating expenses. *The Governor recommends \$2,175 less than requested for statewide utility savings.*

State Hospitals - Technology Projects

Electronic Medical Records System. The Assembly provided \$22.4 million from Large Systems Initiatives funding in the Department of Administration's budget for the state hospitals which currently do 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 Department of Administration is in the process of reviewing proposals and estimates a 30-month implementation to be completed in December 2026.

For FY 2025, the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' request includes \$1.5 million, including \$0.9 million from general revenues to repurpose nine vacant unidentified positions at Eleanor Slater Hospital and the state psychiatric facility for new positions assigned to implement the new medical records system. It assumes filling those positions beginning in July 2024.

The constrained request excludes the proposal. *The Governor does not recommend the proposal.*

Capital Projects. The Department's request includes \$0.6 million from all sources, including \$0.3 million from general revenues for new technology initiatives that were included in the capital request but funded through the Information Technology restricted receipt account. Projects include new systems for: hospital risk management policy, document management, hospital patient accounts tracking, prevention collection and reporting, and Wi-Fi capability at the Zambarano campus. It should be noted that these new systems may be part of the new Electronic Medical Records System included in the Department of Administration's budget.

The request also includes \$0.2 million from all sources, including \$0.1 million from general revenues, for a laboratory system for 12 months until the medical records system is operational in December 2025. The Department currently shares the CERNER laboratory system with the Department of Health and as of December 31, 2024, that system will no longer be used.

The constrained request excludes the new technology projects and the laboratory system. *The Governor recommends \$0.4 million, including \$0.2 million from general revenues, for the laboratory system; this is \$0.2 million more than requested for a full year of funding for the system.*

Hospital and Community System Support

Other Staffing and Operations. The Department requests \$1.3 million from all sources, including \$0.9 million from general revenues, \$0.4 million from federal funds and \$0.1 million from restricted receipts for operations in the hospital and community system support program. The request is \$0.2 million more than enacted, which is \$0.3 million more than FY 2023 spending. The enacted budget includes authorization for 65.0 full-time equivalent positions and the Department includes 67.0 positions in its request which totals \$1.1 million. As of the December 2, 2023 payroll report, there are 62 individuals assigned to the program.

The request includes \$0.2 million, which is \$5,898 more than enacted, including \$14,557 less from general revenues, to adjust spending for other operating expenses. *The Governor recommends \$8,220 more than requested, including \$4,541 more from general revenues, for statewide adjustments for higher than anticipated employee health benefit rates.*

Central Management

Staffing and Operations. The Department requests \$4.4 million from all sources, including \$3.0 million from general revenues for other central management expenses. This is \$1.4 million more from all sources, including \$0.7 million more from both general revenues and federal funds. The change is nearly all salaries and benefits, which are \$0.7 million more than FY 2023. The changes appear to be related to the updated cost allocation plan and a reduced number of full-time equivalent positions directly assigned to this program. The request also includes \$0.1 million less for contracted legal services shifted to Eleanor Slater Hospital's budget.

The constrained request includes \$77,259 in contracted services savings. *The Governor recommends \$20,087 less than requested, including \$34,900 less from general revenues. He includes the contracted services savings offset by statewide adjustments for higher than anticipated employee health benefit rates.*

Office of the Child Advocate

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 1,479,339	\$ 1,421,327.00	\$ 1,751,932	\$ 1,486,377
Contracted Services	2,700	2,700	2,700	2,700
Subtotal	\$ 1,482,039	\$ 1,424,027	\$ 1,754,632	\$ 1,489,077
Other State Operations	165,875	211,904.00	183,964	150,349.00
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	2,000	2,000	6,000	2,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,649,914	\$ 1,637,931	\$ 1,944,596	\$ 1,641,426
Sources of Funds				
General Revenue	\$ 1,649,914	\$ 1,625,931	\$ 1,944,596	\$ 1,641,426
Federal Aid	-	12,000	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,649,914	\$ 1,637,931	\$ 1,944,596	\$ 1,641,426
FTE Authorization	10.0	10.0	12.0	10.0

Summary. The Office of the Child Advocate requests \$1.9 million from general revenues and 12.0 full-time equivalent positions. This is \$0.3 million and 2.0 more positions than included in the enacted budget. *The Governor recommends \$1.6 million, which is \$8,488 less than enacted and \$0.3 million less than requested. He includes the current authorized level of 10.0 positions.*

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 \$1.6 million. The amount includes a reduction for current service adjustments of \$2,868 and a 5.0 percent target reduction, adjusted for certain exclusions, of \$76,086. The constrained budget submitted by the agency is \$33,954 above the target. The proposals to achieve the reduction are noted below where appropriate. *The Governor's recommendation is \$70,466 above the target.*

Investigator (1.0 FTE). The Office requests \$127,317 from general revenues for a third investigator. These positions are responsible for conducting site reviews of Department of Children, Youth and Families provider facilities and to provide oversight of youth in Department care. The request includes \$124,317 for the position and \$3,000 for related operating expenses.

These individuals are also responsible for reviewing allegations of institutional abuse and determining whether or not an investigation is warranted, including facilities that are out-of-state. The Office reports the Department has contracts for placements in Florida, Virginia, Vermont, Tennessee, Missouri, and Oklahoma, and is exploring options in Texas, Nevada and Ohio. The Office is required to visit all facilities used by the Department, including those out-of-state.

This position and associated expense are excluded from the constrained request. *The Governor does not recommend the proposal.*

Case Management Coordinator (1.0 FTE). The Office requests \$125,222 for a new Case Management Coordinator position to assist in court referred cases, child near-fatality and fatality reviews, and assist with making recommendations for systematic change within the Department of Children, Youth and Families service array. The includes \$122,222 for the position and \$3,000 for related operating expenses.

The Office indicates that increased issues regarding education, appropriate placements, and accessing community-based services has led to an increase in Family Court referrals in recent years. The Office attended 370 court hearings for court-referred cases in 2022; it has already attended 264 hearings in the first nine months of 2023.

This position and other expenses are excluded from the constrained request. *The Governor does not recommend the proposal.*

Other Salaries and Benefits. The Office requests \$1.5 million from general revenues to fully fund its 10.0 authorized full-time equivalent positions. The request is \$26,054 more than enacted, reflecting the future reclassification of an attorney position to a higher level and benefit cost adjustments. As of the time of the request, the Office has 2.0 vacant positions, including the Child Advocate position, vacated in July 2023.

The Office includes turnover savings of \$87,143 in its constrained request which is the equivalent of maintaining a vacant position for approximately half of FY 2025. *The Governor recommends \$19,016 less than requested, including \$9,906 for statewide adjustments for higher than anticipated employee health benefit rates and \$2,868 less for all other staffing changes. He did not reclassify the attorney position but does assume upgrading the case management coordinator and about one month of turnover savings.*

Other Expenses. The Office requests \$186,664 from general revenues for all other expenses, which is \$16,089 more than enacted. It also includes \$19,100, or \$10,500 more than enacted, for the monitoring of youth, including those placed at an out-of-state facility and \$5,089 for all other operating expenses. The Department of Children, Youth and Families currently has contracts for placements in Florida, Virginia, Vermont, Tennessee, Missouri, and Oklahoma, and is exploring potential contracts in Texas, Nevada and Ohio.

The Governor recommends \$31,615 less than requested, including savings of \$26,026 for statewide changes to account for utility savings and updated projections for other centralized services including six months of charges related to implementation of new systems management software. The Governor also recommends \$5,589 less than requested for posting, printing and other office expenses.

Commission on the Deaf and Hard of Hearing

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 537,179	\$ 561,773	\$ 823,592	\$ 564,420
Contracted Services	201,200	201,200	201,200	201,200
Subtotal	\$ 738,379	\$ 762,973	\$ 1,024,792	\$ 765,620
Other State Operations	130,296	130,249	131,296	148,564
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 868,675	\$ 893,222	\$ 1,156,088	\$ 914,184
Sources of Funds				
General Revenue	\$ 764,208	\$ 766,497	\$ 1,051,621	\$ 782,651
Federal Aid	-	-	-	-
Restricted Receipts	104,467	126,725	104,467	131,533
Other	-	-	-	-
Total	\$ 868,675	\$ 893,222	\$ 1,156,088	\$ 914,184
FTE Authorization	4.0	4.0	6.5	4.0

Summary. The Commission on the Deaf and Hard of Hearing requests \$1.2 million, of which \$1.1 million is from general revenues, and 6.5 full-time equivalent positions for FY 2025. This adds \$0.3 million from general revenues and 2.5 full-time equivalent positions to the enacted level. *The Governor recommends \$914,184 from all sources and the enacted level of staffing. This is \$268,970 less than requested from general revenues and \$27,066 more from restricted receipts.*

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 \$0.7 million, including a current service adjustment of \$589 and a 5.0 percent reduction of \$33,205, adjusted for certain exclusions. The constrained budget submitted by the agency is \$22,626 more than the target; the Commission reported this was inadvertent, it intended to meet the Budget Office target. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor's recommendation is \$51,059 more than the target.*

DeafBlind Services Staff (1.0 FTE). The Commission requests \$91,908 from general revenues and one full-time equivalent position to expand its current supportive services to the hard of hearing community and establish programming and support for the deafblind community, those who have combined vision and hearing loss. The Commission reports that the state's aging population is increasing the demand for services for the hard of hearing community. It reports services for the deafblind community are severely lacking, with no support for tactile or protactile interpreters, known as co-facilitators, or for co-navigators, guides to support going out into the community. The Commission reports that the pandemic exposed the lack of services to the deafblind community from any state agency, including the Commission.

The constrained request excludes the funding and authorization. *The Governor excludes this proposal.*

Computer Aided Real Time Translation and Interpreter Services (1.5 FTE). The Commission requests \$260,538 for computer aided real time translation and interpreter referral services, including \$212,290 from general revenues and \$48,248 from restricted receipts. This includes the enacted level of \$88,248 and adds \$172,290 from general revenues for 1.5 new full-time equivalent positions. The Commission is statutorily mandated to provide interpreter services to support communication access. Its restricted receipts are derived from an annual \$100,000 transfer from the \$0.09 Dual Party Phone Relay surcharge on all landlines. The U.S. Department of Justice has notified the Commission that it has received multiple complaints from the systems users, including state agencies, of the system's failure to satisfy service requests which may violate the Americans with Disabilities Act.

The request for new staff includes \$116,084 for a position for proactive community outreach and to improve referral service provision and \$56,206 for dedicated part-time interpreter services. The Commission currently has one staff who coordinates requests for services; it had also been using a contractor, but the contractor vacated the position. The Commission has reported difficulty replacing the contractor. The Commission procured a study to review the existing referral system and provide recommendations for improvement; it recommends system replacement, hiring an employee in lieu of a contractor, and offering a dedicated interpreter during set weekly hours. The Commission also noted inability to attain interpreter services has caused its own meetings to be cancelled.

The constrained request excludes the funding and authorizations. *The Governor recommends funding as enacted.*

Other Staffing and Operations. The Commission requests \$803,642, of which \$747,423 is general revenues and \$56,219 is restricted receipts for its four authorized staff and other operations. This is \$23,215 more than enacted from general revenues, which includes \$22,215 for staffing from filling the executive director position at a higher level than the enacted budget assumed, and \$1,000 for operating expenses, almost entirely for travel expenses. It should be noted that the request includes the enacted level of spending for centralized services, which is \$10,134 less than FY 2023 spending. Updated billing amounts are anticipated to be released by the end of December 2023.

The constrained request reduces general revenue spending by \$33,205. This includes \$10,205 less for centralized information technology expenses and \$23,000 less for contracted interpreter referral services. It should be noted that the centralized services are billed by other state agencies for services performed and generally not subject to user discretion.

The Governor recommends \$22,294 more than requested from all sources. Salaries and benefits are \$5,026 more than requested to reflect increased employee benefit rates; it allocates \$22,247 for the executive director's salary to restricted receipts. Consistent with the revised recommendation, this reduces available resources for interpreter and Computer-Aided Real Time Translation services. It also adds \$17,268 more for updated projections for other centralized services, including six months of charges related to implementation of new systems management software.

Governor's Commission on Disabilities

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 564,470	\$ 537,450	\$ 550,251	\$ 554,123
Contracted Services	129,792	135,997	154,971	148,662
Subtotal	\$ 694,262	\$ 673,447	\$ 705,222	\$ 702,785
Other State Operations	116,543	97,314	112,192	93,376
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,172,915	1,793,838	1,293,306	881,831
Capital	-	6,864	2,515	2,515
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,983,720	\$ 2,571,463	\$ 2,113,235	\$ 1,680,507
Sources of Funds				
General Revenue	\$ 1,542,951	\$ 2,148,870	\$ 1,600,969	\$ 1,528,968
Federal Aid	378,638	377,937	451,361	85,000
Restricted Receipts	62,131	44,656	60,905	66,539
Other	-	-	-	-
Total	\$ 1,983,720	\$ 2,571,463	\$ 2,113,235	\$ 1,680,507
FTE Authorization	5.0	5.0	5.0	5.0

Summary. The Governor's Commission on Disabilities requests FY 2025 expenses of \$2.1 million from all sources, including \$1.6 million from general revenues. This is \$129,515 more than enacted, including \$58,018 from general revenues. It also requests the authorized staffing of 5.0 full-time equivalent positions. *The Governor recommends \$1.7 million from all sources and staffing at the authorized level. This is \$0.4 million less than requested, primarily from federal funds.*

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Governor's Commission on Disabilities this produced a general revenue target of \$1.5 million, including a current service adjustment of \$299 and a 5.0 percent reduction of \$73,692, adjusted for certain exclusions. The constrained budget submitted by the agency exceeds the target level by \$38,835. The proposals to achieve the reductions are noted among the items described below where appropriate. *The recommendation is \$59,410 above that.*

Salaries and Benefits. The Commission requests \$550,251 from general revenues to support its authorized 5.0 full-time equivalent positions. This is \$14,219 less than enacted and \$14,518 less than the current service estimate, reflecting turnover savings from filling the executive secretary position at the entry level. *The Governor recommends \$3,872 more than requested, including \$6,713 for higher than anticipated employee health benefit rates. Requested expenses of \$2,841 for holiday pay were inadvertently excluded.*

Outreach Services. The Commission requests \$112,966 from all sources for outreach services. This is \$86,998 more than enacted, including \$69,832 from general revenues and \$17,166 from restricted receipts. The request includes \$77,495 to seven community-based organizations that are located in underserved communities to publicize services and programs that are available to individuals who are having

accessibility issues. It also includes \$35,471 for a contracted public education coordinator to work with the organizations to provide training and technical assistance. The Commission notes that this approach will ensure that the grants have the maximum impact. The constrained request reduces funding for the community organizations by \$5,313 and includes \$18,731 less for the contracted position. *The Governor recommends \$43,845 from all sources, of which \$37,780 is from general revenues. It includes \$32,033 for grants and \$11,812 for the contracted position; this is \$17,877 more than enacted.*

Livable Home Modification Grant Program. Excluding expenses for items previously discussed, the request includes \$770,759 from general revenues, or \$16,723 more than enacted for the Livable Home Modification Grant Program, which is administered in consultation with the Executive Office of Health and Human Services. The program provides 50.0 percent of the total retrofit costs, up to \$4,500 in funding to support home modifications and accessibility enhancements to allow individuals to remain in community settings. It includes the enacted amount of \$709,038 for home accessibility enhancements and \$61,721 for program administration. This includes \$55,238 or \$16,143 more than enacted for a contracted employee who processes grant applications to determine eligibility and to respond to inquiries. The Commission notes that this employee has not received an increase in compensation for years and has been overseeing the program since its inception in 2018. The request includes an average annual increase of \$3,239 for five years. Remaining program expenses are essentially consistent with the enacted budget.

The constrained request reduces funding by \$62,691. This includes \$59,452 for grants, which would support 13 fewer projects at the \$4,500 maximum award, and \$3,239 less for the contractor position, which funds 80.0 percent of the requested increase. *The Governor recommends \$13,690 less than requested or \$3,033 more than enacted, which appears to fund part of the requested increase for the contracted position.*

Statewide Independent Living Program. Excluding expenses for items previously discussed, the request includes, \$482,038 from all sources for the Statewide Independent Living Program, including \$30,677 from general revenues and \$451,361 from federal funds. This is \$73,371 more than enacted, including \$72,723 from federal funds and a slight increase from general revenues. All but \$827 of the increase is for habilitative services. The State Plan for Independent Living Services is developed by the Statewide Independent Living Council in conjunction with the Ocean State Center for Independent Living. The adopted plan covers federal FY 2021 through FY 2023, which was extended a year. The plan further outlines scope of services to be provided by the Centers for Independent Living, as well as the goals for expanding independent living. The federal FY 2025 through FY 2027 plan is due by July 2024. *The Governor recommends \$0.4 million less from federal funds than requested, based on currently known federal funding for the program and notes that additional funding once awarded can be included in the Commission's FY 2025 revised request.*

Other Expenses. The request includes \$197,221 for all remaining expenses. This is \$33,358 less than enacted, including \$14,966 less from general revenues. It includes \$61,188, or \$27,284 less for contracted services. The Commission notes that it redesigned its use of contracted employees to meet other needs. The request includes \$4,755 more for interpreter services, offset by the elimination of a grants coordinator position, and savings from converting a full-time school construction design plan review specialist with a part-time building official position. It includes \$71,909 for centralized services which is \$2,493 more than enacted and \$19,127 more than FY 2024 projected expenses. It also includes \$25,760, or \$3,680 less for one fewer fellow; the FY 2024 enacted budget funds eight fellowships.

The constrained request further reduces these expenses by \$6,747, of which \$5,841 is from general revenues. This includes \$3,281 less for the newly converted contracted building official position, and \$3,466 less for one fewer fellowship. *The Governor recommends \$12,572 more than requested, including \$20,000 for auditing services, and \$13,540 for the building code official, reflecting updated estimates and other contracted services. This is partially offset by \$18,468 less for centralized services including six months of charges related to implementation of new systems management software.*

Office of the Mental Health Advocate

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 863,170	\$ 810,580	\$ 866,204	\$ 889,378
Contracted Services	2,700	2,700	2,700	2,700
Subtotal	\$ 865,870	\$ 813,280	\$ 868,904	\$ 892,078
Other State Operations	109,208	106,837	109,208	88,530
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	\$ 976,078	\$ 921,117	\$ 979,112	\$ 981,608
Sources of Funds				
General Revenue	\$ 976,078	\$ 921,117	\$ 979,112	\$ 981,608
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 976,078	\$ 921,117	\$ 979,112	\$ 981,608
FTE Authorization	6.0	6.0	6.0	6.0

Summary. The Office of the Mental Health Advocate requests \$979,112 from general revenues, \$3,034 more than enacted to support its operations and the 6.0 positions authorized in the enacted budget. *The Governor includes \$1.0 million from general revenues, or \$5,530 more than enacted.*

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 \$0.9 million, including a current service increase of \$670 and a 5.0 percent reduction of \$44,289, adjusted for certain exclusions. The constrained budget submitted by the agency is \$4,295 lower than the Budget Office target; savings are achieved by reducing the hours of two positions. *The Governor's budget is \$49,149 above the target.*

Salaries and Benefits. The Office requests \$866,204 for salary and benefit expenses, \$3,034 more than enacted to fully fund its 6.0 positions, including an attorney and social worker to staff the Mental Health Treatment Court. The request reflects benefit rates consistent with FY 2025 planning values, medical benefit choices and step increases. It includes approximately \$10,000 for pay upgrades.

The constrained request reduces 2.0 full-time positions to 0.9 full-time equivalent positions for savings of \$50,948. This is equivalent to maintaining a single vacancy for three months. *The Governor recommends \$23,174 more than requested, which includes \$10,066 from general revenues for statewide adjustments including higher than anticipated employee health benefit rates and pay upgrades for the attorney and social worker who staff the Mental Health Treatment Court.*

Other Operations. The Office requests \$112,908 for other operations, including \$90,696 for centralized services. This is consistent with the enacted budget and includes \$11,298 for office supplies, telephone expenses and computers, \$3,250 for mileage expenses, \$3,000 for a copier, \$2,000 for psychiatric consultations, \$700 for transcription and interpreter services, and \$1,691 for all other expenses. *The Governor recommends \$20,678 less than requested to account for utility savings and updated projections for other centralized services including six months of charges related to implementation of new systems management software.*

Department of Elementary and Secondary Education

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
State Aid	\$ 1,342,743,202	\$ 1,404,665,539	\$ 1,328,659,782	\$ 1,270,095,581
School Housing Aid	104,162,946	104,162,946	106,198,555	106,198,555
Teachers' Retirement	132,744,129	132,744,129	132,268,922	132,268,922
RI School for the Deaf	9,826,949	10,020,716	10,221,546	9,726,563
Central Falls School District	60,283,149	59,553,797	55,479,512	53,491,842
Davies Career & Technical School	33,325,330	35,573,064	55,105,656	54,317,251
Met. Career & Tech. School	15,318,792	13,245,868	13,130,724	12,741,033
Administration	323,942,325	369,701,227	349,536,986	323,009,300
Total	\$ 2,022,346,822	\$ 2,129,667,286	\$ 2,050,601,683	\$ 1,961,849,047
Expenditures by Category				
Salaries and Benefits	\$ 51,681,607	\$ 51,721,471	\$ 54,244,108	\$ 52,848,245
Contracted Services	85,646,256	91,008,332	117,328,924	92,923,485
Subtotal	\$ 137,327,863	\$ 142,729,803	\$ 171,573,032	\$ 145,771,730
Other State Operations	10,792,857	14,476,822	11,341,926	12,029,554
Aid to Local Units of Government	1,803,056,113	1,902,995,990	1,780,247,064	1,720,641,454
Assistance, Grants, and Benefits	56,379,155	53,893,436	52,975,880	49,105,880
Capital	13,575,885	14,376,499	33,329,531	33,166,179
Capital Debt Service	-	-	-	-
Operating Transfers	1,214,949	1,194,736	1,134,250	1,134,250
Total	\$ 2,022,346,822	\$ 2,129,667,286	\$ 2,050,601,683	\$ 1,961,849,047
Sources of Funds				
General Revenue	\$ 1,496,382,952	\$ 1,496,737,695	\$ 1,648,358,477	\$ 1,563,472,718
Federal Aid	464,842,075	567,802,963	316,228,068	312,330,554
Restricted Receipts	47,345,545	50,597,914	52,825,138	53,019,127
Other	13,776,250	14,528,714	33,190,000	33,026,648
Total	\$ 2,022,346,822	\$ 2,129,667,286	\$ 2,050,601,683	\$ 1,961,849,047
FTE Authorization				
Administration	150.1	150.1	159.1	153.1
Davies	123.0	123.0	125.0	123.0
School for the Deaf	61.0	61.0	61.0	61.0
Total Authorized Positions	334.1	334.1	345.1	337.1

Summary. The Council on Elementary and Secondary Education requests \$2,050.6 million from all sources of funds, including \$1,648.4 million from general revenues. The request is \$28.3 million more than enacted from all sources, including \$152.0 million more from general revenues. The staffing request includes 345.1 full-time equivalent positions, 11.0 more positions than enacted. The Department also submitted a constrained request that totals \$1,576.2 million from general revenues, which is \$72.2 million less than the unconstrained request. As of early December, the Department has 8.0 positions vacant, including 7.0 at Davies and 1.0 at the School for the Deaf.

The Governor recommends \$1,961.8 million from all sources, which is \$60.5 million less than enacted and \$88.8 million less than requested. General revenues total \$1,563.5 million, which is \$67.1 million more than enacted and \$84.9 million less than requested. He recommends 337.1 full-time equivalent positions, 3.0 more than enacted for the Department's administration.

The Governor's budget includes a proposal to cap the increase in the per-pupil core instruction growth to 5-year inflation. The Governor also concurs with the Department's proposal to increase the categorical weight for English learners from 15.0 percent of the core instruction amount applied to students in the most intensive programs to 25.0 percent.

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.

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 \$1,571.2 million, including a current service adjustment of \$76.7 million and a 5.0 percent reduction of \$1.8 million, adjusted for certain exclusions.

The constrained budget submitted by the agency is \$4.9 million more than the Budget Office target, which largely reflects more growth in early childhood and high cost special education categorical funding than anticipated. In its constrained budget request, the Department excludes new initiatives and proposes to reduce funding to the Office of Adult Literacy by \$1.8 million. *The Governor's recommendation is \$7.8 million less than the target.*

Education Aid. The Council requests \$1,114.7 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 \$11,876 to \$12,617 per pupil, a \$741 or 6.2 percent increase per pupil. The request is \$69.5 million more than the enacted level and \$2.8 million more than Budget Office current service estimates; it uses March 2023 enrollment data.

The Governor's recommendation is \$18.4 million more than enacted and \$51.1 million less than requested. It uses a core instruction amount of \$12,335, reflecting the Governor's proposal to cap the growth to the average five-year annual percentage change in the consumer price index, or 3.9 percent for FY 2025. It also uses October 2023 enrollment data, which includes 2,157 fewer students than March 2023 data; aid amounts are subject to final student enrollment data collected in March 2024.

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 2024 enacted budget assumes \$12.5 million from this fund for FY 2025. The Department's preliminary calculations for districts eligible for year one in FY 2025 is \$5.9 million for total funding of \$18.4 million, or \$1.6 million less than enacted. *The Governor recommends \$6.7 million more than requested, based on October 2023 enrollments.*

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 \$1.3 million for FY 2025, or \$4.2 million less than enacted.

The Governor recommends \$60,553 less than requested based on the proposed change to the core instruction amount and October 2023 enrollments.

Meal Reimbursement. The Council requests authorization to spend \$61.0 million, including \$0.6 million from general revenues to support nutrition programs, including school meals. This is \$10.2 million less than enacted from federal funds, reflecting anticipated program participation and federal reimbursement based on FY 2023 experience. The difference is primarily in school breakfast and lunch programs, although adjustments are made to various other grant programs. The FY 2025 request is \$2.6 million less than the revised FY 2024 request.

Children from families with income up to 130 percent of poverty level are eligible for free meals; children with families with income between 130 and 185 percent of poverty level are eligible for reduced-price meals. The Department receives federal reimbursements from the Food and Nutrition Service of the United States Department of Agriculture based on meals served and passes them through to schools. Reimbursements differ for paid meals, reduced-price meals, and free meals with supplemental funding per meal for schools that serve more than 60 percent subsidized meals. The state has maintained \$0.6 million in matching state funds for many years. The Department reports that approximately 69 percent of lunches served in Rhode Island are served free or at reduced price. A total of \$60.3 million in reimbursements is expected for FY 2025. The Department's request does not propose any changes to this program.

The Governor recommends adding \$0.8 million from general revenues for FY 2025 for a new proposal that would make school breakfasts and lunches free for students whose families qualify for reduced-price meals. The proposal requires the state to provide funds to public schools 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. Those students will not be charged. The recommendation for FY 2025 is based on approximately 6,500 students eligible for reduced-price meals.

School Breakfast. The Council requests 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 recommends funding as requested.*

Education Stabilization Funds

In response to the coronavirus emergency, Congress authorized a total of \$190.3 billion for emergency relief to elementary and secondary schools through three separate acts. All funds were awarded to states in proportion to the distribution of Title I-A formula grants, of which at least 90 percent must be distributed to local education agencies, including charter and state schools. The state first received \$46.4 million through the CARES Act, of which \$41.7 million was distributed through the funding formula in FY 2020. The state was subsequently awarded \$184.8 million and \$415.1 million through the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act, respectively.

The following table shows education stabilization funding, including final FY 2022 actual expenditures, FY 2023 preliminary expenditures, FY 2024 revised and FY 2025 requests. It should be noted that the request inadvertently overstates the availability of actual resources; if FY 2024 expenses are consistent with the revised request, actual funding available for FY 2025 would be less than requested. The Department subsequently noted that its revised request for discretionary funds is overstated by \$20.0 million and its FY 2025 request should show \$5.7 million less for discretionary funds and \$5.2 million more for district funds. Funding for Central Falls and the state schools are included in the following table, but discussed separately in this analysis. *The Governor recommended funding consistent with the original request which maintains the overstatement of funds.*

Elementary & Secondary School Emergency Relief Funds

	FY 2022	FY 2023	FY 2024	FY 2025	
	Spent	Spent	Revised	Governor	Total
Aid to Districts	\$ 88.5	\$ 174.5	\$ 231.3	\$ 42.5	\$ 536.8
<i>State Schools</i>	0.1	3.1	5.0	0.5	8.7
<i>Central Falls</i>	0.0	6.6	10.1	5.2	21.9
<i>All Other Districts</i>	88.4	164.8	216.2	36.8	506.2
Discretionary Funds	6.2	16.6	49.8	12.4	85.0
Total	\$ 94.7	\$ 191.1	\$ 281.1	\$ 54.9	\$ 621.8
Total Available					\$ 599.9
<i>Amount Overstated</i>					<i>\$ (21.9)</i>

\$ in millions; excludes CARES Act funding

Education Stabilization - Aid to Districts. The Council requests authorization to spend \$36.8 million from federal Elementary and Secondary School Emergency Relief funds for direct aid to districts for FY 2025, excluding Central Falls and the state schools, discussed separately. The revised request includes expenditures of \$216.2 million. The Department subsequently noted \$5.2 million should be added to the FY 2025 request. *The Governor recommends funding as initially requested, retaining the error.*

Education Stabilization - Discretionary Funds. The Council requests authorization to spend \$12.4 million from Elementary and Secondary School Emergency Relief funds set aside to be used and/or distributed by the Department. The request is \$8.9 million less than enacted and reflects use of remaining federal funds in FY 2025. Of the state’s total awards, 1.0 percent may be set aside by the Department, of which only 0.5 percent may be used for administrative expenses. Of the Department’s share, at least 20.0 percent of funds must be used to address learning loss.

The following table shows the planned use of discretionary funds. The majority of the requested funds will be used for match grants to support low-performing schools. The revised request includes expenditures of \$49.8 million and the FY 2025 request includes \$11.8 million. Combined with actual FY 2022 and FY 2023 expenses of \$22.8 million, the request overstates available resources by \$24.4 million. The Department subsequently noted that this should be reduced by \$20.0 million for FY 2024 revised and \$5.7 million for FY 2025. Some of the requested budget initiatives are for state support to continue some of the work funded from these time limited grants. *The Governor recommends funding as initially requested, retaining the error.*

Initiative	Amount
Supporting Low Performing Schools	\$ 23.9
Strengthen Core Instruction	6.9
Personalized Student Supports	2.5
Community Engagement & Supports	1.1
Expand Learning Time	9.4
Educator Pipeline & Supports	1.4
Early Childhood	0.1
Secondary Schools	0.8
Department Administration & IT	4.2
Total	\$ 50.2

\$ in millions

Group Home Aid. The Council requests \$1.8 million to fund beds for communities hosting group homes, consistent with the enacted budget. The legislation uses the count of beds that are open as of December 31 for the budget year’s aid. The request assumes a bed count of 212, consistent with the enacted budget. The

funding formula deducts the impact of group home beds from the data which results in a decrease in funding. The reduction is shown in the group home aid rather than the formula aid total. *The Governor recommends \$74,758 less than enacted based on a December 31 bed count of 219 and the proposed change to the core instruction amount.*

Central Falls School District. The Council requests \$55.5 million from all sources to support the Central Falls School District for FY 2025, including \$50.3 million from general revenues and \$5.2 million from federal education stabilization funds. From general revenues, the request is \$0.9 million more than enacted from funding formula aid. 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 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 \$11.1 million of stabilization funding from general revenues, consistent with the enacted level for FY 2024. Overall, the request is \$4.8 million less than enacted, including \$5.7 million less than enacted from federal education stabilization funds. *The Governor recommends \$2.0 million less than requested from general revenues for formula aid. This reflects enrollment declines in the October data and the proposed core instruction amount change.*

Metropolitan Career and Technical School. The Council requests \$13.1 million from all sources for the Metropolitan Career and Technical School. This is \$2.2 million less than enacted from all sources, including \$0.5 million more from general revenues and \$2.7 million less from federal elementary and secondary school education relief funds exhausted in FY 2024. From general revenues, the request reflects funding formula calculations for FY 2025. 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 in order to mitigate some of the losses from the implementation of the funding formula. *The Governor recommends \$0.4 million less than requested, which reflects the proposed core instruction amount change and a small enrollment decrease from use of October 2023 data.*

Career and Technical Education Categorical Funding. The Council requests \$5.5 million for career and technical education categorical funding for FY 2025, \$1.0 million more than enacted. 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 the purpose of allocating funds provided by the Assembly each year. For FY 2023, 34 schools and districts received career and technical categorical funding. FY 2024 distributions are not yet available as schools apply for funding annually and distributions are based on need. Funding has also been used to support the advanced coursework network, final costs for which will not be known until the end of the school year.

Funds are distributed in two priority areas: offset funding to diminish the financial costs incurred by districts that offer career and technical education, and support to schools starting up new career and technical education programming. Funding for this category was intended to grow over the course of the ten-year formula phase-in period; however, it has been level funded at \$4.5 million since FY 2017. The Council also requests \$148,069 for one additional full-time equivalent position to monitor career and technical education programs, which is discussed separately.

The constrained request excludes the additional funding. *The Governor recommends funding at the enacted level.*

Early Childhood Categorical Funding. The Council requests \$29.8 million from general revenues for early childhood categorical funding. 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 are paid directly to early education programs.

The 2022 Assembly required the Department to develop an expansion plan for the state prekindergarten program, including annual participation growth and associated costs, 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 seats goal. The request is \$7.0 million more than enacted to open 35 additional classrooms, which will bring the total number of classrooms to 162. This will add 633 seats which will expand the program to include 2,997 children. The enacted budget included \$6.7 million to replace expiring federal funds and \$1.3 million to prepare the classrooms in FY 2025 and assumed additional spending of \$31.5 million for FY 2025.

The Council also requests \$0.2 million to make two temporary positions permanent to support prekindergarten expansion, which is discussed separately.

The constrained request excludes \$6.9 million to open the new classrooms. *The Governor recommends the \$29.8 million as requested. The out-year estimates included with the Governor's recommended budget assume no growth after FY 2025 despite the goal to increase enrollment by 2,000 by FY 2028.*

High Cost Special Education. The Council requests \$20.9 million for high-cost special education, which is \$5.9 million more than enacted and would fully fund this category of aid based on eligible reimbursements. The amount is subject to update based on newer data. Funds available for distribution are prorated if the total costs exceed the appropriation. The FY 2024 enacted budget represented 71.9 percent of full funding. The 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 amount was reduced from five times that value by the 2023 Assembly. *The Governor recommends \$15.0 million, the enacted level, which represents 68.1 percent of full funding.*

Non-Public School Transportation Categorical Funding. The Council requests \$5.3 million for non-public school transportation categorical funding, \$1.8 million more than enacted to fully fund this category of aid based on FY 2022 spending used to determine FY 2024 aid. The amount is subject to update based on newer data. 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. 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 recommends \$3.9 million, \$0.5 million more than enacted to fully fund this aid, based on the Department's updated projections.*

Regional School District Transportation Categorical Funding. The Council requests the enacted amount of \$7.2 million from general revenues to fully fund the regional school district transportation category of education aid. This is based on expenses used for the distribution of FY 2024 aid; updated data will be available in December and the cost to fully fund this category may change. 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. Funds available for distribution are prorated if the total costs exceed the appropriation. *The Governor recommends \$0.1 million more than enacted to fully fund this aid.*

English Language Learners Categorical Funding. The Council requests \$42.8 million for English language learner categorical funding, which is \$23.4 million more than enacted to reflect its proposal to increase the per pupil amounts. Funding supports English language learners that are in the most intensive programs. The enacted calculation is 15.0 percent of the core instruction amount, adjusted for the state share ratio, for students based on criteria determined by the Commissioner. The 2023 Assembly removed the funding cap and allowance for a ratable reduction, required full funding for this category, and provided \$19.4 million for FY 2024. Funding consistent with current law would be \$22.1 million, or \$2.7 million more than enacted.

The Department requests to increase the weight from 15.0 percent to 25.0 percent of core expenses for the three lowest proficiency categories, which represents approximately 80 percent of multilingual learners. It also requests to add a 15.0 percent weight to the next three proficiency categories, and add 15.0 percent weight for the first two years after exiting the multilingual learner program. This proposal would require \$20.6 million.

The constrained request excludes the \$20.6 million and funds aid consistent with current law. *The Governor recommends \$16.6 million more than enacted or \$6.7 million less than requested. He recommends the weight increase from 15.0 percent of the core instruction amount to 25.0 percent and does not recommend expanding eligibility. Funding under current law would be \$13.9 million less.*

School Housing Aid. The Council requests \$106.2 million from general revenues for school housing aid. This is \$2.0 million more than the enacted budget and \$8.3 million less than Budget Office current service estimates. Out-year estimates submitted with the Governor’s FY 2024 budget recommendation assumed total housing aid expenditures of \$97.7 million for FY 2025.

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 in order 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 new approved projects.

Future expenses for the traditional program are expected to continue increasing beyond the FY 2025 request as school housing projects temporarily eligible for state share ratio increases are approved and completed. As shown in the table below, approvals averaged \$121.7 million annually prior to FY 2018. Approvals have grown dramatically since, averaging \$449.7 million from FY 2018 to FY 2023. As of December 18, 2023, the School Building Authority projects a total of \$1,666.4 million of traditional school housing aid approvals for FY 2024, including \$1,036.4 million approved by the Council in December and \$630.0 million projected for May. This is more than the three prior years combined.

SBA Approvals	
Approval Period	Amount
FY 1999 to FY 2017 (Avg.)	\$ 121.7
FY 2018	\$ 283.4
FY 2019	\$ 383.0
FY 2020	\$ 629.5
FY 2021	\$ 143.5
FY 2022	\$ 864.0
FY 2023	\$ 395.0
FY 2024 Projected	\$ 1,666.4

\$ in millions

The Governor recommends funding as requested. The out-year estimates included with the Governor's recommended budget are based on December 2023 projections by the School Building Authority and include \$130.6 million for FY 2026, \$145.9 million for FY 2027, and \$154.9 million for FY 2028. The underlying project assumptions also appear to exclude any growth for FY 2029.

Teacher Retirement. The Council requests \$132.3 million to fund the state's share of the employer contribution for teacher retirement costs. This is \$0.5 million less than enacted based on the Department's updated projections and assumes 2.5 percent growth in teacher payroll. The request is \$1.9 million less than the Budget Office current service estimate.

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 recommends funding as requested.*

Education Telecommunication Access Fund. The Council requests \$1.1 million, including \$0.4 million from general revenues and \$0.7 million from restricted receipts, to fund the education telecommunications access fund and related salaries and benefits for FY 2025. This is \$0.2 million less than enacted from restricted receipts based on projected personnel and contract expenses, and includes the enacted amount from general revenues. The Department estimates it will collect \$0.8 million from the monthly surcharge levied upon each residence and business telephone access line, consistent with the revised request.

The telecommunications education 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, supported by general revenues when surcharge revenues are insufficient. The federal allocation varies based on the result of the local education agencies' technology surveys and applications and the number of students eligible for free and reduced-price lunches. *The Governor recommends funding essentially as requested.*

Textbook Reimbursement. The Council requests the enacted level of \$240,000 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 the areas of English/language arts and history/social studies in kindergarten through 12th grade. In FY 2023, final program expenditures were \$31,585. *The Governor recommends funding as requested.*

Advanced Placement Tests. The Council requests \$0.4 million from general revenues to provide advanced placement tests to low-income students for free. The 2021 Assembly enacted legislation establishing the fee waiver program. While consistent with the enacted budget, the request is \$0.1 million more than actual FY 2023 expenses. Based on the current cost of \$98 per standard advanced placement test and fee waiver of \$36, the request would support nearly 6,250 tests. The Department signed a memorandum of agreement with the College Board to pay for all low-income student test waivers in June 2022 and is working to increasing awareness about advanced placement test offerings. *The Governor recommends funding as requested.*

Statewide Student Transportation. The Council requests \$42.0 million from restricted receipts for the statewide transportation system, which is \$6.4 million more than enacted. The increase is a result of an eight percent increase from the FY 2024 revised request as part of a new contract with transportation providers. The Department notes that it will finalize the bids at the beginning of 2024 and the eight percent amount was an estimate. 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. Total projected expenditures are similar to the pre-pandemic level, but local transportation could be impacted by ongoing staffing shortages among transportation providers.

The 2009 Assembly adopted legislation mandating the use of a statewide transportation system for special needs students and the eventual implementation of the transportation system for all students; this has been implemented for special needs students and for out-of-district transportation. Districts reimburse the state for its share of the cost, offsetting this expenditure. All transportation services fees from the statewide system are paid into a restricted receipt account. The legislation allows the Commissioner of Elementary and Secondary Education to grant a variance to the requirement for the purchase of transportation services through the statewide transportation system for non-public and non-shared routes if an alternative system is more cost effective. The Department indicated that some districts are able to transport their non-public students at a cheaper cost than through the statewide system. *The Governor recommends funding as requested.*

Providence Public School District Oversight. The Council's request does not include funding for oversight of the Providence Public School District. In May 2019, the Commissioner of Elementary and Secondary Education first announced the state's intent to temporarily invoke its authority over the school district under the Paul W. Crowley Rhode Island Student Investment Initiative, also referred to as the Crowley Act. This was finalized in October 2019. While the city remains financially responsible for the school district, the Department continues to support the implementation of the district's Turnaround Action Plan. It previously reported that no staff are assigned specifically to this effort and it has not incurred related expenses. Rather, leadership and staff from various program areas support the district when needed. *The Governor recommends funding as requested.*

Recovery High Schools. The Council's request includes the enacted amount of \$0.5 million from general revenues for recovery high school support. Recovery high schools are specifically designed for students recovering from a substance abuse disorder. The state's only recovery high school, Anchor Learning Academy closed on August 1, 2023, citing a shortage of special educators and behavioral health specialists, as well as a decline in enrollment. *The Governor recommends funding as requested. He removes funding for FY 2024 only based on the closure of Anchor Learning Academy.*

Math and English Language Arts Improvement. The Council requests new funding of \$40.0 million from general revenues to improve student performance in mathematics and English language arts. Funding would support professional development, additional teachers, and adding instructional coaches in public schools throughout the state and would go entirely to supporting local education agencies.

The request represents a placeholder to fund this initiative once the plans are fully developed which the Department anticipates will occur during FY 2024. The request notes that this initiative aligns with the Governor's 2030 plan and will focus on improving outcomes for students in poverty, multilingual learners, and differently abled students who continue to perform below the national average.

The constrained budget request excludes this initiative. *The Governor recommends \$15.0 million in new general revenue funding to provide coaching services only to local education agencies with the highest level of need. More specifics on the initiative have not been provided. The Governor's out-year projections assume this will be a one-time expenditure for FY 2025 only.*

Career and Technical Education Support (1.0 FTE). The Council requests \$148,069 from general revenues and authorization for one new position to monitor and support Career and Technical Education programs around the state. The position would support the federal monitoring requirement and aid the Department's own Career and Technical Education five-year reapproval process. The Department currently has 3.0 full-time equivalent positions that support career and technical education programs which it indicates is insufficient for monitoring and support.

The constrained budget excludes the new position. *The Governor recommends the position and funding essentially as requested.*

Early Childhood Support (2.0 FTE). The Council requests \$234,961, or \$131,835 more than enacted from general revenues and authorization to convert two temporary, partially federally funded positions to permanent full-time equivalent positions. Prior to FY 2024, these positions were completely funded from federal Preschool Development Grants. The FY 2024 enacted budget splits the cost of these positions between general revenues and federal funds.

The constrained request excludes funding for both the positions. *The Governor recommends the positions and funding essentially as requested.*

Transformation Specialists (3.0 FTE). The Council requests \$0.4 million from general revenues and authorization for three new full-time equivalent transformation specialists. These positions would support the transformation of the state's persistently lowest-achieving schools through direct interaction, engagement, strategic planning, and collaboration with districts to address the specific causes of the academic underperformance of these schools. They would also investigate and recommend service providers and consultants and work with districts to support academic achievement. Similar positions were requested for the past two budget cycles but not approved by the Assembly.

The Department currently has three District Support Fellows that have been supporting improvement efforts, which includes the review of strategic plans. These positions are funded from limited federal funds that will be exhausted in August 2024, which leave no dedicated staff to support district improvement efforts. The Department notes it is deficient in reporting required by the Education Accountability Act passed by the 2019 Assembly; it has not compiled a report of best practices nor conducted five school district education reviews and indicates it has no staff or resources to do so.

The Council's constrained request excludes the requested funding and authorization. *The Governor does not recommend the positions.*

School Improvement Support. The Council requests \$750,000 from general revenues to hire external contractors to complete Rhode Island Education Accountability Act monitoring and reporting requirements. The Department indicates that it is unable to complete its monitoring requirements without an external contract. Contractors would review local education agency strategic plans and report on best practices. It previously used fellows supported from time limited Elementary and Secondary School Emergency Relief funds to do this work.

Rhode Island General Law, Section 16-97.1-1 requires that each district must file an updated comprehensive improvement plan every three years with the first one due in July 2023. The Department notes all plans will be finalized by December 2024 and the first round of monitoring and reporting will be completed by August 2025. There are no full-time-equivalent positions assigned directly to this work. The Department is also requesting \$0.4 million and 3.0 full-time equivalent positions to replace federally funded fellows supporting this work, discussed separately.

The Council's constrained request excludes the requested funding. *The Governor does not recommend funding.*

School Health Support (1.5 FTE). The Council requests \$240,006 from general revenues and authorization for 1.5 new full-time equivalent positions to increase state capacity to support school health initiatives. The new positions would help the Department meet statutory requirements such as the annual school health report, school health profiles, and child opportunity zones.

The Council's constrained request excludes the requested funding and authorization. *The Governor does not recommend the positions.*

All Course Network. The Council requests \$1.3 million mostly from general revenues to support the all course network, formerly called the advanced coursework network. This includes \$1.3 million from general revenues, which is \$0.6 million more than enacted and \$25,100 remaining from the Rethink Grant. From general revenues, the request includes \$0.5 million to replace permanent school funds and offset the Rethink grant funds used to fund the network. The request also includes \$86,000 to enhance the EnrollRI online platform, which supports the network as well as charter public school applications and school finder. The platform was also launched and supported by expiring federal funds. Overall, this is \$2.1 million less than enacted reflecting the spent grant funds and the exhaustion of prior excess resources from the permanent school fund.

All Rhode Island schools participate in the all course network, with courses offered by 24 provider organizations in FY 2024. 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 in the network. It should be noted that the enacted budget includes \$2.3 million for the dual and concurrent enrollment program through the Office of Postsecondary Commissioner. *The Governor recommends \$0.5 million more than enacted from general revenues to support the all course network. He does not recommend the \$86,000 for the EnrollRI enhancements.*

Special Education Grants. The Council requests authorization to spend \$56.8 million, or \$2.0 million more than enacted, from federal special education funds to reflect updated grant awards. This is consistent with the revised request and is subject to change based on FY 2024 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 recommends funding as requested.*

Title I Grants. The Council requests authorization to spend \$66.7 million from federal Title I funds. This is \$5.6 million more than enacted and \$4.5 million more than the revised request, reflecting updated anticipated awards. 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 through four distinct formulas based upon different levels of poverty; however, funds are allocated to districts as one amount. *The Governor recommends funding as requested.*

Homeless Youth. The Council requests authorization to spend \$1.4 million from federal funds to support students experiencing homelessness. This is consistent with the enacted budget and \$0.1 million less than the revised request. The American Rescue Plan Act authorized funds to identify homeless children, provide wraparound and other services enabling them to attend school and participate fully in school activities of which Rhode Island was awarded a total of \$2.7 million. This is in addition to the state's annual award of \$0.4 million. Spending totaled \$0.2 million in FY 2022 and \$0.4 million in FY 2023. The Council's request includes \$1.1 million for FY 2024 and \$1.0 million for FY 2025. These funds must be obligated by September 30, 2024, and spent by January 31, 2025. The request also includes the enacted level of \$0.4 million from the annual award. *The Governor recommends funding as requested.*

Vocational Education Grants. The Council requests authorization to spend \$9.4 million from federal vocational education grants, \$0.1 million less than enacted and \$2.1 million more than the revised request. Vocational education funds are used to improve vocational education programs statewide. The request

reflects updated grant awards and carryforward of unspent prior year funds. *The Governor recommends funding as requested.*

ARPA - Out-of-School Time Education Providers. The Assembly authorized \$4.0 million from State Fiscal Recovery funds in the FY 2024 enacted budget to be distributed to community organizations to expand access to out-of-school educational programs. The Council includes the enacted level, which is double counted for both FY 2024 and FY 2025. Funding will be available from September 1, 2023, to September 30, 2024. In August 2023, \$3.8 million to 24 cities was announced, with awards ranging from \$50,000 to \$0.4 million.

The Governor recommends a new commitment of \$3.0 million from general revenues to continue this initiative. His recommendation also includes \$2.0 million from State Fiscal Recovery Funds in the Department of Administration's budget to be distributed directly to municipalities through Community Learning Center Programming Support grants.

ARPA - Adult Education Providers. The 2022 Assembly provided an allocation from State Fiscal Recovery funds for adult education providers totaling \$5.0 million. This includes \$2.0 million for FY 2023 and \$1.5 million for both FY 2024 and FY 2025. The FY 2024 enacted budget consolidated the future funding into FY 2024. The Council requests authority to spend \$5.2 million total from State Fiscal Recovery funds, which overstates the amount available by \$0.2 million. The Council requests \$0.1 million for administrative support in FY 2025, which is \$2.9 million less than enacted and represents the final amount of the allocation. Grants are used to fund local adult education programs and literacy services, including workplace literacy services, family literacy services, English literacy, and civics education programs. *The Governor corrects the overstatement in FY 2024, provides \$4.8 million for grants in FY 2024 and assumes use of \$0.1 million in both FY 2024 and FY 2025 for Department staff administration.*

Adult Education Grants. The Council requests \$8.5 million for adult education from multiple sources which includes \$2.7 million from general revenues, \$2.3 million from federal funds, and \$3.5 million from restricted receipts. Compared to the enacted budget, this is \$0.1 million more from general revenues to cover increased operating costs based on FY 2023 expenses, \$0.1 million more from federal funds, and consistent with enacted from the Governor's Workforce Board.

The Department administers adult education grants that are used 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 drop outs aged 16 and older. Approximately 6,000 students participate in these programs with about 25 percent of the program attendees for General Educational Development (GED) preparation services, half for English as second language services, and the remaining for low level literacy services.

The Council's constrained request includes \$1.8 million less from general revenues for the Office of Adult Literacy but does not specify the proposed reductions. *The Governor recommends the \$8.5 million as requested.*

Early Childhood Education Grants. The Council requests authorization to spend \$0.4 million from federal funds for investments in early childhood education, which is \$0.8 million less than enacted. The request reflects the end of funds that were being used to support the state's prekindergarten program. Consistent with FY 2023, a total of 127 classrooms is serving 2,364 prekindergarten students in FY 2024. The Council's FY 2025 request includes additional general revenues to open additional classrooms on top of maintaining the current level of classrooms in lieu of federal funds, discussed separately within the school aid program. *The Governor recommends funding as requested.*

School Mental Health. The Council requests authorization to spend \$9.9 million from federal funds to address adolescent and mental health. This is \$4.0 million more than enacted, reflecting the continuation of funding for the Project Aware Cohort grants and Trauma Informed Services grant for FY 2025, consistent with the FY 2024 revised request. The first year of this cohort-based grant funding began in FY 2019 to expand youth mental health services in Providence, Woonsocket, and Pawtucket. The Department has been awarded three additional grants to expand the program to more than a dozen schools around the state and the request includes \$8.3 million to support these programs. The request also includes \$1.6 million to increase access to evidence-based, culturally responsive and sustaining trauma support services and mental health care in schools. *The Governor recommends funding as requested.*

21st Century Community Learning Centers. The Council requests authorization to spend \$6.2 million from federal 21st Century Community Learning Centers funds, reflecting anticipated grant amounts. This is \$12,267 more than enacted and \$0.6 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 recommends funding as requested.*

Literacy Development Grant. The Council requests authorization to spend \$0.9 million from federal funds to strength literacy programs, \$1.6 million less than enacted and \$5.7 million less than the revised request. In October 2019, the Department received a five-year, \$20 million Comprehensive Literacy State Development grant. FY 2025 represents the last year of the grant. Funding primarily supports communities and local education agencies in strengthening literacy development and instruction for children from birth through grade 12. Most funding is being distributed as grants for districts to develop and implement comprehensive literacy instruction, including professional development. *The Governor recommends funding as requested.*

ServeRI. The Council requests \$2.5 million from federal funds for the ServeRI program based on current activity. This is \$1.5 million less than enacted and \$0.5 million more than the revised request. The FY 2025 request is still \$0.9 million higher than FY 2023 spending of \$1.6 million. In 2018, the Rhode Island Service Alliance transferred the program to the Department. The program was established by the 1994 Assembly to administer the federally funded AmeriCorps program, including AmeriCorps Vista and City Year. Funding supports staffing and operating costs, as well as grants to participating member sites. *The Governor recommends funding as requested.*

Teacher Quality Grant. The Council requests authorization to spend \$12.1 million from federal funds to support effective instruction. This is \$2.0 million more than enacted and largely consistent with the revised request, reflecting anticipated eligibility for awards. 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. *The Governor recommends funding as requested.*

Language Acquisition Grant. The Council requests authorization to spend \$2.9 million from federal funds to help English learner students learn English and meet state academic content and student academic achievement standards. This is \$0.8 million more than enacted and \$0.1 million more than the revised request. The increase reflects updated eligibility for the formula-based federal grants. *The Governor recommends funding as requested.*

Job Fair. The Council requests \$150,000 from general revenues to fund a statewide job fair, previously funded with federal relief funds. The Department hosted a two-day job fair in May 2023 and has three days of fairs scheduled between March and June 2024. The goal of this initiative is to help local education agencies fill vacancies, increase diversity in the workforce, and promote education careers to recent college graduates. *The Governor does not recommend funding.*

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

Multilingual Learner Teacher Professional Development. The Council requests \$130,000 from general revenues for professional development for multilingual learner teachers. This is \$80,000 more than enacted to provide more support to districts with high populations of multilingual learners. The professional development would be conducted by contractors who are not identified in the request. *The Governor recommends funding consistent with the enacted level.*

Education Advocate. The Council requests \$1.1 million from all sources, including \$167,156 from general revenues, for the Department's contract with Rhode Island College for the Educational Advocate Surrogate Parent program. Advocates are responsible for making education decisions for youth in the care of the state and whose parents are not available to act on their behalf. This is \$0.3 million more than enacted, including \$70,000 more from general revenues and \$225,000 more from federal special education grant funds and reflects a new contract beginning in FY 2024. The revised request includes the federal fund increase consistent with the new contract but does not include the general revenue increase. *The Governor recommends funding at the enacted level from general revenues but concurs with the increase from federal funds.*

Hasbro Children's Hospital School. The Council requests the enacted amount of \$90,000 from general revenues to support the hospital school at Hasbro Children's Hospital. *The Governor recommends funding as requested.*

Child Opportunity Zones. The Council requests the enacted amount of \$395,000 from general revenues to support child opportunity zones (COZ). Funding is used to strengthen education, health, and social services for students and their families as a strategy to accelerate student achievements. *The Governor recommends funding as requested.*

City Year. The enacted budget includes \$130,000 from general revenues in the Department of Administration to City Year for the Whole School Whole Child Program, which provides individualized support to at-risk students. *The Governor recommends shifting this grant to the Department of Elementary and Secondary Education.*

Shepard Building. In prior years, the Department has not paid for its space in Shepard as costs related to the building have been included in Public Higher Education budget. In its FY 2024 budget request, the Council requested expenses related to relocating from the Shepard building which reflected the Division of Asset Management and Maintenance's plan to sell the building. While the long-term status of the building is uncertain, the Department is no longer anticipating to relocate. The Division of Asset Management and Maintenance will take over operations of the building from the University of Rhode Island in FY 2025 and charge agencies based on square footage. *The Governor's recommendation assumes the Department stays at Shepard and adds \$856,982 from general revenues for its share of new centralized facilities management costs, no longer the responsibility of the University.*

Other Salaries and Benefits. The Council's request includes \$26.3 million for the Department's other 150.1 administrative positions. This is \$166,201 less than enacted, including \$22,714 less from general revenues, \$0.1 million more from federal funds, and \$0.2 million less from restricted receipts to reflect current service adjustments and would fully fund all authorized positions. As of early December, the

Department has no vacancies. *The Governor recommends \$0.2 million more than requested, including \$0.1 million more from general revenues for statewide adjustments, including higher than anticipated employee health benefit rates.*

Other Grants and Programming. The Council requests \$23.3 million from all sources for all other grants and programming, including \$7.3 million from general revenues. From federal funds, the request includes \$7.5 million from Every Student Succeeds Act block grant, \$3.7 million from federal grants for state assessments, and \$1.0 million from non-public school grants. The request is \$3.4 million less than enacted from all sources, including \$63,752 more from general revenues, \$3.0 million less from federal funds, and \$0.5 million less from restricted receipts. The general revenue request increase includes \$43,752 for grant management software paid to the Department of Administration and \$20,000 more for charges relating to operating the Department's website. *The Governor recommends \$0.1 million more than requested from general revenues for updated projections for centralized services, including six months of charges related to implementation of new systems management software.*

Davies Career and Technical School

Funding Formula (2.0 FTE). The Council requests \$18.5 million from general revenues to fund Davies Career and Technical School for FY 2025. The request is \$2.8 million more than enacted, including \$0.6 million more from funding formula aid, reflecting calculations for FY 2025 and \$2.2 million more from stabilization funds. The request also includes \$19,116 more from multilingual learner categorical funding.

Since FY 2012, Davies has been subject to the education funding formula and its state aid is determined by the funding formula calculation just as any other local education agency would. The 2016 Assembly enacted a stabilization fund for state schools in order to mitigate some of the losses from the implementation of the funding formula. The request includes \$2.2 million more from stabilization funds reflecting increased personnel costs based on its most recent employee contract agreement and transportation expenses, consistent with the revised request. A separate agreement to share the cost of transporting students from Pawtucket with the school district has ended and Davies now bears the full cost of transporting those students and it is currently utilizing the statewide transportation system to do so.

The request includes authorization for two additional positions: an art teacher and world language teacher which the school indicates is to help it meet new statewide graduation requirements. *The Governor recommends \$1.8 million more than enacted and \$1.0 million less than requested from general revenues. He does not recommend the requested positions. He includes the requested increase for transportation expenses and adds \$0.2 million for higher than anticipated employee health benefit rates.*

Other Programming. The Council requests \$5.7 million from all sources of funding outside of the funding formula, \$0.8 million less than the enacted level. This primarily reflects \$1.1 million less from federal education stabilization funds authorized in response to the public health emergency and \$0.3 million more from annual federal awards, including Perkins and Title I funds. From restricted receipts, the request is \$15,736 more than enacted, primarily from meal reimbursements. *The Governor recommends \$0.2 million more than requested, mostly from available local share of education restricted receipts. This largely reflects an increase in personnel costs from this source of funding as well as increased employee health benefit rates.*

Capital. The Council requests \$30.8 million from Rhode Island Capital Plan funds for capital projects at the Davies Career and Technical School. Consistent with the capital request, this is \$19.7 million more than funding enacted for FY 2024 primarily for the wing renovation project. *The Governor recommends funding as requested. A detailed description of the projects is included in the Capital Budget section of the analysis.*

Rhode Island School for the Deaf

Restricted Receipts. The Council requests \$0.6 million from restricted receipts for the School for the Deaf, including \$0.1 million collected from school meal programs and \$0.5 million from tuition applicable to some students. Consistent with the revised request, the request is \$49,093 less than enacted, including \$57,593 less from tuition collections and \$8,500 more from school meal collections. The School collects tuition for all out-of-state students and those in-state students receiving services beyond the first of four levels of service. As of November, enrollment totaled 76 students, with two new students in the process of enrolling. *The Governor recommends funding as requested.*

Other Operations. The Council requests \$9.3 million from all sources for all other expenditures for the School for the Deaf, including \$9.0 million from general revenues. The request is \$0.4 million more than enacted, including \$0.5 million more from general revenues and \$57,754 less from federal funds. Across all funding sources, the request includes \$0.2 million more for staffing expenses, primarily additional funding for temporary staff based on historical spending. The increase includes more contracted services to support students and the director, such as speech language pathology and interpreters. The School reports that with the rise in cochlear implants, students are requiring more speech related services. The request also includes \$0.2 million more from general revenues for training related to new statewide curriculum. The request also fully funds the authorized 61.0 full-time equivalent positions. As of early December, the School has 60.0 positions filled.

The Governor recommends \$0.2 million more than enacted and \$0.3 million less than requested from general revenues. The recommendation assumes that training costs can be absorbed into existing funding. He also includes \$0.1 million more for higher than anticipated employee health benefit rates, offset by turnover savings equivalent to about one position.

Capital. The Council requests \$331,000 from Rhode Island Capital Plan funds for asset protection projects at the Rhode Island School for the Deaf, consistent with funding enacted for FY 2024. This is inconsistent with the capital request which includes \$167,648 in spending for FY 2025, including \$100,000 for general asset protection and \$67,648 to resurface the parking lot. The capital request also includes \$275,000 from general revenues to purchase an electric mini-bus, which was also not included in the FY 2025 request. The School notes that the capital request should prevail. *The Governor recommends \$163,352 less than requested, consistent with his recommended Capital Budget. A detailed description of the projects is included in the Capital Budget section of the analysis.*

Public Higher Education

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Office of Postsecondary Comm.	\$ 65,553,323	\$ 62,687,737	\$ 56,057,837	\$ 51,278,008
University of Rhode Island	993,235,954	968,863,531	1,030,841,526	1,015,940,011
Rhode Island College	208,467,982	214,931,905	204,251,173	210,135,912
Community College of RI	182,398,397	181,653,336	197,905,299	194,436,693
Total	\$ 1,449,655,656	\$ 1,428,136,509	\$ 1,489,055,835	\$ 1,471,790,624
Expenditures by Category				
Salaries and Benefits	\$ 608,096,577	\$ 607,781,165	\$ 646,231,201	\$ 641,355,039
Contracted Services	48,434,577	51,362,375	44,925,382	44,665,682
Subtotal	\$ 656,531,154	\$ 659,143,540	\$ 691,156,583	\$ 686,020,721
Other State Operations	250,262,385	249,788,950	267,240,368	257,636,374
Aid to Local Units of Government	-	-	2,819,625	-
Assistance, Grants, and Benefits	338,109,735	343,540,733	352,771,792	350,157,198
Capital	136,565,306	91,826,237	102,452,337	104,902,540
Capital Debt Service	75,187,076	72,868,808	72,615,130	73,073,791
Operating Transfers	(7,000,000)	10,968,241	-	-
Total	\$ 1,449,655,656	\$ 1,428,136,509	\$ 1,489,055,835	\$ 1,471,790,624
Sources of Funds				
General Revenue	\$ 304,808,336	\$ 311,116,918	\$ 353,830,727	\$ 311,989,386
Federal Aid	43,456,833	23,435,115	4,963,684	4,960,773
Restricted Receipts	6,732,644	6,743,784	8,697,411	8,669,141
Other	1,094,657,843	1,086,840,692	1,121,564,013	1,146,171,324
Total	\$ 1,449,655,656	\$ 1,428,136,509	\$ 1,489,055,835	\$ 1,471,790,624
Uses of Funds				
Unrestricted Use Funds	\$ 861,589,193	\$ 862,184,812	\$ 915,937,692	\$ 895,986,887
Restricted Use Funds	588,066,463	565,951,697	573,118,143	575,803,737
Total	\$ 1,449,655,656	\$ 1,428,136,509	\$ 1,489,055,835	\$ 1,471,790,624
FTE Authorization	3,874.5	3,874.5	3,918.5	3,875.5
<i>Limited to Third Party Funds</i>	<i>519.8</i>	<i>519.8</i>	<i>519.8</i>	<i>519.8</i>
Total Authorized Positions	4,394.3	4,394.3	4,438.3	4,395.3

Summary. The 2019 Assembly created a 17-member Board of Trustees for the University of Rhode Island effective February 1, 2020. Authority for a variety of functions transferred from the Council on Postsecondary Education to the new Board, and the University was removed from the authority of the Commissioner of Postsecondary Education. 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 request \$1,489.1 million from all sources, including \$353.8 million from general revenues. This is \$39.4 million more than enacted from all sources, including \$49.0 million more in general revenue support, \$7.4 million more from tuition and fee revenues, \$2.0 million less from other unrestricted

sources, and \$14.9 million less from restricted sources. The request includes \$915.9 million from unrestricted use funds and \$573.1 million from restricted use funds. The unrestricted request represents 7.0 percent growth over FY 2024 revised expenditure projections.

The Governor recommends \$1,471.8 million from all sources, which is \$22.1 million more than enacted and \$17.3 million less than requested. General revenues are \$312.0 million, which is \$7.2 million more than enacted and \$41.8 million less than requested.

Staffing. The FY 2025 request includes authorization for 4,438.3 full-time equivalent positions, provided that 519.8 of those positions would be limited to third-party sources. This is 44.0 more than the enacted level, including 43.0 more positions at the University and 1.0 more for the Office of Postsecondary Commissioner. The 2004 Assembly changed its treatment of research-funded positions to provide the institutions' 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 recommends authorization for 4,395.3 full-time equivalent positions, provided that 519.8 would be limited to third-party sources. This adds 1.0 new operations coordinator at the Westerly Education Center.

Current Year Revisions. Historically the analyses have begun with an adjustment for the current year. State law requires the Board of Education to review, develop and submit the higher education budget that it receives from the Council on Postsecondary Education. The institutions retain 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 describes its requested budget year items in terms of changes to those current year allocations. So that the analysis can be in terms of the items the entities specify as requested, staff analysis starts from the allocations.

The Governor recommends \$0.6 million more than enacted from all sources, which is \$6.5 million more than requested. General revenues are \$6.3 million more than enacted and requested. This includes \$9.0 million to account for the institutions' portion of a multi-year statewide shortfall in the Health Benefits Fund.

Higher Education Funding. Expenditures in Public Higher Education increased 39.7 percent during the FY 2015 through FY 2024 period, which is an average annual rate of 4.0 percent. They would grow 42.2 percent if the FY 2025 request were funded, an average annual rate of 4.2 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 38.7 percent growth during the FY 2015 through FY 2024 period, with an average annual rate of 3.9 percent.*

Unrestricted Budget. The unrestricted budget consists of those funds that can be used for any legitimate purpose. Those purposes fall within the education and general operations of the institutions. They include state general revenue appropriations, tuition and general fees, auxiliary indirect costs, a portion of research indirect costs, and miscellaneous revenue. The latter are the indirect costs added to research grants to reimburse the college or university for the items that must exist for research to occur, such as an accounting system, facilities, utilities, and so forth. The unrestricted budget is similar to the general revenue budget of other agencies and departments. The governing bodies' unrestricted budget includes \$915.9 million, of which \$353.8 million is from general revenues. The general revenue portion is \$49.0 million more than the FY 2024 enacted budget; other unrestricted sources, including tuition and fee revenue, increase by \$5.3

million. Compared to the revised allocation, the request is \$60.3 million more, including \$49.0 million from general revenues and \$11.2 million from other unrestricted sources.

The Governor recommends \$896.0 million from unrestricted sources, which is \$55.6 million more than enacted and \$20.0 million less than requested. General revenues are \$7.2 million more than enacted and \$41.8 million less than requested. This represents a 2.6 percent increase over the enacted level, adjusted for certain exclusions. Excluding debt service general revenues are \$7.6 million more than enacted and \$42.1 million less than requested. Other unrestricted sources, including tuition and fees, are \$21.9 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.

Restricted Budget. The restricted budget is comprised of what are generally thought of as restricted receipt funds or enterprise funds. They include the residence hall funds, dining funds, parking funds where they occur, and any other funds whose sources are limited to use for certain purposes. Federal funds, including sponsored research overhead, are considered restricted use; the traditional display in the Governor's budget presentation breaks them out separately. The restricted budget includes \$573.1 million for FY 2025. This is a decrease of \$14.9 million to the enacted FY 2024 level. Compared to the revised allocation, the request is \$34.8 million less, primarily reflecting removal of one-time funds. *The Governor recommends \$575.8 million from restricted sources, which is \$12.3 million less than enacted and \$2.7 million more than requested.*

Enrollment. FY 2025 enrollment would be 27,346 full-time equivalent students, which is 0.5 percent more than the enacted FY 2024 level and 60 or 0.2 percent fewer than the revised estimates. Compared to FY 2024 revised estimates, the FY 2025 estimates for the University are 175 or 1.2 percent more and 203 or 1.4 percent more than the enacted assumptions. The estimates for the College are 137 or 2.8 percent more than the enacted assumption and 286 or 6.0 percent more than the revised estimate. The estimates for the Community College are 117 or 1.5 percent less than the enacted estimate and are consistent with the revised estimates. *The Governor's recommendation appears to reflect the governing bodies' projections.*

Tuition and Fees. The FY 2025 request includes \$528.8 million from tuition and fees. This represents a \$7.4 million increase in revenues compared to the FY 2024 enacted level, and is \$13.4 million or 2.6 percent more than the revised allocation. The Council approved tuition rates for FY 2025 for the College and Community College at its October 2023 meeting. For the College this includes a tuition increase of 3.0 percent, which equates to \$284 for in-state students and \$750 for out-of-state students, and a fee increase of \$30 for all students. For the Community College, tuition and fees increase \$225 for all in-state students, or 4.2 percent, and \$624 for all out-of-state students, or 4.4 percent. For in-state students, this includes an increase of \$219 for tuition and a \$6 increase for mandatory fees. For nonresidents, tuition increases \$618 and mandatory fees go up the same \$6.

At its November 2023 meeting, the Board of Trustees decided to shift final approval of tuition and mandatory fees to February 2024 and each February thereafter. It did approve a baseline increase for FY 2025. This includes a tuition and fee increase for in-state students equal to \$450, or 2.7 percent, and \$1,042 for out-of-state students, or 2.9 percent compared to the enacted budget. 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 instead of making expenditure reductions. 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 \$21.9 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.

Office of Postsecondary Commissioner

Office of Postsecondary Commissioner	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 5,535,152	\$ 5,664,723	\$ 5,861,803	\$ 5,787,600
Contracted Services	11,734,352	11,734,352	4,866,869	4,857,169
Subtotal	\$ 17,269,504	\$ 17,399,075	\$ 10,728,672	\$ 10,644,769
Other State Operating	10,646,325	10,251,828	11,379,671	9,288,339
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	33,928,744	31,288,084	29,728,744	28,414,150
Capital	541,500	581,500	3,051,500	1,761,500
Capital Debt Service	1,167,250	1,167,250	1,169,250	1,169,250
Operating Transfers	2,000,000	2,000,000	-	-
Total	\$ 65,553,323	\$ 62,687,737	\$ 56,057,837	\$ 51,278,008
Sources of Funds				
General Revenue	\$ 30,102,355	\$ 27,065,045	\$ 34,088,740	\$ 30,622,180
Tuition and Fees	2,894,863	3,003,609	3,112,586	3,120,498
Other Unrestricted	-	-	-	-
Total Unrestricted	\$ 32,997,218	\$ 30,068,654	\$ 37,201,326	\$ 33,742,678
Restricted	32,556,105	32,619,083	18,856,511	17,535,330
All Sources	\$ 65,553,323	\$ 62,687,737	\$ 56,057,837	\$ 51,278,008
FTE Authorizations				
	44.0	44.0	45.0	45.0
<i>Third-Party Funded Positions</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>
Total Positions	45.0	45.0	46.0	46.0

Summary. The Council requests \$56.1 million from all sources and 46.0 full-time equivalent positions for the Office of Postsecondary Commissioner for FY 2025, including \$34.1 million from general revenues. This is \$9.5 million less than enacted, including \$4.0 million more from general revenues. The staffing request reflects 1.0 new position for the Westerly Education Center. *The Governor recommends \$51.3 million, which is \$14.3 million less than enacted and \$4.8 million less than requested. The Governor recommends 46.0 full-time equivalent positions, 1.0 more than enacted.*

Staffing. The Office requests authorization for 46.0 full-time equivalent positions, 1.0 more than the authorized level for the Westerly Education Center, which includes \$0.1 million for 1.0 new facilities coordinator. The 2022 Assembly increased the Council's staffing authorization by 1.0 position for the Northern Rhode Island Higher Education Center.

Office of Postsecondary Commissioner			
	FY 2024 Enacted	FY 2025 Request	Difference
Higher Education Centers	11.0	12.0	1.0
Nursing Education Center	10.0	10.0	0.0
Longitudinal Data Systems Program	7.0	7.0	0.0
Office/Third Party Funds	1.0	1.0	0.0
Office	16.0	16.0	0.0
Total	45.0	46.0	1.0

As of early December, the Council had 32.0 filled positions, including 17.0 in the Office, 10.0 at the education centers, and 5.0 at the Nursing Education Center. *The Governor recommends the position as requested.*

Rhode Island Longitudinal Data System. The Office requests \$1.1 million from all sources, including \$0.6 million from general revenues for the Rhode Island Longitudinal Data System. The FY 2024 enacted budget includes language to establish the purpose and functions of the Rhode Island Longitudinal Data System to codify the governance and operations of this system in the Office of Postsecondary Commissioner along with \$1.1 million and 7.0 full-time equivalent positions. The request is \$22,879 less than enacted, including \$7,519 less from general revenues.

The Office, Council and University of Rhode Island Board of Trustees have executed the transfer of Data Spark employees and established the Rhode Island Longitudinal Data System. The new governance board had its first meeting on August 31, 2023.

The Governor recommends \$9,704 less than requested, including \$7,840 less from general revenues. This includes \$17,150 in increased employee health benefit rates offset by \$26,854 more in turnover savings.

Salaries and Benefits. The Office requests \$1.6 million from all sources, including \$1.5 million from general revenues for the 17.0 positions not dedicated to other programs. This is \$53,997 more from all sources including \$279,655 more from general revenues. This reflects the extinguishment of federal loan reserve funds that previously supported 1.4 positions. The request would fully fund the Office, consistent with the enacted budget.

The constrained request reduces expenditures by \$1.0 million equal to approximately 10 full-time equivalent positions but does not identify which ones would be eliminated.

The Governor recommends \$63,546 less than requested. This includes \$25,159 in increased employee health benefit rates offset by \$88,705 in turnover savings, which is equivalent to 0.7 vacant positions.

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. Other non-mandatory fees are not covered by this program. Originally 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’s request for \$8.6 million is consistent with the enacted allocation, as well as the November Promise report. For FY 2025, the report indicates that \$8.6 million is needed to support 3,095 students. That same report suggests FY 2024 costs will be \$7.6 million for 2,826 students. *The Governor recommends \$0.7 million less than requested for a total of \$7.9 million based on updated enrollment projections.*

Hope Scholarship. The 2023 Assembly provided \$4.0 million from general revenues for the first year of a new Hope Scholarship. Similar to the Promise Scholarship at the Community College, it will provide 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 graduating in 2024, 2025, and 2026. To be eligible for the scholarship a student must be a first time, in-state student, meet minimum GPA requirements, have accumulated sufficient credits towards their major field of study in their freshman and sophomore years to assure they can stay on track to graduate, and not received an award from

the Rhode Island Promise Scholarship Program. The goal of the pilot program is to incentivize and support students on their path to graduation.

The College’s budget request indicates that around 360 juniors and seniors will be eligible for the scholarship with an estimated award of \$2.4 million for FY 2024. The FY 2025 request includes the enacted amount of \$4.0 million; the November Hope Scholarship report projects an FY 2025 cost of \$3.4 million for 400 students. *The Governor recommends \$0.6 million less than requested for a total of \$3.4 million consistent with the November report.*

Reserve Funds/CollegeBound Cash Flow. The 1997 Assembly established a tuition savings program and mandated the development of a prepaid tuition plan. It was designed to facilitate and encourage savings by or on behalf of students, future students and parents for the purpose of paying the costs of attending institutions of higher education. Most of the funding for need-based scholarships administered by the former Higher Education Assistance Authority came from fees paid by non-Rhode Island participants and are deposited into the CollegeBound Fund.

The former Higher Education Assistance Authority acted as a guaranty agency that administered federal loans. All of its powers, duties, authority and resources were transferred to the Council for Postsecondary Education and the Office of the General Treasurer in the FY 2016 enacted budget. In 2010, federal legislation required all loans to originate directly through the federal government. The need-based scholarship fund was augmented by approximately \$25 million in federal guaranty agency reserve funding from when the Higher Education Assistance Authority sold its loan portfolio in FY 2018; at the time it was clear these would be a limited term funding source. The Dual Enrollment Program was then added to its uses.

These funds continue to support the Last Dollar Scholarship program, a successor to the former need-based scholarship program. The 2021 Assembly added \$9.6 million from general revenues in lieu of federal and other sources for the Last Dollar Scholarship to extend the life of the reserve funds. The 2023 Assembly provided \$5.1 million from general revenues, \$3.9 million from federal loan reserve funds, and \$0.9 million from tuition savings fees. It also increased the private institutions allocation to \$1.8 million.

Reserve Funds/CollegeBound Cash Flow							
			FY 2024		FY 2025		
	FY 2022	FY 2023	Rev.	Gov.	FY 2026	FY 2027	
Opening Surplus	\$ 9.6	\$ 12.0	\$ 3.9	\$ 0.4	\$ 0.5	\$ 0.5	
CollegeBoundfund Fees	4.9	4.1	4.0	3.6	3.6	3.6	
Total Revenue	\$ 14.5	\$ 16.1	\$ 7.9	\$ 4.0	\$ 4.1	\$ 4.1	
Guaranty/OPC Admin.	\$ 0.3	\$ 0.2	\$ 0.4	\$ 0.1	\$ 0.1	\$ 0.1	
Last Dollar Scholarship ¹	-	9.6	4.8	3.5	3.5	3.5	
Dual Enrollment ²	2.2	2.4	2.3	-	-	-	
Total Expenses	\$ 2.5	\$ 12.2	\$ 7.5	\$ 3.6	\$ 3.6	\$ 3.6	
Closing Balance	\$ 12.0	\$ 3.9	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	

\$ in millions

¹ Assembly added \$9.6 million from general revenues in lieu of federal and other sources

² Shifted to general revenues in FY 2025 request

The Office’s FY 2025 request assumes the estimated \$3.6 million in tuition savings fee revenue will be used for the Last Dollar Scholarship. It assumes no expenses for Dual Enrollment and \$0.1 million would be used for operating support. *The Governor recommends funding as requested.*

Dual Enrollment Program. The request includes \$2.3 million for the Dual Enrollment program, consistent with funding included in the enacted budget, but changes the fund source to general revenues as previous

reserve funds have been exhausted and tuition savings fees are insufficient. The Governor's out-year forecast assumed full general revenue support beginning in FY 2025.

This program allows students to take courses on 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 starting FY 2019. These were necessitated by a lack of oversight for program enrollments and subsequent overspending during FY 2017. Program reimbursement was shifted from a cost per credit basis to the lesser of the cost per credit amount or a cost per course that accounts for the direct cost of personnel, materials and a small indirect cost for administrative functions such as the bursar's office. Local school districts split the cost of administering the program for those students enrolled at the Community College full-time, ceasing full-time enrollment at the other institutions. *The Governor recommends funding as requested.*

Last Dollar Scholarship. The request includes \$9.9 million for the Last Dollar Scholarship Program, consistent with the enacted level. 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 request includes \$6.4 million from general revenues and \$3.5 million from tuition savings fees. As noted previously, guaranty agency reserve funds have been exhausted. The Governor's out-year forecast assumed general revenue support beginning in FY 2025. *The Governor recommends funding as requested.*

Higher Education Affordability. The request includes the enacted amount of \$0.2 million 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 investment that support Rhode Island students. As of December, the Office was finalizing the scope of work for the request for proposals. *The Governor recommends funding as requested.*

Shepard Building. The Shepard Building's primary use is as the Providence Campus of the University of Rhode Island. It also houses the Department of Elementary and Secondary Education. Prior to FY 2006, support for the Shepard Building was shown in the Department of Administration's budget. The 2005 Assembly transferred support for the Shepard Building to the Office of Higher Education and the Department of Elementary and Secondary Education. The Office's request includes the enacted amount of \$2.2 million from general revenues to pay for parking and operating expenses. *The Governor recommends allocating maintenance and parking costs to the agencies that are tenants in the building. His recommended budget assumes that the Office of Postsecondary Commissioner and the Department of Housing both move into the Shepard building and includes \$0.2 million for the Office's share.*

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 requests a total of \$8.6 million including \$3.1 million for 7.0 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 operating costs. As of the end of November, the Center has 3.0 vacancies. *The Governor recommends \$7,912 more than requested. This includes \$14,080 in increased employee health benefit rates partially offset by \$6,168 in turnover savings.*

Higher Education Centers (1.0 FTE). The Westerly Higher Education and Industry Center is a collaborative job skills and educational center that is partnered 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 and is structured to be financially self-sustaining as operating costs are supported by program fees and revenues from leasing space. It should be noted that the Community College does pay the salaries and benefits for its staff that 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 requests \$7.8 million from all sources, including \$5.8 million from restricted receipts for both centers, which is \$2.0 million more than enacted. This includes \$0.1 million and authorization for 1.0 new full-time equivalent position for the Westerly Education Center to staff the newly renovated annex, which houses three additional classrooms and a certified nursing assistant skills lab. The request includes \$3.2 million for contracted training programs, which is \$0.7 million more than enacted to reflect the additional training programs being offered with the expansion to the annex location of the Westerly location. Program supplies and other operations expenses increase by \$0.5 million and security and janitorial services increase by \$0.2 million. The constrained request excludes the new position and funding.

The Governor recommends \$28,042 less than requested, including \$12,998 in statewide utility savings and \$29,150 in additional turnover savings partially offset by \$14,106 in increased employee health benefit rates. He recommends the new operations coordinator for the Westerly Center as requested.

ARPA - Rhode Island Reconnect. The enacted budget includes \$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 on direct supports, such as targeted coaching and wraparound supports, 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. The Office is currently in the process of establishing agreements with partners. The FY 2025 request excludes these one-time funds, but the expectation is that unused funds from FY 2024 are available for the second year in FY 2025. *The Governor recommends funding as requested.*

ARPA - Cybersecurity Center. The FY 2024 enacted budget includes a new 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 is budgeted in the Office of Postsecondary Commissioner and will support three years of program development and operating costs. The request removes this one-time funding; however, any unused funds from FY 2024 will be reappropriated. The Office is currently waiting on the College to review the application to submit to the Pandemic Recovery Office for approval. The College launched the Center in November. *The Governor recommends funding as requested.*

ARPA - Fresh Start Scholarship. The FY 2024 enacted 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, with a focus 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. The request removes this one-time funding; however, any unused funds from FY 2024 will be reappropriated. The Office notes it is working on finalizing the sub-agreement with the Community College which has begun marketing the program and working toward identifying potential students.

As of the first quarter of FY 2024, no funding has been expended but the Pandemic Recovery Office approved the project on September 7, 2023. *The Governor recommends funding as requested.*

Capital. The Office's request includes \$2.5 million from Rhode Island Capital Plan funds for capital projects, for which the enacted budget included no funding. This mistakenly programs \$270,000 for the Nursing Education Center as Rhode Island Capital Plan funds instead of Certificates of Participation. *The Governor recommends \$1.3 million less than requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The request includes \$1.6 million from general revenues for all other Office expenses, which is \$37,887 less from all sources, including \$0.1 million more from general revenues. The general revenue increase includes \$58,000 more for new computers, \$28,500 for contracted services including legal and database administration, \$4,950 for increased dues for the New England Higher Education Compact, and smaller increases for insurance, staff training opportunities and office supplies. *The Governor recommends \$5,724 more than requested to account for six months of charges related to implementation of new systems management software.*

Special Programs. The request includes the enacted amount of \$0.6 million from general revenues for three initiatives that are passed through its budget but are not part of its core operations. It also includes \$4.3 million from the federal GEAR-UP grant, which is \$0.8 million more than enacted. *The Governor recommends funding as requested.*

Onward We Learn/College Crusade. The Office requests \$4.7 million to support the operations and scholarship programs offered by the Onward We Learn, formerly named the College Crusade, including \$4.3 million from the GEAR-UP federal grant and \$0.4 million from general revenues. This is consistent with the revised allocation and the enacted budget. 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 for support and commitment to eligible low-income students including students with disabilities, to help the students obtain a secondary school diploma and to prepare for and succeed in postsecondary education. *The Governor recommends funding as requested.*

Best Buddies. The Office requests the enacted level of \$75,000 from general revenues for the Best Buddies program. The mission of the organization is 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 recommends funding as requested.*

Higher Education Opportunities for Teachers of Color. The Office requests the enacted level of \$200,000 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 support defraying the cost of attendance, support staff stipends, recruitment, and technology. *The Governor recommends funding as requested.*

University of Rhode Island

University of Rhode Island	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 391,454,877	\$ 392,151,685	\$ 419,691,566	\$ 414,346,554
Contracted Services	29,120,609	30,036,740	30,380,328	30,380,328
Subtotal	\$ 420,575,486	\$ 422,188,425	\$ 450,071,894	\$ 444,726,882
Other State Operating	185,452,437	186,237,269	201,208,338	194,226,555
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	245,876,851	257,463,132	266,568,641	265,268,641
Capital	81,690,148	39,550,393	53,601,853	52,313,472
Capital Debt Service	59,641,032	57,620,229	59,390,800	59,404,461
Operating Transfers	-	5,804,083	-	-
Total	\$ 993,235,954	\$ 968,863,531	\$ 1,030,841,526	\$ 1,015,940,011
Sources of Funds				
General Revenue	\$ 138,821,474	\$ 144,744,923	\$ 171,061,656	\$ 142,199,440
Tuition and Fees	401,060,957	396,184,484	407,390,481	422,477,562
Other Unrestricted	17,502,810	20,464,493	19,144,925	19,144,925
Total Unrestricted	\$ 557,385,241	\$ 561,393,900	\$ 597,597,062	\$ 583,821,927
Restricted	435,850,713	407,469,631	433,244,464	432,118,084
All Sources	\$ 993,235,954	\$ 968,863,531	\$ 1,030,841,526	\$ 1,015,940,011
FTE Authorizations				
	2,197.2	2,197.2	2,240.2	2,197.2
<i>Limited to Third-Party Funds</i>	<i>353.8</i>	<i>353.8</i>	<i>353.8</i>	<i>353.8</i>
Total	2,551.0	2,551.0	2,594.0	2,551.0

Summary. The University requests \$1,030.8 million and 2,594.0 full-time equivalent positions for FY 2025, an increase of \$37.6 million or 3.8 percent from the FY 2024 enacted budget and an increase of \$25.2 million or 2.5 percent to the revised allocation. General revenues requested at \$171.1 million, are \$32.2 million more than both the enacted budget and the revised allocations. Compared to the enacted budget, restricted expenditures are \$2.6 million less. The staffing request includes 43.0 new full-time equivalent positions.

The 2019 Assembly created a 17-member Board of Trustees for the University. The legislation transferred authority for a variety of functions from the Council on Postsecondary Education to the new Board and removed the University from the authority of the Commissioner of Postsecondary Education effective February 1, 2020. It preserved all the General Assembly's authority over the University.

The Governor recommends \$1,015.9 million from all sources, which is \$43.9 million more than enacted and \$14.9 million less than requested. This includes \$142.2 million from general revenues, which is \$3.4 million more than enacted and \$28.9 million less than requested. The Governor recommends the enacted level of staffing.

Tuition and Enrollment. At its November 2023 meeting, the Board of Trustees decided to shift final approval of tuition and mandatory fees to February 2024 and each February thereafter. It approved a baseline increase for FY 2025, which includes a tuition and fee increase for in-state students equal to \$450, or 2.7 percent, and \$1,042 for out-of-state students, or 2.9 percent compared to the enacted budget. The

request also includes an increase of 3.6 percent, or \$508 for average room and board costs. Overall enrollment is projected to increase by 175 students or 1.2 percent. The introduction of a flat rate for graduate resident assistants, regardless of residency, skews in-state and out-of-state comparisons to prior years.

Similar to prior years, the University proposed further tuition rate increases to offset the general revenue reduction contained in the budget target instead of making expenditure reductions. The Board of Trustees approved tuition rates as shown in the table at its November 2023 meeting.

University Undergraduate			Change to FY 2024	
Tuition and Fees	FY 2024	FY 2025	Enacted	
Resident				
Tuition	\$ 14,116	\$ 14,546	\$ 430	3.0%
Fees	2,292	2,312	20	0.9%
Total	\$ 16,408	\$ 16,858	\$ 450	2.7%
Nonresident				
Tuition	\$ 33,512	\$ 34,534	\$ 1,022	3.0%
Fees	2,292	2,312	20	0.9%
Total	\$ 35,804	\$ 36,846	\$ 1,042	2.9%
Average Room and Board	\$ 14,130	\$ 14,638	\$ 508	3.6%
Undergraduate and Graduate Enrollment				
In-State	6,797	6,791	(6)	-0.1%
Out-of-State	7,876	7,829	(47)	-0.6%
Graduate Resident Assistants	-	228	228	
Total	14,673	14,848	175	1.2%

The Governor's budget appears to assume tuition and mandatory fee increases consistent with the Board's preliminarily approved rates but includes \$15.1 million more than requested from tuition and fees or other unrestricted sources, suggesting that the University will generate more revenue than current projections or constrains spending from the request in order to not exceed available resources.

Staffing. The request for 2,594.0 full-time equivalent positions is 43.0 more than the enacted level, all of which are for the unrestricted budget. This includes 20.0 tenure track faculty, 20.0 academic advisors, and 3.0 information technology positions. *The Governor does not recommend the new positions.*

Unrestricted Budget. Including the State Crime Lab, the unrestricted budget accounts for \$597.6 million, an increase of \$40.2 million or 7.2 percent over the enacted budget and \$42.4 million or 7.6 percent over the revised allocation. Sources of funds for the increase from the revised budget include \$32.2 million from general revenues and \$11.2 million from tuition and fees, which is offset by \$1.0 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 \$133.4 million, including a current service reduction of \$0.1 million and a 5.0 percent reduction of \$5.3 million, adjusted for certain exclusions. The constrained budget submitted by the University is \$8,249 less than the unconstrained request, including \$37.0 million less from general revenues offset by \$37.0 million more from tuition. As in prior years, the University proposed further tuition rate increases to offset the general revenue reduction contained in the budget target instead of expenditure reductions. The State Crime Lab proposes fees to offset the general revenue reduction totaling \$0.3 million.

The Governor recommends \$583.8 million in unrestricted expenditures, which is \$47.6 million more than enacted and \$13.8 million less than requested. General revenues are \$3.4 million more than enacted and \$28.9 million less than requested. The Governor recommends \$441.6 million from other unrestricted sources, which is \$15.1 million more than requested. The recommendation assumes the University will generate more revenue than its current projection or constrain spending from the request in order to not exceed available resources.

University of Rhode Island	Changes to Enacted		
	Request	Governor	Difference
Current Year Revisions	(1,924,336)	\$ 4,008,659	\$ 5,932,995
Strategic Plan (43.0 FTE)	14,247,506	-	(14,247,506)
Life Sciences Faculty [20.0 FTE]	[\$3.0 million]	-	[(3.0 million)]
Academic Advisors [20.0 FTE]	[\$2.0 million]	-	[(2.0 million)]
IT Modernization [3.0 FTE]	[\$7.0 million]	-	[(7.0 million)]
Other Salaries and Benefits	19,398,680	19,398,680	-
Expanded Scholarship Support	[\$2.3 million]	-	[(2.3 million)]
Other Student Aid	2,876,184	2,876,184	-
Debt Service	1,325,668	1,048,416	(277,252)
Centralized Services	-	620,711	620,711
Operations	4,121,880	(1,682,203)	(5,804,083)
State Crime Lab	166,239	166,239	-
Special Programs	-	-	-
Total	\$ 40,211,821	\$ 26,436,686	\$ (13,775,135)

Current Year Revisions. Historically the analyses have begun with an adjustment for the current year. State law requires the Board of Education to review, develop and submit the higher education budget that it receives from the Council on Postsecondary Education. The institutions retain 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. So that the analysis can be in terms of the items the Council specifies as requested, staff analysis starts from the allocations.

The University requests \$1.9 million less from unrestricted sources than enacted. The enacted budget assumes \$9.8 million more from unrestricted sources than the University had estimated. This would have required the identification of additional revenues or expenditure reductions or both. The revised request removes the unidentified revenues, adjusts other sources and lowers spending by \$1.9 million. Changes include \$0.8 million or 0.8 percent more than enacted from tuition and fees based on higher out-of-state enrollment, \$4.1 million from prior year balances, the enacted level from general revenues, and \$3.0 million more from other University sources. The enacted budget assumes enrollment of 14,645 with 6,804 in-state students and 7,841 out-of-state students. The revised request includes enrollment of 14,673 or 28 more than enacted with 7 fewer in-state and 35 more out-of-state. *The Governor recommends \$5.9 million more than requested. This reflects an additional \$0.1 million for debt service on general obligation bonds and \$5.8 million to account for the University’s portion of a multi-year statewide shortfall in the Health Benefits Fund.*

Life Sciences Faculty (20.0 FTE). The unrestricted budget includes \$3.0 million to support 20.0 tenure track life sciences faculty as part of the University’s priority areas identified in its 2022 through 2032 strategic plan. The goal is that these faculty would increase teaching, research, and outreach capacity in fields critical to the economy of the state and where life science companies are facing employee recruitment challenges. *The Governor does not recommend funding for this initiative.*

Academic Advisors (20.0 FTE). The unrestricted budget includes \$2.0 million to support 20.0 academic advisors 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 in most areas, the University's rate is double this. *The Governor does not recommend funding for this initiative.*

Other Salaries and Benefits. Excluding the State Crime Laboratory, the unrestricted budget includes \$304.0 million for all other unrestricted faculty and staff expenditures. The request is \$19.4 million or 6.8 percent more than the revised allocation and \$17.4 million or 6.1 percent more than enacted. The increase over the revised allocation reflects updated benefits consistent with Budget Office planning values, step increases, and salary and benefit adjustments consistent with settled contract negotiations and a placeholder for contracts that expire at the end of FY 2024. *The Governor recommends funding as requested.*

Expanded Scholarship Support. The University's request changes the treatment of certain unrestricted expenses and requests \$2.3 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 to increase support for the Talent Development Program, National Guard waivers, and a Narragansett Tribal Scholarship program established in 2022. *The Governor does not recommend funding for this initiative.*

Talent Development. The University invests approximately \$14 million annually in the Talent Development program, which includes \$1.0 million in operating costs and the remainder in the form of scholarships and direct financial aid for students. The FY 2025 request would use general revenues to fully cover the operating costs portion of the program, which includes funding for staff, housing, advising, and wrap-around services for students. *The Governor does not recommend funding for this initiative.*

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, bachelor, masters 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 the cost; however, any expenses above \$100,000 are borne by the institutions. The University waives \$1.7 million annually and the request is for the state to provide \$0.8 million from general revenues specifically to defray half this cost. *The Governor does not recommend funding for this initiative.*

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 Narragansett Indian Tribal Nation membership. It also includes up to an additional \$5,000 annual grant based on full-time enrollment. The long-term goal is to grow the program into a \$1.0 million scholarship; the FY 2025 request includes \$0.5 million from general revenues. *The Governor does not recommend funding for this initiative.*

Other Student Aid. The unrestricted budget includes \$150.8 million for student aid, which is \$2.9 million or 1.9 percent greater than the revised allocation. The additional funding is consistent with the tuition and fee increases included in the University's request. Student aid can be seen as a discount to the tuition and the expenditure is directly related to tuition and fee revenue. The University's request changes the treatment of \$1.3 million for previously discussed expanded scholarship support that would otherwise be counted in other student aid. *The Governor recommends funding as requested.*

Information Technology Modernization (3.0 FTE). The request includes \$7.0 million and authorization for 3.0 new positions for information technology modernization in support of 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 and consistent student experience in learning spaces; provide

faculty and staff with modern computing equipment; and enhance the ability to support research and economic development within the state through computational research. *The Governor does not recommend funding for this initiative.*

Debt Service. The unrestricted request includes \$40.6 million for debt service costs, \$1.3 million more than the revised allocation. The unrestricted budget request includes \$31.8 million in debt service payments on general obligation bonds, \$6.9 million for revenue bonds, and \$1.9 million through Certificates of Participation for the University's energy performance contract upgrades. The increase includes \$0.3 million for existing issuances, \$0.7 million to account for a full year of debt service payments for the Facilities Services Sector Upgrade and \$0.3 million for an interest only payment for a new issuance for the Utility Infrastructure Upgrade Phase III projects, which was previously approved. *The Governor recommends \$0.3 million less than requested for debt service payments on general obligation bonds.*

Centralized Services. The Department of Administration is currently in the process of implementing an 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 human resources and payroll systems will be implemented in the fourth quarter of calendar year 2024. This was not included in the University's request.

The Governor's budget adds \$0.6 million from general revenues for the University's share which will be charged on a per-employee basis but collected through the established Division of Information Technology internal service fund.

Operations. Excluding the items noted previously and the State Crime Laboratory, the unrestricted budget includes \$86.2 million for all other operating, contracted services, and capital expenditures. This is \$0.2 million or 0.2 percent more than enacted and \$4.1 million or 5.0 percent more than the revised allocation. These reflect current service adjustments. The University's request changes the treatment of \$1.0 million for previously discussed expanded scholarship support that would otherwise be counted in other student aid. The constrained request reduces expenditures by \$8,249.

The Governor recommends funding consistent with the unconstrained request.

State Crime Lab. The unrestricted budget includes \$1.8 million and 11.8 full-time equivalent positions for the State Crime Lab, which is \$0.2 million more than the revised allocation and enacted budget. The increase assumes a 2.5 percent cost-of-living increase for staff in FY 2025 and \$0.1 million more for contracted services.

The constrained budget request reduces general revenues by \$0.2 million and requests that a like amount of funding be provided from an alternate source. The Crime Lab indicated that a possible alternative source of revenue would be to impose a fee on the agencies which use the laboratory services, a practice enacted in 1978 legislation, but repealed in 1984. This is the same proposal submitted annually for nearly a decade. *The Governor recommends funding as requested.*

Special Programs. The unrestricted budget includes the enacted amount of \$850,000 from general revenues for three initiatives that are passed through the University's budget but are not part of its core operations. *The Governor recommends funding as requested.*

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 by providing opportunities to develop physical fitness, demonstrate courage, experience joy, and participate in a sharing

of gifts, skills, and friendship with family members, other Special Olympics athletes, and the community. *The Governor recommends funding as requested.*

Small Business Development Center. The unrestricted budget includes the enacted amount of \$700,000 in general revenue support to the Rhode Island Small Business Development Center. The central mission of the Center is to assist in improving economic conditions within the state 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, which was then matched by \$700,000 from federal funds to provide a total of \$1.4 million to support small businesses. *The Governor recommends funding as requested.*

Institute for Labor Studies and Research. The unrestricted budget includes the enacted amount of \$100,000 in general revenue support to the Institute for Labor Studies and Research. The Institute for Labor Studies and Research is a nonprofit educational institution that provides education and training to Rhode Islanders. The 2022 Assembly provided support to the institute for the first time since FY 2016. *The Governor recommends funding as requested.*

Restricted Budget. The restricted budget request is for \$433.2 million, which is \$2.6 million or 0.6 percent less than enacted and \$17.2 million or 3.8 percent less than the revised allocation. The decrease to the enacted budget includes the removal of one-time funding of \$20.0 million from State Fiscal Recovery funds for the PFAS Water Treatment project, \$8.9 million less for capital expenditures funded from Rhode Island Capital Plan funds, offset by \$11.8 million more for student aid, \$0.7 million more for debt service, and \$13.7 million more for all other operations. *The Governor recommends \$432.1 million, which is \$3.7 million less than enacted and \$1.1 million less than requested.*

Restricted Student Aid. The restricted budget includes \$109.5 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 \$11.8 million more than enacted and \$5.5 million more than the revised request. It is \$7.7 million or 7.5 percent more than spent in FY 2023. *The Governor recommends funding as requested.*

ARPA - PFAS Water Treatment Plant. The restricted budget removes the \$20.0 million provided for FY 2024 from federal State Fiscal Recovery funds for the University to implement a permanent water filtration solution to reduce PFAS concentrations. In its capital request, the University spreads approved funding through FY 2027, which is three years later than the approved plan, including \$0.5 million for FY 2024, \$1.0 million for FY 2025, \$14.1 million for FY 2026 and \$4.4 million for FY 2027.

The Pandemic Recovery Office's first quarter report differed from the initial capital request and reflects the most up-to-date plan. The Departments of Health and Business Regulation have been tasked with identifying opportunities for the University to expediate the lead remediation process, which is assumed to expedite the process by a few months. The report did not include an updated project timeline. *The Governor recommends using \$20.0 million from Rhode Island Capital Plan funds in FY 2024 instead of the allocation from State Fiscal Recovery funds, which has a stricter timeline for use.*

Other Capital. The restricted budget includes \$52.6 million for capital improvements funded by Rhode Island Capital Plan funds. The request includes \$8.9 million for the new Athletics Complex Renewal project, \$7.9 million for the Academic, Mechanical, Electrical, and Plumbing Improvements project, \$8.0 million for the Fine Arts Center Renovation and Addition Phase II project, \$3.3 million for the Fire Safety Academic Phase II project, \$6.0 million for the Narragansett Bay Campus Renewal Phase I project, and \$16.3 million for asset protection projects. This is \$8.9 million less than enacted and is consistent with the capital request. *The Governor recommends \$1.3 million less than requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Debt Service. The restricted budget includes \$18.8 million for debt service, which is \$0.5 million more than enacted and reflects debt service for the Memorial Union and Health Services projects, which have been repeatedly delayed, beginning in FY 2025. *The Governor recommends \$0.2 million more than requested for debt service on energy conservation projects to reflect actual debt service payments.*

Other Operations. The restricted budget includes \$252.3 million for all other restricted expenses for auxiliary and enterprise operations. The request is \$14.0 million or 5.9 percent more than enacted and \$6.2 million or 2.5 percent more than the revised allocation. *The Governor recommends funding as requested.*

Rhode Island College

Rhode Island College	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 111,183,082	\$ 110,491,444	\$ 115,732,816	\$ 116,645,772
Contracted Services	3,780,611	4,141,894	4,173,191	4,173,191
Subtotal	\$ 114,963,693	\$ 114,633,338	\$ 119,906,007	\$ 120,818,963
Other State Operating	35,519,946	33,450,087	34,756,109	34,532,892
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	23,638,121	20,739,727	21,140,570	21,140,570
Capital	20,940,534	31,680,248	17,198,116	22,198,116
Capital Debt Service	13,405,688	12,812,156	11,250,371	11,445,371
Operating Transfers	-	1,616,349	-	-
Total	\$ 208,467,982	\$ 214,931,905	\$ 204,251,173	\$ 210,135,912
Sources of Funds				
General Revenue	\$ 76,546,642	\$ 78,276,224	\$ 79,400,427	\$ 77,881,228
Tuition and Fees	60,079,836	60,605,370	63,824,654	66,095,437
Other Unrestricted	9,973,067	6,183,273	5,239,407	5,239,407
Total Unrestricted	\$ 146,599,545	\$ 145,064,867	\$ 148,464,488	\$ 149,216,072
Restricted	61,868,437	69,867,038	55,786,685	60,919,840
All Sources	\$ 208,467,982	\$ 214,931,905	\$ 204,251,173	\$ 210,135,912
FTE Authorizations				
	873.2	873.2	873.2	873.2
<i>Limited to Third-Party Funds</i>	<i>76.0</i>	<i>76.0</i>	<i>76.0</i>	<i>76.0</i>
Total	949.2	949.2	949.2	949.2

Summary. Rhode Island College requests \$204.3 million from all sources and 949.2 full-time equivalent positions. This is a decrease of \$4.2 million or 2.0 percent from the enacted budget and \$7.9 million or 3.7 percent from the revised allocation. General revenues, requested at \$79.4 million, are \$2.9 million more than the enacted budget and revised allocation. Compared to the enacted budget, restricted source expenditures are \$7.9 million less. The staffing request is consistent with the current authorization, restricting 76.0 positions to third-party funding.

The Governor recommends \$210.1 million from all sources, which is \$1.7 million more than enacted and \$5.9 million more than requested. The Governor recommends the enacted level of staffing.

Tuition and Enrollment. The Council approved tuition rates as shown on the following table at its October 2023 meeting. This includes a tuition increase of 3.0 percent, which equates to \$284 for in-state students and \$750 for out-of-state students, and a fee increase of \$30 for all students. The Council also approved an increase of 4.0 percent, or \$549 for average room and board costs.

The FY 2024 revised enrollment estimate projects in-state enrollment to increase 1.7 percent or 69 full-time equivalent students and out-of-state enrollment to increase by 12.4 percent or 80 students, for a total increase of 149 students. For FY 2025, in-state enrollment is projected to increase 2.7 percent or 111 full-time equivalent students and out-of-state enrollment is projected to increase 3.6 percent or 26 full-time equivalent students compared to FY 2024, for a total increase of 137 students. The FY 2025 estimate is 219 or 4.6 percent more than FY 2023 enrollment. The College's enrollment had been declining since FY

2014, when it achieved peak enrollment of 7,022 full-time equivalent students. The FY 2023 enrollment is the lowest in decades but that trend seems to be reversing with modest increases for FY 2024 and FY 2025.

College Undergraduate Tuition and Fees	FY 2024	FY 2025	Change to FY 2024 Enacted	
Resident				
Tuition	\$ 9,481	\$ 9,765	\$ 284	3.0%
Fees	1,505	1,535	30	2.0%
Total	\$ 10,986	\$ 11,300	\$ 314	2.9%
Nonresident				
Tuition	\$ 25,014	\$ 25,764	\$ 750	3.0%
Fees	1,505	1,535	30	2.0%
Total	\$ 26,519	\$ 27,299	\$ 780	2.9%
Average Room and Board	\$ 13,722	\$ 14,271	\$ 549	4.0%
Undergraduate and Graduate Enrollment				
In-State	4,167	4,278	111	2.7%
Out-of-State	724	750	26	3.6%
Total	4,891	5,028	137	2.8%

The Governor’s budget appears to assume tuition and mandatory fee increases consistent with the Council’s approved rates but includes \$2.3 million more than requested from tuition and fees or other unrestricted sources. To close the gap, the College would have to generate more revenue than current projections or constrain spending from the request to not exceed available resources.

Staffing. The College’s request for 949.2 full-time equivalent positions is consistent with the enacted level. The request assumes that 76.0 of the total positions would be limited to funding from third-party sources. *The Governor recommends the enacted level of staffing.*

Unrestricted Budget. The unrestricted budget accounts for \$148.5 million, which is an increase of \$1.9 million or 1.3 percent from the enacted budget and an increase of \$5.3 million or 3.7 percent from the revised allocated. Sources of funds for the increase from the revised allocation include \$2.9 million more from general revenues and \$3.4 million more from tuition and fees partially offset by \$0.9 million less from all other unrestricted sources.

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 \$72.7 million, including a current service reduction of \$0.5 million and a 5.0 percent reduction of \$3.4 million, adjusted for certain exclusions. The College’s constrained budget request is \$6.7 million less from general revenues than the unconstrained request. It assumes increasing tuition and fees generate an additional \$3.9 million of revenues resulting in the need to reduce expenditures by \$2.8 million through staff reductions.

The Governor recommends \$149.2 million in unrestricted expenditures, which is \$2.6 million more than enacted and \$0.8 million more than requested. This includes \$77.9 million from general revenues, which is \$1.3 million more than enacted and \$1.5 million less than requested. It also includes \$71.3 million from other unrestricted sources, which is \$2.3 million more than requested. The recommendation assumes the College will generate more revenue than its current projection or constrain spending from the request to not exceed available resources.

College	Changes to Enacted		
	Request	Governor	Difference
Current Year Revisions	\$ (3,455,364)	\$ (1,534,678)	\$ 1,920,686
Salaries and Benefits	5,072,225	5,466,971	394,746
Vision Services	-	-	-
Hope Scholarship	-	-	-
Student Aid	265,009	265,009	-
Debt Service	(887,164)	(805,397)	81,767
Centralized Services	-	172,561	172,561
Other Operations	870,237	(947,939)	(1,818,176)
Total	\$ 1,864,943	\$ 2,616,527	\$ 751,584

Current Year Revisions. Historically the analyses have begun with an adjustment for the current year. State law requires the Board of Education to review, develop and submit the higher education budget that it receives from the Council on Postsecondary Education. The institutions retain 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. So that the analysis can be in terms of the items the Council specifies as requested, staff analysis starts from the allocations.

The College requests \$3.5 million or 2.4 percent less than enacted from unrestricted sources. This includes \$0.3 million or 0.6 percent more from tuition and fees to reflect higher enrollment than assumed in the enacted budget, the enacted amount from general revenues, and \$3.8 million less from other unrestricted sources, nearly all of which is unidentified revenues that the College needs to meet its expenditure projections. Turnover savings, delayed purchases and a reduction in unidentified operating expenses were able to reduce the gap between expected revenues and expenditures. The College’s revised budget still relies on \$1.8 million in unidentified revenues or further spending reductions.

The request includes \$0.4 million less than enacted for salaries and benefits, \$0.1 million more for contracted services, \$0.1 million more in student aid, \$0.7 million less for debt service, and \$2.6 million less for other operating expenses to reflect projected revenues. *The Governor recommends \$1.9 million more than requested.*

This reflects an additional \$0.1 million for debt service and \$1.6 million to account for the College’s portion of a multi-year statewide shortfall in the Health Benefits Fund. It also includes \$0.2 million for increased employee health benefit rates offset by a like reduction in miscellaneous operating expenses.

Salaries and Benefits. Unrestricted expenditures for salaries and benefits total \$101.6 million, \$5.1 million or 5.3 percent more than the revised allocation. The increase reflects all settled contracts and a placeholder for contracts that expire at the end of FY 2024.

The constrained request reduces salaries and benefits by \$6.7 million from general revenues through staffing reductions. This would be partially offset by \$3.9 million from increasing tuition and fees, providing a final reduction of \$2.8 million. *The Governor recommends \$0.4 million more than requested to reflect increased employee health benefit rates.*

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. A variety of services are available that include early intervention, orientation and mobility, and the instruction of specific compensatory skills to children from birth through 21 years of age. The College’s budget includes \$6.6

million from restricted sources for all costs associated with operating the Sherlock Center. The program has ten teachers of the visually impaired, a part-time certified orientation and mobility specialist, and a part-time support staff. The program receives support from both 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. *The Governor recommends funding as requested.*

Hope Scholarship. The 2023 Assembly provided \$4.0 million from general revenues for the first year of a new Hope Scholarship, similar to the Promise Scholarship at the Community College, which will provide last-dollar scholarships to eligible students graduating in 2024, 2025, and 2026. The scholarship is provided to students during their third and fourth years. The funding for Hope is not in the College's budget, rather in the Office of Postsecondary Commissioner, similar to how Promise is treated.

The College's budget request indicates that around 360 juniors and seniors will be eligible for the scholarship with an estimated award of \$2.4 million for FY 2024. The FY 2025 request includes the enacted amount of \$4.0 million; the November Hope Scholarship report projects an FY 2025 cost of \$3.4 million for 400 students. *The Governor recommends \$0.6 million less than requested for a total of \$3.4 million consistent with the November report.*

Student Aid. The unrestricted budget includes \$9.1 million for student aid, which is \$0.3 million or 3.0 percent more than the FY 2024 allocation. The increased funding reflects the enrollment estimate increasing as well as the tuition and fee increases. Student aid can be seen as a discount to the tuition and the expenditure is directly related to tuition and fee revenue.

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 as part of collective bargaining agreements with union employees and as Council policy for non-union employees. Spouses, domestic partners and dependents have tuition waived for the baccalaureate level, while faculty and staff eligibility is unlimited. Mandatory fees are not generally waived. *The Governor recommends funding as requested.*

Centralized Services. The Department of Administration is currently in the process of implementing an 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 human resources and payroll systems will be implemented in the fourth quarter of calendar year 2024. This was not included in the College's request.

The Governor's budget adds \$0.2 million from general revenues for the College's share which will be charged on a per-employee basis but collected through the established Division of Information Technology internal service fund.

Debt Service. The unrestricted budget includes \$9.4 million for debt service costs, \$0.9 million or 8.6 percent less 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 \$8.0 million on general obligation bonds accounts for most of the cost. *The Governor recommends \$0.1 million more than requested for debt service payments on general obligation bonds.*

Other Operations. Excluding the items noted previously, the unrestricted budget includes \$26.6 million for all other operations. This is \$0.9 million or 3.4 percent more than the revised request. Increases over the revised request include \$0.3 million for utilities, \$0.3 million for insurance, and \$0.3 million for advertising and marketing. *The Governor recommends reducing expenses by value of the increased employee health benefit rates.*

Restricted Budget. The restricted budget request is for \$55.8 million, which is \$6.1 million or 9.8 percent less than enacted and \$13.2 million less than the FY 2024 revised allocation. The changes to the enacted budget include \$3.7 million less from Rhode Island Capital Plan funds for capital projects, \$1.2 million less for research and sponsored programs, and \$8.2 million less in external student aid and fellowships. This is partially offset by \$5.3 million more related to the operations of the College's auxiliary enterprises. *The Governor recommends \$60.9 million, which is \$0.9 million less than enacted and \$5.1 million more than requested.*

Student Aid. The restricted budget includes \$12.1 million for external student aid, including Pell Grants and work study. The request is \$2.9 million less than enacted but \$0.1 million more than the FY 2024 revised allocation. *The Governor recommends funding as requested.*

Capital. The restricted budget includes \$17.0 million for capital improvements funded by Rhode Island Capital Plan funds. This is \$3.7 million less than enacted and consistent with the capital budget request. *The Governor recommends \$5.0 million more than requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Restricted Operations. The restricted budget includes \$26.8 million for all other restricted expenses for the dining hall, student union, and residence halls, including debt service. The request is \$0.5 million more than enacted, including \$0.2 million less for salaries and benefits, \$0.5 million more for dining hall food expenditures, \$0.5 million more for contracted training services, \$0.6 million less for debt service, and \$0.1 million more for all other expenses.

For the past few years revenues for 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. The revised request projects deficits of \$0.6 million for the student union, \$1.0 million for residence halls, and \$0.9 million for the dining hall. For FY 2025, the College projects deficits of \$0.8 million for dining and \$0.5 million each for the student union and residence halls.

While not reflected in its budget submission, the College indicates it plans to address this in two ways. The first is it will suspend the indirect cost assessment on the auxiliaries, which will provide \$1.9 million; it plans to resolve the remaining \$0.3 million through constraining spending. Notably, this would reduce resources for the unrestricted budget. The College also notes that it has considerable amounts of debt service ending over the next few fiscal years so the outlook on auxiliaries will improve. It also indicates it is within about 75 students to break even on the residence halls, which it expects to reach in FY 2025 or FY 2026. *The Governor recommends \$0.1 million more than requested for employee health benefit rates.*

Community College of Rhode Island

Community College of Rhode Island	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 99,923,466	\$ 99,473,313	\$ 104,945,016	\$ 104,575,113
Contracted Services	3,799,005	5,449,389	5,504,994	5,254,994
Subtotal	\$ 103,722,471	\$ 104,922,702	\$ 110,450,010	\$ 109,830,107
Other State Operating	18,643,677	19,849,766	19,896,250	19,588,588
Aid to Local Units of Government	-	-	2,819,625	-
Assistance, Grants, and Benefits	34,666,019	34,049,790	35,333,837	35,333,837
Capital	24,393,124	20,014,096	28,600,868	28,629,452
Capital Debt Service	973,106	1,269,173	804,709	1,054,709
Operating Transfers	-	1,547,809	-	-
Total	\$ 182,398,397	\$ 181,653,336	\$ 197,905,299	\$ 194,436,693
Sources of Funds				
General Revenue	\$ 59,337,865	\$ 61,030,726	\$ 69,279,904	\$ 61,286,538
Tuition and Fees	57,360,553	55,794,732	54,441,040	58,965,800
Other Unrestricted	7,908,771	8,831,933	8,953,872	8,953,872
Total Unrestricted	\$ 124,607,189	\$ 125,657,391	\$ 132,674,816	\$ 129,206,210
Restricted	57,791,208	55,995,945	65,230,483	65,230,483
All Sources	\$ 182,398,397	\$ 181,653,336	\$ 197,905,299	\$ 194,436,693
FTE Authorizations				
	760.1	760.1	760.1	760.1
<i>Limited to Third-Party Funds</i>	<i>89.0</i>	<i>89.0</i>	<i>89.0</i>	<i>89.0</i>
Total	849.1	849.1	849.1	849.1

Summary. The Community College requests \$197.9 million from all sources and 849.1 full-time equivalent positions for FY 2025. This is \$15.5 million or 8.5 percent more than the enacted budget and \$18.0 million or 10.0 percent more than the revised allocation. General revenues, requested at \$69.3 million, are \$9.9 million or 16.8 percent more than the revised allocation and the enacted budget. Compared to the enacted budget, restricted source expenditures are \$7.5 million more. The staffing request is consistent with the enacted authorization.

The Governor recommends \$194.4 million from all sources, which is \$12.0 million more than enacted and \$3.5 million less than requested. The recommendation includes \$61.3 million from general revenues, which is \$1.9 million more than enacted and \$8.0 million less than requested. The Governor recommends staffing consistent with the enacted level.

Tuition and Enrollment. The Council approved a tuition and fee increase equal to \$225 for all in-state students, or 4.2 percent, and \$624 for all out-of-state students, or 4.4 percent. For in-state students, this includes an increase of \$219 for tuition and a \$6 increase for mandatory fees. For nonresidents tuition increases \$618 and mandatory fees go up the same \$6. Enrollment is projected to decrease by 117 full-time equivalent students or 1.5 percent compared to the enacted budget and remain at the FY 2024 revised level of 7,698.

The Council of Postsecondary Education approved the tuition rates in the table that follows at its October 2023 meeting.

Community College		Change to FY 2024		
Tuition and Fees	FY 2024	FY 2025	Enacted	
Resident				
Tuition	\$ 4,855	\$ 5,074	\$ 219	4.5%
Fees	470	476	6	1.3%
Total	\$ 5,325	\$ 5,550	\$ 225	4.2%
Nonresident				
Tuition	\$ 13,740	\$ 14,358	\$ 618	4.5%
Fees	470	476	6	1.3%
Total	\$ 14,210	\$ 14,834	\$ 624	4.4%
Enrollment	7,698	7,698	-	0.0%

The Governor's budget assumes tuition and mandatory fee increases consistent with the Council's approved rates. It includes \$4.5 million more than requested from tuition and fees or other unrestricted sources. To close the gap, the Community College would have to generate more revenue than current projections or constrain spending from the request in order not to exceed available resources.

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 recommends staffing consistent with the enacted budget.*

Unrestricted Budget. The unrestricted budget accounts for \$132.7 million, which is \$8.1 million or 6.5 percent more than the enacted budget and \$8.7 million or 7.0 percent more than the revised allocation. Sources of funds for the increase to the revised allocations include \$9.9 million more from general revenues, \$1.4 million less from tuition and fees, and \$0.1 million more 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 \$56.6 million, including current service adjustments of \$0.5 million and a 5.0 percent reduction of \$2.9 million, adjusted for certain exclusions. The constrained budget submitted by the Community College is \$6.7 million less than the unconstrained request, including \$11.9 million less from general revenues partially offset by \$5.2 million more from tuition and fees. The Community College proposes further tuition rate increases to offset the general revenue reduction contained in the budget target. In addition to reducing general revenues and raising tuition, the College proposes implementing a hiring freeze for an additional \$3.7 million of general revenues savings. The items are noted in the analysis where appropriate.

The Governor recommends \$129.2 million in unrestricted expenditures, which is \$4.6 million more than enacted and \$3.5 million less than requested. General revenues are \$1.9 million more than enacted and \$8.0 million less than requested. The Governor recommends \$67.9 million from other unrestricted sources, which is \$4.5 million more than requested. The recommendation assumes the Community College will generate more revenue than its current projection or constrain spending from the request in order not to exceed available resources.

Community College	Changes to Enacted		
	Request	Governor	Difference
Current Year Revisions	\$ (643,173)	\$ 1,050,202	\$ 1,693,375
Advantage Program	427,500	-	(427,500)
Early College Program	3,000,000		(3,000,000)
Technology Enhancement	472,567	-	(472,567)
Benefits Hub	-	-	-
Community First	-	-	-
Other Salaries and Benefits	5,141,883	5,143,356	1,473
Rhode Island Promise	-	-	-
Other Student Aid	227,813	227,813	-
Debt Service	(319,412)	(214,464)	104,948
Centralized Services	-	180,179	180,179
Other Operations	(239,551)	(1,788,065)	(1,548,514)
Total	\$ 8,067,627	\$ 4,599,021	\$ (3,468,606)

Current Year Revisions. Historically the analyses have begun with an adjustment for the current year. State law requires the Board of Education to review, develop and submit the higher education budget that it receives from the Council on Postsecondary Education. The institutions retain 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. So that the analysis can be in terms of the items the Council specifies as requested, staff analysis starts from the allocations.

The Community College requests \$0.6 million or 0.5 percent less than enacted from unrestricted sources. This includes \$1.6 million or 2.7 percent less than enacted from tuition and fees and \$0.9 million more from other unrestricted sources. The revised request includes 7,698 full-time equivalent students, which is 117 less than enacted. However, a change in total students enrolled yielded more tuition per full-time equivalent student than original projections, which covers some of the overstatement in the enacted budget.

The expenditure reduction includes \$0.9 million less for salaries and benefits, \$1.7 million more for contracted services, \$0.4 million more for capital improvements, \$2.5 million less for student aid, and \$0.7 million more for other operating expenses. *The Governor recommends \$1.7 million more than requested. This reflects an additional \$0.1 million for debt service and \$1.5 million to account for the Community College's portion of a multi-year statewide shortfall in the Health Benefits Fund.*

Advantage Program. The Community College requests \$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 will result in a reduction of \$3.6 million in tuition and fees. As part of the request, the College is requesting an additional state appropriation of \$3.6 million to backfill the revenue loss as well as \$0.4 million of new money.

Students would receive intensive instruction in reading, writing and math to enhance their skills to the point where they can successfully enroll in credit bearing classes. The College reports that almost half of incoming first-time, credential-seeking students are assessed as needing developmental education in reading, math, or writing; approximately 20 percent require developmental education in one content area, another 20 percent require developmental education in two content areas, and roughly 5 percent require developmental education in three content areas.

Students who participate in this program will delay matriculation for one semester, beginning instead with a semester of noncredit, time-intensive instruction in reading, writing, and mathematics. Students will also receive enhanced academic advising, tutoring, and a college success seminar. The Community College

plans for people who participate in Advantage to be eligible for Promise, which may require a change to the legislation to ensure that is the case. *The Governor does not recommend funding.*

Early College Program. The Community College requests new funding of \$3.0 million for early college opportunities to develop a predictable admission pipeline through engagement with students starting as early as 8th grade. The College will partner with the Department of Elementary and Secondary Education and local districts to support college readiness with an emphasis on math competency and Free Application for Federal Student Aid (FAFSA) completion statewide. The proposal has five components: expanding dual enrollment to the summer; expanding summer and after school programming; increasing equity in early college programming by providing free technology, course materials, meals, and transportation; establishing a gateway to college program; and enhancing family engagement efforts. *The Governor does not recommend funding.*

Early College Program	
Summer Dual Enrollment	\$ 250,000
Summer & After School Programming	250,000
Early College Quity	1,000,000
Gateway to College	1,000,000
Family Engagement	500,000
Total	\$ 3,000,000

Technology Enhancements. The Community College requests \$0.5 million to expand to a new cloud-based data warehousing system and upgrade the existing financial reporting system. The goal would be to break down data silos; improve data accuracy and confidence via governance efforts; and increase access to data thereby facilitating efficient, data-informed decisions. The request includes \$0.2 million for the initial license fee, \$30,000 for staff training, \$0.2 million for 1.0 position within the existing cap, and \$100,000 for consulting services to assist with implementation. *The Governor does not recommend funding.*

Benefits Hub Initiative. The Community College requested \$0.2 million from general revenues as part of its FY 2024 budget request to support the creation of a new on-campus benefits hub. Funding would support 2.0 full-time equivalent positions within the Community College’s current staffing authorization and \$25,000 for operating costs. The Benefits Hub would be a one-stop shop for financial coaching and direct connections to the available federal, state, and community resources, including: utility assistance, emergency funding, enrollment in public benefits, including the Supplemental Nutrition Assistance Program, and homelessness prevention and housing navigation. The Community College believes that a collective impact model will enable it to leverage community-based resources to meet students’ needs, and will help retain and graduate students. The Assembly did not fund this initiative.

The College reports that it had committed to moving forward with this and the Community First initiatives and decided to fund these efforts within its existing budget at a smaller scale than originally requested. Two existing staff members have been re-assigned to these programs as part of a larger reorganization in Student Affairs. The two new positions had not been filled as of December 2023. In all, the positions total \$358,250. Operating expenses have come from the Community College of Rhode Island Foundation grants and fundraising. The College has indicated that it will use existing financial resources to support the programs as necessary. *The Governor recommends funding as requested.*

Community First Initiative. The Community College requested \$0.2 million from general revenues as part of its FY 2024 budget to support a new Community First Initiative to extend outreach to marginalized cities and neighborhoods in Rhode Island. The Community First initiative focuses on adult learners on the west and south sides of Providence, where there are higher levels of unemployment, lower levels of educational attainment, and a higher concentration of Hispanic and Black residents compared to the rest of

the state. Funding would support 2.0 full-time equivalent positions within the current staffing authorization and \$25,000 to support recruitment activities. The Assembly did not approve this funding.

The College reports that it had committed to moving forward with this and the Benefit Hub initiatives and decided to fund these efforts within its existing budget at a smaller scale than originally requested. Two existing staff members have been re-assigned to these programs as part of a larger reorganization in Student Affairs. The two new positions had not been filled as of December 2023. In all the positions total \$358,250. Operating expenses have come from the Community College of Rhode Island Foundation grants and fundraising. The College has indicated that it will use existing financial resources to support the programs as necessary. *The Governor recommends funding as requested.*

Other Salaries and Benefits. Unrestricted expenditures for salaries and benefits total \$99.2 million, \$5.1 million or 5.5 percent more than the revised allocation. The increase reflects settled contracts and a placeholder for ongoing contract negotiations, offset by additional turnover savings. The request would fund 697.1 full-time equivalent positions.

The constrained request includes \$2.8 million in savings achieved by implementing a hiring freeze, which is offset slightly by the tuition increase included in the constrained request. *The Governor recommends funding as requested.*

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 the tuition bill with general revenues. Other non-mandatory fees are not covered by this program. Originally 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 of Postsecondary Commissioner’s request for \$8.6 million is consistent with the revised and enacted allocation, but not the November Promise Report issued prior to submission of the Office’s budget. The November 2023 Promise Report notes \$7.6 million is needed to support 2,826 students. For FY 2025, the report projects that \$8.6 million would be needed to support 3,095 students, which is consistent with the enacted budget. *The Governor recommends \$0.7 million less than requested for a total of \$7.9 million based on updated enrollment projections.*

Other Student Aid. The unrestricted budget includes \$5.8 million for student aid, \$0.2 million more than the revised allocation. The additional funding is consistent with the tuition and fee increases included in the Community College’s request. Student aid can be seen as a discount to tuition and the expenditure is directly related to tuition and fee revenue. For FY 2025, student aid and waivers are estimated to be 10.0 percent of tuition and fee revenue, consistent with the revised request. *The Governor recommends funding as requested.*

Debt Service. The unrestricted budget includes \$0.8 million for debt service expenditures on general obligation bonds. This is \$0.3 million less than the revised allocation to reflect FY 2024 as the last year for payments on the Rhode Island Health and Educational Building Corporation bonds that funded the addition to the Providence Campus. *The Governor recommends \$0.1 million more than requested for debt service payments on general obligation bonds.*

Centralized Services. The Department of Administration is currently in the process of implementing an 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 human resources and payroll systems will be implemented in the fourth quarter of calendar year 2024. This was not included in the Community College's request.

The Governor's budget adds \$0.2 million from general revenues for the Community College's share which will be charged on a per-employee basis but collected through the established Division of Information Technology internal service fund.

Other Operations. Excluding the items noted previously, the unrestricted budget includes \$22.9 million for all other operations and contracted services. This is \$0.2 million less than the revised allocation. Expenditures include \$1.1 million for maintenance and repairs, \$2.5 million for utilities, \$2.7 million for contracted grounds services, \$1.9 million for insurance, and \$1.7 million for contracted training services. *The Governor recommends funding as requested.*

Restricted Budget. The restricted budget request of \$65.2 million is \$7.4 million or 12.9 percent more than enacted and \$9.3 million more than the revised allocation. The increase to the enacted budget includes \$4.5 million more for capital projects funded from Rhode Island Capital Plan funds and \$2.9 million more for restricted student aid. *The Governor recommends \$65.2 million as requested.*

Restricted Student Aid. The restricted budget includes \$29.5 million for external aid from restricted sources, which is \$2.9 million more than enacted and \$1.1 million more than the revised request to reflect the tuition and fee increase. *The Governor recommends funding as requested.*

Capital. The restricted budget includes \$28.3 million for capital improvements funded by Rhode Island Capital Plan funds. The request includes \$16.0 million for the Renovation and Modernization – Phase I project, \$5.7 million for the Flanagan Campus Renewal project, \$3.7 million for the Data, Cabling, and Power Infrastructure project, \$0.2 million for accessibility improvements, and \$2.7 million for asset protection projects. This is \$4.5 million more than the enacted budget and consistent with the capital request. *The Governor recommends funding as requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Restricted Operations. The restricted budget includes \$7.4 million for all other restricted expenses for auxiliary and enterprise operations. The request is \$0.1 million more than enacted and \$1.1 million less than the revised allocation. Changes to the enacted budget include \$0.1 million less for salaries and benefits and operational expenses of its bookstores, reflecting the Community College continuing the process of privatization. The Council on Postsecondary Education approved the privatization of the Community College's bookstore in accordance with the provisions of Rhode Island General Law and applicable collective bargaining agreements in December 2022. The College has gone through the request for proposals process and a tentative award has been issued.

Other changes to the enacted budget include \$0.1 million more from private grants, \$49,369 more in sponsored research and \$13,788 less for driver's education. *The Governor recommends funding as requested.*

Rhode Island State Council on the Arts

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 1,315,830	\$ 1,325,591	\$ 1,460,192	\$ 1,405,289
Contracted Services	83,000	83,000	83,000	83,000
Subtotal	\$ 1,398,830	\$ 1,408,591	\$ 1,543,192	\$ 1,488,289
Other State Operations	169,922	167,753	164,922	187,042
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,766,006	1,766,006	1,986,006	1,766,006
Capital	535,000	535,000	535,000	535,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,869,758	\$ 3,877,350	\$ 4,229,120	\$ 3,976,337
Sources of Funds				
General Revenue	\$ 2,292,758	\$ 2,303,238	\$ 2,651,238	\$ 2,395,211
Federal Aid	987,000	986,151	992,882	996,126
Restricted Receipts	5,000	2,961	-	-
Other	585,000	585,000	585,000	585,000
Total	\$ 3,869,758	\$ 3,877,350	\$ 4,229,120	\$ 3,976,337
FTE Authorization	10.0	10.0	11.0	10.0

Summary. The Rhode Island State Council on the Arts requests \$4.2 million from all sources, which is \$359,362 more than enacted, including \$358,480 more from general revenues, \$5,882 more from federal funds, and \$5,000 less from restricted receipts. It includes 11.0 full-time equivalent positions, 1.0 more than enacted. *The Governor recommends the enacted level of positions and \$0.3 million less, almost entirely 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 Council on the Arts this produced a general revenue target of \$2.2 million, including a current service reduction of \$2,332 and a 5.0 percent reduction of \$110,173, adjusted for certain exclusions. The constrained budget submitted by the Council is \$55,003 lower 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 \$0.2 million above the target.*

Grants. The Rhode Island State Council on the Arts supports a multitude of grants funded through different fund sources. Its FY 2025 request totals \$2.0 million, including \$1.4 million from general revenues and \$0.6 million from federal funds. The request is \$0.2 million more than enacted, primarily to maintain a program previously supported from federal funds.

For FY 2023, the Council provided ten types of grants totaling \$1.6 million from all sources, including a \$375,000 designated grant for Waterfire Providence identified in Article 1 of 2022-H 7123, Substitute A, as amended. The 2016 Assembly ended the community service grant program and provided 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, as well as restricted support from the Rhode Island Foundation for its Expansion Arts program. The table below shows grant support to the Council from FY 2021. *The Governor recommends \$5,000 less than enacted from restricted receipts and excludes funds requested to continue the federal program.*

Fund Source	Grant Pool	FY 2021	FY 2022	FY 2023	FY 2024 Enacted	FY 2025 Request	FY 2025 Governor
General Revenue	Build the Future	\$ -	\$ -	\$ -	\$ -	\$ 220,000	\$ -
	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	375,000	375,000	400,000	400,000	400,000
	Governor's Portrait	-	25,000	-	-	-	-
Subtotal		\$ 1,165,000	\$ 1,190,000	\$ 1,165,000	\$ 1,190,000	\$ 1,410,000	\$ 1,190,000
Federal Funds	National Endowment for the Arts	\$ 342,315	\$ 1,577,322	\$ 936,599	\$ 576,006	\$ 576,006	\$ 576,006
	Coronavirus Relief Funds	1,000,050	-	-	-	-	-
Restricted Receipts	Expansion Arts	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -
	Arts & Health Network Grant	-	10,000	-	-	-	-
	Governor's Portrait	284	25,000	45,000	-	-	-
Total Grant Funding		\$ 2,507,649	\$ 2,807,322	\$ 2,151,599	\$ 1,771,006	\$ 1,986,006	\$ 1,766,006

Build the Future Grant. The Council requests \$220,000 from general revenues to continue a workforce development program previously funded from federal pandemic recovery funds through the National Endowment for the Arts. The Build the Future Grant program supports existing workforce development programs for youth and adults operated by arts and culture organizations and secondary schools. Training programs are not limited to arts careers, and have included welding, marine carpentry, and occupational health and safety. The Council allocated \$218,000 from federal funds in FY 2023 for the first round of grants, which provided six months of funding to 14 programs and supported 1,215 trainees.

The constrained request excludes this initiative. *The Governor's budget does not include this initiative.*

Discretionary Grants. Consistent with the enacted budget, the Council requests \$590,000 from general revenues for discretionary grants to various education, individual artists and arts organizational programs. The discretionary grant pool currently supports 15 grant programs, 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 a number of discretionary grant programs awarded through application processes and funded through federal funds, general revenues, or restricted receipts. Although each grant program has a different timeframe, applications and awards for each follow a similar process. *The Governor recommends funding as requested.*

Providence Waterfire. Consistent with the enacted budget, the Council requests \$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 the prior funding. The 2023 Assembly increased annual funding from \$375,000 to \$400,000. The constrained request includes \$200,000 less in order to meet the budget target. *The Governor recommends funding as requested.*

Other State Grants. Consistent with the enacted budget, the Council requests \$0.2 million from general revenues for its remaining state supported grant programs awarded through a competitive pool. These grants fund the Council's regular education and access initiatives, including the Big Yellow School Bus Program, Art Access, and Investment in Arts and Cultural Grants. The 2016 Assembly ended the community service grant program and provided these appropriations in place of the prior funding. *The Governor recommends funding as requested.*

National Endowment for the Arts Grants. Consistent with the enacted budget, the Council requests \$0.6 million from federal National Endowment for the Arts funds for grants to individuals and organizations to help support the arts and encourage artists to continue to make the arts visible in the community. Funding is currently used to support 15 different grant programs, often in conjunction with state sources of funding. *The Governor recommends funding as requested.*

Restricted Grants. The Council's request excludes the enacted amount of \$5,000 from restricted receipts for the Expansion Arts program previously supported by an annual grant from the Rhode Island Foundation. The program provides assistance to community-based, culturally diverse arts and cultural organizations. The Council indicates that funding has ended and, with it, the program. *The Governor excludes funding as requested.*

Grants Manager (1.0 FTE). The request includes \$105,988 from general revenues and authorization for 1.0 new full-time equivalent position for a grants manager. This position would be responsible for monitoring and tracking grants awarded by the Council to ensure disbursement and regulatory compliance. In July 2019, the Council created a Grants Management Fellowship program and it currently provides around \$60,000 for one individual to help oversee grants management. This request would replace the fellowship and reuse associated federal funds to support the new state position. The Council indicates the grant management work is increasingly burdensome and takes time away from program development, grant evaluations and community outreach. During FY 2014, the Council received 690 applications and awarded 300 grants; in FY 2023, it received 599 applications and awarded 289 grants. The Council has made similar requests each year since FY 2022, which have not been recommended by the Governor nor approved by the Assembly.

The constrained request excludes the position and funding. *The Governor does not recommend the position.*

Film Office. The Council requests \$0.5 million from general revenues to support 3.0 full-time equivalent positions and operations of the Rhode Island Film and Television Office. The request is \$6,311 less than enacted to reflect current service adjustments. The 2023 Assembly provided \$35,430 from general revenues to upgrade a 0.6 full-time equivalent website manager position to a full-time deputy director, which occurred in August. *The Governor recommends \$2,719 more than requested for higher than anticipated employee health benefit rates.*

Other Staffing and Operations. The Council requests \$1.1 million from all sources, which is \$44,685 more than enacted, including \$38,803 from general revenues and \$5,882 from federal funds, for all other expenses and the Council's remaining 7.0 full-time equivalent positions. The increase reflects changes in medical benefit selections and current service adjustments. Subsequent to the request, in October 2023, one of the Council's program specialists was upgraded to the position of deputy director at an estimated cost of \$47,623, which is not reflected in the request. *The Governor's recommendation is \$70,486 more than requested, almost entirely from general revenues. The increase reflects the position upgrade and statewide adjustments including higher than anticipated employee health benefit rates. There are also changes to account for updated projections for other centralized services, including six months of charges related to implementation of new systems management software.*

Percent for Art Program. Consistent with the enacted budget, the Council requests \$0.6 million for the Percent for Art program for public art projects at state-owned facilities. The Council indicates that many programs were put on hold as a result of the pandemic but are now proceeding. There are eight ongoing projects, one of which is new. *The Governor recommends funding as requested.*

Rhode Island Atomic Energy Commission

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 1,259,774	\$ 1,258,911	\$ 1,266,363	\$ 1,271,223
Contracted Services	-	-	-	-
Subtotal	\$ 1,259,774	\$ 1,258,911	\$ 1,266,363	\$ 1,271,223
Other State Operations	240,934	249,880	222,059	244,652
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	78,036	78,036	78,036	78,036
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,578,744	\$ 1,586,827	\$ 1,566,458	\$ 1,593,911
Sources of Funds				
General Revenue	\$ 1,158,737	\$ 1,173,765	\$ 1,153,856	\$ 1,180,419
Federal Aid	-	-	-	-
Restricted Receipts	25,036	25,036	25,036	25,036
Other	394,971	388,026	387,566	388,456
Total	\$ 1,578,744	\$ 1,586,827	\$ 1,566,458	\$ 1,593,911
FTE Authorization	8.6	8.6	8.6	8.6

Summary. The Rhode Island Atomic Energy Commission requests \$1.6 million from all sources, including \$1.2 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 \$12,286 less than enacted, including \$4,881 less from general revenues and \$7,405 less from University funds. The Commission requests 8.6 full time-equivalent positions, consistent with the current authorized level.

The Governor recommends \$1.6 million, which is \$15,167 more than enacted and \$27,453 more than requested. General revenues are \$21,682 more than enacted and \$26,563 more than requested. The Governor recommends the authorized 8.6 full-time equivalent 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 \$1.1 million, including a reduction for current service adjustments of \$4,881 and a 5.0 percent target reduction adjusted for certain exclusions of \$57,012. The constrained budget submitted by the agency is \$27 less than the target. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor's recommendation is \$83,602 more than the target.*

Salaries and Benefits. The Commission requests \$1.3 million for its 8.6 full-time equivalent positions. This is \$6,589 more than enacted, including \$16,752 more from general revenues and \$10,163 less from University research funds. Use of those University funds for staffing are governed by a contract with the University. Consistent with the revised request, it also includes a reclassification of the state building and grounds coordinator position to a senior reactor facility engineer, which more closely reflects the duties of

this position. *The Governor recommends \$4,860 more, almost entirely from general revenues, to account for increased employee health benefit rates.*

Capital Projects. The Commission requests \$50,000 from Rhode Island Capital Plan funds for capital asset protection projects, consistent with the enacted amount. The Commission spent \$21,174 on asset protection projects in FY 2023, \$15,924 in FY 2022, and \$44,937 in FY 2021. *The Governor recommends funding as requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Commission requests \$250,095 from all sources for other operations, including \$135,741 from general revenues, \$89,318 from University funds, and \$25,036 from restricted receipts. This is \$18,875 less than enacted, including \$21,633 less from general revenues, primarily for supplies and shop equipment, which are used to maintain and repair the facility and fabricate items for experiments. This adjustment was made to meet the current service target provided by the Budget Office, which did not account for the shift of more staffing costs to general revenues. Previous year spending suggests this funding level will not be sufficient. The Commission anticipates additional expenses for travel consistent with the revised request based on the anticipated meetings and conferences that staff attend. Other changes include insurance, waste expenses and office supplies.

The Commission also submitted a constrained request which would reduce general revenues by \$57,012 mostly from lowered spending on repairing and maintaining the facility, well below prior spending levels.

The Governor recommends \$22,593 more from general revenues than the unconstrained request. This includes an additional \$14,000 for property insurance consistent with the revised recommendation. It also includes \$6,563 more to maintain funding at the prior three years average level and \$2,030 for six months of charges related to implementation of new systems management software.

Historical Preservation and Heritage Commission

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 2,288,739	\$ 2,257,942	\$ 2,354,443	\$ 2,379,509
Contracted Services	8,000	10,000	16,575	16,575
Subtotal	\$ 2,296,739	\$ 2,267,942	\$ 2,371,018	\$ 2,396,084
Other State Operations	373,973	316,318	383,678	389,176
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	555,619	585,619	585,400	585,400
Capital	355,500	355,500	357,000	357,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,581,831	\$ 3,525,379	\$ 3,697,096	\$ 3,727,660
Sources of Funds				
General Revenue	\$ 1,905,557	\$ 1,735,012	\$ 1,874,563	\$ 1,898,100
Federal Aid	1,143,147	1,223,734	1,260,404	1,267,431
Restricted Receipts	422,800	422,800	419,300	419,300
Other	110,327	143,833	142,829	142,829
Total	\$ 3,581,831	\$ 3,525,379	\$ 3,697,096	\$ 3,727,660
FTE Authorization	15.6	15.6	15.6	15.6

Summary. The Historical Preservation and Heritage Commission requests \$3.7 million, which is \$115,265 more than enacted from all sources, including \$30,944 less from general revenues, \$117,257 more from federal funds, \$3,500 less from restricted receipts, and \$32,502 more from Department of Transportation reimbursements. The request includes 15.6 full-time equivalent positions, as enacted. *The Governor recommends \$30,564 more than requested, including \$23,537 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 Commission, this produced a general revenue target of \$1.8 million, including a current service increase of \$2,916 and a 5.0 percent reduction of \$81,276, adjusted for certain exclusions. The constrained budget submitted by the Commission is \$33,911 lower than the Budget Office target, achieved by keeping a position vacant for half a year. *The Governor's recommendation is \$70,903 above the target.*

Department of Transportation Project Review. The Commission requests \$142,829 from Department of Transportation reimbursements for personnel and operating expenditures related to project review, which is \$32,502 more than enacted for position upgrade costs previously assumed to be supported by general revenues. Reimbursements are used to fund one full-time position and \$1,200 for associated operating costs. Historically, the Commission has used approximately \$50,000 to pay for staff that occasionally help on these projects. As a result of project disruptions related to the pandemic, these funds have not recently paid for other staff. *The Governor recommends funding as requested.*

Other Salaries and Benefits. The Commission requests \$2.2 million from all sources, including \$1.4 million from general revenues and \$0.8 million from federal funds, for salaries and benefits for the

Commission's remaining 14.6 full-time equivalent positions. The request is \$33,177 more than enacted to reflect current service adjustments, including \$54,249 less from general revenues and \$87,426 more from federal funds. The enacted budget fully funds all positions and includes \$145,637 from general revenues for position adjustments approved in March 2023. Some of the affected positions are funded from other sources; the extent to which the upgrades would be covered by those funds was not known. The request shifts expenses to federal and department funds to reflect confirmation that those sources are available,

The Commission's constrained request includes \$81,277 less from general revenues from holding vacant an average of 0.5 full-time equivalent positions. *The Governor recommends \$25,066 more than requested, including \$18,039 less from general revenues, primarily for increased employee health benefit rates.*

Survey and Planning. The Commission requests \$121,325 from the U.S. National Park Service Historical Preservation Act Grant for certified local grants to carry out historic preservation activities such as surveys, preservation plans, National Register nominations, architectural plans, historic structures reports, and engineering studies necessary to restore or repair properties listed on the National Register of Historic Places. The request is \$29,831 more than enacted to reflect available grant funds. *The Governor concurs.*

Fort Adams Trust. Consistent with the enacted budget, the Commission requests \$30,000 from general revenues to support the Fort Adams Trust restoration. Fort Adams Trust is a nonprofit that protects historic places and public spaces in Narraganset Bay and Newport, most notably Fort Adams, a former U.S. Army post established in 1799. Article 1 of the FY 2024 enacted budget includes language enumerating this funding. *The Governor recommends funding as requested.*

Slave History Medallion Grant. The Commission requests \$25,000 from general revenues for the Slave History Medallion organization, a Newport-based nonprofit raising public awareness for sites connected to the history of slavery. It marks homes and other locations with medallions or bronze plaques to commemorate the lives of enslaved peoples and encourage community dialogue. Article 1 of the FY 2024 enacted budget includes language enumerating this funding. *The Governor recommends funding as requested.*

Revolving Historic Preservation Loan Fund. Essentially consistent with the enacted budget, the Commission requests \$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 to public, non-profit, or private owners, and municipalities, up to \$200,000. No new loans have been issued since FY 2017. *The Governor recommends funding as requested.*

Capital. The Commission requests \$0.4 million from federal funds for two projects, including bringing the Old State House into regulatory compliance and relocating and cataloging historical artifacts to a central repository at the University of Rhode Island. This conflicts with the Commission's capital budget request for \$0.8 million, which the Commission indicates is correct. The Department of Administration's budget contains \$1.0 million from Rhode Island Capital Plan funds as match for the Old State House grant, including \$0.5 million for asset protection projects and \$0.5 million from funds awarded by the Governor's Commission on Disabilities. *The Governor recommends funding as requested, retaining the error. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Commission requests \$0.4 million from all sources for all other expenses. The request is \$20,255 more than enacted, including \$23,255 more from general revenues and \$3,000 less from restricted receipts; \$15,000 of the increase is for additional outreach and programming, while the remainder represents adjustments to more closely reflect FY 2023 spending. *The Governor recommends \$5,498 more from general revenues, for statewide adjustments, including changes to account for utility savings and updated projections for other centralized services including six months of charges related to implementation of new systems management software.*

Office of the Attorney General

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Criminal	\$ 25,237,630	\$ 26,036,975	\$ 26,042,502	\$ 25,879,441
Civil	9,729,424	9,542,490	9,522,951	9,622,059
Bureau of Criminal Identification	3,441,808	4,286,781	4,943,227	5,045,548
General	4,818,933	6,754,150	4,828,479	4,909,579
Total	\$ 43,227,795	\$ 46,620,396	\$ 45,337,159	\$ 45,456,627
Expenditures by Category				
Salaries and Benefits	\$ 36,307,305	\$ 36,125,011	\$ 36,117,624	\$ 36,174,560
Contracted Services	2,368,208	3,187,850	3,902,628	3,902,628
Subtotal	\$ 38,675,513	\$ 39,312,861	\$ 40,020,252	\$ 40,077,188
Other State Operations	4,218,404	4,589,122	4,676,315	4,738,847
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	333,878	2,718,413	640,592	640,592
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 43,227,795	\$ 46,620,396	\$ 45,337,159	\$ 45,456,627
Sources of Funds				
General Revenue	\$ 34,862,891	\$ 35,381,472	\$ 35,145,996	\$ 35,103,418
Federal Aid	2,909,219	3,213,191	3,250,513	3,265,105
Restricted Receipts	5,305,685	5,985,733	6,790,650	6,938,104
Other	150,000	2,040,000	150,000	150,000
Total	\$ 43,227,795	\$ 46,620,396	\$ 45,337,159	\$ 45,456,627
FTE Authorization	264.1	264.1	264.1	264.1

Summary. The Office of the Attorney General requests \$45.3 million from all sources, including \$35.1 million from general revenues. This is \$2.1 million more than enacted, including increases of \$0.3 million from general revenues, \$0.3 million from federal funds, and \$1.5 million from restricted receipts. The request includes 264.1 full-time equivalent positions, consistent with the authorized level. *The Governor recommends \$45.5 million from all sources, which is \$2.2 million more than enacted, including \$0.2 million more from general revenues. He recommends staffing consistent with the enacted budget.*

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 \$33.1 million, including current service adjustments of \$42,581 and a 5.0 percent target reduction of \$1.7 million, adjusted for certain exclusions. The Office did not submit a constrained budget request. *The Governor's recommendation is \$2.0 million above the target.*

Staffing. The 2023 Assembly authorized 264.1 full-time equivalent positions for FY 2024 and the FY 2025 request is consistent with that. This includes 160.2 for the Criminal Division, 58.0 for the Civil Division, 19.0 for the Bureau of Criminal Identification, and 26.9 for the General program.

The 15.0 positions added in the FY 2024 enacted budget are paid for by a new restricted receipt account created with \$10.0 million received from opioid settlements in FY 2023, with an additional \$3.0 million received in FY 2024 and \$3.5 million to be received in FY 2025. The Assembly also authorized the account to receive 20.0 percent of any attorney fees collected through non-multistate initiatives. The FY 2025 request anticipates an opening balance of \$9.9 million. *The Governor recommends staffing consistent with the enacted authorization.*

Program	FY 2023 Enacted	New Positions	FY 2024 Enacted	FY 2025 Request	FY 2025 Gov.
Criminal	154.2	6.0	160.2	160.2	160.2
Civil	49.0	9.0	58.0	58.0	58.0
BCI	19.0	-	19.0	19.0	19.0
General	26.9	-	26.9	26.9	26.9
Total	249.1	15.0	264.1	264.1	264.1

Public Utilities Commission Regulatory Unit. The Office requests \$0.2 million, or \$0.3 million less from restricted receipts than enacted for the Public Utilities Regulatory Unit within the Civil Division. It later noted the total request should have been \$0.3 million. Although the Public Utilities Commission has historically funded 4.0 full-time equivalent positions, there are currently two staff in this unit and the Office notes it has slowly phased the positions from working on the Public Utilities Commission issues to other energy related matters. The request intends to fund 1.6 positions and shifts funding for the others to general revenues. This is 0.4 fewer than the revised request. The Public Utilities Commission’s FY 2025 budget request includes 2.0 full-time, dedicated regulatory staff to replace the positions that the Attorney General has previously provided. It appears that FY 2021 was the last year spending reflected the value of four staff. *The Governor recommends \$105,555 more than requested from restricted receipts, reflecting funding consistent with the intent of the request and increased employee health benefit rates.*

Other Salaries and Benefits. The Office requests \$36.0 million for salary and benefit expenses for the Office’s remaining 262.5 authorized positions, including \$31.6 million from general revenues. This is \$0.1 million more than the enacted budget and reflects current service adjustments and turnover savings equivalent to roughly five positions. The FY 2024 enacted budget assumes a similar turnover level. As of late November, the Office had 18.9 vacancies. *The Governor recommends \$48,619 less than requested from all sources, including \$99,160 less from general revenues. This reflects \$277,067 more for increased employee health benefit rates and \$325,686 of additional turnover savings equating to 2.4 positions. That savings offsets inclusion of requested increases for non-personnel items in order to achieve the overall recommendation for a budget level consistent with the original current services calculation plus statewide adjustments.*

Complex Litigation. The Office requests \$604,426 from all sources, mostly from general revenues, to support the complex litigation cases that often require expert witnesses and additional legal services. This is \$56,596 more from general revenues than enacted. The increase reflects current cases and estimates for several other pending cases. Spending since FY 2019 has averaged \$0.2 million, but FY 2022 spending was \$0.5 million. The Office has two restricted receipt accounts that are used to cover certain complex litigation expenses which are included in the request. These are Gambling Forfeitures which can be used for expert witnesses for cases related to crime and ratepayers funds which can be used for economists needed for work done by the Public Utilities Regulatory Unit. *The Governor recommends funding as requested.*

Equitable Sharing - Forfeitures. The Office requests \$0.9 million from its share of Federal Equitable Sharing - Forfeiture funds for building maintenance, motor vehicles, and utilities. This is \$196,447 more than enacted and reflects the increased cost of building maintenance and one-time purchases to support new staff. Accounting for the current budget request, the Office would have \$6.7 million remaining from this

source. Since FY 2013, these funds have supported expansion efforts along with major renovation and improvement projects, including the construction of the new building at Howard Avenue, the acquisition of 180 South Main Street, major renovations of the Licht Judicial Complex and Main Street locations, motor vehicles, and technology enhancements for operating systems. Projects supported by these funds must first be approved by the Department of Justice. *The Governor recommends \$5,950 more than requested, reflecting higher utility costs based on FY 2023 experience.*

Fingerprint Checks. The Office requests \$2.8 million from restricted receipts, which is \$1.6 million more than enacted, for payments to be made to Gemalto to operate the automated fingerprint identification system. This includes \$1.5 million more than enacted for contract costs to upgrade the system and \$48,502 more as a result of price increases of running the background checks paid to the Federal Bureau of Investigation. The FY 2025 request is \$0.9 million more than the revised request which mainly reflects the costs for milestone two of the system update project. The Office originally planned for most of the project to be done in FY 2025, but the upgrade was critically necessary, so it accelerated the timeline to begin in FY 2024. The request shows a negative balance of \$84,426 from FY 2024 and projects \$2.8 million in new receipts. *The Governor recommends funding as requested.*

Technology. The Office requests \$1.0 million, including \$0.9 million from general revenues and \$0.1 million from restricted receipts for technology expenses and upgrades. This is \$0.2 million more than enacted from all sources, including \$160,000 more from general revenues and \$46,404 more from restricted receipts. Spending is for software and software support services, which are subscription-based, being paid annually or monthly, and for cybersecurity. Increases are for laptops, licenses, and support costs for the new staff as well as replacing older laptops. *The Governor recommends funding as requested.*

Consumer Education. The Office requests \$130,518, or \$8,511 more than enacted from National Association of Attorneys General consumer education restricted receipts available from consumer protection settlements. It primarily uses these funds for work related to protecting consumers against scams and specialized consultants for more complicated cases. The increases are for anticipated travel expenses and parking costs. The request anticipates an opening FY 2025 balance of \$1.2 million. *The Governor recommends funding as requested.*

Forfeiture of Property. The Office requests \$173,139, or \$88,223 more than enacted from Forfeiture of Property restricted receipts. The request anticipates an opening FY 2025 balance of \$1.6 million. The largest expenses are advertising fees for municipalities and internal training costs. The increase primarily reflects actual FY 2023 expenses. *The Governor recommends funding as requested.*

Automatic Expungement. The 2022 Assembly enacted legislation providing for the automatic expungement of prior marijuana-related possession offenses. It provided \$0.4 million for contractors and software for FY 2023, which went unspent as the Office waited for the courts to transfer the expungement records, which occurred during Summer 2023. As of early 2024, the Office indicates that the software upgrades are underway and it has begun reviewing the expungement orders from the courts. The FY 2025 request maintains the enacted amount from restricted receipts, as expenses for the contractors are anticipated to go through FY 2025. *The Governor recommends funding as requested.*

Capital Projects. The Office requests \$410,000 for capital projects, including \$150,000 from Rhode Island Capital Plan funds for asset protection and \$260,000 from Federal Equitable Sharing funds for an electric vehicle charger. This is \$190,000 more than enacted from federal funds. The request is \$0.1 million less than the capital budget request as the Office decided after its submission that the additional federal funds were not needed. *The Governor recommends funding as requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Office requests \$2.8 million from all sources, including \$2.2 million from general revenues, \$0.3 million from federal funds, and \$0.3 million from restricted receipts for all other expenses. This is \$5,932 more than enacted, including \$34,702 more from general revenues, partially offset by \$28,770 less from federal funds. The largest expenses are \$0.6 million for subscriptions, dues, and fees; \$0.3 million for maintenance and facility services, \$0.2 million for leased spaces, and \$0.1 million for record center charges. The increase over the enacted budget from general revenues reflects anticipated price increases and less availability of funds from federal sources. *The Governor recommends \$56,582 more than requested from general revenues to account for higher utility costs based on FY 2023 experience and updated projections for other centralized services including six months of charges related to the implementation of new systems management software.*

Department of Corrections

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Central Management	\$ 23,382,719	\$ 24,379,636	\$ 23,136,534	\$ 22,522,753
Parole Board	1,382,965	1,530,804	1,515,013	1,526,785
Custody and Security	161,629,068	174,953,065	166,992,667	189,182,755
Institutional Support	33,851,849	41,002,007	61,758,828	41,523,006
Institutional Based Rehab/Pop	15,039,065	15,435,557	15,957,502	15,280,746
Healthcare Services	32,067,185	37,322,865	34,411,202	36,114,392
Community Corrections	21,410,973	21,991,551	23,328,947	22,028,653
Total	\$ 288,763,824	\$ 316,615,485	\$ 327,100,693	\$ 328,179,090
Expenditures by Category				
Salaries and Benefits	\$ 222,547,631	\$ 231,973,291	\$ 230,814,316	\$ 229,467,559
Contracted Services	17,676,587	18,920,812	18,485,659	18,354,969
Subtotal	\$ 240,224,218	\$ 250,894,103	\$ 249,299,975	\$ 247,822,528
Other State Operations	41,533,263	48,538,409	45,283,403	46,734,599
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,969,405	2,116,445	2,119,588	2,119,588
Capital	5,036,938	15,066,528	30,397,727	31,502,375
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 288,763,824	\$ 316,615,485	\$ 327,100,693	\$ 328,179,090
Sources of Funds				
General Revenue	\$ 281,010,856	\$ 277,361,279	\$ 294,437,338	\$ 293,746,087
Federal Aid	2,219,859	23,417,738	1,819,835	1,819,835
Restricted Receipts	1,433,109	2,031,875	1,386,843	1,386,843
Other	4,100,000	13,804,593	29,456,677	31,226,325
Total	\$ 288,763,824	\$ 316,615,485	\$ 327,100,693	\$ 328,179,090
FTE Authorization	1,460.0	1,461.0	1,476.0	1,461.0
Prison Population	2,278	2,278	2,470	2,470

Summary. The Department of Corrections requests \$327.1 million from all sources, or \$38.3 million more than enacted, including \$13.4 million more from general revenues. The Department requests 1,476.0 full-time equivalent positions, which is 16.0 more than the authorized level. The request is based on a population of 2,470 which is 192 more than assumed in the enacted budget and 74 more than assumed in the revised request.

The Governor recommends \$328.2 million from all sources, including \$293.7 million from general revenues. This is \$39.4 million more than enacted and \$1.1 million more than requested. The Governor recommends 1,461.0 full-time equivalent positions, which is one more than authorized.

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

\$267.5 million. The amount includes a reduction based on current service adjustments of \$0.5 million and a 5.0 percent target reduction of \$12.9 million adjusted for certain exclusions. The constrained budget submitted by the agency is consistent with the target. The proposals to achieve the reduction are noted below where appropriate. It is worth noting that the Department reduces its requested adjustments based on FY 2023 spending in several areas to achieve its target, including several items that are contractually obligated. It did not provide specific information on how these savings would be achieved. *The Governor's recommendation is \$26.6 million above the target.*

Staffing. The Department requests \$230.8 million from all sources, or \$8.3 million more than enacted, for 1,476.0 full-time equivalent positions, or 16.0 positions more than authorized. The request includes 4.0 new positions within Central Management, 5.0 within Custody and Security, 4.0 within Institutional Based Rehabilitation and Population Management, 2.0 positions within Healthcare Services, and a new position within Community Corrections. It also shifts authorized vacant positions among programs, including 4.0 more positions within Central Management, 1.0 more within Healthcare Services, 4.0 more within Institutional Based Rehabilitation and Population Management, offset by 8.0 fewer within Custody and Security, and 1.0 fewer within Institutional Support. Compared to the revised request, there are 3.0 more positions within Central Management, 1.0 more within Community Corrections, 5.0 more within Custody and Security, 2.0 more within Healthcare Services, and 2.0 more within Institutional Based Rehabilitation and Population Management.

Full-Time Equivalent Positions					
Program	Enacted	Revised	FY 2025	Change to Enacted	Change to Revised
Central Management	64.0	69.0	72.0	8.0	3.0
Parole Board	10.0	10.0	10.0	-	-
Community Corrections	133.0	133.0	134.0	1.0	1.0
Custody and Security	1,016.0	1,008.0	1,013.0	(3.0)	5.0
Healthcare Services	102.0	103.0	105.0	3.0	2.0
Institutional Based Rehabilitation Services/Population Management	58.0	64.0	66.0	8.0	2.0
Institutional Support	49.0	48.0	48.0	(1.0)	-
Internal Service	28.0	28.0	28.0	-	-
Total	1,460.0	1,463.0	1,476.0	16.0	13.0

The Department's request assumes an average of 1,382.4 positions filled or 93.6 vacancies. Through early October, the Department had 1,334.0 positions filled, which is 48.4 less than assumed filled in the request. By fund source, the request includes \$8.3 million more from general revenues, \$0.1 million less from federal funds, and \$25,817 less from restricted receipts. *The Governor recommends \$1.3 million less than requested for 1,461.0 positions. This includes \$1.9 million for the recently settled nursing staff contract and \$1.7 million for increased employee health benefit rates.*

Population. The FY 2025 request is based on a population of 2,470, which is 192 more inmates than assumed in the enacted budget and 74 more than assumed in the revised request. The Department contracts with a firm to prepare population estimates which revised the enacted population estimate upward to 2,470.

Population reductions result in the greatest savings when there are enough to allow for the closure of housing modules. The Department has used excess capacity to spread inmates out in response to the pandemic starting in March 2020. This practice was supposed to be discontinued beginning in late FY 2023. 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 3,989, updated for current facilities.

The following table depicts the recent history of budgeted and actual prison population from FY 2017 through the FY 2025 request. 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. *The Governor's assumptions are consistent with the request.*

The Governor's budget also includes a requirement for the Department to conduct a study to evaluate recidivism trends and existing program outcomes. The study would be due to the Governor, Speaker of the House and Senate President by March 1, 2025, and include relevant data and findings as well as recommendations to reduce recidivism.

History	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Request	3,260	3,059	2,865	2,762	2,671	2,387	2,357	2,278	2,470
Governor	3,200	3,059	2,865	2,691	2,549	2,354	2,357	2,278	2,470
Enacted	3,200	3,000	2,849	2,671	2,267	2,354	2,357	2,278	-
Revised Request	3,058	2,853	2,760	2,671	2,267	2,181	2,357	2,396	-
Governor Revised	2,999	2,853	2,730	2,671	2,267	2,181	2,251	2,396	-
Final	2,958	2,837	2,730	2,633	2,155	2,115	2,297	-	-
Actual	2,958	2,784	2,665	2,544	2,144	2,132	2,298	-	-

Population: Per Diem Expenditures. The Department requests \$19.3 million from general revenues, or \$2.2 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 \$7,800 per inmate or \$536 more than the enacted budget assumption of \$7,264, reflecting adjustments based on FY 2023 spending. The request is approximately one percent less per inmate than the revised request assumption of \$7,909, related to pharmaceutical and anticipated doctor and dental expenses. *The Governor recommends funding as requested.*

Investigators (8.0 FTE). The Department requests authorization and \$1.1 million for 8.0 new investigator positions, including 3.0 within its office of inspections and 5.0 for its special investigations unit which have seen increased caseloads. The Department of Administration temporarily transferred a staff member to assist within the unit. The Department is requesting to convert this into a permanent position beginning in its revised request.

These positions and funding are excluded from the constrained request. *Consistent with his revised recommendation, the Governor recommends \$0.2 million and one new chief inspector.*

State Criminal Alien Assistance Program. Consistent with the revised request, the Department requests \$1.3 million, or \$44,777 more than enacted, from federal funds, offset by a like amount of general revenues, from the State Criminal Alien Assistance Program. The request reflects the most recent award received. 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 request is for \$44,504 less than spent in FY 2023. *The Governor recommends funding as requested.*

Nursing Services. The Department requests \$12.3 million from general revenues for nursing services, which is \$1.6 million more than enacted. This includes \$808,389, or \$458,389 more than enacted, for contracted nursing pools, which are used to cover necessary shifts when state employees refuse overtime and \$1.1 million more for staff expenses from filling positions assumed to be vacant in the enacted budget. The request assumes filling all positions prior to the start of FY 2025. The Department is using an emergency procurement process and its usual nursing pool contracts to cover shifts. In FY 2023, the Department spent \$1.1 million on nursing pools, as it had to pay enhanced rates to nursing staff to compete with other organizations who use nurses, and expects this to continue through FY 2024.

The constrained request reduces staff costs by \$54,293 but does not identify how these savings would be achieved. *The Governor recommends \$1.9 million more from general revenues than requested based on the recently finalized nursing staff contract.*

Discharge Planning (3.0 FTE). The Department requests \$3.0 million from general revenues for discharge planning services. The request is \$572,544 more than enacted, largely reflecting three new positions and restoring turnover savings. Discharge planning services seek to prevent recidivism including assistance with residence, employment or qualifying for entitlement programs. They were provided by a single vendor beginning in FY 2019 who 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.

It is worth noting that while Department staff delivers 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. During FY 2023, the Department had two of its specialized medical service vendors terminate their contracts, including one for mental health services. The last time the service went out to bid, the previous vendor was the only one who submitted a bid. While the responsibilities are temporarily being handled by existing and temporary staff, the request proposes to bring these services in house permanently and includes authorization for 3.0 additional discharge planning positions.

The additional positions and funding are excluded from the constrained budget. *The Governor does not recommend the new positions but does add \$7,050 for higher than anticipated employee health benefit rates and restores \$0.3 million in turnover savings.*

Medication Assisted Treatment. The Department requests \$3.3 million, including \$2.1 million from general revenues and \$1.3 million from Opioid restricted receipt funds, for its medication-assisted treatment program for opioid users. This is \$0.3 million less than enacted from all sources, reflecting lower utilization than assumed in the enacted budget based on the previous year. Changes include \$0.2 million less from general revenues, \$43,940 less from federal funds, and \$35,030 less from Opioid Stewardship funds. *The Governor recommends funding as requested.*

Mental Health Services (1.0 FTE). The Department requests \$2.9 million from general revenues for mental health services for inmates which is \$0.1 million more than enacted and includes a new position. These services are largely delivered in the correctional facilities by therapists, clinicians and other mental health professionals employed by vendors, primarily Lifespan. Department personnel also deliver a share of these services.

The request adds \$0.1 million and authorization for a new position to assist existing staff with medical caseloads. The population receiving these services are among the most difficult to manage inmates held by the Department, including those who have severe and persistent mental illness. The number of inmates requiring treatment is increasing and additional staff would allow for extension of hours in the unit that would include evening and weekend shifts.

The additional position and funding are excluded from the constrained budget. *The Governor recommends funding as requested except for the new position.*

Behavioral Management Unit. The Department maintains the \$4.2 million provided in the enacted budget to establish a pilot behavioral management unit, which is expected to begin in FY 2024 and continue in FY 2025. This includes \$3.5 million for the 32.0 newly authorized positions. The Department is a defendant in several pending federal lawsuits challenging the housing of seriously and persistently mentally ill individuals in a restrictive housing setting. Restrictive housing refers to placement of an individual in a

cell for 22 hours a day or more. This unit would house between 75 and 100 inmates and provide 10 hours per week of unstructured out of cell time. There is also a feasibility study expected to be conducted in FY 2024 that will determine the facility in which this unit shall be placed. The Department's capital budget request includes \$10.6 million from Rhode Island Capital Plan funds to construct this unit, including \$3.2 million for FY 2025 and \$7.4 million for FY 2026. *The Governor recommends funding as requested.*

Temporary Staff. The Department requests \$156,470 from general revenues for temporary staff to offset vacancies in institutional corrections until positions can be filled; it also includes contracts for certain services such as information technology. The request is \$158,773 less than the revised request and is \$30,824 more than enacted. In FY 2024, the Department will use temporary staff to fill specialized healthcare discharge services for which two vendors unexpectedly discontinued contracts; this issue is expected to be resolved prior to FY 2025. The Department also expects to fill more positions than assumed in FY 2024, decreasing the expected use of these services during FY 2025. *The Governor recommends funding as requested.*

Inmate Payroll. Consistent with the revised request, the Department requests \$0.9 million for inmate expenses to reflect FY 2023 expenses, adjusted for a higher population. The request is \$40,183 more from general revenues. 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 recommends funding as requested.*

Pell Grant Initiative (2.0 FTE). The Department requests \$0.5 million from general revenues for a new Pell grant initiative to expand education services to inmates. The Pell grant initiative is the largest federal grant program offered to undergraduates who demonstrate need through the Free Application for Federal Student Aid (FAFSA). The Department will assist inmates with applications to be eligible for these classes which has been approved by the federal Department of Education. In order to access the program, the Department must hire a teacher and a librarian and includes \$0.2 million for these positions which are also included in the revised request for half a year. The request also includes \$130,690 for additional classes and a JStor digital library system, similar to the ones used at colleges, and \$157,900 for equipment such as speakers and laptops with charging stations. The initiative reportedly began in September with existing staff to assist with the program.

The constrained budget excludes this initiative. *The Governor does not recommend funding.*

Other Salaries and Benefits. The Department requests \$176.3 million from all sources, nearly all of which is from general revenues, for other institutional corrections staffing expenses. The request is \$4.1 million more than enacted from restored turnover savings, as well as higher overtime expenses as modules assumed to close in the enacted budget will remain open. The request includes \$14.1 million in turnover savings and \$28.7 million for overtime expenses, which is \$8.3 million more than enacted. In total, the request funds 1,144.9 of the 1,228.0 requested positions. The Department assumes it will graduate three correctional officer classes in FY 2024 and two in FY 2025, all having 50 individuals. The request includes a net increase of \$0.3 million for these classes, including \$7.9 million for expenses, partially offset by \$7.5 million in overtime savings from these classes.

In its constrained request, the Department excludes \$8.4 million in overtime and personnel expenses but does not identify how these savings would be achieved. *The Governor recommends \$1.2 million less than requested. This reflects \$1.5 million more for higher than anticipated employee health benefit rates offset by \$2.7 million in overtime savings. The Governor's budget does not assume any modules will close in FY 2025.*

Inmate Education and Professional Development. The Department requests \$0.6 million, including \$0.3 million from general revenues, \$0.2 million from federal funds, and \$11,200 from restricted receipts, for education and development services for inmates. The request is \$0.2 million less than enacted, including \$14,827 less from general revenues, \$177,072 less from federal funds and \$3,800 less from restricted receipts. The request is \$0.1 million less than the revised request from federal funds, reflecting updated information on award amounts. General revenues are for classes provided through the Community College for inmates who demonstrate good behavior.

The request for federal funds is \$104,782 more than spent in FY 2023 during which the Department was unable to hire math and reading specialists which it attributed to the teacher shortage. The request assumes it will overcome staff issues experienced in FY 2023. These 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 recommends funding as requested.*

Property Maintenance. The Department requests \$5.0 million from general revenues, which is \$1.3 million more than enacted, for building and grounds maintenance expenses reflecting updated information and expected repairs. This is essentially consistent with the revised request. 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. In FY 2023, the Department spent \$5.2 million on these expenses.

The constrained request provides \$1.0 million less than requested with no plan as to how these savings would be achieved. *The Governor recommends funding consistent with the unconstrained request.*

Correctional Officer Uniforms. The Department requests \$0.4 million, which is \$0.2 million more than enacted from general revenues, for correctional officer uniforms. The amount of these costs is determined based on inventory and the number of new correctional officers. During FY 2023, the Department spent \$0.4 million on these expenses which is \$47,859 less than requested. These expenses tend to fluctuate annually; FY 2021 expenses were \$0.1 million and FY 2022 expenses were \$0.2 million.

The constrained budget provides funding consistent with the enacted budget. *The Governor recommends funding consistent with the unconstrained request.*

Protective Vests. The Department requests \$73,000 from general revenues to replace federal funds for standard replacement of protective vests for correctional officers. The Department was initially awarded funding in FY 2016 and the remaining funding was fully expended in FY 2023. It applied to the Bureau of Justice Assistance for a new award but was denied as funding was for jurisdictions with violent crime rates at or above the national averages; Rhode Island is lower. The Department indicates that its current vests require replacement. Based on information from the National Institute of Justice, the average lifespan of vests is five years. This was requested in the previous year but was not recommended or approved.

The constrained request excludes the funds consistent with the enacted budget. *The Governor recommends \$73,000 as requested.*

Other Institutional Corrections Operations. The Department requests \$4.1 million, including \$3.8 million from general revenues, for all other institutional corrections expenses. This is \$0.5 million more than enacted, mostly from general revenues. This reflects increases for office equipment replacement, such as desks and chairs, as well as fuel and fire safety expenses. Most expenses were adjusted to be more consistent with the FY 2023 experience. It also includes new expenses of \$138,947 to rent vehicles with plows for the winter, as it will take over plowing its own facilities at the Pastore Complex from the Department of Administration, and \$74,092 for copier leases to replace outdated copier equipment.

Expenses include \$0.9 million for state fleet expenses, \$0.6 million for waste disposal and sewage, \$0.4 million for insurance, \$0.4 million for system maintenance agreements, \$0.3 million for telephone and cellular, \$0.3 million for office equipment and repairs, \$0.3 million for rented equipment, \$0.2 million for fuel, \$0.1 million for furniture replacement, and \$0.9 million for all other costs.

The constrained request reduces general revenue expenses by \$0.3 million for items that were adjusted based on FY 2023 expenses, as well as excluding funding for renting snow removal vehicles. *The Governor recommends \$62,085 less than requested, including \$0.1 million less from general revenues. Consistent with his revised request it includes less for vehicles as well as statewide utility savings.*

Other Programs

Training Unit. The Department requests \$4.6 million from general revenues for its training unit which is responsible for training correctional officers. The request is \$1.5 million less than enacted, primarily for hosting two classes during FY 2025, as opposed to the three authorized in the enacted budget. The request assumes both classes will have 50 trainees.

The constrained budget excludes \$631 for training staff costs. *The Governor recommends \$21,286 more than the unconstrained request for increased employee health benefit rates.*

Cognitive Behavioral Therapy (1.0 FTE). The Department requests \$1.3 million from general revenues, or \$0.4 million more than enacted, for its cognitive behavioral therapy program. The request includes \$0.1 million for one additional position. It also corrects an error that has occurred in previous years which had personnel expenses that should have been included in this initiative budgeted to other programs. The new position would shift the Department's assessment on the level of supervision required for those on probation or parole to be more individualized and would consider factors such as a person's likelihood of re-offending, appropriate level of supervision, and needs, such as treatment for substance use disorders. The Department indicates this model is more effective than an assessment that focuses only on the offense of the parolee or probationer. At the time of the request, all five of the positions associated with this program are filled.

The constrained budget excludes the new position and adds funding consistent with the revised request. *The Governor does not recommend funding.*

Domestic Abuse Grant. The Department requests \$30,639, or \$94,878 less than enacted, for the final year of funding from a federal grant received from the Department of Justice to develop innovative ways to address domestic violence, including evaluating how the criminal justice system responds. The Department spent \$153,341 and \$350,400 in FY 2022 and FY 2023, respectively. It includes \$123,929 in its FY 2024 revised request, and \$30,639 for FY 2025. This inadvertently overestimates the grant award by \$2,661. It is assumed that any unspent funding will be carried forward into future years. *The Governor recommends funding as requested.*

Implementation Aide (1.0 FTE). The Department requests \$91,835 from general revenues and authorization for a new implementation aide position within its policy and audit unit that would be responsible for alleviating current difficulties meeting internal policies and audit deadlines. There are two staff who are responsible for developing, finalizing, and disseminating all new and revised Department policies and procedures and ensuring they are consistent with applicable rules, regulations and statutes. This position was requested last year, but was not recommended, nor approved.

The constrained request excludes this funding. *The Governor does not recommend the position.*

Other Salaries and Benefits. The Department requests \$28.9 million from general revenues for all other staffing expenses. This is \$2.1 million more than enacted, including current service adjustments and

restored turnover savings. The request adds funding for the central management and community corrections programs, as the Department filled positions assumed to be vacant in the enacted budget. The request would fund approximately 206 positions. As of early November, the Department has 200 positions filled and has averaged 198.7 filled.

The constrained budget excludes \$6,637. *The Governor recommends \$0.8 million less than the unconstrained request. This includes \$0.2 million more for increased employee health benefit rates offset by \$1.0 million in additional turnover savings equivalent to approximately six vacancies.*

Temporary Staff. Consistent with the revised request, the Department requests \$98,391 from general revenues for temporary services to offset vacancies in non-institutional corrections until positions can be filled. Notably, the request assumes filling more of these vacancies than the enacted budget and is \$32,889 more than enacted. The Department has used these positions at a greater rate than anticipated in the enacted budget which it expects to continue through FY 2025. FY 2023 expenses were \$60,381. *The Governor recommends funding as requested.*

Home Confinement. Consistent with the revised request, the Department requests \$0.3 million for its home confinement unit which is \$46,210 more than enacted from general revenues. Subsequently, the Department indicated the increase was requested in error. 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 constrained budget excludes the increase. *The Governor recommends funding consistent with the unconstrained request.*

Technology. The Department requests \$1.5 million from general revenues, or \$0.2 million more than enacted, for technology purchases based on updated scheduling for repairs, replacements, and support systems for contracted costs for database maintenance. The Department has 897 computers and plans to replace approximately 50 annually. It spent \$1.2 million in FY 2023 which is \$0.3 million less than requested and is \$30,279 more than the revised request.

The constrained request excludes \$63,128. *The Governor recommends funding consistent with the unconstrained request.*

Rented Property. The Department requests \$0.5 million or \$65,030 more than enacted from general revenues for costs associated with its rented property, more closely reflecting anticipated expenses based on FY 2023 and known cost increases such as rented space within the Courts. The request is \$14,943 more than the revised request. The Department typically budgets based on the previous year's expenses, adjusted for changes such as occupying additional or new space, or cost increases that are identified by the Department. It is unclear why these projections are not based on known lease expenses.

The constrained request excludes most of the increase, essentially bringing funding to the enacted level. It does not explain how these savings could be achieved. *The Governor recommends funding consistent with the unconstrained request. His recommended budget also includes a joint resolution seeking Assembly approval for a long-term lease renewal for the Pawtucket community corrections office.*

Victim Services. The Department requests \$162,005 or \$40,602 less than enacted from all sources, including \$9,423 more from general revenues and \$50,025 less from federal funds, to support existing victim services programs. There was a decrease in the Victims of Crime Act funds at the federal level and the state received \$3.5 million less, which resulted in the Department not anticipating receiving any funds for the current year, consistent with the FY 2023 experience. These formula-driven grants are awarded by

the Department of Justice and given to states to provide direct services to crime victims. *The Governor recommends funding as requested.*

Capital Projects. The Department requests \$29.5 million from Rhode Island Capital Plan funds for its capital projects scheduled for FY 2025. The request includes \$25.4 million more than enacted, including \$20.5 million to replace the air conditioning unit at the intake center and \$4.8 million to construct a gun range and a behavioral health unit. The request is \$29.4 million less than the FY 2025 through FY 2029 capital request which the Department subsequently indicated was an error.

The constrained request maintains funding consistent with the enacted budget. *The Governor recommends \$27.1 million more than enacted from Rhode Island Capital Plan funds. A detailed description of the projects is included in the Capital Budget section of this publication.*

Centralized Services. The Department requests \$21.0 million from general revenues for centralized services provided through the Department of Administration. The request includes \$12.2 million for facilities management, \$3.0 million for human resources and \$5.8 million for information technology services. In FY 2023, the Department spent \$20.6 million, which is \$0.4 million more than requested for FY 2025. This is consistent with the revised request and enacted budget. *The Governor recommends \$0.3 million less than requested to account for utility savings and updated projections for other centralized services including six months of charges related to implementation of new systems management software.*

Other Operations. The Department requests \$1.1 million for all other expenses, nearly all from general revenues. This is \$41,372 more than enacted from general revenues. Expenses include \$0.6 million for community corrections and \$0.5 million for all other programs. The largest increase is \$38,536 for staff training, which the Department indicates is based on anticipated need. It also includes \$10,488 from indirect cost reimbursements, \$619 less than assumed in the enacted budget which are used to offset probation and parole expenses. The request is \$79,244 less than FY 2024 expenses from the exclusion of one-time expenses such as the assessment done by the University of Cincinnati's Corrections Institute.

The constrained request excludes \$79,319 for staff training expenses and out-of-state travel. *The Governor recommends \$23,483 less than requested from general revenues to account for statewide utility savings.*

Target - Closure and Sale of Minimum Security Land. The Department's constrained budget request includes general revenue savings of \$14.3 million for FY 2025, partially offset by \$1.0 million from Rhode Island Capital Plan funds, from closing the minimum security facility and transferring all inmates to the Medium Security facility. This includes \$11.5 million in staff savings and \$2.8 million in one-time revenues from sale of the minimum security facility and land. In FY 2023, the Department averaged 150 placements at the Minimum facility. *The Governor does not recommend this initiative.*

Judicial Department

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Supreme Court	\$ 44,689,156	\$ 45,837,200	\$ 45,989,457	\$ 44,562,914
Defense of Indigent Persons	5,075,432	6,075,432	6,075,432	6,075,432
Commission on Judicial Tenure & Discipline	174,733	175,121	174,260	174,997
Superior Court	28,287,764	28,240,973	29,143,957	28,660,998
Family Court	30,275,384	30,225,418	31,004,850	30,619,338
District Court	17,200,976	17,085,245	17,333,753	17,060,279
Traffic Tribunal	11,185,670	10,681,057	10,988,042	10,812,491
Workers' Compensation Court	10,008,315	9,886,562	9,943,039	9,931,788
Total	\$ 146,897,430	\$ 148,207,008	\$ 150,652,790	\$ 147,898,237
Expenditures by Category				
Salaries and Benefits	\$ 110,333,585	\$ 109,499,718	\$ 112,819,814	\$ 111,028,068
Contracted Services	2,467,179	2,435,134	2,408,179	2,408,179
Subtotal	\$ 112,800,764	\$ 111,934,852	\$ 115,227,993	\$ 113,436,247
Other State Operations	15,503,623	16,478,866	16,186,379	16,473,572
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	11,107,982	11,855,107	11,753,357	11,753,357
Capital	7,485,061	7,938,183	7,485,061	6,235,061
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 146,897,430	\$ 148,207,008	\$ 150,652,790	\$ 147,898,237
Sources of Funds				
General Revenue	\$ 121,387,370	\$ 122,770,901	\$ 125,786,196	\$ 124,266,261
Federal Aid	4,972,193	4,637,314	4,399,511	4,417,956
Restricted Receipts	14,912,867	14,772,671	14,842,083	14,839,020
Other	5,625,000	6,026,122	5,625,000	4,375,000
Total	\$ 146,897,430	\$ 148,207,008	\$ 150,652,790	\$ 147,898,237
FTE Authorization	743.3	743.3	745.3	745.3

Summary. The Judiciary requests \$150.7 million from all sources, including \$125.8 million from general revenues for FY 2025. This is \$3.8 million more than enacted, including \$4.4 million more from general revenues. The request includes 745.3 full-time equivalent positions, two more than authorized. *The Governor recommends \$147.9 million from all sources, of which \$124.3 million is general revenues. This is \$2.8 million less than requested, of which \$1.5 million is general revenues. He includes staffing consistent with the request.*

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 \$115.5 million, including a current service reduction of \$0.4 million and a 5.0 percent reduction of \$5.5 million, adjusted for certain exclusions.

The constrained budget submitted by the agency is \$10.1 million more than the Budget Office target, and excludes only newly requested positions. *The Governor's recommendation is \$8.8 million above the target.*

Staffing. The Judiciary requests \$112.8 million from all sources for salaries and benefits of 745.3 full-time equivalent positions, which is two more than authorized. The FY 2024 enacted budget includes turnover savings equivalent to about 29 positions. The FY 2025 request does not include any turnover savings, but reallocates positions among programs and courts. As of early December, the Judiciary had averaged 702.8 filled positions, which is 21.7 positions higher than the prior two years on average. The requested staffing allocation changes are shown in the following table. *The Governor's recommends staffing consistent with the request. He includes \$1.8 million less than requested from all sources, to reflect \$0.8 million for higher than anticipated employee health benefit rates, offset by \$2.6 million of turnover savings.*

Program	FY 2024 Enacted	FY 2025 Request	Chg. to Enacted	FY 2025 Governor	Chg. to Request
Supreme Court	172.4	177.4	5.0	177.4	-
Superior Court	163.7	165.7	2.0	165.7	-
Family Court	181.6	182.6	1.0	182.6	-
District Court	101.0	101.0	-	101.0	-
Traffic Tribunal	75.0	69.0	(6.0)	69.0	-
Workers' Compensation Court	48.6	48.6	-	48.6	-
Judicial Tenure & Discipline	1.0	1.0	-	1.0	-
Grand Total	743.3	745.3	2.0	745.3	-

Indigent Defense Services. Consistent with the revised request, the Judiciary requests \$6.0 million from general revenues, \$1.0 million more than enacted for indigent defense services. Its revised request programs half of the \$2.0 million reappropriation from FY 2023 for the same purpose. The request assumes FY 2025 reflects the remainder. This is essentially a higher base level of support. This program assigns private attorneys to clients that the Office of the Public Defender is unable to provide legal representation services to because of conflicts of interest. Prior to the pandemic, these expenditures were growing annually with FY 2017 and FY 2018 increasing nearly three percent each year and FY 2019 increasing nine percent to \$4.5 million. FY 2020 and FY 2021 spending declined, recovering somewhat in FY 2022 to \$4.4 million or about 98 percent of FY 2019 spending, the last full pre-pandemic year. FY 2023 spending totaled \$5.5 million nearly 24 percent higher than FY 2019; the FY 2024 revised request is 8.3 percent higher than FY 2023. *The Governor recommends funding as requested.*

Pay-Go Judges Pensions. Consistent with its revised request, the Judiciary requests \$4.6 million from all sources, including \$4.1 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 \$0.3 million less than enacted from general revenues reflecting current retirements and beneficiaries, which changed during FY 2023 but were not accounted for in the enacted budget. The annual appropriation supports pension costs on a pay-as-you-go basis rather than the retirement trust fund. There are currently four active judges whose pensions will be paid this way, all of whom are eligible to retire. *The Governor recommends funding as requested.*

Court Technology. The Judiciary requests \$9.4 million for court computer technology expenses including the authorized level of 26.0 full-time equivalent positions and the case management system. This is \$76,977 more than enacted, including \$116,162 more from general revenues, offset by \$39,185 less from federal funds to reflect exhaustion of a grant. The staffing request includes \$3.9 million, which is \$0.4 million less than enacted. This excludes vacancy savings, but assumes positions are filled at a lower cost than the enacted assumptions as staff have retired. 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 request adds \$443,000 for contracted programming costs and

new licensing agreements for several functions. *The Governor recommends \$30,864 more than requested from general revenues to account for higher than anticipated employee health benefit rates.*

Facilities and Operations. The Judiciary requests \$9.0 million from general revenues for the maintenance of the judicial complex facilities, including 25.0 full-time equivalent positions. This is \$0.1 million less and one position more than enacted, including current service adjustments and no turnover savings. The Division is responsible for the execution and coordination of various services relating to the courthouses, infrastructure and grounds. It also includes an additional \$0.4 million for maintenance and operations, including \$0.1 million more for courthouse occupancy costs of other state agencies, additional adjustments based on prior year spending, offset by \$0.6 million less for electricity costs. *The Governor recommends \$86,494 more than requested, including \$25,692 more to reflect higher than anticipated employee health benefit rates, and \$60,802 more for utility costs to be more consistent with FY 2023 spending.*

Finance, Budget and Employee Relations. The Judiciary requests \$3.1 million from general revenues to support the finance, budget and employee relations functions, including 18.8 full-time equivalent positions, 0.8 positions more than enacted. This is \$38,500 more than enacted to reflect current service adjustments and no turnover savings. *The Governor recommends \$20,871 more than requested to account for higher than anticipated employee health benefit rates.*

Community Outreach and Public Support. The Judiciary requests \$1.4 million from general revenues to support the community outreach and public support function, including interpreters for FY 2025. This is one position and \$0.1 million more than enacted for salaries and benefits to reflect current service adjustments and no turnover savings for 11.0 full-time equivalent positions. *The Governor recommends \$13,935 more than requested to account for higher than anticipated employee health benefit rates.*

Planning. The Judiciary requests \$0.7 million from general revenues to support its planning function, primarily for salaries and benefits of 5.0 full-time equivalent positions. This is \$0.2 million and two positions more than enacted, including current service adjustments and no turnover savings. The planning function develops the Judiciary's quarterly statistics reports and performance measures by compiling data from all courts, provides staff support to Supreme Court committees and outside committees as requested, 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 recommends \$6,356 more than requested to account for higher than anticipated employee health benefit rates.*

Education. The Judiciary requests \$292,405 from general revenues for the education function, which is \$19,605 less than enacted. This supports the enacted level of 1.6 full-time equivalent positions, including current service adjustments and no turnover savings. This function oversees mandatory continuing legal education for attorneys and the education program for judges and magistrates. *The Governor recommends \$2,021 more than requested to account for higher than anticipated employee health benefit rates.*

Clerks/Records Center. The Judiciary requests \$4.4 million for the clerks and record center functions. This is \$7,863 less than enacted for salaries and benefits for 34.6 full-time equivalent positions, 0.6 positions more than enacted. The request reflects current service adjustments and excludes turnover savings. The Judicial Records Center, a rented property located at 5 Hill Street in Pawtucket, serves as the central repository for the state's semi-active, inactive and archival 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 recommends \$41,961 more than requested to account for higher than anticipated employee health benefit rates.*

Disciplinary Board/Counsel. The Judiciary requests \$1.1 million from restricted receipts, \$5,508 less than enacted to support the Rhode Island Supreme Court Disciplinary Counsel Office. This fully funds 6.0

full-time equivalent positions. According to Supreme Court Article IV, Rule 1, each active attorney in the Rhode Island Bar Association is subject to an annual \$200 fee to fund the Disciplinary Board and Counsel; the 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 recommends \$8,188 more than requested to account for higher than anticipated employee health benefit rates.*

Law Library. The Judiciary requests \$1.4 million from general revenues to support the law library and its 5.0 full-time equivalent positions. The library is a complete, publicly accessible legal reference service with over 110,000 volumes and computer-aided legal research. This is \$1,729 less than enacted, for salaries and benefits, including current service adjustments and no turnover savings. *The Governor recommends \$3,949 more than requested to account for higher than anticipated employee health benefit rates.*

Appellate Screening Unit. The Judiciary requests \$1.1 million from general revenues to support the activities of the Appellate Screening Unit and its 6.4 full-time equivalent positions. This is \$0.1 million more than enacted for salaries and benefits and 0.2 fewer positions, including upgrading four staff. The Appellate Screening Unit is the central staff attorney's office for the Supreme Court and screens all civil and criminal appeals that come before the Supreme Court and schedules pre-briefing conferences. *The Governor recommends \$10,099 more than requested to account for higher than anticipated employee health benefit rates.*

Board of Bar Examiners. The Judiciary requests \$248,109 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. The request is \$313 more than enacted to reflect current service adjustments for the 1.0 full-time equivalent position that supports the Board. *The Governor recommends \$1,263 more than requested to account for higher than anticipated employee health benefit rates.*

Security Services. The Judiciary requests \$636,000, including \$629,000 from general revenues and \$7,000 from restricted receipts for security services at all six court facilities. This primarily reflects overtime for Capitol Police and Sheriffs assigned to the courthouses when asked to provide security services prior or subsequent to regular hours of operation. This is \$0.1 million less than enacted, primarily from general revenues, to reflect updated cost projections. *The Governor concurs.*

Insurance. The Judiciary requests \$760,166 from all sources for insurance expenses. This is \$393,880 more than enacted, of which \$351,486 is general revenues and \$42,394 is restricted receipts. The Judiciary reports insurance costs have nearly doubled and that restricted sources were underbudgeted in the enacted budget. The enacted budget includes \$366,286 across six courts. The revised request is also increased significantly, to \$691,212. *The Governor recommends funding as requested.*

Capital Projects. The Department requests the enacted amount of \$5.6 million from Rhode Island Capital Plan funds for the four projects contained in the approved plan for FY 2025. The Judiciary's capital request and the approved plan assume \$4.4 million, or \$1.3 million less for FY 2025, including \$0.5 million less for the heating, ventilation, and air conditioning project, and \$0.8 million less to reflect the end of the courtroom renovations for the Garrahy building. *The Governor includes funding consistent with the approved plan. A detailed description of the projects is included in the Capital Budget section of this publication.*

Supreme Court

Rhode Island Legal Services. The enacted budget provides \$90,000 from general revenues for Rhode Island Legal Services, Inc. to provide housing and eviction defense to indigent individuals as identified in

Article 1 of the appropriations act. The Judiciary requests funding as enacted. 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 Department of Housing contracted with Rhode Island Legal Services to provide eviction defense services from February 2023 through September 2025. The contract totals \$3.1 million, with \$1.1 million for subgrants to other entities, leaving \$2.0 million for direct eviction services, disbursed on a quarterly basis, estimated at \$183,889. *The Governor concurs.*

Rhode Island Coalition Against Domestic Violence. The enacted budget provides \$230,000 from general revenues for the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project as identified in Article 1 of the appropriations act. The Judiciary requests funding as enacted. *The Governor concurs.*

Crime Victims Outreach. The Judiciary requests the enacted level of \$150,000 from all sources for Crime Victims Outreach. Rhode Island General Law, Section 12-25-29 provides 15.0 percent of the court fees assessed for the crime victim compensation program, up to \$150,000 to the courts, for its expenses informing the victims of crime of their statutory rights. The Office of the General Treasurer administers the crime victim compensation program; the court's victim outreach is administered by Justice Assistance. Receipts for some court fees have been in decline, which has decreased the value of the 15.0 percent. Since FY 2022, \$80,000 from general revenues has been used to backfill the lost restricted receipts value. *The Governor concurs.*

Domestic Violence Training and Monitoring Unit. The Judiciary requests \$350,388, \$35,626 less than enacted for the Supreme Court's domestic violence unit, nearly all for staffing expenses. The request includes \$350,324 for the authorized level of 3.0 full-time equivalent positions, which is \$626 less than enacted to reflect current service adjustments. It also reflects \$54,933 more from general revenues to offset a lower level of support from the federal Violence Against Women Act and excludes \$35,000 from Edward Bryne Memorial Justice Assistance Grant funding, which has not been available to the court since FY 2021. *The Governor recommends \$3,790 more than requested, of which \$3,532 is general revenues to account for higher than anticipated employee health benefit rates.*

Other Salaries and Benefits. The Judiciary requests \$6.2 million from all sources, including \$6.1 million from general revenues for salaries and benefits to support 40.4 full-time equivalent positions of the Supreme Court not associated with the previously described overhead functions. This is \$0.7 million more than enacted for 0.4 fewer full-time equivalent positions. The request reflects the restoration of turnover savings and includes current service adjustments. *The Governor recommends \$582,725 less than requested from general revenues to reflect \$51,640 for higher than anticipated employee health benefit rates, offset by \$634,365 of turnover savings.*

Other Operations. The Judiciary requests the enacted level of \$0.8 million primarily from general revenues for all other expenses of the Supreme Court. This includes \$0.1 million each for equipment expenses and records retrieval, and \$0.2 million each for offender monitoring services, lease expenses, and all other spending. *The Governor recommends \$0.2 million more than requested from general revenues to account for updated projections for other centralized services including six months of charges related to implementation of new systems management software.*

Superior Court

Automatic Expungement. The 2022 Assembly enacted legislation providing for the automatic expungement of prior marijuana-related possession offenses. It provided the Judiciary \$340,000 for overtime and records center expenses for FY 2023, of which \$7,756 was spent as the courts established the

process and expunged over 26,000 records. On January 27, 2023, the Chief Justice ordered the courts to complete the expungement processing by July 1, 2024, and the enacted budget includes \$340,000 for that purpose. The FY 2025 request maintains the enacted amount; the Judiciary subsequently noted this is overstated.

Expungement is the process by which a record of certain criminal arrests or convictions is destroyed or sealed, essentially removing it from the record. Expungement eligibility is typically limited to first offenders, those with fewer than six misdemeanor convictions, and certain non-violent felonies, excluding domestic violence, and driving under the influence or refusing a chemical test. The Attorney General's office offers a public facing portal to review people's eligibility for expungement. *The Governor recommends funding as requested.*

Adult Drug Courts. The Judiciary requests \$443,916 from general revenues for its adult drug court activities. This is \$20,951 less from general revenues and excludes \$70,028 from an exhausted federal grant. This reflects \$418,906 to support 2.0 full-time equivalent positions, 0.7 fewer positions than enacted, and \$25,000 for private provider therapy and treatment services. *The Governor recommends \$1,212 more than requested to account for higher than anticipated employee health benefit rates.*

Court Reporters (2.0 FTE). The Judiciary requests \$0.2 million from general revenues and 2.0 new full-time equivalent court reporter positions. The Judiciary reports its union contract obligates it to maintain a six to five ratio of court reporters to judges and magistrates, but that it is currently staffed with 30 reporters and 27 judicial officers, totaling 22 justices, including the presiding justice, consistent with Rhode Island General Law, Section 8-1-2. The two additional reporters achieve the appropriate ratio.

Its constrained request excludes the positions. *The Governor recommends adding the requested staff.*

Other Salaries and Benefits. The Judiciary requests \$24.7 million from general revenues to fully fund the Superior Court's remaining 161.7 full-time equivalent positions, 0.7 positions more than enacted. The request is \$0.8 million more than enacted and restores \$0.7 million of turnover savings. *The Governor recommends \$479,725 less than requested from general revenues to reflect \$188,598 for higher than anticipated employee health benefit rates, offset by \$668,323 of turnover savings.*

Other Operations. The Judiciary requests \$1.9 million for all other expenses of the Superior Court, of which \$1.6 million is general revenues and \$325,000 is restricted receipts for expert witness expenses. General revenues spending is \$75,000 more than enacted and includes \$417,025 for jurors' fees; \$316,546 for related parking and transportation; \$189,301 for centralized services provided by the Department of Administration and other technology lease costs; \$160,975 for postal costs, \$140,743 for office and program supplies and maintenance, and \$385,253 for other operating costs. The increase reflects newly programmed juror system software expenses, which are \$11,760 more than FY 2023 spending. *The Governor recommends \$4,446 less than requested from general revenues to account for updated projections for centralized information technology services.*

District Court

Mental Health Treatment Court. The Judiciary requests \$1.2 million, including \$1.0 million from general revenues and \$0.2 million from federal funds for the staffing and operations costs of the mental health calendar authorized by the 2022 Assembly for FY 2023. This is \$0.1 million less than enacted; it shifts \$0.1 million of staffing expenses from federal funds to general revenues, and reduces clinical expenses based on updated projections. The FY 2024 enacted budget represents projected expenses prior to the calendar being fully staffed, and additional resources from a new federal grant. The FY 2025 request reflects full staffing and updated spending projections. *The Governor recommends \$6,615 more than requested from general revenues to account for higher than anticipated employee health benefit rates.*

Veterans Treatment Court. The Judiciary requests \$418,042, from federal grant funds for the Veterans Treatment Court. This is \$6,466 less than enacted, including \$26,825 less for staffing expenses and \$20,359 more for all other spending. Compared to the enacted budget, the request excludes seasonal staffing costs in lieu of increased testing and testing equipment calibration costs. The 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 Governor recommends \$1,263 more than requested to account for higher than anticipated employee health benefit rates.*

Other Staffing and Operations. The Judiciary requests \$14.6 million from all sources for the remaining District Court's staffing and operations. This includes \$14.0 million, \$0.3 million more than enacted from general revenues for the District Court's remaining 93.0 full-time equivalent positions, including current service adjustments and no turnover savings. For all other expenditures, the request includes \$0.5 million from general revenues and \$0.1 million from restricted receipts. The request for all other spending is consistent with the enacted budget, but reallocates funds to reflect FY 2023 actual spending. *The Governor recommends \$281,352 less from general revenues to reflect \$111,641 for higher than anticipated employee health benefit rates, offset by \$404,868 of turnover savings and \$11,875 more for updated projections for centralized information technology services.*

Family Court

Child Support Enforcement. The Judiciary requests \$3.9 million from all sources for the Child Support Enforcement Unit in the Family Court, of which \$1.1 million is general revenues. The request is \$117,026 more than enacted, of which \$39,792 is general revenues and \$77,234 is federal funds. The request includes \$3.1 million to support 22.0 full-time equivalent positions, one more than authorized. The remaining \$0.9 million is consistent with the enacted budget, and primarily reflects the court's indirect cost recovery expenses. *The Governor recommends \$19,133 more than requested, of which \$6,506 is general revenues to account for higher than anticipated employee health benefit rates.*

Other Salaries and Benefits. The Judiciary requests \$24.5 million from all sources, of which \$23.9 million is from general revenues for the Family Court's remaining 160.6 full-time equivalent positions. The request includes the authorized staffing level, but allocates positions differently, shifting 3.1 positions from federal grants, one of which has expired, to general revenues. This is \$0.6 million more than enacted, including \$0.8 million more from general revenues, offset by \$0.2 million less from federal funds. This increase essentially reflects the restoration of the turnover savings assumed in the enacted budget, after accounting for the staffing reallocation. *The Governor recommends \$0.4 million less than requested from general revenues to reflect \$189,590 for higher than anticipated employee health benefit rates, offset by \$614,585 of turnover savings.*

Other Operations. The Judiciary requests \$1.1 million from all sources for all other expenses for the Family Court, of which \$0.9 million is general revenues. The request is \$3,000 more than enacted. General revenues increase by \$50,000 for additional interpreter services to align with FY 2023 spending. Federal funds decrease by \$33,500 to reflect FY 2023 spending and \$13,500 for a grant which ends during FY 2024. *The Governor recommends \$20,350 more than requested from general revenues to account for updated projections for centralized information technology services.*

Traffic Tribunal

Salaries and Benefits. The Judiciary requests \$9.7 million from general revenues to fully fund 69.0 full-time equivalent positions. This is \$0.2 million less and 6.0 positions fewer than enacted, including current service adjustments and no turnover savings. *The Governor recommends \$185,579 less than requested to reflect \$63,014 for higher than anticipated employee health benefit rates, offset by \$248,593 of turnover savings.*

Other Operations. The Judiciary requests the enacted level of \$0.4 million from general revenues for all other spending, including \$0.2 million for water and sewer expenses; \$0.1 million for information technology expenses, including centralized services provided by the Department of Administration; and \$0.2 million for all other spending. *The Governor recommends \$10,028 more than requested to account for updated projections for centralized information technology services.*

Workers' Compensation Court

Salaries and Benefits. The Judiciary requests \$8.3 million from restricted receipts for salaries and benefits of the Workers' Compensation Court. This is \$0.1 million less than enacted to fully fund the authorized level of 48.6 full-time equivalent positions, including current service adjustments. *The Governor recommends \$23,444 less than requested to reflect \$50,233 for higher than anticipated employee health benefit rates, offset by \$73,677 of turnover savings.*

Other Operations. The Judiciary requests \$1.1 million from restricted receipts for all other expenses, which is \$19,000 more than enacted to reflect higher building maintenance and occupancy costs. The request is \$0.3 million higher than FY 2023 spending. *The Governor recommends \$12,193 more than requested to account for utility savings and updated projections for other centralized services.*

Judicial Tenure and Discipline

Judicial Tenure and Discipline. The Judiciary requests \$174,260 from general revenues, which is \$473 less than enacted to support the Commission on Judicial Tenure and Discipline for FY 2025. The change reflects current service adjustments. The Commission is responsible for conducting investigations of judges suspected of, or charged with, misconduct. *The Governor recommends \$737 more than requested to account for higher than anticipated employee health benefit rates.*

Military Staff

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 9,966,133	\$ 10,330,982	\$ 10,753,555	\$ 10,542,427
Contracted Services	2,079,197	2,222,183	2,373,993	2,373,993
Subtotal	\$ 12,045,330	\$ 12,553,165	\$ 13,127,548	\$ 12,916,420
Other State Operations	27,300,383	20,966,718	22,539,807	22,378,922
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	312,300	312,300	372,673	312,300
Capital	34,475,173	19,903,547	63,935,647	65,845,538
Capital Debt Service	-	-	-	-
Operating Transfers	1,774,119	-	1,339,988	-
Total	\$ 75,907,305	\$ 53,735,730	\$ 101,315,663	\$ 101,453,180
Sources of Funds				
General Revenue	\$ 3,650,802	\$ 3,574,619	\$ 3,501,229	\$ 3,106,655
Federal Aid	64,747,657	46,284,202	86,834,973	86,857,534
Restricted Receipts	55,000	55,000	115,373	55,000
Other	7,453,846	3,821,909	10,864,088	11,433,991
Total	\$ 75,907,305	\$ 53,735,730	\$ 101,315,663	\$ 101,453,180
FTE Authorization	93.0	93.0	93.0	93.0

Summary. The Military Staff requests FY 2025 expenditures of \$101.3 million from all sources, including \$3.5 million from general revenues. The request is \$25.4 million more than enacted, including \$0.1 million less from general revenues, \$22.1 million more from federal funds, \$0.1 million more from restricted receipts, and \$3.4 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 recommends \$0.1 million more than requested, including \$0.4 million less from general revenues, \$22,561 more from federal funds, \$0.1 million less from restricted receipts, and \$0.6 million more from Rhode Island Capital Plan funds.*

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 \$2.9 million, including a current service decrease of \$0.6 million and a 5.0 percent reduction of \$0.1 million, adjusted for certain exclusions. The constrained budget submitted by the Military Staff is \$0.1 million greater 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 \$0.1 million above the target.*

Firefighters. The Military Staff requests \$4.2 million, including \$0.4 million from general revenues and \$3.8 million from federal funds for the firefighter program. This is \$0.1 million more than enacted, including \$38,954 from general revenues and \$0.1 million from federal funds. Firefighter costs are paid from federal funds, except for those who have injured on duty status in which case the state is responsible for the cost. The request represents sufficient funding for an average of 3.0 full-time equivalent positions on injured on duty status, or 0.2 positions more than enacted. As of December, 2.0 firefighters are on injured on duty status. Consistent with the enacted budget, the request assumes 29.0 of 30.0 authorized

firefighter positions are filled. As of late November, 28.0 positions were filled. The Military Staff indicates that its request is in error; it intended to request \$0.2 million less, including general revenues sufficient for an average of 2.4 positions on injured on duty status and turnover savings equivalent to 1.8 vacancies.

The constrained request includes \$0.1 million less from general revenues. *The Governor's recommendation is \$52,888 less than requested, including \$75,545 from general revenues. It corrects for the error and contains funding sufficient for an average of 2.3 positions on injured on duty status and turnover savings equivalent to 0.5 vacancies. The recommendation includes \$23,689 more, including \$1,032 from general revenues, for increased employee health benefit rates.*

Other Salaries and Benefits. The Military Staff requests \$6.5 million from all sources for its remaining 63.0 full-time equivalent positions, consistent with the distribution of staffing costs attributable to federal funds as agreed upon with the Department of Defense. The request is \$0.5 million more than enacted, including \$0.3 million more from general revenues and \$0.1 million more from federal funds. The increase reflects turnover savings equivalent to 2.1 vacancies. The enacted budget includes turnover savings equivalent to 5.3 positions. As of late November, there were 5.0 vacancies. *The Governor's recommendation is \$11,425 more than requested, including \$0.1 million less from general revenues. It corrects for the error and contains turnover savings equivalent to 1.4 vacancies. The recommendation includes \$49,941 more, including \$2,566 from general revenues, for increased employee health benefit rates.*

Cybersecurity and Activations. Consistent with the enacted budget, the Military Staff requests \$54,000 from general revenues 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 Governor recommends funding essentially as requested.*

Military Funeral Honors. The Military Staff requests \$0.3 million from general revenues to reflect projected costs for military funeral honors in FY 2025. The request is \$169,665 more than enacted for activation costs associated with putting two members of the guard on permanent funeral honors duty. Retired military members are currently paid an \$80 stipend for volunteering to perform military honors at funerals. The Military Staff indicates that volunteers have been unable to meet a rise in demand; there is an average of 57 military funerals every week. 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 constrained request is \$169,665 less, consistent with the enacted budget. *The Governor recommends funding consistent with the enacted budget.*

Utilities. The Military Staff requests \$4.0 million from all sources, including \$0.7 million from general revenues, for utilities expenses which are shared with the federal National Guard. The request is \$1.1 million less than enacted, including \$0.3 million less from general revenues and \$0.9 million less from federal funds. The decrease is entirely attributed to lower electricity costs associated with energy saving programs and solar energy credits, and is partially offset by increases to other utilities based on projected usage and rate increases. Cost sharing depends on actual usage and varies from 100 percent federally funded, to 75 percent or 50 percent. *The Governor recommends \$0.2 million less than requested, including \$31,426 less from general revenues, primarily to account for statewide utility savings.*

Security Services. The Military Staff requests \$1.2 million from federal funds for security services at all of its locations, which is \$0.2 million more than enacted. The agency indicates that it is renegotiating its contract with its security provider and expects a 15.0 percent increase. Federal regulations require levels of security, including protection from active shooters. *The Governor recommends funding as requested.*

Building Maintenance and Repairs. The Military Staff requests \$2.1 million from all sources for building maintenance and repairs, including \$0.2 million from general revenues. The request is \$0.7 million less than enacted, including \$35,725 more from general revenues, which the Military Staff indicates represents updated project timelines and is closer to FY 2023 expenditures. The federal government pays for maintenance and repairs that it deems needed or caused by federal mandate; work deemed ineligible is paid from general revenues. *The Governor recommends funding as requested.*

Counter Drug Training Facility. The Military Staff requests \$7.2 million from all sources, including \$5.2 million from federal funds and \$2.0 million from Rhode Island Capital Plan funds, to construct a new counter drug facility at Camp Fogarty in East Greenwich, for which the enacted budget includes only federal funds. This 15,000 square foot training facility will be used by the National Guard's counter drug program.

The request is consistent with the agency's capital request, which includes a total of \$8.3 million, including \$1.0 million from Rhode Island Capital Plan funds for FY 2026. The request for Rhode Island Capital Plan funds reflects agency assumptions regarding the impact of inflation if the current project vision goes to bid a second time. A nearly identical request was submitted last year and recommended by the Governor. The 2023 Assembly instead maintained the approved plan, which contained no Rhode Island Capital Plan funds. *The Governor recommends funding as requested. A detailed description of the project is included in the Capital Budget section of this publication.*

Other Capital Projects. The Military Staff requests \$72.5 million from all sources for other capital projects, including \$8.9 million from Rhode Island Capital Plan funds. This is \$24.8 million more than enacted. The Military Staff indicates it intended to request funding consistent with its capital budget request. That request is for \$99.6 million, including \$10.0 million from Rhode Island Capital Plan funds, which is \$51.8 million more than enacted, including \$2.5 million more from Rhode Island Capital Plan funds. *The Governor recommends \$0.6 million more from Rhode Island Capital Plan funds. A detailed description of the projects is included in the Capital Budget section of this publication.*

Information Technology Upgrades. The enacted budget includes \$0.5 million from general revenues to purchase information technology equipment. The Military Staff indicates that current information technology equipment is sourced directly from the Department of Defense and is not compatible with state government equipment and technology. This hampers coordination and efficiency in responding to domestic emergencies, and requires the use of National Guard members' personal devices. Existing information technology assets were overwhelmed by more resource demand and users than anticipated as a result of the COVID-19 pandemic. The Military Staff's request excludes these one-time funds. *The Governor excludes funding as requested.*

Other Operations. The Military Staff requests \$3.3 million from all sources for all other expenses, including \$0.7 million from general revenues. The request is \$36,035 more than enacted, including \$37,392 more from general revenues, \$61,730 less from federal funds, and \$60,373 more from Military Family Relief Fund restricted receipts. The Military Staff indicates it intended to request the enacted amount from restricted receipts. Other changes include \$19,187 more from general revenues for new facilities management software, offset by various reductions to more closely reflect FY 2023 spending. The constrained request includes \$14,427 less from general revenues for snowplowing services. *The Governor recommends \$57,079 less from all sources than requested, including \$8,050 less from general revenues, to correct for overstated restricted receipts and reflect updated centralized services estimates. The recommendation includes \$3,294 more, including \$8,050 less from general revenues, for statewide adjustments including six months of charges related to implementation of new systems management software.*

Rhode Island Emergency Management Agency

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 5,062,225	\$ 5,089,537	\$ 5,415,444	\$ 5,424,009
Contracted Services	2,307,701	1,819,557	1,452,726	1,452,726
Subtotal	\$ 7,369,926	\$ 6,909,094	\$ 6,868,170	\$ 6,876,735
Other State Operations	16,089,370	14,517,940	13,804,396	12,934,757
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	21,826,642	15,651,146	16,414,257	16,414,257
Capital	4,974,774	6,433,813	1,617,734	452,734
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 50,260,712	\$ 43,511,993	\$ 38,704,557	\$ 36,678,483
Sources of Funds				
General Revenue	\$ 6,632,962	\$ 6,838,583	\$ 7,508,374	\$ 7,165,529
Federal Aid	38,504,601	30,536,190	30,095,576	28,880,583
Restricted Receipts	406,774	408,572	410,607	412,371
Other	4,716,375	5,728,648	690,000	220,000
Total	\$ 50,260,712	\$ 43,511,993	\$ 38,704,557	\$ 36,678,483
FTE Authorization	37.0	37.0	39.0	39.0

Summary. The Rhode Island Emergency Management Agency requests \$38.7 million, including \$7.5 million from general revenues, \$30.1 million from federal funds, \$0.4 million from restricted receipts and \$0.7 million from Rhode Island Capital Plan funds. This is \$11.6 million less than enacted, including \$0.9 million more from general revenues, \$8.4 million less from federal funds, and \$4.0 million less from Rhode Island Capital Plan funds. The Agency requests 39.0 full-time equivalent positions, which is 2.0 more than the enacted authorization.

The Governor recommends \$36.7 million from all sources, including \$7.2 million from general revenues. This is \$13.6 million less than enacted, including \$0.5 million more from general revenues. It is \$2.0 million less than requested, including \$0.3 million less from general revenues. The recommendation includes 39.0 positions as requested.

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 \$6.4 million, including current service adjustments of \$756 and a 5.0 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 7.0 full-time equivalent positions and excluding newly requested items. *The Governor's recommendation is \$0.7 million more than the target.*

Assistant Director Communications (1.0 FTE). The Agency requests \$0.2 million from general revenues and 1.0 new full-time equivalent position for an assistant director of communications to work in its public information branch. The Agency indicates that its current staffing level of 2.0 full-time equivalent positions does not meet its communication needs for preparedness, mitigation, and disaster recovery. The new

position would be a senior staff member who supervises the current positions and manages the development and implementation of all agency communications initiatives and activities. This position would also serve as the lead public information officer during emergency operations.

The constrained request omits this position. *The Governor recommends the funding and position.*

Public Safety Warehouse (1.0 FTE). The Agency requests \$0.6 million from general revenues and 1.0 new full-time equivalent position to support the Rhode Island Emergency Management Agency managed public safety warehouse. This includes \$0.1 million to add a Programming Services Officer to fill the role of warehouse supervisor, \$0.2 million for two full-time contracted positions, \$0.2 million for replacement of emergency goods on a rotating basis, and \$0.1 million for other operating costs. The warehouse is funded primarily from State Fiscal Recovery funds and includes rent, which is paid by the Department of Administration. The Agency notes that once those funds are depleted, the warehouse will be funded completely with general revenues.

The constrained request omits this initiative. *The Governor recommends funding but includes \$58,854 less than requested, which includes turnover savings and changes to account for utility savings and updated projections for other centralized services.*

ARPA - Public Health Response Warehouse Support. The FY 2024 enacted budget includes \$1.4 million from State Fiscal Recovery funds in the Department of Administration's budget for lease expenses for the Emergency Management Agency operated warehouse. The Agency requests \$1.2 million from State Fiscal Recovery funds for operating expenses and one-time purchases for its public health response warehouse. Expenses include \$395,000 for a 200-kilowatt generator, \$300,000 for a hook and lift truck used to transport materials to sites around the state, \$281,843 for general warehouse supplies such as pallets and racking, \$250,000 to close out the Lincoln warehouse and dispose of its equipment, and \$12,000 for clothing for the warehouse staff to comply with the Occupational Safety and Health Administration. The Agency indicates that once these federal funds are spent, warehouse expenses will be funded solely from general revenues. The Agency's request duplicates funding for FY 2024 and FY 2025 because of uncertainty as to when purchases will occur caused by supply chain issues for specialized equipment. The Agency indicates that once American Rescue Plan funds are spent, expenses to operate its warehouse will be solely from general revenues. *The Governor maintains funding for this in the Department of Administration.*

Other Salaries and Benefits. The Agency requests \$5.1 million from all sources, including \$1.6 million from general revenues, \$3.4 million from federal funds and \$0.1 million from restricted receipts, for salaries and benefits for its 37.0 authorized positions. This is \$35,322 more than enacted, including \$79,050 more from general revenues. The request restores all turnover savings included in the FY 2024 enacted budget and shifts expenses from federal funds to general revenues based on anticipating less federally reimbursable work done.

The Agency's constrained request proposes eliminating seven unspecified full-time positions for savings of \$0.3 million from general revenues. There would also be a loss of federal funds not reflected in the constrained request. *The Governor recommends \$31,419 more than requested, including \$5,805 more from general revenues for statewide adjustments, including higher than anticipated employee health benefit rates.*

Statewide Communications Network. The Agency requests 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. *The Governor recommends funding as requested.*

Centralized Services. The Agency requests \$0.7 million from all sources, including \$0.6 million from general revenues and \$0.1 million from federal funds, for centralized services provided through the Department of Administration. This includes \$610,312 for information technology, \$63,556 for human resources, and \$5,264 for facilities maintenance expenses and, in total, is \$154,422 more than enacted from all sources, including \$192,770 more from general revenues and \$38,348 less from federal funds. The request shifts general revenues provided as match to this specific expense consistent with the revised request and aligns the budget more closely to FY 2023 expenses, which were \$0.8 million. *The Governor recommends \$0.2 million less than requested for changes to account for updated projections for centralized services, including six months of charges related to implementation of new systems management software.*

Emergency Operations and Performance Grants. The Agency requests \$3.2 million, or \$3.3 million less than enacted, from federal emergency operations and performance grants provided by the Federal Emergency Management Agency to reflect updated grant award information and availability. The request is \$1.7 million more than spent in FY 2023 and \$1.0 million less than the FY 2024 revised request. The funding, which is primarily passed through to local emergency management agencies, is used for construction and renovation of a state or local government's principal emergency management operations center and to provide support for emergency operations necessary to ensure continuity of government and operations in major disasters. *The Governor recommends funding as requested.*

Glocester Emergency Operations Center Grant. The Agency requests \$1.0 million to reflect a new federal grant provided through the Emergency Operations Center Grant Program to be passed through to Glocester to build a new emergency operations center. This program provides funding for construction or renovation of a state, local, or tribal government's principal emergency operations center. The whole grant will go to the town as expenses are incurred; the Agency intends to carry the remaining balance forward annually until expended. However, the Agency's revised request also budgets the full value of the grant. *The Governor recommends funding as requested.*

RIEMA Emergency Operations Center Grant. The Agency requests \$0.5 million to reflect a new federal grant provided through the Emergency Operations Center Grant Program to renovate its emergency operations center. This program provides funding for construction or renovation of a state, local, or tribal government's principal emergency operations center. The funds will supplement the Agency's ongoing capital project to upgrade its emergency operations center. The Agency also includes the full amount of the grant in its revised request. *The Governor recommends funding as requested. A detailed description of the project is included in the Capital Budget section of this publication.*

Hazard Mitigation Grants. The Agency requests \$1.8 million, or \$6.2 million less than enacted, from Federal Emergency Management Agency Hazard Mitigation funds that support local emergency management agencies for hazard mitigation, reflecting updated grant information and anticipated usage. The request is essentially consistent with the revised request. Localities must apply through the state to receive these funds. These projects must be designed to 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 recommends funding as requested.*

Homeland Security Grants. The Agency requests \$8.7 million, or \$0.8 million less than enacted, from federal funds for homeland security related upgrades throughout the state. The request is \$4.9 million more than FY 2023 spending and \$0.5 million less than the revised request. The request reflects updated award information for grants provided by the Federal Emergency Management Agency. The enacted budget was an estimate based on previous experience. *The Governor recommends funding as requested.*

Natural Disaster Relief. The Agency requests \$4.4 million, or \$3.9 million less than enacted from federal funds for reimbursements to entities in the state that have applied for federal disaster relief. The request is \$3.6 million less than FY 2023 spending and is consistent with the revised request. These grants are often

pending review by the Federal Emergency Management Agency, and it takes several years to close out. The change reflects projected reimbursements for snow removal and related expenses to entities affected by Winter Storm Kenan which occurred in January 2022. *The Governor recommends funding as requested.*

Non-Profit Security Grants. The Agency requests \$2.9 million which is \$1.1 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. Essentially consistent with the FY 2024 revised request, these changes reflect actual requests for reimbursement based on 17 new awards from the FY 2023 grant. *The Governor recommends funding as requested.*

Cybersecurity Grants. Consistent with the revised request, the Agency requests \$2.2 million from a new grant made available through the Infrastructure Investment and Jobs Act from federal FY 2022 through FY 2025 to combat cyber threats and enhance cybersecurity grant programs. 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 Agency's request reflects the FY 2022 allocation for Rhode Island which is also eligible for \$4.5 million from the FY 2023 awards. *The Governor recommends funding as requested.*

Other Federal Grants. Consistent with the revised request, the Agency requests \$0.5 million, or \$0.1 million less than enacted, from other federal funds reflecting revised grant awards. The request includes changes to multiple grants to reflect funds carried forward from previous years, as well as updated expenditure plans with the largest change being the closure of the port security and hazardous materials preparedness grants. *The Governor recommends funding as requested.*

Capital Projects. The Agency requests \$0.7 million from Rhode Island Capital Plan funds, including \$140,000 for communication system upgrades and \$550,000 for the state emergency operations center upgrades. This is not consistent with the \$1.7 million included in its capital request. The Agency subsequently indicated the capital request should prevail. *The Governor recommends \$0.2 million, or \$0.5 million less than requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Agency requests \$1.2 million, including \$0.9 million from general revenues and \$0.3 million from restricted receipts, for all other expenses. The request is \$0.3 million less than enacted, including \$0.2 million less from general revenues and \$0.1 million less from federal funds. The FY 2024 enacted budget includes \$0.9 million for unidentified purposes as a general revenues match for American Rescue Plan Act grants. The Agency's request identifies more specific uses of these funds including \$0.4 million for specialized maintenance equipment. There appears to be some flexibility in the need for some of these expenses. It also shifts \$0.2 million from general revenues to centralized services for additional information technology support. The Agency also requests \$0.1 million less from federal funds for state fleet costs. Some of the larger expenses include its annual \$172,000 from Oil Spill Prevention, Administration and Response funds for the Port of Providence Marine Strike Team and Flammable Liquids Task Force and \$0.2 million for technology maintenance. *The Governor recommends \$79,811 less than requested from general revenues for operating costs based on anticipated need of the funds.*

Department of Public Safety

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Central Management	\$ 33,342,024	\$ 50,353,794	\$ 22,244,477	\$ 17,270,407
E-911	9,269,543	7,873,641	8,514,900	11,103,966
Capitol Police	6,063,135	5,974,236	6,136,909	6,104,859
Sheriffs	24,230,176	23,329,508	24,803,434	24,606,538
Municipal Police Training Academy	689,461	833,362	715,934	716,569
State Police	116,109,997	113,149,860	134,210,655	125,249,572
Total	\$ 189,704,336	\$ 201,514,401	\$ 196,626,309	\$ 185,051,911
Expenditures by Category				
Salaries and Benefits	\$ 119,719,088	\$ 113,512,526	\$ 120,365,390	\$ 119,008,512
Contracted Services	1,814,016	1,835,196	1,223,857	1,123,857
Subtotal	\$ 121,533,104	\$ 115,347,722	\$ 121,589,247	\$ 120,132,369
Other State Operations	20,775,916	23,206,428	23,419,702	21,619,388
Aid to Local Units of Government	-	-	90,000	-
Assistance, Grants, and Benefits	30,676,304	47,601,996	19,741,892	14,831,892
Capital	16,719,012	15,358,255	31,785,468	28,468,262
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 189,704,336	\$ 201,514,401	\$ 196,626,309	\$ 185,051,911
Sources of Funds				
General Revenue	\$ 137,013,201	\$ 136,595,944	\$ 131,696,139	\$ 122,424,040
Federal Aid	24,157,221	43,543,813	27,635,040	22,744,693
Restricted Receipts	10,350,524	9,262,884	9,917,727	12,509,218
Other	18,183,390	12,111,760	27,377,403	27,373,960
Total	\$ 189,704,336	\$ 201,514,401	\$ 196,626,309	\$ 185,051,911
FTE Authorization	632.2	632.0	642.0	633.0

Summary. The Department requests \$196.6 million from all sources, which is \$6.9 million more than enacted, including \$131.7 million from general revenues. Changes include \$5.3 million less from general revenues, \$3.5 million more from federal funds, \$0.4 million less from restricted receipts, and \$9.2 million more from other funds. The request includes 642.0 full-time equivalent positions, or 9.8 more than enacted.

The Governor recommends \$185.1 million from all sources, including \$122.4 million from general revenues. This is \$11.6 million less than requested, including \$9.3 million less from general revenues. He recommends 633.0 full-time equivalent positions, 0.8 more than enacted.

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 \$118.8 million, including a current service reduction of \$13.0 million and a 5.0 percent reduction of \$5.2 million, adjusted for certain exclusions. The constrained budget submitted by the agency

is \$2,963 less than the Budget Office target. The proposals to achieve those reductions are noted among the items described below where appropriate. *The Governor's budget is \$3.7 million above the target.*

Staffing. The Department requests \$120.4 million from all sources, including \$105.8 million from general revenues for 642.0 full-time equivalent positions, 9.8 positions more than authorized. This is \$0.6 million more from all sources than enacted, including \$0.7 million more from general revenues. The request adds \$0.1 million for 2.0 new capitol police officers, one of which is allocated to internal service funds, and \$1.4 million for 8.0 new positions in the Division of State Police. It also includes a proposal to convert all Sheriffs to a 40-hour work week, as well as turnover savings in both the E-911 program and the Division of State Police. The enacted budget funds 607.4 positions, and the request funds approximately 623 positions. As of early October, the Department has 526.0 filled positions.

The constrained request excludes funding for the new positions and reflects \$2.8 million in additional turnover savings, including \$0.2 million in the Central Management Office, \$1.4 million in the Division of Sheriffs, \$0.1 million in the Municipal Police Training Academy, and \$1.0 million in the Division of State Police.

The Governor recommends \$1.4 million less than requested, almost entirely from general revenues, for 633.0 full-time equivalent positions. This is 0.8 positions more than the enacted authorization and includes 1.0 new capitol police officer. Changes also reflect statewide adjustments for higher than anticipated employee health benefit rates offset by additional turnover savings.

Body-Worn Camera Statewide Project. The Department requests \$0.4 million from federal funds for the body-worn camera statewide project to award as grants to local municipalities. The Department expended the entirety of its allocation for the Division of State Police in FY 2023. Consistent with current service adjustments, the Department's request does not include the \$13.5 million from general revenues included in the enacted budget for purchasing cameras for State Police and municipalities. There is language that requires a reappropriation of unspent funds to the next year. Prior spending from the original \$15.0 million allocation includes \$1.0 million in FY 2023; the FY 2024 revised request adds \$0.5 million reappropriated from FY 2023. *The Governor recommends funding as requested.*

Judiciary Lease Payments. The Department requests \$0.9 million from general revenues for courtroom lease payments. The Department is responsible for paying the Judiciary based on its occupancy of courtrooms throughout the state. The request is \$46,528 more than enacted primarily for the Division of Sheriffs, based on new rates from the Judiciary, which are adjusted annually. The constrained request excludes the increase. *The Governor recommends total funding as requested.*

Statewide Records Management System (2.0 FTE). The Department requests \$3.3 million from general revenues for the implementation of the statewide records management system, pursuant to Rhode Island General Law, Section 42-28.10-1. Funding would support purchasing and implementing the software and 2.0 new full-time equivalent positions, including a project manager and an administrative manager. After implementation, participating agencies will be billed for operating costs, including maintenance and annual software expenses. These fees will be deposited into a restricted receipt account to supplement the cost of operating the system. It should be noted that the Department also includes an alternative proposal for the statewide system, which is a system just within the Department.

The enacted budget includes \$0.3 million from the Department's allotment of Coronavirus Emergency Supplemental funding provided by the Department of Justice. It reflects a cost proposal that expired in December 2021 from the vendor selected that year who indicated that the one-time implementation costs would be \$3.7 million, and the annual maintenance contract would be \$0.7 million. The current request reflects an average annual cost of \$3.4 million and the latest cost proposal from the selected vendor. The

capital budget request projected implementation to begin in FY 2024. The operating request delays the project one year to FY 2025 based on available funding.

The constrained request excludes the funding. *The Governor recommends \$2.8 million from all sources, \$0.4 million less than requested. The recommendation includes \$2.5 million from E-911 restricted receipts and \$0.2 million from federal funds for development of the initiative. It also includes \$0.2 million from general revenues for a project manager within the Department's current staffing authorization. Budget documents suggest costs will be higher, and the Department is in discussions regarding additional sources.*

State Police Records Management System (1.0 FTE). The Department requests \$3.1 million from general revenues for the implementation of a records management system, pursuant to Rhode Island General Law, Section 42-28.10-1. This is presented as an alternative to the statewide initiative and would be an expandable system within the Department. This is \$152,154 less than the statewide proposal, which includes an additional required administrative manager position. Funding supports purchasing and implementing the software and one new full-time equivalent project manager to oversee implementation.

The constrained request excludes the funding. *The Governor recommends a version of the statewide initiative as described previously.*

Central Management

Salaries and Benefits. The Department requests \$2.0 million from all sources to fully fund the 14.0 full-time equivalent positions in the Central Management Office. This is \$4,815 less than enacted and reflects current service adjustments. The request includes \$64,585 less from general revenues and \$47,746 less from federal funds, offset by \$107,516 more from restricted receipts.

The Department's constrained request proposes removing one full-time equivalent position, the chief financial officer, for \$0.2 million in general revenue savings. The Department's request assumes that the State Budget Office would assume the responsibilities of the chief financial officer, including budget development, reporting, and fiscal analysis. *The Governor recommends \$16,961 more than requested, including \$10,073 more from general revenues to account for increased employee health benefit rates offset by \$5,307 of turnover savings.*

CARES Act. The Department requests \$0.1 million from unexpended federal Coronavirus Emergency Supplemental funds from the Department of Justice to provide awards to government agencies and local law enforcement agencies to support a broad range of activities to prevent, prepare for, and respond to the coronavirus. This is \$0.3 million less than enacted. Identified grantees include the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, the Department of Children, Youth, and Families, the Office of the Attorney General, the Department of Corrections, and the Judiciary. *The Governor recommends funding as requested.*

ARPA - Support for Survivors of Domestic Violence. The 2022 Assembly provided a total of \$10.5 million from federal State Fiscal Recovery funds to provide awards to nonprofits to provide housing, clinical, and mental health services to victims of domestic violence and assault, after which federal grants are expected to return to historic levels. Funding will supplement the federal Victims of Crime Act funding the Department of Public Safety receives, which has decreased in recent years due to changes in federal settlement agreements. The request is \$1.9 million less than enacted to reflect an updated schedule for award payments and includes \$5.3 million for FY 2024 and \$5.1 million for FY 2025. No funding was spent in FY 2023. *The Governor recommends the entire \$10.5 million for FY 2024.*

Other Federal Funds. The Department requests \$14.4 million from other federal grants to award to local organizations and municipalities, which is \$4.6 million more than enacted. The request reflects updated

awards and remaining federal balances. Larger changes include \$3.0 million more for the Community-Based Violence Intervention and Prevention Program, \$1.8 million more from the Edward Bryne Memorial Justice Assistance Grant Program, \$0.9 million more from Violence Against Women Formula Grants, and \$0.8 million more from the Sexual Assault Services Formula Grant program, offset by \$1.8 million less from Crime Victims Assistance. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$0.2 million for all other operations within the Office. This is \$8,000 more than enacted from indirect cost recovery restricted receipts for grant management fees. Larger expenditures include \$91,107 for centralized services, \$70,000 for temporary services, and \$38,975 for office supplies and equipment. *The Governor recommends \$0.1 million more than requested from general revenues to account for updated projections for centralized services, including six months of charges related to implementation of new systems management software.*

E-911

Salaries and Benefits. The Department requests \$6.2 million from restricted receipts for salaries and benefits for 56.0 full-time equivalent positions, which is \$0.5 million less than enacted. The enacted budget funds 55.7 positions. The request assumes additional turnover savings, equivalent to approximately four positions based on updated expenditures. As of early October, the program has 41.0 filled positions and has averaged 40.8 filled for FY 2024 thus far. *The Governor recommends \$74,764 more than requested for higher than anticipated employee health benefit rates.*

Technology, Upgrades, and Maintenance. The Department requests \$1.9 million from restricted receipts for technology expenses. This includes \$0.9 million for communication system maintenance and repairs, \$0.4 million for software maintenance agreements, \$0.3 million to replace an outdated video wall and video switching devices at the public safety answering point, \$0.1 million for computer supplies and equipment, and \$0.1 million for internet services. The request is \$0.3 million less than enacted and primarily reflects the completion of the INdigital's Next-Gen i3 optical fiber network in FY 2024. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$0.4 million from restricted receipts for all other expenses, including \$0.1 million for centralized services provided by the Department of Administration. Other expenses include \$55,000 for staff training, \$29,296 for utilities, and \$25,000 for janitorial services. The request is \$30,861 more than enacted which includes \$25,861 more for maintenance and repairs, primarily for the Smith Street public safety answering point, and \$5,000 more for cardiopulmonary resuscitation (CPR) certification and recertification classes. *The Governor recommends \$14,802 more than requested to account for utility savings and updated projections for centralized services.*

Sheriffs

Sheriff Work Week - 40 Hours. The Department requests \$0.3 million more from general revenues to transition all sheriffs to a 40-hour work week from 37.5 hours. The Department believes that this will increase security and reduce overtime by approximately three percent. The request does not reflect the estimated overtime savings. The Division currently has two staggered shifts. The Department believes transitioning to a 40-hour work week would address high turnover, low recruitment, and demands from the Judiciary to increase safety in the courtroom. At the time of the request, there are 45 sheriffs on the 37.5-hour work week. The revised request also includes \$276,110 for this purpose. The Department requested to shift to a 40-hour work week in its FY 2023 revised request and its FY 2024 request, but it was not funded. The Division has, however, experienced significant turnover savings sufficient to cover the cost.

The constrained request excludes the funding. *The Governor does not recommend the funding.*

Completion Stipend. The Department requests \$70,000 from general revenues for a new stipend within the Division to increase recruitment for its uniformed members. This includes \$3,500 for each new Sheriff that completes the academy and a probationary period. The Department's request also includes \$35,000 for the Capitol Police for this purpose. The Division currently provides an \$800 annual allowance for each officer to cover the cost of maintaining uniforms under the provisions of the collective bargaining agreement.

The constrained request excludes the initiative. *The Governor does not recommend the funding.*

Other Salaries and Benefits. The Department requests \$21.6 million from general revenues for 180.0 authorized full-time equivalent positions for the Sheriffs Division. This is \$36,569 more than enacted and reflects current service adjustments and updated medical benefit selection. The enacted budget and the Department's request fully funds the Division. As of early October, it had 141 filled positions. It reports that the goal is to fill twenty vacancies in March 2024 with academy graduates.

The Department's constrained request proposes \$1.4 million in general revenue savings by keeping 20.0 full-time equivalent positions vacant. *The Governor recommends adding \$0.2 million from general revenues for statewide adjustments, including higher than anticipated employee health benefit rates, offset by additional turnover savings of \$0.1 million.*

Motor Vehicles. The Department requests \$0.1 million from general revenues for repayment to the State Fleet Replacement Revolving Loan Fund for vehicles purchased in FY 2024. It intends to purchase one vehicle and one bus in FY 2025 utilizing the State Fleet Replacement Revolving Loan Fund. This is not consistent with the revised request, which includes \$0.3 million from general revenues to purchase seven vehicles for the Division of Sheriffs in FY 2024. The Department reports that the intention is to utilize personnel savings within the Division to purchase the vehicles in FY 2024 rather than the Fund, which requires a three-year payback.

The constrained request excludes the repayment. *The Governor's revised budget includes the purchase of seven vehicles in the prior year, and therefore excludes any repayments to the State Fleet Replacement Revolving Loan Fund.*

Other Operations. The Department requests \$1.7 million from general revenues for all other operating expenses, including \$0.7 million for centralized services, \$0.4 million for tactical equipment and supplies, \$0.2 million for staff uniforms, \$0.1 million for out-of-state travel, and \$0.3 million for other expenses. The request is \$33,184 more than enacted and primarily reflects \$25,000 more for radio advertisements to assist with recruitment efforts, which is consistent with the revised request.

The constrained request includes a proposal to eliminate the required education reimbursement for savings of \$25,000. This would require a law change. *The Governor recommends \$149,956 more from general revenues to account for updated projections for centralized services.*

Capitol Police

Capitol Police Officers (2.0 FTE). The Department requests \$0.1 million from general revenues for the salaries and benefits and authorization for two new capitol police officers, one of which will be allocated to internal service funds. One officer will be assigned to the State House, which the Department indicates will allow for compliance with Rhode Island General Law, Section 37-8-14. This requires a member of the capitol police to be on duty in the legislative parking lot during legislative sessions. The other requested officer will be stationed at the Department of Human Services, the cost for which will be borne by that agency. The constrained request excludes the funding.

The Governor does not recommend the position allocated to internal service funds. He includes \$2,450 more than requested from general revenues to account for higher than anticipated employee health benefit rates.

Completion Stipend. The Department requests \$35,000 from general revenues for a new stipend within the Division to increase recruitment. This includes \$3,500 for each new capitol police officer that completes the academy and a probationary period. The Department's request also includes \$70,000 within the Division of Sheriffs for this purpose. The Division currently provides an \$800 annual allowance for each officer to cover the cost of maintaining uniforms under the provisions of the collective bargaining agreement.

The constrained request excludes the initiative. *The Governor does not recommend the funding.*

Other Salaries and Benefits. The Department requests \$5.3 million from general revenues for 40.0 full-time equivalent positions for Capitol Police staff not allocated to internal service funds. This is \$60,486 less than enacted and reflects current service adjustments. The Capitol Police also have 12.0 full-time equivalent positions allocated to internal service funds, for which expenses appear as operating costs in the agencies billed. The enacted budget and the request provide full funding for staff. As of early October, there are 3.0 vacancies. *The Governor recommends \$25,690 more than requested from general revenues, including \$49,102 more for higher than anticipated employee health benefit rates offset by \$23,412 of turnover savings.*

Other Operations. The Department requests the enacted level of \$0.7 million from general revenues for all other expenses, including \$0.3 million for centralized services provided by the Department of Administration. Other expenses include \$154,541 for tactical equipment, \$59,815 for radio replacements, \$57,425 for state fleet expenses, \$35,000 for safety garments, \$32,425 for training academy expenses, and \$0.1 million for all remaining expenses.

The constrained request includes a proposal to eliminate the required education reimbursement for savings of \$8,000. This would require a law change.

The Governor recommends \$25,190 less than requested from general revenues to account for utility savings and updated projections for centralized services.

Municipal Police Training Academy

Salaries and Benefits. The Department requests \$0.2 million from general revenues for staffing costs associated with the Division's 2.0 full-time equivalent employees, which is \$840 more than enacted and reflects current service adjustments. The constrained request proposes reducing 1.0 full-time equivalent position, providing \$0.1 million in general revenue savings; both positions are filled. *The Governor recommends \$196 more than requested primarily to account for higher than anticipated employee health benefit rates.*

Other Operations. The Department requests \$0.5 million from all sources for all other operations of the Municipal Police Training Academy. The request is \$25,633 more than enacted and primarily reflects updated federal grant awards. This includes \$0.4 million of new funds from Department of Transportation Highways Safety grants, offset by \$0.3 million less from federal State and Community Highway Safety grant funds. *The Governor recommends \$439 more than requested to account for updated projections for centralized services.*

State Police

Annual Training Academy (5.0 FTE). The Department requests \$2.7 million from general revenues for the State Police Training Academy. The request is \$1.4 million more than enacted and establishes an annual State Police Training Academy with 20 candidates. The academy historically takes place every two years and has approximately 30 to 40 trainees and two full-time equivalent positions. The increase in the request reflects \$0.5 million for the funding and authorization of five full-time equivalent trainee trooper positions to be assigned to the Patrol Unit. The Department reports that it anticipates 40 graduates in FY 2024 and 20 in FY 2025. This would require five additional trooper positions given current vacancies and would bring the Department closer to achieving its goal of 350 sworn members within the Division by 2030. The request also includes \$0.7 million for training gear and uniforms, \$80,000 for laptops for recruits, and \$35,000 for written and oral board examination expenses.

The constrained request excludes the initiative. *The Governor does not recommend funding.*

Other Salaries and Benefits. The Department requests \$82.4 million from all sources for salaries and benefits for 328.0 full-time equivalent positions. This is \$0.3 million less than enacted, including \$0.7 million less from general revenues. The request reflects an increase in overtime and current service adjustments. The enacted budget funds 310 positions. The request appears to restore turnover savings equivalent to approximately ten positions. As of early October, the Department has 280.0 filled positions and has averaged 48.0 vacancies for the year. Therefore, additional turnover savings could be expected, though some costs are likely being offset by increased overtime.

The constrained request proposes to reduce personnel by 3.0 full-time equivalent positions and keep an additional 6.0 positions vacant, providing \$1.3 million in savings.

The Governor recommends \$0.3 million less than requested, primarily from general revenues, to reflect additional turnover savings of \$0.7 million offset by an increase of \$0.4 million for higher than anticipated employee health benefit rates and \$11,744 more for overtime expenses.

Motor Vehicles. The Department requests \$6.5 million from all sources, including \$5.7 million from general revenues for motor vehicles, state fleet expenditures, and repayment to the State Fleet Replacement Revolving Loan Fund. The request is \$1.2 million more than enacted, primarily from general revenues for repayment to the Fund. The request includes \$0.6 million to purchase six vehicles outright and acquire 18 vehicles utilizing the Fund, for which the three-year payback would begin in FY 2026. The Department is projected to use \$3.6 million from the Fund in FY 2024 to acquire 51 vehicles, and the increase in the request reflects the annual repayment schedule for the purchase.

The constrained request excludes \$1.2 million in repayments to the State Fleet Replacement Revolving Loan Fund.

The Governor recommends \$1.0 million less than requested from the State Fleet Replacement Revolving Loan Fund to reflect the purchase of 51 vehicles outright in FY 2024.

Vehicle Technology. The Department requests \$0.4 million from general revenues for the third year of a five-year plan to install vehicle camera systems in all State Police patrol vehicles. This is \$0.2 million more than enacted, which primarily reflects an updated quote for procurement and system maintenance. It also includes 40 additional body-worn cameras for graduating troopers. Vehicle camera systems are needed to provide a complete picture of the engagement and interaction with the suspect, which cannot be done with body cameras alone. The Department noted that no State Police agency deploys body-worn camera systems alone and they are always utilized in tandem with a vehicle camera system. *The Governor recommends funding as requested.*

Capital Projects. The Department requests \$23.6 million from Rhode Island Capital Plan funds for four capital projects. This is \$9.5 million more than enacted, almost entirely for the Southern Barracks project. The Department inadvertently included \$4,706 more than the capital budget request for the microwave system replacement; the remaining projects are consistent with the capital budget submission. *The Governor recommends \$4,706 less than requested for the microwave system replacement. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Federal Funds. The Department requests \$2.9 million from all other federal grants to reflect estimated awards. This is \$0.6 million more than enacted, including \$0.2 million more from the Support for Adam Walsh Act Implementation Grant program. The Department utilizes these federal funds for a variety of expenditures. Larger expenditures include \$0.7 million for computer supplies and equipment, \$0.4 million for training services and contracted lecturers, \$0.4 million for indirect cost charges, \$0.1 million for tactical equipment, and \$0.1 million for staff training. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$9.7 million from all sources for all other operations, including \$9.4 million from general revenues and \$0.3 million from restricted receipts. Larger expenditures include \$1.2 million for communication system maintenance and repairs, \$0.9 million for maintenance and repairs to computer and office equipment, \$0.6 million for contracted services, \$0.6 million for staff training, and \$0.5 million for tactical equipment and supplies. The request is \$0.9 million less than the enacted budget, almost entirely from general revenues and primarily reflects updated equipment purchases that will now be funded from federal forfeitures. It also excludes the \$0.1 million provided in FY 2024 for a job task analysis as a one-time cost.

The constrained request includes a proposal to eliminate the required education reimbursement for a savings of \$0.3 million. This would require a law change.

The Governor recommends \$0.2 million less than requested from general revenues primarily to account for statewide utility savings and updated projections for centralized services. Changes also include \$0.2 million less for Training Academy expenses, as there is no graduating class scheduled for FY 2025.

Office of the Public Defender

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 14,093,179	\$ 13,636,334	\$ 15,001,092	\$ 14,209,021
Contracted Services	259,440	260,440	260,690	260,690
Subtotal	\$ 14,352,619	\$ 13,896,774	\$ 15,261,782	\$ 14,469,711
Other State Operations	1,297,666	1,298,455	1,308,722	1,320,883
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	70,000	105,000	85,000	85,000
Capital	74,500	45,000	47,400	45,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 15,794,785	\$ 15,345,229	\$ 16,702,904	\$ 15,920,594
Sources of Funds				
General Revenue	\$ 15,694,120	\$ 15,240,194	\$ 16,617,869	\$ 15,835,559
Federal Aid	100,665	105,035	85,035	85,035
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 15,794,785	\$ 15,345,229	\$ 16,702,904	\$ 15,920,594
FTE Authorization	104.0	104.0	106.0	104.0

Summary. The Office of the Public Defender requests FY 2025 expenditures of \$16.7 million, which is \$0.9 million more than the enacted budget, primarily from general revenues. The Office requests 106.0 full-time equivalent positions, 2.0 more than the enacted level. *The Governor recommends \$15.8 million from all sources, including \$15.8 million from general revenues and 104.0 positions. This is \$0.1 million more than enacted and \$0.8 million less than requested; it includes no new positions.*

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 \$14.9 million. The amount includes current service adjustments of \$2,674 and a 5.0 percent target reduction of \$0.7 million, adjusted for certain exclusions. The constrained budget submitted by the Office is \$1,429 less than the target, achieved by laying off 7.0 full-time equivalent positions and excludes requested new positions and staff upgrades. *The Governor's recommendation is \$1.0 million more than the target.*

Assistant Public Defenders (2.0 FTE). The Office requests \$0.3 million from general revenues for two new assistant public defender positions as part of an ongoing effort to alleviate caseload burden. The total includes \$10,810 for associated operating costs, and the request assumes staff will be hired at the beginning of FY 2025. Last year, the Office requested two new positions which the Assembly provided along with an additional two positions.

The Public Defender notes its caseload for each attorney was cited in a November 2017 report from the *Rhode Island Project*, which intended, "to establish public defender workload standards for the State of

Rhode Island.” As noted in that report, one way to address the caseload burden is an increase in staffing levels to move closer to a workload standard.

The constrained request excludes the positions. *The Governor does not recommend the funding or the positions.*

Staff Upgrades. The Office requests \$621,458 to upgrade the salaries of its criminal trial attorneys which are approximately 55 percent of the total staff of the Office. This initiative contains increases equivalent to one to three pay grades, which provide an average increase of 6.7 percent. This is part of the Office’s ongoing effort to retain quality staff and reduce turnover by reducing the difference in compensation compared to other state agencies.

The constrained request excludes this item. *The Governor does not recommend funding.*

Other Salaries and Benefits. The Office requests \$14.1 million from general revenues for all other salaries and benefits expenses, which funds 103.5 of its 104.0 authorized positions. The request is \$8,795 less than enacted and reflects changes consistent with planning values. As of late October, the Office has 5.0 vacancies.

The Office’s constrained request proposes eliminating seven full-time positions for savings of \$0.7 million. The Office indicates if this proposal is approved, more cases would be referred to the Judiciary’s indigent defense program for representation by private contracted attorneys. *The Governor recommends \$124,637 more from general revenues than the unconstrained request for statewide adjustments, including higher than anticipated employee health benefit rates.*

Contracted Legal Support. Consistent with its revised request, the Office requests \$0.1 million from general revenues for contracted legal support services. This is \$30,595 more than enacted for additional paralegal services for its adult trial division to meet expected demand. FY 2023 expenses were \$40,886 which the Office indicates was lower because of its staffing shortages throughout the year. *The Governor recommends funding as requested.*

Student Loan Forgiveness. The Office requests \$85,035, or \$15,000 more than enacted from federal John J. 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. A borrower’s requirement to repay a loan was suspended during the pandemic so grant funds were not needed to make payments on behalf of its staff. The request splits unspent funding from previous years between FY 2024 and FY 2025. *The Governor recommends funding as requested.*

Other Operations. The Office requests \$1.4 million, or \$56,199 less than enacted from all sources for all other operations, including \$25,569 less from general revenues. This includes \$0.8 million for rent, \$0.1 million for office maintenance and repairs, \$0.1 million for software costs and maintenance, and \$0.4 million for all remaining expenses. It also excludes \$30,630 from federal funds reflecting the closing of a grant. The request largely involves shifting funds to more accurately reflect prior spending levels for an overall decrease. It does include \$7,653 more for payments to the Judiciary for office space in county courtrooms. *The Governor recommends \$20,751 more than requested from general revenues to account for utility savings and updated projections for other centralized services including six months of charges related to implementation of new systems management software.*

Department of Environmental Management

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Office of the Director	\$ 13,730,953	\$ 14,455,219	\$ 14,116,056	\$ 13,878,740
Bureau of Natural Resources	79,481,204	83,748,153	82,620,262	93,871,367
Bureau of Environmental Protection	34,597,918	38,811,308	38,757,262	38,622,061
Total	\$ 127,810,075	\$ 137,014,680	\$ 135,493,580	\$ 146,372,168
Expenditures by Category				
Salaries and Benefits	\$ 62,449,278	\$ 62,400,721	\$ 63,731,584	\$ 63,424,135
Contracted Services	9,641,177	14,926,121	13,908,385	13,748,385
Subtotal	\$ 72,090,455	\$ 77,326,842	\$ 77,639,969	\$ 77,172,520
Other State Operations	20,961,187	21,810,176	21,446,493	21,097,655
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	9,381,858	10,403,447	9,494,167	9,554,167
Capital	25,376,575	27,474,215	26,912,951	38,547,826
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 127,810,075	\$ 137,014,680	\$ 135,493,580	\$ 146,372,168
Sources of Funds				
General Revenue	\$ 58,678,560	\$ 57,925,657	\$ 55,747,863	\$ 57,178,456
Federal Aid	31,088,283	38,313,152	36,073,556	36,020,076
Restricted Receipts	17,806,478	21,065,302	23,438,416	21,304,790
Other	20,236,754	19,710,569	20,233,745	31,868,846
Total	\$ 127,810,075	\$ 137,014,680	\$ 135,493,580	\$ 146,372,168
FTE Authorization	425.0	425.0	444.0	437.0

Summary. The Department of Environmental Management requests \$135.5 million from all sources, which is \$7.7 million more than enacted and includes \$2.9 million less from general revenues. The Department requests 444.0 full-time equivalent positions, which is 19.0 more than authorized.

The Governor recommends \$146.4 million, including \$57.2 million from general revenues. This is \$10.9 million more than requested, including \$1.4 million more from general revenues. He recommends 437.0 full-time equivalent positions, 12.0 more than enacted.

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 \$53.7 million, including a current service reduction of \$2.6 million and a 5.0 percent reduction of \$2.4 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$3.0 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 budget is \$3.5 million above the target.*

Staffing (19.0 FTE). The Department requests \$63.7 million from all sources, including \$38.8 million from general revenues for 444.0 full-time equivalent positions, 19.0 positions more than authorized. This is \$0.6 million less from all sources than enacted, including \$1.4 million less from general revenues. The Department's request includes a proposal to convert \$1.8 million of Division of Agriculture staffing expenses to restricted receipts, but these new restricted receipts are not reflected in the request. The request adds \$0.2 million for 2.0 new positions in the Office of the Director and \$0.4 million for 17.0 new positions in the Bureau of Natural Resources. Consistent with the revised request, the FY 2025 request appears to shift three Bureau of Natural Resources positions to other divisions, including two to the Office of the Director and one to the Bureau of Environmental Protection. The request funds approximately 437 positions. The constrained request excludes funding for the new positions and includes \$0.4 million in turnover savings for the Bureau of Environmental Protection.

The Governor recommends \$0.3 million less than requested for 437.0 full-time equivalent positions. This includes 12.0 new positions within the Bureau of Natural Resources to replace seasonal employees that support maintenance, security, and public engagement at state parks and beaches. The recommendation does not convert Division of Agriculture staffing expenses to restricted receipts.

Centralized Services. Consistent with the revised request, the Department requests \$4.7 million from all sources for centralized services provided through the Department of Administration, including \$3.0 million for information technology services, \$0.2 million for facilities management, and \$1.5 million for human resources. This is \$45,000 less than enacted for facilities management, consistent with FY 2023 spending. *The Governor recommends \$0.4 million less than requested, primarily from general revenues, to account for updated projections for centralized services, including six months of charges related to implementation of new systems management software.*

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 citizens of the state from public health threats resulting from pollution, and provide facilities that support a diversity of outdoor recreational activities.

Grants Management (2.0 FTE). The Department requests \$0.2 million from all sources and authorization for two new positions to support management of federal grants. The Office is responsible for the accounting and reporting of all federal grants in the Department. Each accountant position requested costs \$105,988, split equally between general revenues and indirect cost recovery restricted receipts. The Department reports that federal grants have increased, and the request assumes that the positions will ensure it meets the requirements of current and future awards.

The Department's constrained request excludes the positions. *The Governor does not recommend the positions.*

Other Staffing. The Department requests \$6.4 million from all sources for salaries and benefits for the remaining 43.0 positions within the Office of the Director. This is \$0.2 million more than enacted, including \$12,422 less from general revenues and \$0.2 million more from restricted receipts. This reflects current service adjustments and restoration of turnover savings equivalent to approximately one full-time position. The request appears to shift two full-time equivalent positions from the Bureau of Natural Resources. As of early October, the Office has 42.0 filled positions, one more than enacted. *The Governor recommends \$51,880 more than requested, including \$24,363 more from general revenues for higher than anticipated employee health benefit rates offset by additional turnover savings of \$12,183.*

Litter Removal Initiative. The Department's request excludes \$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 would primarily be used to provide grants to municipalities and organizations to conduct litter clean-ups in April 2024. *The Governor recommends \$100,000 to continue the initiative for another year.*

Conservation Districts. Consistent with the enacted budget, the Department requests \$100,000 from general revenues for regional conservation districts. 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 Governor recommends funding as requested.*

Wildlife Clinic of Rhode Island. Consistent with the enacted budget, the Department requests \$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 the veterinary care and treatment of all wild animals native to Rhode Island and serves more than 6,000 wild animals annually. *The Governor recommends funding as requested.*

Abandoned Vessel Removal. Consistent with the enacted budget, the Department requests \$120,000 from restricted receipts for abandoned vessel removal. Funding comes from a derelict and abandoned vessel and obstruction removal fee that is assessed biennially with vessel registration fees. Fees range from \$2 to \$20 based on the overall vessel length. *The Governor recommends funding as requested.*

Bays, Rivers, and Watersheds Fund. The Department requests \$0.3 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 for the disposal of septage from a \$1 per hundred gallons charge on septage disposal in the state. The request is \$13,000 more than enacted. The Department spent \$374,136 in FY 2023. *The Governor recommends funding as requested.*

Regional Greenhouse Gas Initiative. The Department requests \$0.5 million from restricted receipts to administer the Regional Greenhouse Gas Initiative. Pursuant to Rhode Island General Law, the receipts from the Regional Greenhouse Gas 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. The request is \$4,800 more than enacted for utilities and other costs. Any funds not spent remain in the account and are available to be used as needed in subsequent years. *The Governor recommends \$0.1 million more than requested from restricted receipts for the Regional Greenhouse Gas Initiative for related Executive Climate Change Coordinating Council projects.*

Other Operations. The Department requests \$3.6 million for all other expenses, including \$2.6 million for lease costs for the Foundry building, \$0.2 million to award as grants, \$0.3 million for utilities, \$0.2 million for professional services, and \$0.4 million for other office expenses, including supplies, maintenance and repairs. The request is \$31,088 more than enacted from all sources, including \$32,726 more from restricted receipts. The total increase includes \$12,584 more for mandatory grant management fees and \$10,000 more for its online permitting and licensing system, consistent with the revised request. *The Governor recommends funding as requested.*

Bureau of Natural Resources

The Bureau of Natural Resources protects, manages, and restores the state's wide 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.

Environmental Police Officers (4.0 FTE). The Department requests \$0.4 million from general revenues and authorization for 4.0 new full-time equivalent environmental police officer positions. The Department indicates that it is unable to maintain a suitable presence at its facilities and cannot meet federal law enforcement requirements for federal property and boating accidents. These positions would primarily support enforcement activities on parks, campgrounds, and beaches, but would also investigate boating accidents, provide classes for boating safety, and liaison with the United States Coast Guard and the Marine Task Force regarding emergency responses on state water. The request includes \$0.3 million from general revenues, with the remaining \$0.1 million split between federal funds and restricted receipts.

The Department's constrained request excludes the positions. *The Governor does not recommend the positions.*

Conversion of Parks and Recreation Seasonal Employees (12.0 FTE). The Department requests use of \$1.0 million from existing general revenues and 12.0 new full-time equivalent positions to convert seasonal staff to permanent employees within the Division of Parks and Recreation. This includes \$0.1 million for salaries and benefits for four information aides and eight senior maintenance technicians and \$18,179 for supplies to support the positions. The Division reported lack of recruitment for seasonal employees as the primary reason for spending \$1.8 million less than the FY 2023 final appropriation. The Department reports that positions would reduce deferred maintenance and prevent costly repairs within its facilities.

The constrained request excludes the positions. *The Governor recommends the initiative and adds \$29,412 from general revenues primarily to account for increased employee health benefit rates.*

Agriculture Fees to Restricted (1.0 FTE). The Department requests to convert general revenue generated through agricultural fees and licenses into a restricted receipt account that would allow the Division of Agriculture to be fully self-funded. Its request reduces general revenue expenses by \$2.1 million and adds \$2.2 million from new restricted receipts to reflect current staffing, supplies, and grants expenses. This includes \$96,073 from restricted receipts and authorization for one new full-time equivalent position for an agriculture marketing specialist. Responsibilities would be to support the Organic Certification Program and federal grant opportunities and promote farming, businesses, and agricultures programs.

It appears that revenue generated from restricted receipts would exceed the Division's operating costs, as in FY 2023, this revenue was \$3.8 million. The Department reports that, in addition to fully funding the Division, funds would also be used for future emergency expenses, such as aerial spraying for mosquito abatement. The Department includes \$0.5 million in its revised request for this purpose, but later noted it was not needed because the frost had arrived.

The Department's constrained request excludes the initiative. *The Governor does not recommend this proposal.*

Rhode Island Seafood Marketing Collaboration. The request includes \$160,000 from general revenues for a new local seafood marketing initiative. Funding would support a major statewide promotion and marketing campaign to increase consumer awareness of, and demand for, local seafood products with an emphasis on undervalued species. This includes developing promotional content, point-of-sale support and consumer education, and programmatic materials. Local seafood products would be promoted under RI Seafood, a centralized webpage, and social media.

The constrained budget excludes the new funding. *The Governor only recommends \$100,000 from general revenues for a contracted seafood marketing specialist and excludes funding for materials.*

Other Staffing. The Department requests \$31.5 million from all sources for the salaries and benefits of the remaining 202.0 full-time equivalent positions that staff the Bureau of Natural Resources. This is three fewer positions than enacted, as the request appears to shift two positions to the Office of the Director and one to the Bureau of Environmental Protection. The request is \$0.4 million less than enacted, including \$5,768 more from general revenues. It appears to assume additional turnover savings equivalent to approximately three positions. As of early October, the Bureau has 194.0 filled positions.

The Governor recommends \$0.2 million more than requested, including \$0.2 million from general revenues for higher than anticipated employee health benefit rates offset by additional turnover savings of \$0.1 million.

Mosquito Surveillance. The Department of Health historically provides Centers for Disease Control and Prevention grants to the Division of Agriculture for surveillance of mosquito-borne diseases, such as Eastern Equine Encephalitis and West Nile Virus. The Department of Health was not awarded funding for FY 2025 and has no other sources to fill the cooperative agreement with the Department of Environmental Management. *The Governor recommends \$200,000 from general revenues to maintain current services.*

Parks and Recreation Operations. The Department requests \$5.6 million from all sources for other Parks and Recreation expenses, which is \$0.3 million more than enacted. The request includes \$4.2 million from general revenues, \$0.1 million more than the enacted level, primarily for grants which were included in error. It also includes \$1.3 million or \$0.2 million more than enacted from restricted receipts for Burlingame Campground fees.

The Parks and Recreation Division is responsible for the operation and maintenance of the state's campgrounds, parks and beaches. The Division consists of a property control and supply section, a construction crew, a planning section and a fiscal and administration section, which coordinates all the activities of the Division. Larger expenditures include \$0.5 million for buildings and groundskeeping services, \$0.8 million for state fleet expenses, \$0.8 million for utilities, and \$1.0 million for general office and operating supplies. Other changes in the request include \$10,000 more for routine maintenance and repairs, \$10,000 more for fuel, \$30,000 less for electricity, and \$14,000 less for fleet maintenance. *The Governor recommends \$0.1 million less than requested from general revenues. This includes \$14,846 less to account for statewide utilities savings and \$84,109 less for all other expenses.*

Farmland Preservation. The Department requests \$986,000 from general revenues for farmland acquisitions. The FY 2024 enacted budget includes a one-time appropriation of \$2.5 million for the purchase of eligible farms as part of the Farmland Preservation Program, which helps farming remain viable in the state. The Department reports that eligible farms have been identified but real estate transactions have delayed the project to FY 2025. The revised request includes \$1.5 million for this purpose. *The Governor recommends funding as requested.*

Host Beach Communities. Consistent with current service estimates, the Department requests \$0.7 million from general revenues for anticipated payments to host beach communities, which is \$15,891 more than enacted. The Department collects fees for daily and seasonal parking at seven facilities across the state and 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. Receipts collected in FY 2023 totaled \$2.5 million. The 2021 Assembly authorized the Department to increase beach, park, and recreational fees at state facilities located in Westerly. *The Governor recommends funding consistent with the enacted budget.*

Non-Native Plant Removal. The enacted budget includes a one-time appropriation of \$100,000 from general revenues for the Department to inhibit the growth and spread of fanwort, variable milfoil, and Brazilian elodea, three invasive plant species documented at Hundred Acre Pond in South Kingstown. The

Department excluded the one-time funding from its FY 2025 request. *The Governor recommends funding as requested.*

Local Agriculture and Seafood Grants. Consistent with the enacted budget, the Department requests \$0.7 million from general revenues for the Local Agriculture and Seafood Act grant program. The FY 2024 enacted budget includes annual funding of \$200,000 and a one-time appropriation of \$500,000, which the Department includes again in its request. The Budget Office's current service adjustments did not exclude this one-time expense. 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, the Local Agriculture and Seafood Act Grants Program 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 Governor recommends funding as requested.*

Marine Mammal Emergency Response. Consistent with the enacted budget, the Department requests \$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. At the time of its request, the Department had two contracts in place for emergency response and for marine mammal research. *The Governor recommends funding as requested.*

Other Federal Grants. The Department requests \$17.4 million from its remaining federal grants, which is \$4.1 million more than enacted and reflects current federal awards administered by the Bureau of Natural Resources. Expenditures include \$5.2 million for professional services, mostly designers and engineers, \$3.6 million for operating costs for programmatic expenses, \$2.9 million to distribute as grants, and \$5.6 million in large purchases, including ongoing construction, heavy equipment, land, boats, and motor vehicles. Funding comes from a variety of federal grants to support outdoor recreation, fish and wildlife, wildlife and habitat restoration, marine fishing and monitoring, and animal health and behavior. There are over 100 distinct grants. It should be noted that the Department typically requests all of its available funding only to underspend at the end of the year. In FY 2023, the Department spent \$12.6 million from all of its federal grants, \$3.6 million less than budgeted. *The Governor recommends \$35,072 less than requested to reflect statewide utilities savings.*

Capital Projects. Consistent with the enacted budget, the Department requests \$18.4 million from Rhode Island Capital Plan funds for ten capital projects. Compared to its capital request, the operating budget excludes \$9.5 million for dam repairs, \$0.7 million for Galilee pier improvements, \$1.1 million for recreational facilities improvements, and it includes \$0.5 million for Newport pier upgrades. The Department reports that the amounts reflected in the capital budget are correct. The remaining projects are consistent with the capital budget request. *The Governor recommends \$11.6 million more than requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Department requests \$6.5 million from all sources, including \$2.3 million from general revenues, for all other expenses of the Bureau of Natural Resources. Larger expenditures include \$1.8 million for Department of Transportation recreation projects, \$0.9 million for the purchase and maintenance of vehicles, heavy machinery, and boats, \$0.8 million for contracted services, \$0.5 million for maintenance of equipment, buildings and roads, \$0.3 million for utilities, and \$1.9 million for program and office supplies. This is \$0.2 million more than enacted from all sources, including \$59,848 more from general revenues and includes \$11,100 more for uniforms and equipment and \$6,600 more for state fleet expenses. The request includes \$90,450 more from restricted receipts, which includes \$37,250 more from fishing license receipts, primarily for extermination services, and \$28,500 more from hunting license receipts, primarily for program supplies and equipment. *The Governor recommends \$24,408 less than requested, including \$4,396 from general revenues, to account for statewide utility savings.*

Bureau of Environmental Protection

The Bureau of Environmental Protection is responsible for preventing and minimizing pollution, and monitoring the quality of 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 for the receipt of applications.
- The Office of Emergency Response responds to spills of oil and chemicals.

Staffing. The Department requests \$25.1 million from all sources for salaries and benefits within the Bureau of Environmental Protection. This is \$0.7 million more than enacted, primarily from federal funds. The request appears to shift one position from the Bureau of Natural Resources for a total of 180.0 full-time equivalent positions. The request fully funds staffing including restoration of turnover savings equivalent to approximately four positions. As of early October, the Bureau has 162 positions filled.

The constrained request includes general revenue turnover savings of \$0.4 million from maintaining three full-time equivalent positions vacant for the entire fiscal year.

The Governor recommends \$98,043 more than requested, including \$72,770 more from general revenues to account for statewide adjustments for higher than anticipated employee health benefit rates offset by turnover savings of \$37,224.

Municipal Firefighting Foam. The Department requests \$150,000 of new funds from general revenues to dispose of municipal fire departments' firefighting foam that contains perfluorinated and polyfluorinated substances. This project, which is done in collaboration with the Department of Business Regulation, will remove empty containers that have been contaminated by these toxic substances. The FY 2024 revised request includes \$200,000 for this purpose.

The constrained request excludes the funding. *The Governor does not recommend the funding.*

Underground Storage Tank. The Department requests \$2.0 million from restricted receipts assessed to environmental protection regulatory fees collected on every cent per gallon of motor fuel sold to owners of underground storage tanks. The request is \$1.2 million more than enacted and reflects a preliminary plan for approximately 24 contaminated sites, which will also be funded through Environmental Response fund restricted receipts. The Department reports that the plan will extend over multiple years and is subject to procurement and vendor ability. Final expenditures for FY 2023 were \$0.8 million, the same as enacted for FY 2024. 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."

The Department's constrained request includes a proposal to transfer \$2.0 million from this fund to general revenues to achieve a budget savings target; this has been proposed in the Department's constrained request since its FY 2022 submission. It was included as a proposal in the Governor's FY 2022 budget recommendation and in previous years but has not been approved by the Assembly. The last time there was a transfer was \$2.0 million in FY 2006. *The Governor recommends funding as requested. His revised*

budget also includes a proposal to transfer \$2.0 million from reserves to state general revenues by June 30, 2024.

Environmental Response Fund. Consistent with its revised request, the Department requests \$2.4 million from Environmental Response fund restricted receipts. The Fund is generally supported by hazardous waste transport violation fees, as well as any settlements or penalties allowed under Rhode Island General Law. The state recently settled lawsuits against Coastal Corporation and British Petroleum over soil and groundwater contamination from the gasoline additive methyl tertiary-butyl ether (MTBE), which was banned in 2007. The request is \$1.2 million more than enacted and reflects a preliminary plan for 24 contaminated sites, which will also be supported by Underground Storage Tank Fund restricted receipts. *The Governor recommends funding as requested.*

Federal Grants. The Department requests \$5.7 million from federal funds under the Bureau of Environmental Protection, \$0.8 million more than enacted to reflect current awards. Expenditures include \$2.2 million for contracted services, \$1.8 million to award as grants, and \$1.6 million for operating and program expenditures. 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, and waste management. The Department has typically requested all of its available funding only to underspend at the end of the year. The FY 2023 final budget included \$6.1 million and the Department spent \$4.2 million. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$1.6 million from all sources for all other expenses, including \$0.9 million for contracted services and \$0.7 million for operating supplies and expenses. Larger items include \$1.0 million for environmental services, \$0.3 million for state fleet expenses, \$0.2 million for supplies, and \$0.1 million for maintenance and repairs. The request is \$7,250 less than enacted, entirely from general revenues. The request excludes a one-time expense of \$25,000 for aerial photography services to document baseline freshwater wetland conditions. The request also includes \$5,000 less for information technology data services, offset by adjustments to other operating expenses, including \$9,100 more for printing services, which is consistent with the revised request. *The Governor recommends \$3,669 less than requested primarily to account for utility savings and updated projections.*

Coastal Resources Management Council

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 4,493,649	\$ 4,563,865	\$ 4,865,264	\$ 4,689,417
Contracted Services	481,770	481,770	494,058	481,770
Subtotal	\$ 4,975,419	\$ 5,045,635	\$ 5,359,322	\$ 5,171,187
Other State Operations	346,150	341,023	288,128	294,886
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	521,200	1,372,450	642,890	642,890
Capital	68,000	208,000	4,891,500	68,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 5,910,769	\$ 6,967,108	\$ 11,181,840	\$ 6,176,963
Sources of Funds				
General Revenue	\$ 3,396,395	\$ 3,483,722	\$ 3,804,022	\$ 3,607,384
Federal Aid	2,264,374	3,133,386	2,304,318	2,319,579
Restricted Receipts	250,000	250,000	250,000	250,000
Other	-	100,000	4,823,500	-
Total	\$ 5,910,769	\$ 6,967,108	\$ 11,181,840	\$ 6,176,963
FTE Authorization	32.0	32.0	33.0	32.0

Summary. The Coastal Resources Management Council requests \$11.2 million from all sources. This is \$5.3 million more than the enacted budget, including \$0.4 million from general revenues. The Council requests 33.0 full-time equivalent positions, one position more than the enacted level. *The Governor recommends \$0.3 million more than enacted, including \$0.2 million more from general revenues, and the enacted level of 32.0 full-time equivalent positions. The recommendation is \$5.0 million less than requested, including \$0.2 million less 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 Coastal Resources Management Council, this produced a general revenue target of \$3.2 million, including a current service adjustment reduction of \$1,703 and a 5.0 percent reduction of \$168,508, 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 \$0.4 million above the target.*

Environmental Policy Analyst (1.0 FTE). The Council requests \$137,000 from general revenues and authorization for a new full-time equivalent environmental policy analyst. The position, also included in the revised request, is intended to reduce strain on staffing resources to meet federal review requirements and timeframes for offshore wind farm projects. The constrained budget excludes the position. *The Governor does not recommend the position.*

Other Salaries and Benefits. The Council requests \$4.7 million from all sources, including \$3.4 million from general revenues, to fund its 32.0 authorized full-time equivalent positions. This is \$0.2 million more

than the enacted budget, primarily from general revenues. The request provides funding for all its positions for FY 2025. The increase largely reflects the hiring a hearing officer at a cost higher than assumed in the enacted budget. As of the middle of November, the Council has 29.0 positions filled. *The Governor recommends \$38,847 less than requested, including \$54,108 less from general revenues, which reflects higher than anticipated employee health benefit rates offset by turnover savings equivalent to 1.0 position.*

Shoreline Access Education Plan. The Council requests new general revenue expenditures of \$25,000 to evaluate rights-of-way shoreline access. Funding will be used to develop and disseminate educational materials and signage to educate the public and property owners on the Shoreline Access Bill enacted in June 2023. The Council is responsible for determining appropriate language and signage details for use at shoreline locations. At the time of its request the Council has 12 potential rights-of-way under investigation and awaiting investigation. The constrained budget excludes funding for the project. *The Governor recommends funding as requested.*

Public Records System Software. The Council requests new expenditures of \$12,288 from general revenues to purchase software to assist it with providing requested public records to more efficiently meet increased demand. The new software would be used to handle general records and other access to public records requests, which were infrequent prior to the pandemic. The constrained budget excludes the funding. *The Governor does not recommend the funding.*

Infrastructure Investment and Jobs Act. The Council requests \$143,500 from a new federal grant from the National Oceanic and Atmospheric Administration for habitat restoration and conservation projects. Funding would support two positions at the Narragansett Bay National Estuarine Research Reserve, a project specialist and a project coordinator, that would help identify potential projects and develop proposals for initiatives within the Narragansett Bay watershed. The FY 2024 revised request includes \$306,500 for this purpose. *The Governor recommends funding as requested.*

Other Federal Grants. The Council requests \$0.8 million from federal funds for other grant funded expenditures. The request is \$54,832 less than enacted and primarily reflects an updated timeline for an offshore wind farm pilot. Funds will be used to conduct technical research to satisfy information needs on energy development on the outer continental shelf and to support research to enhance understanding of marine energy sources with a specific focus on offshore wind, growing expertise and gathering information and data to develop a robust renewable energy program that protects worker safety, and marine and avian species. Other funding includes \$0.1 million for its aquatic invasive species management plan and \$0.5 million for coastal resilience projects. *The Governor recommends funding as requested.*

Capital Projects. The Council requests \$5.1 million from all sources, including \$250,000 from restricted receipts and \$4.8 million from new Rhode Island Capital Plan funds, for four capital projects. This is \$25,000 less than its capital budget request and reflects the exclusion of one project the Council subsequently acknowledged is more appropriate for its operating budget request; the remaining four projects are consistent with the capital budget request. *The Governor does not recommend the requested \$4.8 million from Rhode Island Capital Plan funds. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. Consistent with the enacted budget, the Council requests \$0.2 million from general revenues for all other expenses. Larger items include \$126,000 for legal expenses, \$50,000 for technology maintenance agreements, \$24,538 for centralized services, \$15,000 for software maintenance agreements, and \$15,000 for temporary staff services. *The Governor recommends \$6,758 more than requested from general revenues to account for updated projections for centralized services, including six months of charges related to implementation of new systems management software.*

Department of Transportation

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Expenditures by Program				
Central Management	\$ 23,706,807	\$ 21,541,113	\$ 23,305,539	\$ 23,387,603
Management and Budget	4,210,497	5,670,160	4,202,507	4,243,682
Infrastructure Program	831,171,806	953,926,364	795,765,609	789,088,545
Total	\$ 859,089,110	\$ 981,137,637	\$ 823,273,655	\$ 816,719,830
Expenditures by Category				
Salaries and Benefits	\$ 102,369,149	\$ 106,555,259	\$ 111,778,615	\$ 110,861,585
Contracted Services	67,604,820	69,058,502	70,732,699	70,732,699
Subtotal	\$ 169,973,969	\$ 175,613,761	\$ 182,511,314	\$ 181,594,284
Other State Operations	36,587,301	42,006,110	40,348,977	40,348,977
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	38,999,701	37,092,516	39,267,186	24,267,186
Capital	310,861,472	566,424,606	273,225,382	403,924,794
Capital Debt Service	330,050	330,050	330,050	330,050
Operating Transfers	302,336,617	159,670,594	287,590,746	166,254,539
Total	\$ 859,089,110	\$ 981,137,637	\$ 823,273,655	\$ 816,719,830
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	460,859,663	450,470,057	439,158,680	432,772,781
Restricted Receipts	6,210,256	6,116,460	6,116,969	6,116,969
Other	392,019,191	524,551,120	377,998,006	377,830,080
Total	\$ 859,089,110	\$ 981,137,637	\$ 823,273,655	\$ 816,719,830
FTE Authorization	755.0	755.0	775.0	755.0

Summary. The Department of Transportation requests FY 2025 expenditures of \$823.3 million from all sources, of which \$439.2 million or 53.3 percent is from federal funds. The request is \$35.8 million less than enacted, including \$21.7 million less from federal funds; \$15.3 million of this is from one-time discretionary grants, and capital expenses supported by Rhode Island Capital Plan funds are \$5.4 million less. The Department requests staffing of 775.0 full-time equivalent positions, 20.0 positions more than authorized, which is consistent with the revised request. As of late October, there were 58 vacancies.

The Governor recommends expenses of \$816.7 million from all sources, which is \$6.6 million less than requested. Expenses from federal funds are \$6.4 million less, including \$15.0 million less for the Municipal Roads Grant Program, and adding \$10.0 million for the Rhode Island Public Transit Authority. Expenses from gas tax proceeds are \$1.9 million more. The Governor proposes to codify the current practice for the treatment of the proceeds from the 1-cent for elderly/disabled transportation services in state law by altering the division of that 1-cent among the program entities. The Governor includes the authorized staffing level of 755.0 full-time equivalent positions.

Constrained Budget. The Department did not receive general revenue funding and was not required to meet a target reduction set by the State Budget Office; however, based on anticipated resources from gas

tax proceeds and transportation related fees and surcharges collected by the Division of Motor Vehicles, it was provided with a current service budget of \$178.8 million, which is \$1.3 million less than enacted. This includes \$0.8 million more from its share of the Highway Maintenance Account, offset by \$2.2 million less from gasoline tax proceeds. This is based on the May 2023 projected yield of \$4.046 million per penny for FY 2025. The target includes \$31.8 million for debt service, or \$2.3 million less than enacted. This expense is included in the Department of Administration's budget. *The recommended budget is essentially consistent with the target. It includes \$2.3 million less from gas tax proceeds, offset by a like amount of expenses from highway maintenance funds.*

The following table shows available gasoline tax proceeds and other non-federal funds included in the FY 2024 and FY 2025 budgets. Additional information regarding the sources of funds is included in the Special Reports section of this publication.

Non Federal Sources	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
<i>Gas Tax Yield per Cent</i>	4.147	4.307	4.046	4.216
<i>RIDOT Cents</i>	23.25	23.25	23.25	23.25
<i>RIPTA Cents</i>	9.75	9.75	9.75	10.54
<i>Turnpike and Bridge Authority Cents</i>	3.50	3.50	3.50	3.50
Transportation Revenues				
Balance Forward	\$ 43,421,650	\$ 153,426,043	\$ 9,820,526	\$ 45,382,941
Gas Tax	151,372,216	157,199,441	147,674,949	157,228,736
Motor Vehicles Fees, Surcharges & Transfer	107,442,942	103,918,592	108,354,373	105,190,431
Surplus Property & Outdoor Advertising	226,000	226,000	226,000	226,000
Restricted Receipts	1,730,283	9,146,832	8,969,479	8,969,479
Land Sales	3,400,000	3,400,000	3,400,000	3,400,000
Rhode Island Capital Plan Funds	149,904,118	183,883,266	144,482,699	140,216,575
Total Revenues	\$ 457,497,209	\$ 611,200,174	\$ 422,928,026	\$ 460,614,162
Transportation Expenses				
Winter Maintenance	\$ 15,000,881	\$ 18,000,000	\$ 14,000,000	\$ 14,000,000
Vehicles & Maintenance	8,406,082	15,575,375	11,629,289	11,633,027
General Maintenance	40,999,237	45,841,685	48,442,053	60,646,050
Pay-go/Capital & Other	227,830,104	343,268,843	200,907,517	187,822,808
GARVEE Bond Debt Service	8,294,368	8,613,668	8,294,368	8,432,756
G.O. Debt Service*	34,103,952	34,103,952	31,799,805	31,799,805
State Match - Gas Tax	411,298	397,285	401,099	403,099
Internal Service Funds Transparency*	1,559,164	1,045,701	1,560,053	1,074,376
Restricted Receipts	6,210,256	6,116,460	6,116,969	6,116,969
Interstate 195 Land Sales	1,500,000	-	-	-
Land Sales	8,023,299	5,375,614	6,568,333	6,583,333
Equipment Replacement	1,800,000	4,623,429	6,917,633	1,800,000
Facilities	14,697,818	15,853,537	15,735,818	17,314,515
RIPTA - Gas Tax	40,435,044	41,991,632	40,435,044	44,440,624
RIPTA - Highway Maintenance Account	10,105,916	9,936,133	10,151,708	9,996,545
Turnpike and Bridge Authority	14,515,144	15,073,919	14,515,144	14,757,323
Total Expenditures	\$ 433,892,563	\$ 565,817,233	\$ 417,474,833	\$ 416,821,230
Surplus/Deficit	\$ 23,604,646	\$ 45,382,941	\$ 5,453,193	\$ 43,792,932

*Shown in the Department of Administration's budget

The request assumes a per penny yield of \$4,046 million, which was projected in May 2023 by the Office of Revenue Analysis. That was updated to \$4.216 million in November. This is \$69,194 more than enacted and \$90,456 less than projected for FY 2024. *The Governor's recommended budget uses the November 2023 per penny yield.*

Centralized Services. The request includes \$7.2 million from all sources for the Department's share of centralized services provided by the Department of Administration. It includes the enacted amounts of \$0.8 million for facilities management and \$4.6 million for information technology services. It also includes \$1.8 million for human resources support; agencies are billed based on a cost per filled position. This is \$0.5 million more than enacted, reflecting the Department's plan to fill its current vacancies and the additional positions requested. Adjusting for expenses for filling additional positions, the request is \$1.1 million more than FY 2024 projected and spent in FY 2023. *The Governor concurs.*

Statewide Anti-Litter Campaign (20.0 FTE). The Department requests new expenditures of \$1.8 million from gasoline tax proceeds for a Statewide Anti-Litter Campaign, with the goals of reducing trash, expanding efforts to remove trash from state roads, and enhance local streets and public spaces. Consistent with the revised request, the request includes \$1.5 million to fund 20.0 full-time equivalent groundkeeper positions, which the Department anticipates filling by December; however, no turnover savings were assumed. The request includes \$150,00 for a media campaign, which the Department indicates will be coordinated with the Office of the Governor, \$50,000 for materials, such as trash bags and safety vests, and \$100,000 to purchase six specialized litter equipment and vacuum tools. The Maintenance Division is responsible for litter control activities; however, the Department notes that very few of its 285 maintenance positions are dedicated to these activities. *The Governor recommends \$1.1 million; he recommends that the Department use ten existing vacancies for the program. This includes \$0.8 million for the groundskeepers and the requested \$0.3 million for operating expenses; these are offset by savings from existing positions being replaced.*

Student Internship Program. The request includes \$1.5 million from all sources or \$0.1 million more than enacted for the student internship program, consistent with changes requested in the revised budget. Expenditures were \$0.9 million in FY 2019, \$0.7 million in FY 2020, \$0.4 million for 48 interns in FY 2022, and \$0.3 million for 54 interns in FY 2023. The program was not offered in FY 2021. The request of \$1.5 million is \$1.2 million more than FY 2023 expenses. 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. *The Governor concurs.*

Other Salaries and Benefits. The Department requests \$110.2 million from all sources, including \$60.4 million from gasoline tax proceeds to fund the authorized 755.0 full-time equivalent positions. This is \$7.8 million more than enacted, including \$11.0 million more from gasoline tax proceeds, partially offset by \$3.2 million less from federal funds and other sources. Subsequently, the Department indicated that it overallocated expenses to gas tax proceeds by \$1.5 million; these should be supported with highway maintenance funds for time spent on drainage projects.

The request is \$7.3 million more than the current service estimate provided by the Budget Office. It includes an additional \$0.8 million for overtime, for total expenses of \$6.0 million or \$0.8 million less than assumed in the FY 2024 revised request. It adds \$3.2 million for maintenance positions for potential personnel changes subject to the hearing process for staff in the Maintenance Division. In March 2023, through the personnel public hearing process pay increases were approved for the majority of the Department's maintenance staff. The request also adds \$3.4 million to restore turnover savings equivalent to 24 positions; the enacted budget assumes vacancies equivalent to 27.3 positions. As of late October, the Department had 58 vacancies. *The Governor concurs and adds \$1.1 million for higher than anticipated employee health benefit rates.*

GARVEE Debt Service. Consistent with the current service estimate, the request includes \$62.4 million from federal funds, or \$3.4 million less, and the enacted amount of \$8.3 million from gasoline tax proceeds for debt issued through the Grant Anticipation Revenue Vehicles Program, which allows states to borrow funds that are repaid by the annual allocation of Federal Highway Administration construction funds. The 2019 Assembly adopted legislation authorizing \$200.0 million to fund construction costs for the Interstate 95 Northbound Providence Viaduct project; other debt was authorized in 2003 and refinanced in FY 2016. *The Governor concurs and includes an additional \$0.1 million, reflecting an upward revision to the gas tax yield.*

ARPA - Municipal Roads Grant Program. The request retains the enacted amount of \$20.0 million from State Fiscal Recovery funds for FY 2024 for the Municipal Roads Grant Program. Based on project costs and outlay from municipalities, expenditures would be \$6.6 million for FY 2024, \$11.7 million for FY 2025 and \$1.6 million for FY 2026. Funds will be made available for the construction and maintenance of roads, sidewalks and bridges. The 2023 Assembly required a 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 proportionally based on non-federal lane miles of roads in each community. The Department is authorized to retain any of these funds that are not obligated by June 30, 2024, for statewide paving projects.

The Governor recommends an additional \$5.0 million for FY 2025, to be distributed equally; the recommendation maintains the matching requirement. This brings total funding to \$25.0 million.

Federal Discretionary Projects. The request includes \$27.0 million or \$15.1 million less than enacted from federal funds for projects funded with discretionary grants, which are awarded on a competitive basis and for which a state match is required for their uses. Discretionary grant funds allow the Department to advance and or to enhance a project by adding traffic improvements, transit features, or security measures. The request includes residual funds of \$2.0 million for the Route 37 Corridor project; a total of \$41.8 million was awarded to rehabilitate the corridor. It also includes \$25.0 million in project expenses for which a grant has not been awarded. It should be noted that the Department's capital budget request includes a total of \$665.0 million for projects to be determined and future grant requests. *The Governor concurs.*

Capital - Highway Improvement Projects. The Department requests \$442.6 million from all sources or \$28.9 million less than enacted for highway improvement projects included in the Department's ten-year plan for FY 2025. The request includes \$121.8 million from Rhode Island Capital Plan funds, which is \$11.6 million less than enacted, or \$0.7 million more than the approved plan. Expenditures from federal funds, the Highway Maintenance Account and other sources total \$320.1 million.

In June 2021, the Department proposed the federal FY 2022 through FY 2031 plan. It went through the planning process and was adopted late September 2021. 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. In February 2022, the Department proposed an amendment to the adopted plan to incorporate the additional funds authorized in the federal act. With the additional funds, the Department was able to accelerate many projects that were in the plan. *The Governor recommends \$14.3 million more than requested. The recommendation includes \$121.1 million from Rhode Island Capital Plan funds, consistent with the approved plan. A detailed description of the projects is included in the Capital Budget section of this publication.*

Capital - Salt Storage Facilities. The Department requests FY 2025 expenses of \$3.2 million from all sources, including the approved amount of \$1.2 million from Rhode Island Capital Plan funds and new expenses of \$2.0 million from gasoline tax proceeds for the construction of salt storage facilities. There are 23 salt storage facilities, four remain without an enclosed facility, resulting in a negative impact on both the environment and operational efficiency. In the last five fiscal years, this project was funded with an

average annual appropriation of \$1.0 million from Rhode Island Capital Plan funds. The Department notes that construction costs have increased, especially if contamination issues have to be addressed and its annual funding from Rhode Island Capital Plan funds is no longer sufficient to cover the cost. It reported expenses of \$2.5 million for FY 2023, \$0.6 million above the final budget. The capital budget request did not assume use of gasoline tax proceeds. *The Governor concurs. A detailed description of the project is included in the Capital Budget section of this publication.*

Capital - Facilities and Other Projects. The request includes \$39.4 million from all sources, or \$2.1 million more than enacted for facilities and other project expenses. The request includes \$24.9 million from gasoline 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 the Narragansett Bay and other waterways. It also includes \$14.6 million from Rhode Island Capital Plan funds for seven facility renovation projects; two of these are under the purview of the Rhode Island Public Transit Authority. These project expenses are not consistent with the Authority's capital budget request.

The Governor recommends \$10.4 million less than enacted, this includes \$12.0 million less from gas tax, based on available resources. This is partially offset by \$1.6 million from Rhode Island Capital Plan funds. A detailed description of the projects is included in the Capital Budget section of this publication.

Real Estate Funded Projects. Excluding salaries and benefits, the request includes \$6.3 million, or \$2.8 million less than enacted for projects and expenses supported by land sales and rental of certain department-owned properties. These receipts can be used to purchase land and equipment, or to offset operating costs throughout the Department, including personnel and information technology expenses. At the end of FY 2023, the Department had \$17.3 million of available resources. Consistent with the enacted budget, the Department projects new receipts of \$3.4 million each for FY 2024 and FY 2025; however, collections total \$0.7 million through the end of October. The Department indicated that use of these funds requires approval from the Federal Highway Administration, which hindered its ability to spend them. The FY 2025 projected account balance would be \$12.1 million. *The Governor concurs.*

ARPA - RIPTA R-Line Free Service. The Assembly provided a total \$3.3 million from State Fiscal Recovery funds, including \$750,000 for FY 2024 to support a free fare bus route service pilot program along the R-Line; the request retains the enacted amount. This one-year pilot program started on September 1, 2022 and was set to end on September 30; however, the Authority's board of directors extended the program an additional month. The Authority tracked ridership data and must submit a report to the Speaker of the House, the President of the Senate, and the Governor by March 1, 2024. *The Governor's recommendation excludes these expenses.*

RI Public Transit Authority - Bus Match. The request includes \$4.8 million or \$0.2 million more than enacted from the Department of Transportation's share of the Highway Maintenance Account to match federal funds for the Authority to purchase buses. Though consistent with the approved plan, the request is \$1.2 million less than the Authority's capital budget request, which included \$30.4 million from all sources in FY 2025 to purchase 25 electric buses to be used in the Newport/Middletown garage. *The Governor recommends funding consistent with the approved plan.*

RI Public Transit Authority. Currently, the Rhode Island Public Transit Authority receives 9.75 cents of the 38-cent gas tax. 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 5.0 percent of all fines and fees collected into the account. The 2019 Assembly adopted legislation to permanently provide the Authority with an additional \$5.0 million from highway maintenance funds. The request includes \$50.6 million to the Authority, including \$10.1 million from

highway maintenance funds and \$40.4 million from gas tax proceeds. This is \$45,792 more than enacted from highway maintenance funds.

The CARES Act of 2020 includes funding for Transit Infrastructure grants to help transit agencies prevent, prepare, and respond to COVID-19. The Authority received \$91.2 million; two subsequent federal acts provided the Authority with an additional \$36.5 million, for a total of \$128.7 million. From FY 2020 through FY 2023, the Authority used \$89.8 million and its budgets include \$27.9 million and \$11.0 million for FY 2024 and FY 2025, respectively.

The Authority's FY 2025 proposed budget of \$142.4 million is \$6.7 million less than the FY 2024 enacted budget. Adjusting for the removal of \$5.4 million for contracted planning development services for the Dorrance Street Transit Center; this project is funded with approved general obligation bonds and \$1.2 million for other capital expenses, it is \$0.4 million more than enacted. Salary and benefit expenses for the authorized level of 873.0 full-time equivalent positions are \$0.3 million more. The Authority is projecting deficits of \$18.5 million for FY 2025; last year, the Authority's projected was \$33.0 million for FY 2025. The deficit increases to \$44.8 million by FY 2029.

The Governor recommends \$64.4 million from all sources, \$13.9 million more than the Department's request. It includes \$10.0 million from highway maintenance funds, \$0.2 million less based on November 2023 estimates, and \$44.4 million from gas tax proceeds, which is \$4.0 million more. This includes \$0.7 million from an upward revision to the gas tax yield, and \$3.3 million from the Governor's proposal to codify the current practice for the treatment of the proceeds from the 1-cent for elderly/disabled transportation services in state law by altering the division of that one cent among the program entities. The Office of Healthy Aging provides 79.0 percent of the proceeds to the Authority to purchase transportation services and retains 21.0 percent of the funds for non-emergency transportation expenses.

The Governor also recommends providing \$10.0 million from State Fiscal Recovery funds to assist the Authority with its projected operating deficit. The recommendation requires the Authority review all operations, including ridership and administration to identify efficiencies by January 1, 2025. The study must summarize the findings and include recommendations for sustainable and effective transit operations.

Transit Projects and Operating. Excluding salaries and benefits, the request is \$26.9 million from all sources or \$0.7 million more than enacted for transit-related expenses, including \$0.6 million from gasoline tax proceeds, reflecting updated expenses for utilities and maintenance of several transit facilities. The request includes \$0.5 million more from federal congestion mitigation air quality grant funds, which are used to pay insurance premiums, support transit operations, such as parking garages and train stations. Funds are also used for programs to help meet the requirements of the federal Clean Air Act and to assist the state in improving air quality through congestion relief and lowering emissions. This is offset by \$0.4 million for fixed guideway infrastructure, including layover facilities, stations, and tracks. It includes the enacted amount of \$2.5 million to close out the Pawtucket/Central Falls Train Station in FY 2024. The project was completed in January 2023, and through FY 2023 \$1.4 million of these grant funds were available. The request also includes the enacted amount of \$1.1 million from CARES Act funds for transit operations, including the summer ferry program. Based on budgeted expenses for FY 2024, \$0.1 million would remain available. *The Governor concurs.*

ARPA - TBA Safety Barriers Study. The 2023 Assembly provided a total of \$1.8 million from State Fiscal Recovery funds, including \$750,000 for FY 2024 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 cost of study for the four main bridges is now estimated at \$1.9 million, \$136,000 more than appropriated. The Authority will pay this from its sources and noted that it is due because all four main bridges were not originally part of the project scope. The study is underway; Mount Hope and Jamestown

Bridges will be completed in April/May 2024 and Newport and Sakonnet bridges will be completed in January 2025. The request retains the enacted amount. *The recommendation excludes the expense.*

Turnpike and Bridge Authority. The Department requests the enacted amount of \$14.5 million from gas 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 gas tax previously dedicated to the Department, which is able to make the transfer based on additional fund sources made available for infrastructure. *The Governor recommends \$14.8 million, \$0.2 million more than enacted, reflecting an upward revision to the gasoline tax yield.*

RhodeWorks Legal Services. Consistent with the revised request, the request includes \$2.2 million or \$1.2 million less than enacted from gasoline tax proceeds for legal expenses relating to the tolling program, reflecting anticipated expenses. In September 2022, the U.S. District Court ruled that the tolling program was unconstitutional and ordered the Department to stop collections; the state filed an appeal in October 2022. *The Governor recommends funding as requested.*

Gantries - Maintenance and Operations. In 2017, 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 maintenance operations. Through the U.S. District Court's ruling, 12 out of the 13 gantries were collecting tolls; thus, the operation and maintenance clause of the contract was not executed. The request retains the enacted amount of \$1.5 million for these expenses; however, none are anticipated for FY 2025. *The Governor concurs.*

National Highway Safety Grants. Excluding salaries and benefits, the request includes \$14.4 million, or \$293,302 more than enacted from the National Highway Traffic Safety Administration for FY 2025, reflecting anticipated expenses. The request includes \$11.3 million, or \$267,485 more for grant funds that are used to encourage safety on highways and provide funding for risk reduction programs to lower instances of impaired driving, and to increase seatbelt use. Expenses to administer the program are \$25,817 more, primarily for engineering services based on FY 2023 spending. Historically the Department overestimates its ability to spend these funds. The request is \$2.2 million more than FY 2024 projected and \$7.8 million more than FY 2023 spending. *The Governor recommends funding as requested.*

Software and Information Technology Support. The request includes \$3.5 million or \$0.6 million more than enacted from gasoline tax proceeds for contracted information technology support; this is consistent with the revised request. Legislation adopted in 2015 requires the Department to be organized in accordance with a project management-based program and utilize an asset management system in order to manage the delivery of projects from conception to completion. The Department notes that the majority is for the project management system, which includes project dashboards and reporting, project scheduling at all phases, and procurement. The request also includes funding to support a contracted project manager and other staff to help with implementation of the Enterprise Resource Planning System. It does not appear that other agencies were asked to budget this expense; however, the Department indicates that because its financial system is separate from the state, it will need additional resources for data conversion. *The Governor recommends funding as requested.*

Winter Maintenance Operations. Excluding salaries and benefits, the request includes \$11.9 million from gas tax proceeds for operating expenses related to the winter maintenance program. 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 less than enacted and \$3.2 million less than the FY 2024 revised request. It is also \$0.3 million less than

the average annual cost for winter maintenance operations from FY 2019 through FY 2023. *The Governor concurs.*

Vehicles/Equipment and Maintenance. The request includes \$18.7 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 \$6.9 million from Rhode Island Capital Plan funds, which is \$5.1 million more than enacted and the approved plan, reflecting increased costs for electric vehicles and equipment. The request includes \$13.6 million or \$7.1 million more than enacted to purchase equipment. 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 from six months to two years. The request also includes \$1.4 million more for fleet maintenance to align expenses with FY 2023 spending. *The Governor concurs, with the exception of providing the additional expense of \$5.1 million from Rhode Island Capital Plan funds.*

288 Allens Ave Purchase and Lease Expenses. The request excludes a one-time expense of \$8.0 million from gasoline tax proceeds included in FY 2024 for the Department to purchase property on Allens Avenue to house equipment and vehicles. Since RhodeWorks started, the Department has spent approximately \$54 million for new equipment and vehicles. The Department indicated that these vehicles and equipment cannot be left out in unfavorable conditions. It also included \$0.3 million for lease expenses, assuming that the Department would acquire the property in December 2023. The sale occurred in August; however, the request inadvertently retained the lease expense. *The Governor concurs; the recommendation retains the unnecessary lease expense.*

Other Maintenance Division Expenses. The request includes \$8.6 million from gas tax proceeds, which is \$531,153 less than enacted, for all remaining expenses in the Maintenance Division. The request includes \$330,000 or \$250,000 more than enacted for safety garments and supplies, such as flags, jackets, and helmets. This is partially offset by \$650,000 less for electricity, reflecting FY 2023 spending. The request of \$3.6 million is \$750,000 less than projected for FY 2024. Expenses were \$3.6 million for FY 2022 and \$3.8 million for FY 2021. *The Governor recommends funding as requested.*

Other Expenses. The request includes \$4.6 million from all sources for all remaining expenses. This is \$0.3 million more than enacted, including \$0.1 million from federal funds and \$0.2 million from gasoline tax proceeds. Consistent with the revised request, it adds \$127,156 for planning, design, and construction of bike paths and walking trails, and on-road bicycle lanes, on-road bicycle routes, and bike/pedestrian promotional programs. Consistent with the revised request, it also adds \$0.1 million for insurance and various contracted services, including appraisers, surveyors and security services. *The Governor concurs.*

Section IV

Capital Budget

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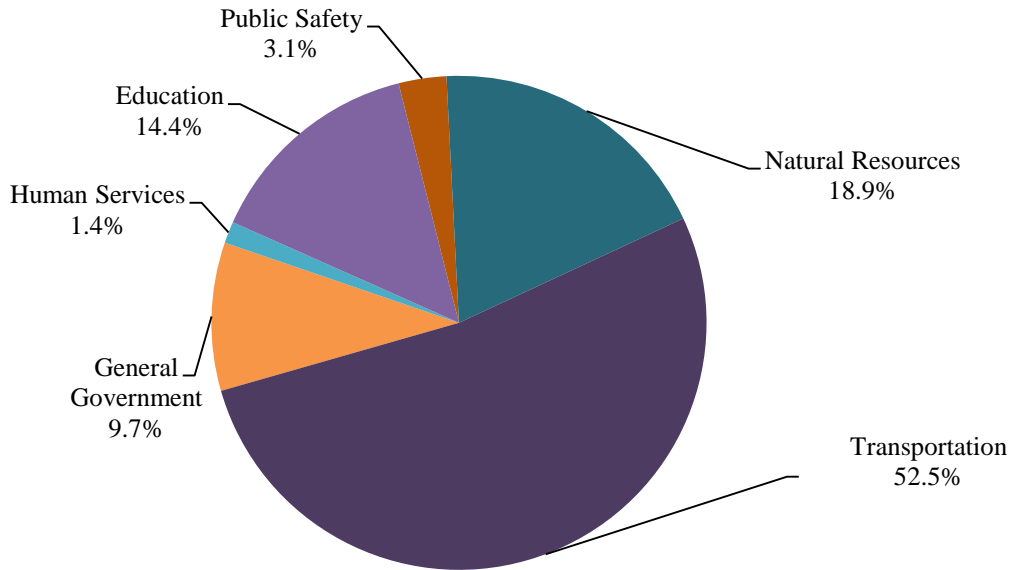
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Capital Budget

Summary

The Governor’s five-year capital recommendations for FY 2025 through FY 2029 call for total outlays of \$9,161.6 million for the period. Financing the plan requires \$1,793.8 million of debt issuances and \$7,367.8 million from current revenue streams.

FY 2025 - FY 2029 Capital Projects by Function

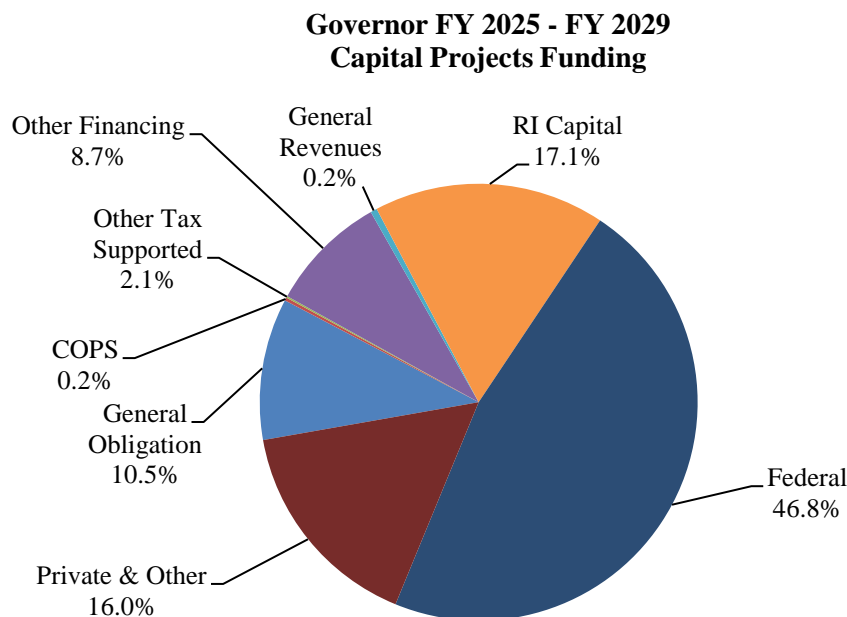


Over half of the expenditures are for transportation projects including road and bridges, rail, and public transportation. The next largest shares are for natural resources and education project outlays. The three areas account for over 85 percent of total outlays during the five-year period. Highlights of the capital budget include:

- **Outlays and Funding.** The FY 2025 through FY 2029 plan includes \$9,161.6 million of outlays on \$18,967.0 million of project estimates. Average outlays would be \$1,832.3 million per year for the five-year period with \$728.2 million required at the end of the period to complete the projects.
- **General Obligation Bonds Referenda.** Financing the five-year plan is based on \$961.4 million of general obligation bond debt issuances. This includes \$345.0 million from new general obligation bonds to go before the voters in November 2024 with funding programmed to begin in FY 2026. It includes \$135.0 million for higher education institutions including \$80.0 million for a biomedical sciences building at the University of Rhode Island and \$55.0 million for a cybersecurity building at Rhode Island College. It also includes \$60.0 million for a new state archives and history center, \$100.0 million for housing and community opportunities and \$50.0 million for environment and other projects. The average bond referenda over the past five elections was \$327.6 million, including the \$400.0 million approved by the voters in November 2022.
- **Other Debt Approvals.** The Governor recommends \$9.2 million to be approved by the 2024 Assembly under the Public Corporation Debt Management Act for the University of Rhode Island’s Utility Infrastructure Upgrade Phase III project.
- **Financing.** Paying for the five-year outlays includes \$1,793.8 million from debt financing and

\$7,367.8 million from current or pay-go sources. Pay-go represents 80.4 percent with debt funding being 19.6 percent. This is more pay-go funding than prior budgets largely due to the inclusion of \$106.7 million from American Rescue Plan Act Capital Projects funds, \$111.0 million from State Fiscal Recovery funds, and over \$800 million transferred from general revenues to the Rhode Island Capital Plan Fund.

- **Debt Levels.** Total net tax supported debt increases during the period through FY 2029 by \$203.9 million from \$1,840.6 million to \$2,044.5 million. Past practice indicates that debt levels will be significantly higher as more projects are added within the five-year period of this capital budget.
- **Debt Ratios.** Net tax supported debt would decrease from 2.5 percent of personal income reported for FY 2023 to 2.2 percent in FY 2029 assuming that the capital budget is not increased. However, as with debt levels, past practice indicates it is likely to be higher than projected.
- **Rhode Island Capital Plan Fund.** The plan relies heavily on the use of 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 \$1,563.9 million. This includes the transfer of \$820.4 million from one-time general revenues to the Rhode Island Capital Plan Fund in FY 2022 and FY 2023.



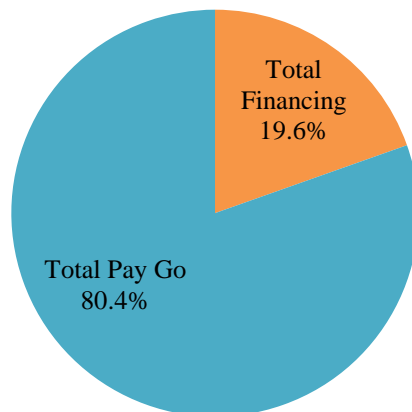
Outlays and Funding

In order to support the maintenance, repair and construction of infrastructure throughout Rhode Island, the state has utilized both funding and financing for infrastructure. 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 smaller amounts of money, such as asset protection projects, are better suited for pay-go funding, while long-term and large-scale infrastructure projects, such as the relocation of Interstate 195, are better suited for financing.

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, with annual debt service appropriated from general revenues. This type of borrowing is more closely related to state agencies, and the authorizations for this debt appear as referenda on election year ballots.

FY 2025 - FY 2029 Outlays



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 the maintenance of the Newport Pell Bridge. Compared to pay-go funding, financing does not require large up-front investments in order to complete large projects; however, by the time the financing has been completed, 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 \$9,161.6 million are supported by a mix of pay-as-you-go funding and financing. Over two-thirds, 80.4 percent, of outlays are supported by current revenues, or pay-go, with the remaining 19.6 percent from financing. This is more pay-go funding than prior budgets largely due to the inclusion of \$106.7 million from American Rescue Plan Act Capital Projects funds, \$111.0 million from State Fiscal Recovery funds, and over \$800 million transferred from general revenues to the Rhode Island Capital Plan Fund.

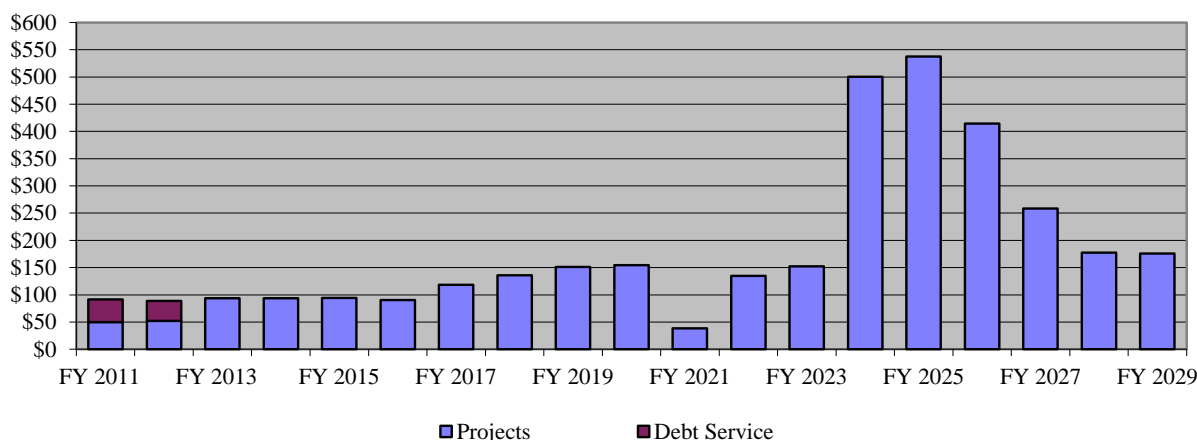
Pay-Go. The pay-go sources include \$4,291.7 million from federal sources, \$1,563.9 million from Rhode Island Capital Plan funds, and \$1,512.2 million from private and other sources. Federal sources are the largest source of capital funding, providing 46.8 percent of all funding and 58.2 percent of pay-go funding. Federal funds include \$106.7 million from American Rescue Plan Act Capital Projects funds, and \$111.0 million from State Fiscal Recovery funds.

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 that the Governor’s budget was increasingly relying on these funds for debt service, while increasing the amounts being financed. It submitted a constitutional amendment to limit the use of the fund to capital projects beginning in FY 2008, which the voters approved along with an increase from 3.0 percent to 5.0 percent.

Use of Rhode Island Capital Fund



Upon implementation of the constitutional change, resources in the Rhode Island Capital Plan Fund grew larger and began to fulfill the purpose of lowering borrowing needs. An example of this is the annual \$27.2 million 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 half of the use of the fund. The remaining half is used for the 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 the need for costly replacements.

More recently the state has made major deposits to the Fund from non-recurring surpluses, some of which is 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.

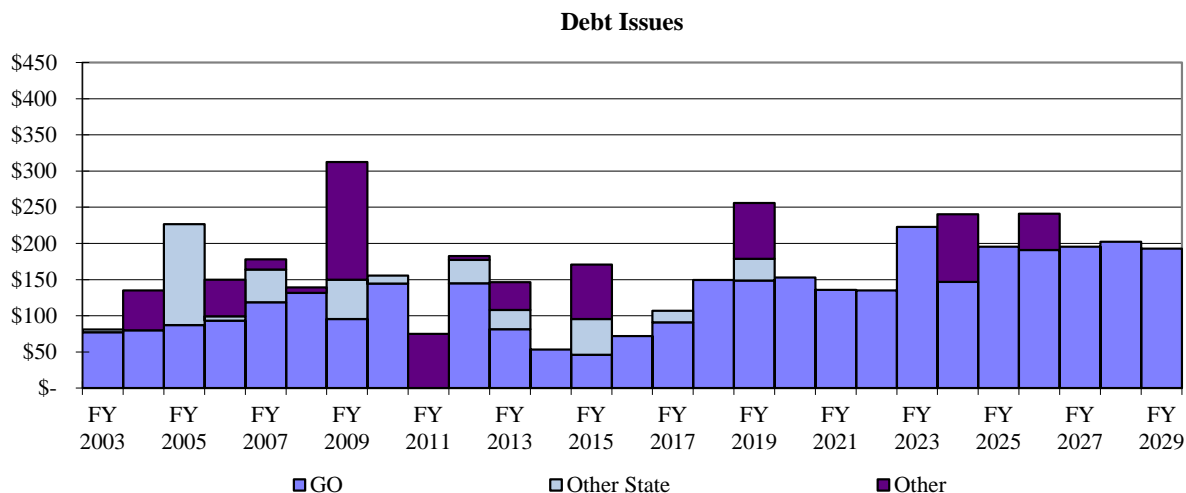
Transfers to RICF	FY 2022	FY 2023	Total
2022 Assembly	\$ 563.0	\$ 15.0	\$ 578.0
2023 Assembly	-	242.4	242.4
Total	\$ 563.0	\$ 257.4	\$ 820.4

\$ in millions

Debt Financing. Proceeds from financing, \$1,793.8 million, constitute 19.6 percent of the funds available for outlays during the period. Tax supported financing comprises \$993.1 million, including \$961.4 million from general obligation bonds and \$20.9 million through Certificates of Participation. Outlays from tax supported financing are 55.4 percent of the financed outlays and 10.8 percent of all outlays. Other non-tax supported financing supports \$800.7 million of outlays, or 8.7 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 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 \$310.3 million from these bonds. It should be noted that it is the total charges to students that are used in tuition and fee comparisons to other institutions. Any tuition and fees used for debt service are not available for general operating expenses. This forms the context for general revenue requests by the 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 2016	\$ 13,251,194	2,408,090	1,341,228	\$ 17,000,512
FY 2017	\$ 20,880,779	3,641,528	2,450,444	\$ 26,972,751
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 Revised	\$ 39,380,416	10,441,008	1,269,173	\$ 51,090,597
FY 2025 Recommended	\$ 40,428,832	9,635,611	1,054,709	\$ 51,119,152

The table above shows debt service for Higher Education, funded from general revenues and tuition and fees from FY 2016 through the FY 2025 recommended 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 nearly 34 percent between FY 2018 and FY 2025 based on the Governor’s FY 2025 recommended budget. The FY 2016 budget included savings of \$14.6 million and the FY 2017 budget included savings of \$7.6 million from the refinancing of general obligation bond debt.

New Debt Authorizations

The Governor’s budget includes \$354.2 million of new debt authority that requires approval by the General Assembly. Of this amount, \$345.0 million would be derived from general obligation bonds that would be

placed on the November 2024 ballot for voter approval and \$9.2 million would require approval by the Assembly under the Public Debt Management Act.

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 the General Assembly has adjourned, 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.

The table below shows the \$345.0 million of recommended new debt authority requiring action by the 2024 General Assembly. It is followed by descriptions of the projects which would be funded by the new debt.

Governor's Recommended New Debt Authority	Amount	Legislation
November 2024 Bond Referenda		
Question 1		
URI Biomedical Sciences Building	\$ 80,000,000	Article 5
RIC Cybersecurity Building	55,000,000	Article 5
Higher Education Subtotal	\$ 135,000,000	
Question 2		
State Archives and History Center	\$ 60,000,000	Article 5
Question 3		
Housing and Community Opportunity	\$ 100,000,000	Article 5
Question 4		
Port of Davisville Infrastructure at Quonset	\$ 20,000,000	Article 5
Climate Resiliency and Public Access	2,000,000	Article 5
Brownfields Remediation & Economic Development	5,000,000	Article 5
Local Recreation Development Matching Grant Program	5,000,000	Article 5
Municipal Resiliency	10,000,000	Article 5
Newport Cliff Walk	8,000,000	Article 5
Green Economy Subtotal	\$ 50,000,000	
Total New Referenda	\$ 345,000,000	
Other Debt Instruments		
Revenue Bonds		
<i>University of Rhode Island</i>		
Utility Infrastructure Upgrade Phase III	\$ 9,191,250	Article 4
Total Other Debt	\$ 9,191,250	
Total New Debt Authorization Recommended	\$ 354,191,250	

General Obligation Bond Referenda. The Governor's Capital Budget includes \$345.0 million in new referenda to be presented to the voters in November 2024. 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 to be \$28.5 million. These individual projects are described in greater detail below.

URI Biomedical Sciences Building. Question 1 includes \$80.0 million for a new biomedical sciences building at the University. The Governor's recommendation also includes \$8.4 million from private funding for a total project cost of \$88.4 million. Annual debt service on the bonds would be \$6.6 million assuming a 5.0 percent interest rate and a 20-year term. Total debt service would be \$128.1 million.

RIC Cybersecurity Building. Question 1 includes \$55.0 million for a new cybersecurity building at Rhode Island College. The Governor's recommendation also includes \$18.5 million from Rhode Island Capital Plan funds programmed to begin in FY 2025 for a total project cost of \$73.5 million. Supporting documents to the budget indicate that the location will be Whipple Hall. Annual debt service on the bonds would be \$4.6 million assuming a 5.0 percent interest rate and a 20-year term. Total debt service would be \$88.1 million.

State Archives and History Center. Question 2 includes \$60.0 million to build a state-owned facility to relocate the State Archives. The total estimated project cost is \$101.7 million, and the recommended budget also includes \$10.0 million from Rhode Island Capital Plan funds and assumes \$31.7 million from private funding. The capital budget programs the Rhode Island Capital Plan funds from FY 2025 to FY 2027 and the other funding for FY 2027 and FY 2028. Annual debt service on the bonds would be \$4.8 million assuming a 5.0 percent interest rate and a 20-year term. Total debt service would be \$96.3 million.

Housing and Community Opportunity. Question 3 includes \$100.0 million for housing development, infrastructure, redevelopment, and homeownership programs, though the specific uses are not specified. Annual debt service would be \$8.3 million assuming a 5.0 percent interest rate and a 20-year term. Total debt service would be \$160.1 million.

Port of Davisville Infrastructure at Quonset. Question 4 includes \$20.0 million for infrastructure projects at the Port of Davisville. Work is intended to prepare the port to accommodate offshore wind developers and includes a new port access road, laydown area improvements, and security upgrades. Annual debt service would be \$1.6 million assuming a 5.0 percent interest rate and a 20-year term. Total debt service would be \$32.0 million.

Climate Resiliency and Public Access Projects. Question 4 includes \$2.0 million from new general obligation bonds to go before voters in November 2024 for up to 75.0 percent matching grants to public and nonprofit entities for coastal restoration, public safety and resiliency projects. Annual debt service would be \$0.2 million assuming a 5.0 percent interest rate and 20-year term; total debt service would be \$3.2 million.

Brownfields Remediation and Economic Development. Question 4 includes \$5.0 million for up to 80.0 percent matching grants to public, private, and nonprofit entities for brownfield remediation projects. Annual debt service would be \$0.3 million assuming a 5.0 percent interest rate and 20-year term; total debt service would be \$8.0 million.

Local Recreation Development Matching Grant Program. Question 4 includes \$5.0 million for up to 80.0 percent matching grants to municipalities to acquire, develop, or rehabilitate local public recreational facilities in Rhode Island. Annual debt service would be \$0.3 million assuming a 5.0 percent interest rate and 20-year term; total debt service would be \$8.0 million.

Municipal Resiliency. Question 4 includes \$10.0 million to provide financial assistance to municipalities for restoring and/or improving the resiliency of vulnerable coastal habitats and restoring river and stream flood plains. The funds are expected to leverage matching funds to support local programs to improve community resiliency and public safety in the face of increased flooding, major storm events, and environmental degradation. Annual debt service would be \$0.8 million assuming a 5.0 percent interest rate and 20-year term; total debt service would be \$16.0 million.

Newport Cliff Walk. Question 4 includes \$8.0 million to restore and improve tourism infrastructure at the historic public access walkway. Annual debt service would be \$0.7 million assuming a 5.0 percent interest rate and 20-year term; total debt service would be \$12.8 million.

Public Corporation Debt Management Act Debt Issues. The Governor’s budget also includes \$9.2 million of new authorization for debt that would not require voter approval but does require Assembly approval pursuant to the Public Corporation Debt Management Act. The project is described below.

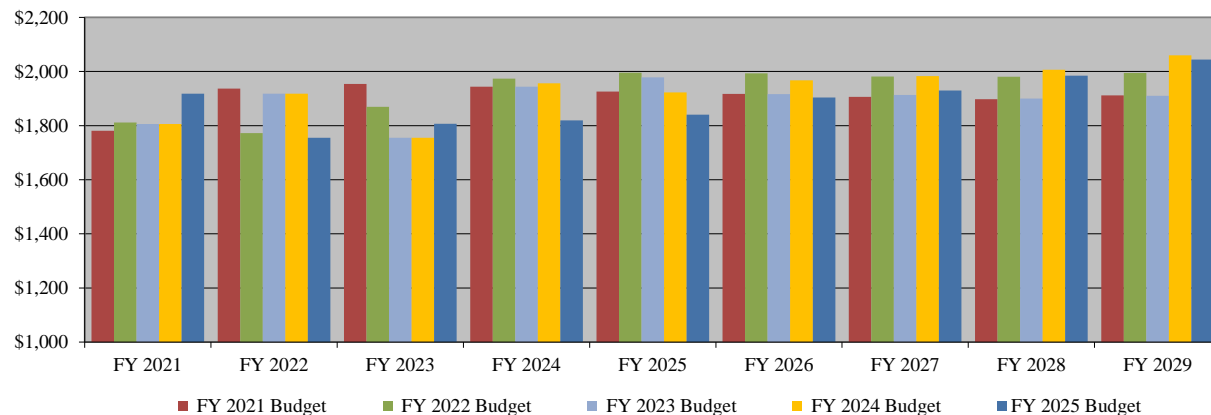
URI Utility Infrastructure Upgrade Phase III. The Governor’s budget includes authorization for Assembly approval of a \$9.2 million revenue bond for the Utility Infrastructure Upgrade Phase III project. The project involves the replacement of the steam/condensate distribution system, water and electrical distribution systems, sanitary sewer system, and storm water management system. The 2018 Assembly authorized \$6.5 million for the first phase of the project and the 2022 Assembly authorized \$15.5 million for the second phase. Annual debt service on this authorization would be supported by the University’s unrestricted budget and would not exceed \$1.4 million. Total debt service would not exceed \$27.0 million.

Debt Levels

Total net tax supported debt increases during the period through FY 2029 by \$203.9 million from \$1,840.6 million to \$2,044.5 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 \$327.6 million, including the \$400.0 million approved by the voters in November 2022.

Net Tax Supported Debt Projections

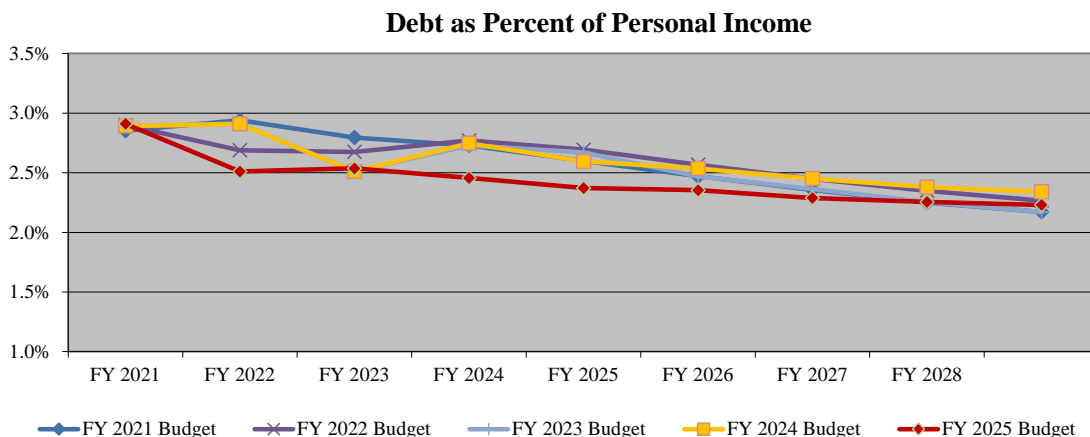


Debt is often expressed as a percent of state personal income as a measure to compare across jurisdictions; state personal income is a rough measure of the state’s wealth, and therefore its potential ability to service its debt. Net tax supported debt would decrease from 2.5 percent in FY 2023 to 2.2 percent in FY 2029 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 expressed the reduction of that ratio as a major capital policy goal. The FY 2020 level of 2.9 percent is the lowest amount since staff began keeping track in FY 1991.

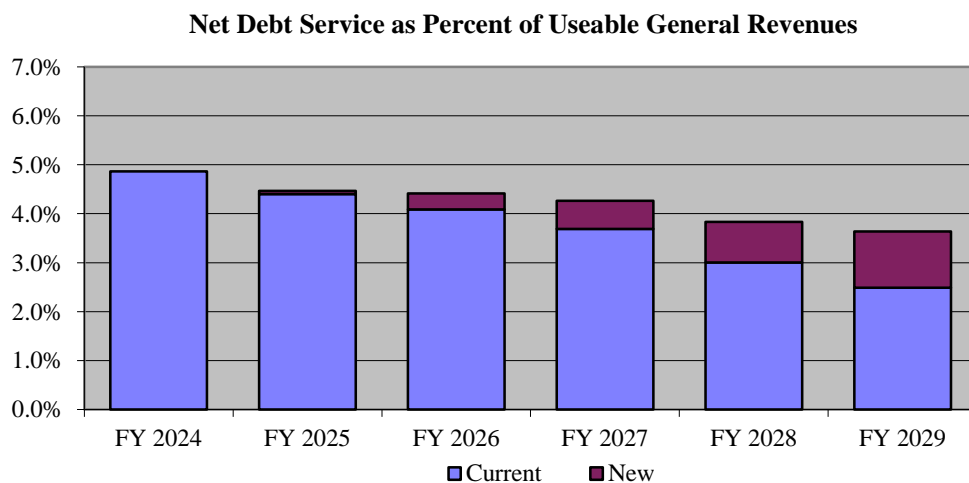
However, as with debt levels, past practices indicate it is likely to be higher than projected. The following graph shows projected debt as a percent of personal income for FY 2021 through FY 2029 in the past five

budgets. The FY 2021 budget projected FY 2026 debt at 2.4 percent of personal income, which is the same as projected in the FY 2026 budget. The projections assume that the debt levels do not increase in subsequent budgets.



Debt Service

Useable 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 proportion of net tax supported debt to useable general revenues provides a snapshot of how the state is leveraging its debt compared to available resources eligible to pay off that debt.



For FY 2022 and FY 2023, debt service as a percent of general revenues was 4.8 percent and 4.5 percent, respectively. Debt service in the recommended capital budget would decrease from 4.9 percent of useable general revenues in FY 2024 to 3.7 percent in FY 2029. This reflects the \$35.0 million enacted in FY 2024 used to defease certain state debt for annual savings of \$4.5 million.

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 14, 2023, the Public Finance Management Board released the fourth Debt Affordability Study. Based on current levels, the state is currently within all recommended affordability limits and the Board estimated that the state had available capacity to authorize up to \$1,452.7 million of new bonds in FY 2025 and FY 2026 with total debt capacity of \$3.9 billion through the 2036 ballot. Voters approved \$400.0 million on the 2022 ballot and the Governor recommends \$345.0 million on the 2024 ballot.

	Debt Study
GO Debt Capacity	December 2023
2024 & 2026 Ballots	\$ 1,452,725,000
2028 Ballot	560,835,000
2030 Ballot	633,380,000
2032 Ballot	691,285,000
2034 Ballot	391,600,000
2036 Ballot	216,560,000
<i>Total</i>	<i>\$ 3,946,385,000</i>

Department of Administration

Projects	5 Year Total	Project Total
Pastore Center	\$ 157,650,000	\$ 252,723,266
Other State Facilities	336,036,334	603,507,048
Other Projects	77,060,370	237,969,652
Total	\$ 570,746,704	\$1,094,199,966
Sources of Funds		
Certificates of Participation	\$ 350,000	\$ 35,337,106
Federal Funds	-	2,975,375
Federal Funds - CPF	-	81,720,130
General Obligation Bonds	1,300,000	13,000,000
Information Technology Funds	50,365,370	90,700,000
Internal Service Funds	11,000,000	11,000,000
Restricted Receipts	5,000,000	10,092,003
Rhode Island Capital Funds	502,731,334	849,375,352
Total	\$ 570,746,704	\$ 1,094,199,966

Summary. The Department of Administration requests capital expenditures of \$1,309.3 million from all sources, of which \$712.7 million will be used from FY 2025 through FY 2029 for 59 projects, including six new ones. Funding in the five-year period includes \$609.0 million, or 85.4 percent from Rhode Island Capital Plan funds, and \$15.3 million would be supported by agency charges. The request is \$204.5 million more than the approved capital plan, of which \$48.8 million is for new projects and \$142.4 million is for approved information technology projects not in the capital budget totals.

The Governor recommends capital expenditures of \$1,094.2 million from all sources for 48 projects, two of which are new. The recommendation includes \$570.7 million in the five-year period, which averages \$114.1 million annually. It assumes use of \$502.7 million, or 88.1 percent from Rhode Island Capital Plan funds. The recommendation is \$14.9 million more than the approved plan, and \$215.1 million less than requested, primarily reflecting the exclusion of expenditures for various information technology projects.

Projects	Status	5 Year Total	Project Total
<i>Pastore Center</i>			
Pastore Center Buildings Demolition	Revised	\$ 9,900,000	\$ 13,866,698
Pastore Center Infrastructure	Revised	98,500,000	123,500,001
Pastore Center Non-Hospital Buildings	Revised	31,000,000	74,476,368
Pastore Center Hospital Buildings	Ongoing	12,500,000	14,648,697
Pastore Center Central Power Plant	Ongoing	5,750,000	26,231,502
Total		\$ 157,650,000	\$ 252,723,266

Pastore Center Buildings Demolition. The Department requests \$10.9 million from Rhode Island Capital Plan funds for FY 2024 and FY 2025 to demolish several buildings at the Pastore Center, including Pinel, Eastman House, Gloria McDonald, Welcome Arnold, and the old laundry facility. The request of \$14.9 million is \$4.0 million more than the approved plan; prior year expenses are understated by \$0.8 million,

and there is \$4.8 million added for abatement and demolition expenses, reflecting the Department's updated project costs and schedule. The project was revised to include the demolition for the majority of the buildings in FY 2025. The Department indicates that it can get better pricing if all the buildings are bundled for demolition within a year. *The Governor concurs, with the exceptions of excluding \$1.1 million of prior year expenses and delaying \$1.2 million from FY 2024 to FY 2025.*

Pastore Center Infrastructure. The Department requests \$123.5 million from Rhode Island Capital Plan funds, of which \$98.5 million will be used in the five-year period to make infrastructure improvements to the Pastore Center. Consistent with the approved plan, the request includes \$25.0 million each from FY 2024 through FY 2027 and \$15.0 million for FY 2028. The project cost is \$8.5 million more than the approved plan, to include annual expenses of \$1.5 million for engineering and contracted project management services. The Department indicates that the plan had always assumed that the work would be performed by contractors; however, the expenses were not included in prior requests. The request includes \$58.5 million to identify and address deficiencies with respect to water supply and distribution, and sewer. Funds would be used for design and construction of a new water line and distribution to increase the quality of water and fire suppression water flow. It includes \$54.0 million to replace the electrical system and steam lines; some of the underground wiring is over 40 years old and has exceeded its useful life. It also includes \$2.0 million for fiber infrastructure to support current information technology and telecommunications. *The Governor concurs.*

Pastore Center Non-Hospital Buildings. The request includes \$57.1 million from Rhode Island Capital Plan funds to be used from FY 2024 through the out-years to fund major maintenance and capital repairs to multiple buildings at the Pastore Center. This includes \$12.5 million for projects at Center General, including elevator modernization, window and roof replacement; \$0.7 million for space reconfiguration in Forand, which houses operations of the Division of Motor Vehicles, and \$5.0 million for an inspection garage to replace the Melrose Street facility that performs inspection and road-testing activities. The request also includes \$39.0 million for various other projects, including \$14.7 million to construct a new storage facility and other renovation projects, \$2.0 million to replace the roof on the Hazard Building, and \$2.8 million to renovate the vacant Benjamin Rush Building. Project costs of \$79.9 million are \$22.7 million more than the approved plan, including \$15.5 million programmed over three years for projects not yet identified, and costs for previously approved projects that were also revised to reflect updated estimates. *The Governor recommends a total of \$74.5 million, which is \$5.4 million less than requested, primarily for the storage facility. The recommendation includes \$9.6 million for FY 2025, \$7.8 million for FY 2026, \$4.5 million for FY 2027, and \$4.6 million each for FY 2028 and FY 2029.*

Pastore Center Hospital Buildings. The Department requests \$24.4 million from Rhode Island Capital Plan funds in the five-year period for asset protection projects of medical buildings on the Pastore Center, including Benton, Regan, and Mathias. There is a separate project, Hospital Reorganization, that includes funding for ligature risk remediation at Regan. The Department notes this project will support health and life issues that are needed until the Hospital Reorganization project is complete. Additionally, certain improvements are needed in order for the Eleanor Slater Hospital to meet facility requirements. The reported project total of \$25.8 million is \$12.2 million more than the approved plan. This includes new expenditures of \$15.0 million in FY 2026 to replace the mechanical, electrical and plumbing systems in the Regan Building and some prior year expenses. *The Governor recommends \$14.6 million, consistent with the approved plan, adding \$0.5 million for FY 2029.*

Pastore Central Power Plant. The Department requests \$12.6 million from Rhode Island Capital Plan funds, of which \$5.8 million will be used from FY 2025 through FY 2027 to continue work on the Central Power Plant. This includes \$5.2 million to demolish the old power plant and \$0.6 million for asset protection. The request is \$13.6 million less than the approved plan, reflecting the removal of prior year expenses funded through a prior debt issuance. *The Governor includes \$26.2 million, consistent with the approved plan.*

Projects	Status	5 Year Total	Project Total
<i>Other State Facilities</i>			
Expo Center (Springfield, MA)	New	\$ 1,220,000	\$ 1,470,000
Group Homes Consolidation	New	22,851,000	28,420,825
Accessibility - Facility Renovations	Revised	288,928	8,278,878
Big River Management Area	Revised	3,831,154	6,157,589
Community Facilities Asset Protection	Revised	1,525,000	2,352,748
DD & Community Facilities Asset Protection	Revised	-	2,646,562
DD & Community Facilities Fire Code Upgrades	Revised	-	4,100,000
DD & Regional Facilities Asset Protection	Revised	-	4,737,692
Group Homes	Revised	-	5,139,525
Group Homes Replacement	Revised	5,000,000	10,000,000
Medical Examiners - New Facility	Revised	250,000	8,525,375
Old State House	Revised	1,900,000	8,121,409
Shepard Building	Revised	17,820,000	22,143,388
State Office Building	Revised	1,825,000	6,430,844
Substance Abuse Group Homes - Asset Protection	Revised	-	2,149,654
560 Jefferson Boulevard	Ongoing	1,800,000	3,636,006
Arrigan Center	Ongoing	575,000	802,199
Cannon Building	Ongoing	14,125,000	18,718,766
Chapin Health Laboratory	Ongoing	1,000,000	3,992,573
Civic Center	Ongoing	11,175,000	44,090,234
Convention Center Facility Renovations	Ongoing	13,715,000	53,675,597
Cranston Street Armory	Ongoing	5,150,000	12,054,086
Hospital Reorganization	Ongoing	25,350,000	55,147,284
IT Enterprise Operations Center	Ongoing	5,200,000	11,086,342
Security Measures - State Buildings	Ongoing	3,525,000	7,708,389
State House Renovations	Ongoing	69,287,000	89,095,820
Veterans Memorial Auditorium Repairs	Ongoing	1,080,000	10,586,089
Washington County Government Center	Ongoing	1,850,000	4,117,239
William Powers Building	Ongoing	10,500,000	25,821,823
Zambarano Buildings and Campus	Ongoing	9,640,000	35,246,860
Zambarano Long-Term Care Facility	Ongoing	105,553,252	107,053,252
Total		\$ 336,036,334	\$ 603,507,048

Expo Center (Springfield, MA). The Department requests new expenditures of \$1.4 million from Rhode Island Capital Plan funds to be used from FY 2025 through FY 2027 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. Funding was last provided in FY 2020 for interior renovations. *The Governor recommends \$1.2 million for FY 2025; with the combined \$250,000 from prior year expenses, the total is \$1.5 million.*

Group Homes Consolidation. The Department's request reflects the consolidation of five previously approved projects into a single project, Group Homes Consolidation. It should be noted that these projects encompass more than group homes; they also include various community centers. These projects were previously managed by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals

and were transferred to the Department of Administration in FY 2020. They include 29 developmental disability community facilities, 120 state-owned group homes, nine 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 nine state-owned regional workshop centers. Combined with prior year expenses and funding included for FY 2024, the requests for the various projects total \$46.5 million from Rhode Island Capital Plan funds, including use of \$24.6 million in the five-year period. This is \$10.8 million more than the approved plan, reflecting expenditures programmed for FY 2029 and the out-years. Prior year expenses are understated by \$1.8 million; and a like amount was added over the five-year period for annual increases. There is also a separate request for \$30.5 million for group homes replacement.

The Governor concurs with the consolidation and includes \$28.4 million for FY 2025 through the out-years. Combined with expenses from the previously approved projects, the recommendation totals \$47.2 million, which is consistent with the approved plan plus annual funding of \$5.5 million for FY 2029 and \$5.6 million in the out-years. Prior year expenses appear to be overstated by \$0.5 million.

Accessibility - Facility Renovations. The Department's request includes \$1.3 million from Rhode Island Capital Plan funds for FY 2024 and 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 \$7.5 million is \$5.2 million less than enacted. It assumes that after FY 2025, these expenses will be included in individual project costs. Since FY 2016, oversight of the project has been with the Department. The Commission continues to be responsible for project prioritization. The request includes \$1.0 million for FY 2024, which assumes \$0.4 million in carry forward funds. *The Governor concurs and adds \$0.8 million of prior year expenses, for a total project cost of \$8.3 million.*

Big River Management Area. The Department requests \$4.4 million from Rhode Island Capital Plan funds, of which \$3.8 million will be used in the five-year period for infrastructure repairs and improvements at the Big River Management Area. This project includes funding for security, litter/dumping enforcement and demolition of vacant homes to protect it for future development as a source of potable water. The request is \$1.5 million more than the approved plan, including new expenditures of \$0.8 million programmed for FY 2029. It also excludes \$1.1 million of prior year expenses and previously approved funding from FY 2025 through FY 2028 that was revised to include an additional \$1.8 million for paving projects, demolition, and improvement of culverts to address flooding and other environmental concerns.

The request in the five-year period averages \$677,000 annually. Expenses in the last five fiscal years averaged \$94,585. *Adjusting for the exclusion of some prior year expenses, the recommendation of \$6.2 million is \$0.9 million more than requested, reflecting annual funding in the out-years.*

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 request includes \$2.2 million from Rhode Island Capital Plan funds, \$1.2 million more than the approved plan. This includes \$0.6 million for a community facility, which was previously licensed by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, but is now being used as a school. The Department indicates that the heating system in the facility failed; the request includes \$0.3 million to replace it and \$0.3 million for exterior and interior renovations, and door and window replacement. The request includes \$0.4 million for the Old Colony House for gutters, downspouts and foundation repairs. These expenses were requested last year; however, they were not recommended or approved. *The Governor concurs and adds \$0.1 million for annual funding in the out-years, for a total project cost of \$2.4 million.*

DD and Community Facilities Asset Protection. The Department requests \$2.5 million from Rhode Island Capital Plan funds, of which \$1.1 million will be used for FY 2024 for repairs to developmental disability community facilities, including roof, siding, door and window replacement. As previously noted, the Department's request merges future funding for this project into the Group Homes Consolidation project, for which \$5.9 million is included. Combined, total expenses of \$8.3 million are \$1.9 million more than the approved plan. This includes \$1.0 million programmed for FY 2029 and each of the out-years. Prior year expenses appear to be understated by \$0.2 million. Of the 29 facilities, the Department indicates that four need complete roof repairs, seven need complete heating, ventilation and air conditioning replacement, six need significant site improvements, and the others need major envelope repairs.

Prior to the FY 2023 approved plan, \$0.3 million annually was provided for asset protection funding. The 2022 Assembly concurred with the Governor's recommendation to include \$750,000 for FY 2023, increasing this amount by \$50,000 annually to \$1.0 million in the later years. *The Governor adjusts for understated prior year expenses and concurs with the consolidation. The recommendation includes \$1.1 million for FY 2024, including \$0.1 million reappropriated from FY 2023.*

DD and Community Facilities Fire Code Upgrades. The Department requests \$3.6 million from Rhode Island Capital Plan funds for fire code upgrades to state group homes and private developmental disabilities residences. The request merges future funding for this project into the Group Homes Consolidation project, for which an additional \$2.6 million is included. Combined, total expenses of \$6.2 million are \$0.8 million more than the approved plan, and includes \$0.9 million programmed for FY 2029 and the later years. The request also understates prior year expenses and an additional \$0.4 million was added over four years for annual increases. *The Governor adjusts for understated prior year expenses and concurs with consolidation. The recommendation includes \$0.6 million for FY 2024, including \$0.3 million reappropriated from FY 2023.*

DD and Regional Facilities Asset Protection. The Department requests \$4.5 million from Rhode Island Capital Plan funds, including \$2.8 million for FY 2024, for repairs and renovations to the ten state-owned regional workshop centers. The state is under a federal consent decree to transition individuals from regional centers and sheltered workshops to employment and other integrated community settings. The Department's request merges future funding for this project into the Group Homes Consolidation project, for which \$7.8 million is included. Combined, total expenses of \$12.3 million are \$3.1 million more than the approved plan. This includes \$1.5 million programmed for FY 2029 and each of the later years. Prior year expenses are understated by \$0.2 million, and a total of \$0.3 million was added over four years for annual increases. *The Governor adjusts for understated prior year expenses and concurs with the consolidation. The recommendation includes \$2.8 million for FY 2024, including \$1.0 million reappropriated from FY 2023.*

Group Homes. The Department requests \$4.1 million from Rhode Island Capital Plan funds, of which \$1.7 million will be used for FY 2024 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 Department's request merges future funding for this project into the Group Homes Consolidation project, for which \$9.8 million is included. Combined, total expenses of \$13.8 million are \$3.7 million more than the approved plan. This includes \$1.8 million programmed in FY 2029 and each of the out-years. Prior year expenses are understated by \$1.0 million and a total of \$0.8 million was added over four years for annual increases. *The Governor adjusts for understated prior year expenses and concurs with the consolidation. The recommendation includes \$1.7 million for FY 2024, including \$0.4 million from unspent FY 2023 funds.*

Group Homes Replacement and Rehabilitation. The Department requests \$30.5 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 \$25.5 million more than the approved plan,

including \$1.8 million for planning and design services and \$22.3 million for construction projects that are not yet identified. However, it should be noted that the Division of Capital Asset Management and Maintenance issued a request for proposals to develop a strategic plan, which will be used to guide the process of replacing the facilities. The request also includes \$0.9 million to renovate a group home in Cranston and \$0.6 million for heating, ventilation and air conditioning upgrades in two homes. The request includes \$4.5 million for FY 2025, increasing to \$6.0 million in FY 2029. The Department notes that the 2017 Facilities Conditions Assessment that was conducted six years ago identified \$50 million of deferred maintenance expenses. *The Governor recommends \$10.0 million, \$5.0 million more than the approved plan.*

Medical Examiners - New Facility. The Department requests \$8.2 million from all sources, including \$5.4 million from Rhode Island Capital Plan funds and \$2.8 million from federal funds, to renovate a 20,280 square foot building in Cumberland to house operations of the State Office of Medical Examiners. Phase I, which included additional decedent capacity to address the COVID-19 surge, was completed and some personnel from the office moved in December 2020. Phase II will include interior renovations to accommodate the relocation of the entire Medical Examiners' staff from Chapin to the new facility. The project was revised to include the federal funds, which are passed through the Department of Health's budget. Adjusting for this, it is \$0.1 million less than the approved plan, reflecting the removal of prior year expenses and adding \$50,000 for annual asset protection. The design phase was completed in FY 2023 and construction has since started. *The Governor recommends \$8.5 million from all sources, \$0.3 million more than requested to adjust for prior year expenses; \$0.2 million of which was previously spent by the Department of Health.*

Old State House. The Department requests \$1.9 million from Rhode Island Capital Plan funds in the five-year plan for projects at the Old State House, totaling \$6.9 million from all sources. This includes \$0.9 million from other funds, of which \$0.5 million is from federal funds that the Historical Preservation and Heritage Commission was awarded for accessibility projects at the Old State House, and \$0.4 million is from the Governor's Commission on Disabilities' allocation of Rhode Island Capital Plan funds. The request is \$1.2 million more than the approved plan, including new expenditures of \$0.4 million for elevator and interior renovations, \$1.0 million to replace heat pumps, and \$0.1 million for asset protection programmed for FY 2029. These expenses are partially offset by the removal of prior year expenses. *The Governor recommends \$8.1 million from all sources, which is \$1.2 million more than requested; \$0.1 million is to adjust for understated prior year expenses. Subsequently, the Budget Office indicates that the additional \$1.1 million from other funds was included in error.*

Shepard Building. The request includes \$17.8 million from Rhode Island Capital Plan funds to be used in the five-year period for various projects at the Shepard Building, including restroom renovation and improvements to the Westminster Street and Washington Street entrances. The Division of Capital Asset Management and Maintenance indicates that many aspects of the building are failing and need immediate repair or replacement. Project costs of \$22.1 million are \$16.8 million more than the approved plan, which had included funding for minimal asset protection and modernization of the elevators in anticipation of the building being sold. The request includes new expenditures of \$4.5 million to renovate restrooms, \$2.9 million to replace seven air handling units, \$1.9 million to replace the roof, \$1.7 million for cast iron reconstruction, \$1.2 million to address water infiltration issues, and additional funding for asset protection projects. The Department indicates that the aforementioned improvements are needed to prevent the building from falling into a state of disrepair. It should be noted the Office of Postsecondary Commissioner's capital budget request assumes relocating to the Shepard Building. Its request includes \$0.3 million from Rhode Island Capital Plan funds for FY 2024 to outfit the space. *The Governor concurs.*

State Office Building. The Department requests \$6.9 million from Rhode Island Capital Plan funds, of which \$1.8 million will be used in the five-year period for asset protection projects at the State Office Building, which is occupied by the Department of Transportation. The request is \$1.6 million more than

the approved plan, including new expenditures of \$1.0 million for masonry repairs and \$0.5 million to address Americans with Disabilities Act compliance for one of the entrances. These additional components were previously requested but not approved. *The Governor concurs, with the exception of excluding \$0.5 million of prior year expenses.*

Substance Abuse Group Homes Asset Protection. The 2019 Assembly transferred the oversight of the Substance Abuse Group Homes Asset Protection project from the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The request includes \$1.8 million from Rhode Island Capital Plan funds for emergency repairs to nine community facilities housing substance abuse clients. As previously noted, the Department's request merges future funding for this project into the Group Homes Consolidation project, for which \$4.1 million is included. Combined, expenses of \$5.9 million are \$1.3 million more than the approved plan. This includes annual asset protection funding of \$0.8 million programmed for FY 2029 and each of the later years. Prior year expenses are understated by \$0.3 million. *The Governor adjusts for understated prior year expenses and concurs with the consolidation. The recommendation includes \$0.9 million for FY 2024, including \$0.3 million from FY 2023 unspent funds.*

560 Jefferson Boulevard. The Department includes \$1.8 million from Rhode Island Capital Plan funds to be used in the five-year period for an asset protection project for 560 Jefferson Boulevard, currently occupied by the Office of Postsecondary Commissioner. Funding will support the installation of a generator and a new roof. The request of \$3.6 million is \$0.5 million more than the approved plan for FY 2025, reflecting the Department's updated cost for installing the generator and the roof top unit. While the future of the building's use remains uncertain, it is state-owned and requires work. The Office of Postsecondary Commissioner's capital budget request assumes relocating to the Shepard Building. The Office of Cannabis Regulation would be moving to this site. *The Governor concurs, and also adds \$51,099 in the out-year.*

Arrigan Center. The Department requests \$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 total funding of \$0.6 million, essentially as approved, for asset protection as needed from FY 2024 through FY 2027. However, it adds \$4.4 million to FY 2028 and FY 2029 for exterior repairs and upgrading the heating, ventilation and air conditioning system for which funding was included in a previously approved plan. The Governor requested an amendment to his FY 2024 budget proposal removing funding for the project as the future use of the facility was uncertain. The Department notes that the improvements to the building are needed to prevent it from falling into a state of disrepair. *The Governor recommends \$0.8 million, which adds \$0.1 million to the approved plan for FY 2029. The recommendation also delays \$0.1 million from FY 2027 to FY 2028.*

Cannon Building. The request includes \$20.5 million from Rhode Island Capital Plan funds, of which \$14.3 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 \$2.3 million more than the approved plan and prior year expenses are understated by \$0.3 million. This is offset by \$2.7 million, including \$1.0 million programmed in the out-years. The request includes \$1.7 million for relocation costs during the project, \$0.2 million more than the approved plan. The request repurposes \$1.2 million for owner's project manager expenses relating to the construction of the new health laboratory, which started on August 15, 2023. The Department of Health's request includes \$89.3 million from all sources, including \$81.7 million from federal funds for the new laboratory facility; subsequently, the project was revised to \$97.7 million. *The Governor recommends \$18.7 million, which is \$1.7 million less than requested; he excludes requested expenses for owner's project manager and \$0.5 million of prior expenses.*

Chapin Health Laboratory. The Department requests total project costs of \$3.6 million from Rhode Island Capital Plan funds for asset protection in the Chapin Health Laboratory. The building houses several laboratories for the Department of Health and the Office of State Medical Examiners. The request is \$0.3

million more than the approved plan; prior year expenses are understated by \$0.3 million. This is offset by \$650,000 added for unspecified asset protection projects for FY 2026 and FY 2027. The Department of Health is constructing a new health laboratory, which must be completed by FY 2025 to comply with federal grant funds supporting it. *The Governor adjusts for the exclusion of prior year expenses and concurs with the remainder of the request.*

Civic Center. The Department requests \$20.2 million from Rhode Island Capital Plan funds in the five-year period 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 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 total request of \$28.4 million understates prior year expenses by \$17.7 million; these expenses are assumed, in error, as part of the Convention Center Facility Renovations project. Accounting for this, the request is \$6.1 million more than the approved plan, including \$5.0 million programmed for FY 2029 and the later years for replacement of all glycol lines and resurfacing of the cement slab; previously approved funding for various projects increases by \$1.1 million, reflecting the Authority's updated project costs. *The Governor recommends \$44.1 million, adjusting for the exclusion of prior year expenses; it is \$2.2 million less than requested for the later years.*

Convention Center Facility Renovations. The Department includes \$14.3 million from Rhode Island Capital Plan funds to be used from FY 2025 through FY 2029 for improvements to the Convention Center Facility. The Authority indicates that preventive maintenance is required in order to maintain the venue to attract and keep customers. 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 request of \$70.1 million is \$17.7 million more than the approved plan; it overstates prior year expenses by \$15.6 million and \$2.0 million is added in the later years to increase available funding for asset protection. The Governor recommends a total project cost of \$53.7 million, including \$13.7 million for the five-year period. *Adjusting for overstated prior year expenses, the recommendation is \$550,000 less than requested; including \$0.2 million less for security upgrades and \$350,000 for exterior door replacement.*

Cranston Street Armory. The Department requests \$7.4 million from Rhode Island Capital Plan funds from FY 2024 through FY 2029 to stabilize the exterior east and west sides of the Cranston Street Armory. Project costs of \$12.2 million are \$0.1 million more than the approved plan to include asset protection funding for FY 2029. A 2016 feasibility study produced recommendations for use, including 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 re-use 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 Governor recommends \$12.1 million, \$0.2 million less than requested, reflecting the exclusion of prior year expenses.*

Hospital Reorganization. The request includes \$42.7 million, including the approved amount of \$25.0 million from Rhode Island Capital Plan funds and \$17.7 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 \$4.4 million less than the approved plan; it removes prior year expenses of \$3.8 million and understates available Certificates of Participation by \$0.5 million. *The Governor recommends a total project cost of \$55.1 million, \$12.4 million more than requested, to adjust for understated prior year expenses of \$8.0 million from Rhode Island Capital Plan funds.*

IT Enterprise Operations Center. The Department requests \$12.5 million from Rhode Island Capital Plan funds, of which \$9.8 million will be used from FY 2024 through FY 2029 for various projects at the Information Technology Operations Center. These include replacing the chiller and boiler, and improving the heating, ventilation, and air conditioning system. 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 request is \$2.4 million more than the approved plan; it overstates prior year expenses and adds \$0.2 million for FY 2029 for annual asset protection. Expenditures for previously approved projects were updated, reflecting the Department's revised project schedule. *The Governor concurs, with the exception of excluding \$1.4 million of overstated prior year expenses for a total project cost of \$11.1 million.*

Security Measures/State Buildings. The Department requests \$3.5 million from Rhode Island Capital Plan funds to be used from FY 2025 through FY 2029 to address security issues throughout state facilities. The request of \$6.4 million is \$0.9 million more than the approved plan; it understates prior expenses by \$0.7 million and adds a total of \$1.5 million in the five-year plan, reflecting updated costs for video surveillance and access control at the Washington County Government Center, Capitol Hill and the new health laboratory. *The Governor's recommendation adjusts for the exclusion of prior year expenses and adds \$0.6 million for the out-years, for a total project cost of \$7.7 million.*

State House Renovations. The Department requests \$73.5 million from Rhode Island Capital Plan funds to be used in the five-year period for various projects at the State House, including deferred maintenance, and high priority repairs and renovations. The request of \$94.1 million is \$4.0 million more than the approved plan; prior year expenses are understated by \$0.2 million and \$4.2 million is added in the five-year period for updated project costs and annual asset protection funding. The request includes \$25.2 million for exterior renovations, including the marble façade, windows, and masonry; \$44.6 million to update the building's mechanical, electrical and plumbing systems; \$3.1 million to clean the exterior of the building; \$2.5 million for costs associated with removing the words "and Providence Plantations" from the building; and \$1.8 million for a master plan. *The Governor recommends a total project cost of \$89.1 million, \$0.9 million less than the approved plan, reflecting the exclusion of prior year expenses. It delays a total of \$31.9 million from FY 2025 and FY 2026 to FY 2029.*

Veterans Memorial Auditorium Repairs. The Convention Center Authority's request includes \$2.8 million from FY 2024 through the later years from Rhode Island Capital Plan funds for ongoing asset protection costs at the Veterans Memorial Auditorium. Total project costs of \$16.0 million are \$2.3 million more than the approved plan, which had assumed annual funding of \$0.1 million. Revisions include new expenditures of \$0.5 million each to replace the audio system and to install a cooling system on the stage; \$0.3 million each to upgrade lighting and to replace a freight elevator; and \$0.2 million to replace the exterior door. *The Governor recommends \$10.6 million, which adds \$0.1 million for FY 2029 to the approved plan.*

Washington County Government Center. The Department requests \$35.8 million from Rhode Island Capital Plan funds, of which \$32.1 million would be used from FY 2024 through the out-years for projects at the Washington County Government Center. 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. The request is \$31.3 million more than the approved plan, including new expenditures of \$29.2 million to renovate the building, including elevators and heating, ventilation and air conditioning system upgrades. The Department notes that this estimate is preliminary, and the request includes \$0.3 million to conduct a study to refine the project scope and provide updated estimates. Prior

year expenses are also overstated by \$1.7 million. *The Governor recommends a total project cost of \$4.1 million, which is \$0.4 million less than the approved plan, reflecting the exclusion of prior year expenses. The recommendation includes \$0.8 million for FY 2025, \$0.6 million for FY 2026, and \$150,000 annually for FY 2027 through FY 2029.*

William Powers Building. The Department requests \$10.5 million from Rhode Island Capital Plan funds to be used in the five-year period for repairs and improvements, such as bathroom renovations, window replacement and electrical and mechanical upgrades at the William Powers Building. The total request of \$26.2 million is \$1.1 million more than the approved plan; it excludes \$0.8 million of prior year expenses and adds a total of \$1.9 million over the five-year period, including \$1.7 million for FY 2029. The approved plan includes a total of \$3.6 million to be used in FY 2023 and FY 2024 to convert a portion of the ground floor to relocate the Dr. Pat Feinstein Child Development Center from the Shepard Building. The relocation would allow the Center to increase capacity, and expand to include infants and toddlers. The administration is no longer pursuing this project, and is repurposing the funds for window and exterior improvements. *The Governor concurs, with the exception of excluding \$0.3 million of overstated prior year expenses.*

Zambarano Buildings and Campus. The Department requests \$27.6 million from Rhode Island Capital Plan funds from FY 2024 through FY 2029 for capital repairs to various buildings at the Zambarano Campus of the Eleanor Slater Hospital in Burrillville, which includes 307,000 square feet of buildings on 460 acres of land. The project cost of \$40.0 million is \$2.8 million more than the approved plan based on updated costs to demolish unoccupied buildings on the campus. Consistent with the approved plan, the request includes \$3.3 million for lead, mold and asbestos abatement in the Beazley Building, and \$3.5 million to relocate the ventilator patient unit from Regan to Zambarano, which the Department indicates will allow for renovations, including ligature risk remediation, to be done in the Regan Building. It also includes \$2.8 million to modernize three elevators, and \$4.0 million to make modification to the wastewater treatment facility to meet Department of Environmental Management's permitting requirements. *The Governor recommends a total of \$35.2 million, which is \$0.3 million less than the approved plan. The recommendation also delays \$0.9 million from FY 2028 to FY 2029.*

Zambarano Long-Term Care Facility. The Department requests \$111.6 million from Rhode Island Capital Plan funds 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 indicates that the current building is not suitable for renovation into a medical facility that would meet compliance with current standards. The request is \$3.4 million, or 3.1 percent more than the approved plan, but the Department notes that actual costs would be determined once design is complete, which is expected to be by the end of calendar year 2026. *The Governor recommends \$107.1 million, which is \$1.2 million less than the approved plan and \$4.6 million less than requested. It delays a total of \$25.3 million from FY 2024 and FY 2025 to the later years.*

Clifford Street Garage. The Department requests new expenditures of \$0.6 million from Rhode Island Capital Plan funds in the five-year period for asset protection projects in the Clifford Street Garage, also known as the Garrahy Garage. Funds will be used to keep parking equipment, electrical services, elevators, mechanical equipment and other elements essential to the garage operational. The 2014 Assembly authorized the Convention Center Authority to issue up to \$45.0 million for the construction of the garage, and the 2016 Assembly amended the authorization to allow the borrowing to occur if the Authority has three purchase and sale agreements or Wexford Science and Technology agrees to lease no less than 400 parking spaces. The bonds were issued in March 2018 and the garage opened in March 2020. *The Governor does not recommend funding this project.*

Projects	Status	5 Year Total	Project Total
<i>Other Projects</i>			
Replacement of Fueling Tanks	Revised	\$ 1,520,000	\$ 5,357,565
State Office Reorganization and Relocation	Revised	1,250,000	6,405,497
Energy Efficiency	Ongoing	10,000,000	19,133,988
Community Learning Center Matching Grant Program	Ongoing	-	81,720,130
Enterprise Resource Planning	Ongoing	38,965,370	71,800,000
Environmental Compliance	Ongoing	1,625,000	4,103,915
Gateway to Government	Ongoing	1,000,000	7,500,000
Hospital Electronic Medical Records System	Ongoing	21,400,000	22,400,000
South County Groundwater Protection/Acquisition	Ongoing	1,000,000	8,000,000
State Land Use Planning Study	Ongoing	-	250,000
Statewide Emergency Water Interconnect Projects	Ongoing	300,000	5,000,000
Statewide Facility Master Plan	Ongoing	-	6,298,557
Total		\$ 77,060,370	\$ 237,969,652

Replacement of Fueling Tanks. The Department requests \$2.5 million from Rhode Island Capital Plan funds to be used from FY 2024 through FY 2028 to replace failing tanks at the 14 state-owned and operated fueling stations for state vehicles. The request includes \$1.0 million for FY 2024 to install tanks at the Zambarano Campus and on Pontiac Avenue, and \$1.3 million for FY 2025 and FY 2026 to replace tanks at the Veterans Cemetery. It also includes \$0.2 million for FY 2027 and FY 2028 for unforeseen tank replacement. The total request of \$5.5 million is \$0.8 million more than the approved plan, reflecting updated costs. *The Governor concurs, with the exception of excluding \$0.1 million of prior year expenses.*

State Office Reorganization and Relocation. The Department includes \$6.8 million from Rhode Island Capital Plan funds in the five-year period for redesigning office space and moving personnel and relocating storage. It should be noted that although these expenses are planned, specific projects to go with them are yet to be identified. Project costs of \$10.7 million are \$5.3 million more than the approved plan, which had assumed \$2.0 million for FY 2024 through FY 2026. *The Governor recommends \$6.4 million, which is \$750,000 more than approved to add annual funding for FY 2027 through FY 2029.*

Energy Efficiency. The request includes \$18.9 million from Rhode Island Capital Plan funds and Regional Greenhouse Gas Initiative funds, of which \$10.0 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. 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. The request is \$3.9 million more than the approved plan. It overstates prior year expenses and adds \$2.0 million for FY 2029. *The Governor recommends a total of \$19.1 million, \$0.2 million more than requested. It corrects for some overstated expenses and adds \$1.0 million in the out-years.*

Community Learning Center Matching Grant Program. Consistent with the approved plan, the request includes a total of \$81.7 million for FY 2024 from the Capital Projects Fund for matching 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. Preliminary grant allocations by cities and towns were announced on August 15. According to the Pandemic Recovery Office, final grant awards will be announced in October and subaward agreements will be formalized by the end of the calendar year. *The Governor concurs; the budget modifies the program name.*

Enterprise Resource Planning System. The Department requests \$71.6 million from all sources, including \$49.8 million from the Large Systems Initiatives Fund, to develop and implement an 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 request also assumes \$21.8 million for operating expenses; \$10.8 million would be supported by the Information Technology Restricted Receipt account, and \$11.0 million from FY 2026 through FY 2029 would be financed through agency billings. It should be noted that the human resources and payroll systems will be implemented in the fourth quarter of calendar year 2024 and operating expenses cannot be billed before then. The last module, finance, is anticipated for implementation in the second quarter of calendar year 2025. The request is \$2.9 million more than the approved plan, reflecting operating expenses added for FY 2029. *The Governor concurs and adds \$0.2 million of prior year expenses, for project cost of \$71.8 million.*

Environmental Compliance. The Department requests \$4.1 million from Rhode Island Capital Plan funds, including \$1.6 million in the five-year period, for projects that assist state agencies in maintaining compliance with all state and federal environmental rules and regulations. Funds will also be used to support the costs of mitigating asbestos, remediation of contaminated soils and other environmental issues for buildings under the Department's jurisdiction. The request is \$0.7 million more than approved, including \$0.2 million for FY 2029. It also includes new expenses of \$0.5 million for FY 2025 for testing and remediation at the University of Rhode Island; subsequently, the Department indicates that this expense may not be needed. It notes that a like amount of funding would be needed for abatement and demolition of the watch tower in Scituate. *The Governor recommends total funding essentially as requested.*

Gateway to Government. Consistent with the approved plan, the request includes a total of \$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 in order to digitalize statewide license processing and centralize management of identification and credentialing. The Department is in the process of selecting a vendor and anticipates implementation in November 2024. *The Governor concurs.*

Hospital Electronic Medical Records System. Consistent with the approved plan, the request includes \$22.4 million 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 Department estimates a 30-month implementation to be completed in December 2026. *The Governor concurs.*

South County Groundwater Protection/Acquisition. Consistent with the approved plan, the request includes \$1.8 million from approved general obligation bond proceeds to be used for FY 2024 and FY 2025 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. This project is funded from \$8.0 million of bond proceeds, authorized by the voters in 2004. *The Governor concurs.*

State Land Use Planning Study. Consistent with the approved plan, the request includes \$250,000 from Rhode Island Capital Plan funds for FY 2024 for a land use planning study of state-owned property in Exeter. The Department indicates that the study will begin in the second quarter of the fiscal year, with a completion date in early FY 2025. The approved plan includes \$57.0 million, of which \$12.0 million is from State Fiscal Recovery funds to expand existing in-state capacity at private facilities and initial design of a new female youth facility and \$45.0 million is from Rhode Island Capital Plan funds for the state to

construct such a facility; funding is included in the Department of Children, Youth and Families' budget. The facility is to be constructed on state-owned property in Exeter. *The Governor concurs.*

Statewide Emergency Water Interconnect Projects. The request includes \$0.9 million from previously approved general obligation bonds to be used in FY 2024 and FY 2025 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 interconnections are funded with \$15.0 million from bond proceeds, of which \$10.0 million was authorized by the voters in 1987 and \$5.0 million in 2004. The request is \$4.1 million less than the approved plan, reflecting the exclusion of prior year expenses. *The Governor recommends the approved \$5.0 million amount.*

Statewide Facility Master Plan. The Department requests \$3.6 million from Rhode Island Capital Plan funds to be used in FY 2024 for master plans, including \$3.0 million for a statewide deferred maintenance study and \$0.5 million for the Pastore Master Plan. It also includes \$0.1 million for a consolidated garage feasibility study; both the Department of Transportation and the Division of Motor Vehicles had previously requested funding for garages and the Rhode Island Public Transit Authority had also submitted a request to the Federal Transit Authority to make renovations to its garage. Project costs of \$6.3 million are \$0.1 million less than the approved plan. *The Governor concurs.*

Converged Endpoint Management Tool. The Department requests \$5.3 million to implement a converged Endpoint Management Tool, which enables rapid response to cybersecurity threats. This expense would be supported by agency charges. The request assumes use of \$1.0 million for FY 2024; this is unlikely to occur as billing rates in agency budgets do not assume these charges. Software costs are estimated at \$0.9 million, annually. Ongoing maintenance costs are not typically included in capital project totals. *The Governor does not recommend funding this project.*

DEM - Environmental Permitting and Licensing. The request includes the approved amount of \$5.8 million transferred to the Large Systems Initiatives Fund to make improvements to the Department of Environmental Management's information technology for online permit and licensing systems for environmental and agricultural permitting, fish and wildlife, commercial fishing, and boating registration. A vendor was selected in August 2023, and the Department anticipates the project being complete by December 2027. *The capital budget does not include this project; expenses also appear to have been inadvertently omitted from the Large Systems Initiatives Fund.*

DLT - Mainframe Legacy Modernization. The request includes the approved amount of \$19.4 million from the Large Systems Initiatives Fund to be used through FY 2026 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. The Department is in the process of reviewing the bids and anticipates a strategic planning assessment being completed by December 2023 and project completion by February 2027. *The capital budget does not include this project; funding is included in the Large Systems Initiatives Fund, consistent with the approved amount.*

Information Technology - Data Program. The Department requests \$1.3 million from the Information Technology Investment restricted receipt account for FY 2024 for a new data management system. The system will provide timely and secure access to data for authorized users. The Department notes that the request funds initial expenses and ongoing operating expenses would be \$1.5 million, including \$0.6 million to support 3.0 full-time equivalent positions, including a chief data officer and two data product leads positions, and \$0.9 million for technology investment and analytics; some of these are not capital expenses. *The capital budget does not include these expenses; the FY 2025 recommended operating budget includes \$2.1 million from the Information Technology restricted receipt account for FY 2025.*

Information Technology Restricted Receipt. The Department requests a total of \$82.5 million, and includes \$0.3 million annually in the five-year period, for contracted information technology project management staffing costs. These expenses do not meet the definition of a capital project and the approved plan excluded them from the capital budget. Of the \$4.5 million requested for FY 2024, \$1.4 million is for the E-Procurement system and \$0.6 million will be used for the Department of Health's vital records system. 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 transferred \$115.0 million to the Large Systems Initiatives Fund to support eight information technology projects. *The capital budget does not include this project.*

RI Bridges Mobile and Childcare Tracking. Consistent with the approved plan, the request includes \$6.7 million from the Large Systems Initiatives Fund to improve and expand the HealthyRhode mobile application and improve the collection of attendance data from childcare providers. Of the total project cost, \$5.0 million is for information technology expenses, \$1.0 million is for testing prior to implementation, \$0.5 million is for marketing and communications, and \$152,000 is for training and materials. *The capital budget does not include this project; funding is included in the Large Systems Initiatives Fund, consistent with the approved amount.*

RI Bridges System Enhancements. The capital budgets for the Executive Office of Health and Human Services and the Departments of Human Services, and Administration include \$80.7 million for system enhancement to the Unified Health Infrastructure System, also called RI Bridges. HealthSource RI's share is \$4.7 million, to be support by restricted health reform assessment receipts. The requests include a list of necessary system changes but do not include the individual estimates for these changes in any of the fiscal years. These include implementing budget initiatives, addressing audit findings and improving worker productivity and customer experience. *The Governor recommends \$51.7 million for FY 2024 and \$54.5 million for FY 2025 for maintenance and operations, and system enhancements in the Executive Office's budget; these expenses are excluded from the capital budget.*

RI Children's Information System. The approved plan includes \$54.7 million from all sources, including \$24.7 million from the Large Systems Initiatives Fund and \$30.0 million from federal funds, 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. The request of \$24.0 million is \$0.7 million less than approved, reflecting the exclusion of prior year expenses. The Department of Administration indicates that the project is in the design phase and is scheduled for implementation within the first quarter of FY 2026, consistent with the approved plan. *The recommended capital budget for the Department of Children, Youth and Families includes a total project cost of \$56.5 million.*

Tax Modernization. Consistent with the approved plan, the request includes \$2.3 million from the Large Systems Initiatives Fund to enhance improvements to Division of Taxation business processes and taxpayer services. From September 2022 through January 2023, various testing was conducted and the project is essentially complete. *The capital budget does not include this project; funding is included in the Large Systems Initiatives Fund, consistent with the approved amount.*

Wi-Fi and Technology at the ACI. Consistent with the approved plan, the request includes \$3.3 million from the Large Systems Initiatives Fund for the purchase and installation of Wi-Fi systems at the adult correctional institutions. The Department reported delays in obtaining the equipment; however, it noted that once the equipment is obtained, implementation should occur within two months. The request includes \$150,000 annually in the five-year period for software maintenance costs. *The capital budget does not include this project; funding is included in the Large Systems Initiatives Fund, consistent with the approved amount.*

Department of Business Regulation

Projects	Status	5 Year Total	Project Total
Vehicle Fleet	Revised	\$ 2,131,824	\$ 6,501,259
Fire Academy Expansion	Ongoing	869,100	8,331,000
Total		\$ 3,000,924	\$ 14,832,259
Sources of Funds			
Rhode Island Capital Funds		\$ 869,100	\$ 8,331,000
State Fleet Replacement Revolving Loan Fund		2,131,824	6,501,259
Total		\$ 3,000,924	\$ 14,832,259

Summary. The Department of Business Regulation requests total capital expenditures of \$18.2 million from all sources for eight projects, five of which are new. Funding in the five-year period totals \$7.4 million, including \$5.3 million from Rhode Island Capital Plan funds. *The Governor recommends \$14.8 million, \$500 more than requested, for two previously approved projects. Funding in the five-year period totals \$3.0 million, including \$0.9 million from Rhode Island Capital Plan funds.*

Vehicle Fleet. The approved plan includes \$2.0 million from the State Fleet Replacement Revolving Loan Fund, including \$0.4 million for FY 2024 and \$0.3 million for FY 2025, to replace existing vehicles on a four- to five-year cycle. At the time of its request, the Department had 73 vehicles. The Department requests \$6.5 million based on an update timeline, including \$0.2 million for FY 2024 and \$0.4 million for FY 2025. The request is \$4.5 million more than approved, almost entirely to reflect the inclusion of FY 2029 and the post-FY 2029 period for which no funds were previously budgeted. *The Governor recommends funding as requested.*

Fire Academy Expansion. The Department requests \$8.3 million from Rhode Island Capital Plan funds to expand the State Fire Academy in Exeter. Major items include an auditorium, four additional classrooms, and an equipment storage building to meet the high level of demand and expand certification offerings. The request is \$500 less than the approved plan, which the Department indicates is in error. Funds are programmed at \$6.4 million for FY 2024 and \$1.9 million for FY 2025. Compared to the approved plan, the request advances \$0.7 million from FY 2025 to FY 2024 based on the Department's expected construction timeline. As of August 2023, the Department is finalizing the project's design. *The Governor recommends funding consistent with the approved plan and delays \$0.7 million from FY 2025 to FY 2026.*

Gateway to Government. The approved plan includes \$7.5 million from Large Systems Initiatives funds in the Department of Administration's budget to implement a digital government initiative using blockchain technology. The program is intended to streamline user-interactions, improve security, reduce the administrative burden of paper forms, and standardize records across agencies. Blockchain increases the transparency and security of internet transactions and certifications. Public transaction data are scrambled by a one-way encryption, which prevents the release of sensitive personal information. The project consists of two phases and originated in the Department of Business Regulation but is now jointly managed by the Division of Information Technology and the Executive Office of Commerce. The first phase titled Blockchain Digital Identity is budgeted at \$2.5 million and is ongoing as of August 2023. It will create a single website for general registration of new businesses, combining processes currently divided across various state agencies. The second phase titled Gateway to Government is budgeted at \$5.0 million and is expected to begin in FY 2024. It will extend the system to industry-specific professional licenses and permits, subject to ongoing discussions between the Division and Executive Office.

The Department requests \$800,000 from Rhode Island Capital Plan funds, including \$200,000 annually from FY 2026 to FY 2029, to provide operating support once the project is implemented. It should be noted that the Department of Administration's capital request contains \$7.5 million, consistent with the approved plan, and the Executive Office's capital request includes \$32.5 million from Rhode Island Capital Plan funds to extend the program. Rhode Island Capital Plan funds are typically limited to capital projects related to physical assets and are not allowed for ongoing operating expenses. *The Governor recommends funding consistent with the approved plan in the Department of Administration's budget.*

Licensing Software Replacement. The Department requests \$0.9 million from Rhode Island Capital Plan funds, including \$0.2 million annually from FY 2025 to FY 2029, for a new project to replace its current outdated e-licensing platform with a modern alternative. The current platform dates back to the 1980s and is the main system used to maintain professional license records for individuals, businesses, and nonprofits under the Department's purview. The Department submitted similar requests for the past two years which were not approved. Rhode Island Capital Plan funds are typically limited to capital projects related to physical assets. *The Governor does not recommend funding for this project.*

Website Dashboard Update. The Department requests \$380,000 from Rhode Island Capital Plan funds for a new project to update its open government permitting website. The website is used by the Department and municipalities to process building, fire, zoning, and other permits. This project would update the online dashboard to provide metrics on permit applications, approvals, and completion time as well as contractor license status, complaints, and violations. The request includes \$80,000, or \$20,000 in annual recurring operating costs, programmed out to FY 2029. Rhode Island Capital Plan funds are typically limited to capital projects related to physical assets and are not allowed for ongoing operating expenses. *The Governor does not recommend funding for this project.*

Office WiFi. The Department requests \$90,000 from Rhode Island Capital Plan funds for a new project to upgrade wireless internet access. This includes providing wireless internet for the Bomb Squad office in Exeter and increasing coverage and speeds for the Department's offices at the Pastore Center. The request includes \$40,000, or \$10,000 in annual recurring operating costs, programmed out to FY 2029. Rhode Island Capital Plan funds are typically limited to capital projects related to physical assets and are not allowed for ongoing operating expenses. *The Governor does not recommend specific funding for this project.*

Monitor Replenishment. The Department requests \$18,000 from Rhode Island Capital Plan funds to purchase around 50 new monitors to replace mismatched devices and accommodate new personnel for the Office of Cannabis Regulation. The Office has dedicated restricted accounts that were created to finance necessary regulatory expenses. Rhode Island Capital Plan funds are typically limited to capital projects related to physical assets. *The Governor does not recommend specific funding for this project.*

Seed to Sale Information Technology. The Department requests \$1.2 million from Rhode Island Capital Plan funds, including \$230,000 annually from FY 2025 to FY 2029, for recurring licensing costs associated with marijuana-related information technology services. Its system allows inspectors and auditors to automate code compliance for customers and prevent abuse of the home-grow system. The Office of Cannabis Regulation contracted two vendors in May 2022 to develop the system, which was completed in FY 2023. Work was funded from medical marijuana restricted receipts which would otherwise have been transferred to general revenues. The 2022 Assembly authorized a restricted account to collect new adult use marijuana receipts. These restricted accounts were created to finance necessary regulatory expenses. Rhode Island Capital Plan funds are typically limited to capital projects related to physical assets and are not allowed for ongoing operating expenses. *The Governor does not include this project in his capital budget; however, his operating recommendation includes the enacted amount of \$0.3 million annually for recurring licensing costs.*

Executive Office of Commerce

Projects	Status	5 Year Total	Project Total
Quonset Port Road	New	\$ 20,000,000	\$ 20,000,000
Quonset Infrastructure	New	7,500,000	7,500,000
Quonset Carrier Pier	New	2,250,000	2,250,000
I-195 Redevelopment District Parks	Revised	3,000,000	7,000,000
I-195 Redevelopment District	Ongoing	2,746,180	7,687,055
South Quay Marine Terminal	Ongoing	-	35,000,000
Port of Davisville	Ongoing	-	65,000,000
Port of Providence	Ongoing	9,183,841	20,000,000
Broadband Infrastructure	Ongoing	-	24,956,500
Industrial Site Development	Ongoing	32,900,000	40,000,000
Port of Davisville Infrastructure at Quonset	Ongoing	3,200,000	20,000,000
Innovation Campus	Ongoing	13,799,405	20,000,000
Total		\$ 94,579,426	\$ 269,393,555
Sources of Funds			
Federal - ARP - SFRF		\$ -	\$ 100,000,000
Federal - ARP - CPF		-	24,956,500
General Obligation Bonds - New		20,000,000	20,000,000
General Obligation Bonds		59,083,246	104,000,000
Rhode Island Capital Funds		15,496,180	20,437,055
Total		\$ 94,579,426	\$ 269,393,555

Summary. The Executive Office of Commerce requests total expenditures of \$296.2 million for 13 projects, three of which are new. Funding in the five-year period is \$121.7 million, including \$5.5 million from federal funds, \$62.2 million from general obligation bond proceeds approved by voters on the November 2016 and March 2021 ballots, and \$54.0 million from Rhode Island Capital Plan funds. *The Governor recommends \$269.4 million for 12 projects, 3 of which are new. This is \$26.8 million less than requested, including \$27.2 million less in the five-year period.*

Quonset Port Road. The Executive Office requests \$20.0 million from Rhode Island Capital Plan funds, including \$10.0 million for each FY 2025 and FY 2026, for a new project to prepare landside facilities and infrastructure at Quonset for offshore wind development. The project will develop 40 acres of laydown space appropriate for assembling offshore wind structures as well as an oversized freight corridor linking the storage site to where Pier 5 will be located. The Quonset Development Corporation indicates that the port currently does not have available laydown space of sufficient size and its roadways need to be wider, straighter, and clearer of obstacles such as overhead utility lines in order to accommodate wind turbine components. The Executive Office indicates that its intended fund source was new general obligation bonds to be placed on the November 2024 ballot. Annual debt service would be \$1.7 million assuming a 5.0 percent interest rate and a 20-year term; total debt service would be \$32.0 million. *The Governor recommends \$20.0 million from new general obligation bonds, consistent with the intended request.*

Quonset Carrier Pier. The Executive Office requests \$2.3 million from Rhode Island Capital Plan funds for FY 2025 for a new project to conduct design, review, and permitting work needed to replace the carrier pier at Quonset State Airport. Senesco Marine currently leases the pier and 30 acres within Quonset

Business Park for use as a shipyard, supporting 365 permanent jobs. The Quonset Development Corporation indicates the pier has deteriorated and must be replaced in order for Senesco to continue its operations. The request represents predevelopment and evaluation work to replace and reconfigure the pier to better suit current usage. Final replacement of the pier is estimated to cost between \$30 million and \$60 million. The Corporation indicates that federal and private funds may be available; however, requested work is prerequisite for any federal grant application. *The Governor recommends funding as requested.*

Quonset Infrastructure. The Quonset Development Corporation manages infrastructure for the Quonset Business Park to support around 14,000 employees at more than 239 tenant companies. It maintains infrastructure such as roadways, water supply and distribution systems, Corporation buildings, a wastewater treatment facility, and associated equipment. The Executive Office's capital request does not include funding to support public works at the business park. Subsequent to submission of the formal capital request, the Corporation made a separate request to the Administration for \$7.5 million from Rhode Island Capital Plan funds for a new project to modernize and expand infrastructure to accommodate new tenants. *The Governor recommends \$7.5 million, including \$2.5 million annually from FY 2025 to FY 2027.*

I-195 Redevelopment District Parks. The Executive Office requests \$4.6 million, including \$4.0 million from general obligation bond proceeds approved in the March 2021 special election and \$0.6 million from Rhode Island Capital Plan funds, to finance infrastructure and development projects for the District's parks. The approved plan includes only the \$4.0 million from general obligation bond proceeds. Work includes a food and beverage service pavilion, utility infrastructure, and landscaping. The plan assumes vendor revenues will offset operating costs for the park, reducing the need for state operating support over time. The Commission approved the concept design of the pavilion on August 18, 2023; however, estimated costs to fulfill its plan are greater than available funds. Its request adds \$0.6 million from Rhode Island Capital Plan funds to meet the estimated financing gap. *The Governor recommends \$2.4 million more from Rhode Island Capital Plan funds based on final cost estimates for the pavilion.*

I-195 Redevelopment District. The Executive Office requests \$7.8 million from Rhode Island Capital Plan funds to support the Commission's planning and zoning expenses. The request includes \$0.1 million more for FY 2025 than the approved plan based on the timeline for ongoing development projects. The Commission reports there are nine active development projects. 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 Executive Office indicates that its request unintentionally excludes \$0.2 million from unspent FY 2023 funds that it intended to request for FY 2024. *The Governor's recommendation includes \$0.2 million less than requested for FY 2025 based on updated estimates and shifts the \$0.2 million from unspent FY 2023 funds to FY 2024.*

South Quay Marine Terminal. The Executive Office requests \$35.0 million from State Fiscal Recovery funds for FY 2024 for a project to create a South Quay Marine Terminal in East Providence. Work includes a 525-foot berth and laydown space. Since FY 2020, the Commerce Corporation has awarded but not yet certified \$15.0 million from Rebuild Rhode Island tax credits and \$0.2 million in Site Readiness grants to Rhode Island Waterfront Enterprises for initial dredging, infrastructure upgrades, and design work. The terminal and related upgrades to waterfront port facilities are part of a statewide infrastructure expansion plan focused around the blue economy. Consistent with the Governor's recommendation, the 2022 Assembly provided \$35.0 million as matching funds for a then-pending Economic Development Administration grant, which was not awarded. The 2023 Assembly stipulated that these funds may only be used if sufficient matching funds for completion of the project are committed by February 1, 2024.

As of September 2023, the Executive Office estimates that the first phase for initial development of the site is \$82.6 million, including build out of 18 acres and a 525-foot berth. Total costs for the entire 33-acre facility are estimated at \$212.5 million, which will include berthing and landside improvements specialized

for offshore wind developers. In October 2023, the Corporation announced a \$35.0 million private sector commitment and a ground lease was signed. *The Governor recommends funding as requested.*

Port of Davisville. Consistent with the approved plan, the Executive Office requests \$65.0 million from State Fiscal Recovery funds, including \$6.0 million spent in FY 2023 and \$59.0 million for FY 2024 to support infrastructure at the Port of Davisville. This includes \$5.0 million approved by the 2023 Assembly for additional work related to pier specialization for offshore wind development. The funds support 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 berthing and growth capacity. *The Governor recommends funding as requested.*

Port of Providence. Consistent with the approved plan, the Executive Office requests \$20.0 million from general obligation bonds approved on the November 2016 ballot for land acquisition and infrastructure improvements to the Port of Providence. Expansion and improvements at the port are anticipated to attract three to four new tenants through container port development or other market-driven operations. The request reflects yet another delay, shifting \$12.5 million from FY 2023 to later years, including \$0.8 million to FY 2024, \$5.0 million to FY 2025, and \$6.7 million to FY 2026. The Executive Office indicates it acquired one large parcel in FY 2022 for \$7.5 million and is under contract for two adjacent parcels valued at a total of \$0.7 million. It previously identified one final parcel expected to exhaust all remaining funds, however that deal did not proceed. The request recognizes that completion is not imminent. *The Governor's recommendation includes \$2.5 million less for FY 2026 to account for a similar increase to prior year spending.*

Broadband Infrastructure. The approved plan includes \$25.0 million from federal Capital Projects funds to invest in broadband projects to provide high-speed, reliable internet to all Rhode Islanders. These funds are intended to match or augment projects receiving federal funds for broadband through the Infrastructure Investment and Jobs Act and the Digital Equity Act, both passed in 2021. 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 and community buildings; however, matching funds and a five-year statewide strategic plan are required. The strategic plan was submitted in December 2022. The Executive Office requests \$13.4 million for FY 2023, \$6.8 million for FY 2024, \$4.6 million for FY 2025, and \$0.9 million for FY 2026. The request inadvertently overstates funding in FY 2023 by \$0.8 million.

In June 2023, Rhode Island was awarded \$108.7 million through the Infrastructure Investment and Jobs Act. As of January 2024, the federal government had not yet announced how Digital Equity Act funds will be awarded. *The Governor's recommendation includes the enacted amount of \$25.0 million for FY 2024.*

Industrial Site Development. Consistent with the approved plan, the Executive Office requests \$40.0 million from general obligation bonds voters approved in March 2021 for offshore wind and industrial site development, reshoring of jobs, and economic revitalization. The request delays funding to more closely reflect observed enrollment trends. 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 July 2023, the program had enrolled 16 sites. If the Corporation funds a project, it is required to secure a Rhode Island benefits agreement. The FY 2020 and FY 2021 budgets each included \$1.0 million to fund a pilot of this program, which resulted in 28 investment awards. Compared to the approved plan, the request shifts \$6.6 million expected to be spent by FY 2024 to FY 2028, extending completion by a full year. *The Governor's recommendation reflects \$0.1 million more in prior year spending and includes \$0.5 million more for FY 2024 and \$0.6 million less for FY 2028.*

Port of Davisville Infrastructure at Quonset. Consistent with the approved plan, the Executive Office requests \$20.0 million from general obligation bonds approved by voters in March 2021 to support infrastructure at the Quonset Business Park. Compared to the approved plan, the request advances \$2.8 million from FY 2025 to FY 2024 to reflect an updated project schedule. Bond proceeds support the port's 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's recommendation shifts \$0.4 million from unspent prior year funds to FY 2024.*

Innovation Campus. Consistent with the approved plan, the Executive Office requests \$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 products. The request shifts \$8.2 million from FY 2023 and programs \$4.0 million for FY 2024, \$7.3 million for FY 2025, \$5.8 million for FY 2026, and \$250,000 annually for the FY 2027 through FY 2029 period.

During fall 2017, the initial request for proposals was released for four projects, some of which have since been deobligated. In spring 2022, the Executive Office preliminarily allocated four awards to projects associated with a then-pending Economic Development Administration grant, which Rhode Island was not awarded. Three of the awards were subsequently deobligated. Through August 2023, \$11.1 million remains committed to four projects and \$2.2 million has been disbursed. *The Governor's recommendation shifts \$0.1 million from unspent prior year funds to FY 2024.*

Gateway to Government. The approved plan includes \$7.5 million from Large Systems Initiatives funds in the Department of Administration's budget to implement a digital government initiative using blockchain technology. The program is intended to streamline user-interactions, improve security, reduce the administrative burden of paper forms, and standardize records across agencies. The project consists of two phases and originated in the Department of Business Regulation but is now jointly managed by the Division of Information Technology and the Executive Office of Commerce. The first phase titled Blockchain Digital Identity is budgeted at \$2.5 million and is ongoing as of August 2023. It will create a single website for general registration of new businesses, combining processes currently divided across various state agencies. The second phase titled Gateway to Government is budgeted at \$5.0 million and is expected to begin in FY 2024. It will extend the system to industry-specific professional licenses and permits, subject to ongoing discussions between the Division and Executive Office.

The Executive Office requests \$32.5 million from Rhode Island Capital Plan funds to extend the program and transfer it from the Department of Administration. Funds are programmed at \$2.5 million in prior year spending and \$5.0 million annually from FY 2024 to FY 2029. Notably, the Department of Administration's capital request contains \$7.5 million, consistent with the approved plan, and the Department of Business Regulation's capital request includes \$0.8 million to provide future operating support. Rhode Island Capital Plan funds are typically limited to capital projects related to physical assets and are not allowed for ongoing operating expenses. *The Governor's capital recommendation includes funding consistent with the approved plan in the Department of Administration's budget.*

I-195 Redevelopment District Offramp. The Executive Office requests \$3.3 million from Rhode Island Capital Plan funds for FY 2025 for a new project to relocate an offramp in the I-195 District to accommodate development projects on parcels 6, 8, 8a, and 9, alleviating congestion concerns. The I-195 Commission completed a traffic study of the east side of the district in December 2022 which found that relocating the offramp to connect at Tockwotton Street instead of Pike Street will enhance traffic flow and pedestrian safety. The project also includes associated signage, rights of way, and a new connection between Pike Street and Alves Way. *The Governor does not recommend funding for this project.*

Department of Housing

Projects	Status	5 Year Total	Project Total
Affordable Housing	Revised	\$ 116,000,000	\$ 205,000,000
Total		\$ 116,000,000	\$ 205,000,000
Sources of Funds			
General Obligation Bonds - New		\$ 100,000,000	\$ 100,000,000
General Obligation Bonds		16,000,000	105,000,000
Total		\$ 116,000,000	\$ 205,000,000

Summary. The Department of Housing requests total expenditures of \$205.5 million for two projects, one of which is new. Funding in the five-year period is \$116.4 million, including \$100.0 million from new general obligation bonds to be placed on the November 2024 ballot, \$16.0 million from general obligation bonds approved in 2016 and 2021, and \$0.4 million from Rhode Island Capital Plan funds. *The Governor recommends \$205.0 million for one project. Funding in the five-year period is \$116.0 million, including \$100.0 million from new general obligation bonds and \$57.4 million from previously approved bonds.*

Affordable Housing. The approved plan includes \$105.0 million from general obligation bond proceeds approved by the voters in 2016 and 2021 to support affordable housing and community development. As of September 2023, only \$0.4 million remains unobligated and \$47.6 million has been spent. Of the \$65.0 million approved in March 2021, the Department has allocated \$55.0 million to support the development or rehabilitation of affordable housing and \$10.0 million to finance acquisition and redevelopment of blighted properties in disadvantaged communities to increase the number of commercial and public spaces, and affordable housing.

The Department requests \$100.0 million from a new general obligation bond to be placed before the voters on the November 2024 ballot for housing development, redevelopment, and homelessness support programs. Annual debt service would be \$8.3 million, assuming a 5.0 percent interest rate and a 20-year term; total debt service would be \$160.1 million. Newly requested bonds are programmed at \$29.2 million for FY 2025, \$37.5 million for FY 2026, and \$33.3 million for FY 2027. The request allocates \$50.0 million for affordable housing, \$24.0 million for homelessness support programs, \$16.0 million for development-associated activities, and \$10.0 million for blight remediation. The request would extend several programs currently funded from State Fiscal Recovery funds for which the enacted budget includes a total of \$317.4 million. It is unclear exactly how the new programs would work and if the uses align with 20-year financing. *The Governor's recommendation includes funding consistent with the request and programs new bonds at \$34.6 million for FY 2026, \$43.7 million for FY 2027, and \$21.7 million for FY 2028. Compared to the request, recommended bond question language does not allocate funds to specific uses, includes promoting homeownership, and excludes homelessness supports.*

Asset Protection. The Department requests \$0.5 million from Rhode Island Capital Plan funds, including \$75,000 annually from FY 2025 to the post-FY 2029 period, for new asset protection projects at 662 Hartford Avenue and the Shepard Building. In January 2023, the Department awarded funds to Crossroads Rhode Island for an emergency shelter for couples at 662 Hartford Avenue, a former group home. Management of the facility was transferred from the Division of Capital Asset Management and Maintenance to the Department in November 2022. The Department has identified three distinct asset protection projects needed at the facility, including roof replacement, a new boiler, and flooring renovation. The Department indicates funds may also be used to upgrade and reconfigure space in the Shepard Building,

where it intends to relocate. It should be noted that funding for asset protection projects at that facility already appears in the Department of Administration's budget. Housing currently occupies space leased by the Commerce Corporation that is insufficient to accommodate new personnel approved by the 2023 Assembly. *The Governor does not recommend funding for this project. The Department of Administration's capital budget recommendation includes increased funding for asset protection projects at the Shepard building.*

Department of Labor and Training

Summary. The Department of Labor and Training requests \$38.4 million for 12 projects, of which 11 are new information technology related projects. The request includes \$28.1 million for the five-year period, including \$13.5 million from the Large Systems Initiatives Fund, created during 2023. Most projects do not have an identified source of funding. *The Governor's capital recommendation includes funding as requested in the Department of Administration for one previously approved project.*

DLT Mainframe Legacy Modernization. The approved plan includes \$19.4 million from Large Systems Initiative funds in the Department of Administration's budget for 11 projects consolidated into one initiative. This includes a strategic plan and vendor services; replacing the Department's mainframe; employer tax, federal accounting, temporary disability, and workforce regulation computer systems; developing a data lake for use by these new systems; and replacing hardware for the workforce regulation, business affairs and review board.

The current capital request submitted by the Department of Labor and Training reduces the scope to only five consolidated projects, excludes the projects for federal accounting, data lake development, and hardware replacement for workforce regulation, business affairs and the review board, but maintains the approved funding level. The Department reports some components, including the hardware replacement projects, were reprioritized based on the cost escalation of other project components. It anticipates the employer tax, temporary disability, and workforce regulation systems to begin this year, and completion of the strategic plan. *The Governor recommends funding as requested for the five consolidated projects.*

DLT UI/TDI Reservation System. The Department requests \$2.0 million from unidentified agency funds for the FY 2024 through FY 2029 period to establish a reservation system to schedule appointments with the call center, rather than requiring customers to remain on hold. The Department reports internal requirements are being developed; its estimates are based on implementation in two other unspecified states. The request includes \$500,000 for FY 2024 and operating costs of \$300,000 annually thereafter. In his March 22, 2023 testimony to the House Finance Committee, Director Weldon reported that the Department had instituted an online call-back portal which allows its staff to call users back the same day. *The Governor's capital recommendation excludes this project.*

UI/TDI Connect Call Center. The Department requests \$900,000 from unidentified agency funds to continue the enhancement and buildout of the Amazon Web Services Call Center Connect technology utilized by the unemployment insurance unit, and incorporate the disability insurance unit into the same technology. The Department reports that the unemployment insurance unit is currently operating on both the connect and legacy systems; disability insurance uses only the legacy system. The request includes \$100,000 for FY 2024 to complete the unemployment insurance system and \$400,000 for FY 2025 to develop the disability insurance system; subsequent costs are \$100,000. *The Governor's capital recommendation excludes this project.*

TDI IVR System Replacement. The Department requests \$450,000 from unidentified agency funds to replace the disability program's existing interactive voice response system, which it reports the vendor will no longer update. An interactive voice response system is an automated system that directs callers to an appropriate customer service representative or provide access to information. The request programs \$200,000 for FY 2024 and \$50,000 annually thereafter for operating expenses. The Department reports this is a further development of the call center project, discussed separately. *The Governor's capital recommendation excludes this project.*

DLT Data Analytics Enhancements. The Department requests \$825,000 from unidentified agency funds for contracted professional services to develop alternative data analytics. These expenses are more appropriate for the operating budget. *The Governor's capital recommendation excludes this project.*

DLT Laptop / Monitor Refresh. The Department requests \$1.5 million from unidentified agency funds to replace its laptops, and potentially some monitors, on a triennial basis. The request programs \$0.3 million annually, assuming annual replacement of 166 laptops, with monitors replaced on an as-needed basis. The Department reports having over 475 laptops for its 461.7 authorized positions; the request assumes a total of 498 units are replaced triennially. *The Governor's capital recommendation excludes this project.*

Imaging Systems Foundational Upgrades, Integration and Enhancements. The Department requests \$3.6 million from unidentified agency funds to address deferred maintenance and necessary upgrades for its existing imaging system, and to enhance and improve the imaging capabilities, including allowing Department employees remote document access. These are for the units that support workforce regulation and safety, as well as unemployment, disability and workers' compensation insurance. The request assumes \$1.1 million for FY 2024, of which \$0.4 million is for professional services or staff augmentation and \$0.2 million is for the units' initial expenses; it programs \$0.5 million annually thereafter for operational expenses. The business affairs and workforce regulation and safety projects appear to be the same projects the 2022 Assembly approved as a component of the DLT Mainframe Legacy Modernization project for FY 2023. The Department has noted some components of that project have been reprioritized based on the cost escalation of other project components. *The Governor's capital recommendation excludes this project.*

DLT Fax Server Modernization. The Department requests \$1.1 million from unidentified agency funds to improve and expand its fax services. Development costs are \$200,000 for FY 2024 and \$500,000 for FY 2025, with \$100,000 annually thereafter to support operating expenses. The intent is to centralize fax capability and integrate it with the imaging systems workflow for its various units. *The Governor's capital recommendation excludes this project.*

Wi-Fi Deployment - Center General. The Department requests \$170,000 from unidentified agency funds to install Wi-Fi hotspots within the Pastore campus buildings to better support its operations. The request programs \$120,000 for FY 2024 for the installation and \$10,000 annually for maintenance expenses. The Department requested this project for FY 2023 for \$100,000. It was not recommended by the Governor or approved by the Assembly. *The Governor's capital recommendation excludes this project.*

DLT Conference Room/Hearing Room Tech Upgrades. The Department requests \$270,000 from unspecified agency funds to install cameras, monitors, and microphones for onsite and remote meetings. The request programs \$150,000 for FY 2024 and \$100,000 for FY 2025 and \$5,000 annually thereafter for ongoing operating costs. The Department requested this project last year, with \$250,000 for first year installation costs and \$15,000 annually for maintenance. Neither the Governor nor the Assembly concurred. *The Governor's capital recommendation excludes this project.*

DLT Printing Consolidation, Printer Refresh and Upgrades. The Department requests \$900,000 from unidentified agency funds to either purchase new printers or establish a centralized printing system with multifunctional machines. The Department replaces its printers as needed, but is reportedly without a long-term printing strategy. It programs \$200,000 for FY 2024 and \$300,000 for FY 2025. The submission reports that printing supplies and costs will be determined following an assessment but includes \$100,000 annually for the expense. *The Governor's capital recommendation excludes this project.*

ITIF Projects Operations Expenses. The Department requests \$7.3 million from unidentified agency funds for outyear operating expenses related to projects funded by the Information Technology restricted receipt account. It programs \$0.5 million each for FY 2025 and FY 2026, and \$2.1 million annually thereafter. *The Governor's capital recommendation excludes this project.*

Department of Revenue

Projects	Status	5 Year Total	Project Total
Lottery - Office Space	Revised	\$ -	\$ 1,910,000
Lottery - HVAC	Revised	1,000,000	1,000,000
Total		\$ 1,000,000	\$ 2,910,000
Sources of Funds			
Other Funds		\$ 1,000,000	\$ 2,060,000
Rhode Island Capital Funds		-	850,000
Total		\$ 1,000,000	\$ 2,910,000

Summary. The Department of Revenue requests \$4.4 million, including \$0.9 million from Rhode Island Capital Plan funds for three projects of which one is new. Subsequent to its request submission, the Department noted that some requested changes to the approved plan were inadvertent. *The Governor recommends \$2.9 million for two revised projects, including \$1.0 million from lottery funds during the five-year period.*

Lottery - Office Space. The Department requests \$1.9 million, of which \$0.9 million is from Rhode Island Capital Plan funds with the remainder from lottery funds, to develop additional office space and install a generator to support portions of the facility. The Department’s operating and capital requests for FY 2023 and FY 2024 were inconsistent. The Governor’s capital and operating recommendations maintained those inconsistencies. The 2023 Assembly provided funding consistent with the Governor’s capital recommendation, but funded all projects during FY 2024, based on spending through the third quarter.

The request consolidates two projects assumed separately within the approved plan. The plan includes \$1.5 million, including \$0.9 million from Rhode Island Capital Plan funds for those projects. The request inadvertently adds \$0.5 million and the Department subsequently reported its intent to request funding consistent with the approved plan. *The Governor’s capital budget includes funding as requested. This is inconsistent with the operating recommendation which includes the one-time funding consistent with the approved plan.*

Lottery - HVAC. The approved plan includes \$0.8 million from lottery funds to replace the Lottery’s 20-year old heating, ventilation and air conditioning system during FY 2024. The existing system uses refrigerant which is subject to a federal restriction for use and a mandated production phase-out. The Department’s request inadvertently excludes that funding. The request includes \$1.0 million from lottery funds over FY 2025 and FY 2026; the cost escalation primarily reflects the delayed timeline compared to the approved plan. *The Governor recommends funding as requested. This is inconsistent with the operating recommendation which excludes the one-time funding consistent with the approved plan.*

Tax Credit Management System. The Department requests \$1.5 million from other funds to purchase software for its integrated tax system to monitor tax credits and aid in compliance. The Department does not have a specific source of funding identified or preferred. The Division of Taxation currently performs the monitoring and compliance functions outside of the integrated tax system.

The enacted budget includes \$5.7 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 authorized \$2.3 million to migrate the system to a cloud-based technology, which is anticipated to be complete early in FY 2024. It also provided \$0.6 million to replace the Division of Taxation's document scanning hardware, which were at end of service life; those scanners were installed prior to the 2023 tax season. This request programs an additional \$0.8 million each year for FY 2025 and FY 2026. *The Governor does not recommend funding.*

Office of the Secretary of State

Projects	Status	5 Year Total	Project Total
State Archives and History Museum	New	\$ 101,655,491	\$ 101,655,491
Total		\$ 101,655,491	\$ 101,655,491
Sources of Funds			
G.O. Bonds - New		\$ 60,000,000	\$ 60,000,000
Other Funds		31,655,491	31,655,491
Rhode Island Capital Funds		10,000,000	10,000,000
Total		\$ 101,655,491	\$ 101,655,491

Summary. The Office of the Secretary of State requests \$96.5 million from Rhode Island Capital Plan funds for four new projects during the five-year period. Three of them are information technology projects for which Rhode Island Capital Plan funds may not be an appropriate fund source. *The Governor recommends \$101.7 million for one new project. This includes \$60.0 million from new general obligation bond funds to go before the voters in November 2024.*

State Archives and History Museum. The Office requests \$90.0 million from Rhode Island Capital Plan funds to develop a new state archives facility on a site located on Capitol Hill in Providence; documents sent in support of the request assume a 52,000 square foot building located adjacent to the William Powers building. The request is based on a 2018 state-funded analysis, an update to which was expected by October 15, 2023. The request notes the office is seeking about \$15.0 million from undefined federal funds to reduce the state's costs. The request programs \$18.0 million for FY 2025, \$52.0 million for FY 2026 and \$20.0 million for FY 2027. The subsequent update was provided during November and projected costs of \$101.7 million.

The request notes that Rhode Island is the only state to utilize commercially-leased space for its archives and the only New England state without a purpose-built, state-owned facility. 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 recommends \$101.7 million, including \$60.0 million from new general obligation bond funds to go before the voters in November 2024, \$10.0 million from Rhode Island Capital Plan funds, and \$31.7 million from private funding. His capital budget programs the Rhode Island Capital Plan funds from FY 2025 to FY 2027 and the other funding for FY 2027 and FY 2028.

Business Information and Management System. The Office requests \$5.5 million from Rhode Island Capital Plan funds to upgrade its business services information technology with either a proprietary or custom system to support its various filing functions, including: business entity filings, notaries public and apostilles, marriage officiants, designation or certification of non-resident landlords, games of chance, non-resident owners of amusements, order certificates and the Uniform Commercial Code. It subsequently noted that a custom system is likely no less than 24 months from bid to launch, whereas a proprietary system is estimated at 12 to 18 months. This suggests funding being programmed over multiple years; however, the request programs all funding for FY 2025. Rhode Island Capital Plan funds are typically limited to physical assets. *The Governor does not recommend this project.*

OpenGov Application and Website. The Office requests \$750,000 from Rhode Island Capital Plan funds to reprogram the state's OpenGov application and website to improve three applications that share an integrated interface: the government directory, open meetings portal, and boards and commissions appointments functions.

The 2023 Assembly enacted legislation, submitted by request by the Secretary of State, mandating an up-to-date directory of Rhode Island's federal, state, local and quasi-governmental entities; the integrated nature of the interface creates an opportunity to improve the functionality of all three features. The request programs \$400,000 and \$350,000 for FY 2025 and FY 2026, respectively. Rhode Island Capital Plan funds are typically limited to physical assets. *The Governor does not recommend this project.*

Replacement MX7000 Modular. The Office requests \$250,000 from Rhode Island Capital Plan funds for FY 2025 to replace its central information technology infrastructure. The manufacturer reports the existing system will reach end of service life as of June 2026.

The request notes that all of the current applications for the Office operate within this infrastructure and end of service life typically includes security patches, which is a risk to all systems, but particularly the systems for the Elections and Civics divisions. The request programs funding for FY 2025 and notes that the replacement process is two to three months with a single \$250,000 payment. Rhode Island Capital Plan funds are typically limited to physical assets. *The Governor does not recommend this project.*

Public Utilities Commission

Projects	Status	5 Year Total	Project Total
Asset Protection	Ongoing	\$ 500,000	\$ 625,000
Total		\$ 500,000	\$ 625,000
Sources of Funds			
Restricted Receipts		\$ 500,000	\$ 625,000
Total		\$ 500,000	\$ 625,000

Summary. The Public Utilities Commission requests \$625,000 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 2024 through FY 2028. This includes \$500,000 to be spent in the five-year period. The project comprises five sub-projects ranked as follows: first floor water mitigation, interior renovations and upgrades, rubber roof membrane replacement, exterior window replacement, and parking lot and handicap accessibility improvements. The request includes no funding for FY 2029. *The Governor recommends funding as requested.*

Executive Office of Health and Human Services

Summary. The Executive Office of Health and Human Services requests \$421.0 million for four information technology projects, including \$377.8 million from federal funds, \$42.5 million from general revenues, and \$0.7 million from restricted receipts. The request includes \$28.2 million for pre-FY 2025 expenses and \$392.8 million for FY 2025 through FY 2029. *The Governor does not include these projects in his capital plan. His budget does include support for all of these in FY 2024 and FY 2025, which is discussed separately in the Agency Analysis section of the publication.*

Medicaid Enterprise System. The Executive Office requests \$353.3 million for a Medicaid Enterprise System to replace the current Medicaid Management Information System. This includes \$318.0 million from federal funds and \$35.3 million from general revenues. The Executive Office included \$34.3 million in its FY 2024 through FY 2028 capital request, which was not recommended, but \$3.1 million for FY 2023 and \$6.0 million for FY 2024 was provided in its operating budget.

The request for FY 2024 is consistent with the enacted budget and also includes \$83.5 million for FY 2025, \$96.3 million for FY 2026, \$56.2 million for FY 2027, \$56.0 million for FY 2028 and \$55.4 million for FY 2029. Expenses over the five-year plan include: \$21.1 million for project planning, \$9.0 million for an independent verification and validation vendor, and \$323.2 million to replace the system. *The Governor recommends \$6.0 million for FY 2024 and \$46.1 million for FY 2025 for maintenance and operations and system enhancements, but as noted excludes this project from the capital budget.*

RI Bridges System Enhancements. The Executive Office requests \$57.2 million to support system enhancements to the state Unified Health Infrastructure System, also called RI Bridges. The request includes \$44.2 million for FY 2025 through FY 2029 and \$12.9 million for FY 2024. The Departments of Human Services and Administration also submitted capital requests of \$18.8 million and \$4.7 million, respectively, for total project funding of \$80.7 million. The requests include a list of necessary system changes but do not include the individual estimates for these changes in any of the fiscal years.

Expenses for the system from FY 2016 through the FY 2024 enacted budgets total \$692.2 million, including \$141.0 million from general revenues. This includes design, development and implementation, and maintenance and operations. The FY 2024 enacted budget includes \$58.3 million, of which \$14.4 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 recommends \$51.7 million for FY 2024 and \$54.5 million for FY 2025 for maintenance and operations and system enhancements, but as noted excludes this project from the capital budget.*

eLTSS Information Technology Modernization. The Executive Office requests \$6.3 million in its five-year capital plan to establish one unified electronic long-term services and supports technology system. The stated goal is to streamline the eligibility process, which is currently being performed through several entities, including the Department of Human Services' Long Term Care Unit and the Office of Healthy Aging. The proposed cloud-based system will also include assessments and meet federal requirements for the state to provide person-centered planning and increase program choice and accessibility.

This project is part of the Executive Office's federally approved plan to spend \$158.1 million from the American Rescue Plan Act to allow for an additional ten percentage points of Medicaid reimbursement on eligible home and community-based services delivered from April 1, 2021 through March 31, 2022. The program requires that general revenue savings be reinvested to fund expansionary home- and community-based activities. Funds must be spent before March 31, 2026. The capital request includes \$4.7 million from these time-limited funds to operate the system beginning in March 2022 through FY 2025. On February 28, 2022, a contract was signed with WellSky to operate the system, which will be fully functional

in FY 2026. The request projects \$0.4 million in annual costs beginning with FY 2026, with general revenues matching federal Medicaid funds. *The Governor recommends \$3.1 million in FY 2024 and \$1.9 million in FY 2025 for the multi-year project, but as noted excludes this project from the capital budget.*

CurrentCare Opt-Out Implementation. The Executive Office requests \$4.3 million to change the enrollment process in CurrentCare, the state's Health Information Exchange, from an opt-in to an opt-out one to comply with a statutory change made by the 2021 Assembly. This includes \$3.8 million from federal funds and \$0.4 million from general revenues. The request includes \$1.6 million for FY 2024, \$0.8 million for FY 2025 and \$0.3 million each for FY 2026 through FY 2029 to cover design, development, and implementation costs for the transition to the opt-out model, as well as operational, technical, project management, regulatory compliance, and communication costs. The Executive Office made a similar request in its prior capital budget, which was not included in the Governor's capital budget recommendation. He did recommend and the Assembly concurred with providing \$1.6 million for FY 2024 as part of the operating budget. The current request appears to be consistent with that. *The Governor recommends \$5.4 million in FY 2024 and \$6.0 million for FY 2025, but as noted excludes this project from the capital budget.*

Department of Children, Youth and Families

Projects	Status	5 Year Total	Project Total
RICHIST System Replacement	Revised	\$ 14,000,000	\$ 56,540,854
DCYF Fleet	Revised	780,000	3,252,320
Psychiatric Residential Treatment Facility Modification	Ongoing	1,999,500	11,000,000
Residential Treatment Modification	Ongoing	30,000,000	45,000,000
Rhode Island Training School Asset Protection	Ongoing	1,250,000	4,228,648
Total		\$ 48,029,500	\$ 120,021,822
Sources of Funds			
Federal Funds		\$ 5,600,000	\$ 29,190,427
Federal Funds - ARPA - SFRF		1,999,500	11,000,000
General Revenues		8,400,000	24,000,000
Large Systems Initiative Fund		780,000	6,602,747
Rhode Island Capital Funds		31,250,000	49,228,648
Total		\$ 48,029,500	\$ 120,021,822

Summary. The Department of Children, Youth and Families requests \$48.1 million for the five-year period for total project costs of \$117.7 million. Funding in the five-year plan includes \$31.3 million from Rhode Island Capital Plan funds, \$7.6 million from federal funds, \$8.4 million from the Large Systems Initiative Fund, and \$0.9 million from general revenues. The request is for seven projects; two are new. It is \$1.6 million more than the approved plan. *The Governor recommends total project costs of \$120.0 million for five projects, including \$48.0 million to be spent in the five-year period and \$66.5 million for FY 2024.*

RICHIST System Replacement. The Department requests \$56.5 million, including \$24.7 million from the Large Systems Initiative Fund, \$27.7 million from federal funds, and \$3.4 million from general revenues for a new information system to replace the current Rhode Island Children’s Information System. The request includes \$42.5 million for FY 2024 which is \$4.2 million more than approved, including \$1.5 million more from federal funds and \$2.7 million more from state sources which reflects updated cost estimates. Consistent with the approved plan, the request includes \$8.0 million and \$6.0 million for FY 2025 and FY 2026, respectively. The assumed state share is 1.3 percent more than the approved plan which reflects updated vendor estimates.

The Department has completed the design and implementation plan which has been approved by the appropriate federal agency, and is awaiting the Department of Administration to approve a request for proposals for an implementation vendor. *The Governor recommends funding as requested with minor adjustments between prior year expenses and FY 2024.*

DCYF Fleet. The Department requests \$3.3 million from general revenues to replace vehicles in its fleet during FY 2024 and for lease expenses from replacing all of its state-owned vehicles with a fully leased fleet by FY 2030. The Department initiated purchase orders for 73 vehicles during FY 2023 for a total of \$2.5 million, including \$2.0 million of unexpended FY 2023 funding that the Assembly authorized for reappropriation to FY 2024 if a purchase was initiated during FY 2023. The Department reports that \$1.9 million of vehicle orders were not completed because of supply chain issues and the request assumes that spending will occur in FY 2024.

The request assumes its 103-vehicle fleet will be fully state-owned by the end of FY 2024. However, beginning in FY 2025, the Department will begin to replace its state-owned vehicles with an entirely leased fleet by FY 2030. Between FY 2025 and FY 2029 lease costs increase annually, reflecting increases in the number of leased vehicles which will gradually replace state-owned vehicles. The request includes \$90,000 for FY 2025 growing to \$264,000 for FY 2029. *The Governor recommends funding as requested.*

Psychiatric Residential Treatment Facility Modifications. The Assembly appropriated \$12.0 million from State Fiscal Recovery funds for FY 2023 to expand existing in-state capacity at private facilities and for the initial design of a new female youth program facility. Consistent with the approved plan, the Department's request includes total funding of \$11.0 million to renovate a private facility to expand existing in-state capacity for 12 female youth placements which would be sufficient capacity for this population. The request spreads funding across three years, including \$0.7 million spent in FY 2023, \$8.3 million for FY 2024, and \$2.0 million for FY 2025, reflecting an updated timeline based a contract signed in March 2023. The contract stipulates the facility will be completed in November 2024; it is expected to open by March 2025. *The Governor recommends total funding as requested; however, the operating budget advances the State Fiscal Recovery funds to FY 2024, making the two documents inconsistent.*

Residential Treatment Facility. Consistent with the enacted budget, the request maintains the approved \$45.0 million from Rhode Island Capital Plan funds for FY 2024 through FY 2026 for the state to construct a residential treatment facility. The request inadvertently excludes the \$1.0 million of prior year funds provided from State Fiscal Recovery funds to design the facility. The Assembly provided \$250,000 from Rhode Island Capital Plan funds in the Department of Administration's budget for a land use plan study for state-owned property in Exeter where this facility is expected to be constructed. At the time of the request, the Department indicated that an agreement with Exeter has been finalized. *The Governor recommends total funding as requested including the inadvertent omission of State Fiscal Recovery funds.*

Rhode Island Training School Asset Protection. The Department requests \$1.8 million from Rhode Island Capital Plan funds for various repairs and improvements, such as carpet replacements, repairs to the parking lot, upgrades to shower fixtures, bathroom door replacements, and the purchase of landscaping equipment at the Youth Development Center at the Rhode Island Training School. Requested funding is consistent with the approved plan and includes annual funding of \$250,000 for the post-FY 2029 period. *The Governor recommends funding as requested for the five-year period and includes \$255,497 for post-FY 2029.*

Division of Motor Vehicles Interface. The Department requests \$45,000 from general revenues for the implementation of an interface with the Rhode Island Division of Motor Vehicles which would allow for the automatic verification of drivers licenses of staff, family and volunteers who drive children and families in Department care. The Council of Accreditation requires annual license checks for Department staff. Beginning in January 2024, the Department will check all employees who drive state vehicles. The Department anticipates 400 to 500 people needing to be checked annually. The request includes \$25,000 and \$20,000 for FY 2025 and FY 2026, respectively. *The Governor does not recommend the proposal.*

Dental System Cloud Implementation. The Department requests \$80,000 from general revenues for a cloud-based dental system interface for the training school which would replace the current onsite system for which the hardware is outdated. The current system allows the dental staff to maintain x-ray images, dental records and dental history for youth at the school and also maintains the historical records for youth who have come into care at the Department. The Department indicates that is no longer supported. The request includes \$50,000 for the transition and a \$6,000 licensing fee each year afterward. *The Governor does not recommend the proposal.*

Department of Health

Projects	Status	5 Year Total	Project Total
Lab-Breath Analysis Vehicle Purchase	New	\$ 28,100	\$ 28,100
Health Lab. & Medical Examiners Equipment	Revised	2,400,000	3,994,354
New Health Laboratory	Revised	63,033,313	97,679,521
Total		\$ 65,461,413	\$ 101,701,975
Sources of Funds			
Federal Funds		\$ 47,456,469	\$ 81,716,590
Restricted Receipts		3,991,199	4,377,286
Rhode Island Capital Funds		13,985,645	15,579,999
State Fleet Replacement Revolving Loan Fund		28,100	28,100
Total		\$ 65,461,413	\$ 101,701,975

Summary. The Department of Health requests capital expenditures of \$173.9 million from all sources, including \$104.1 million or 59.9 percent from federal funds. The request is for 15 projects; 13 are new, and assumes \$124.7 million would be used from FY 2025 through FY 2029. The request is \$92.3 million more than the approved plan, including \$81.7 million for new projects. It should be noted that 12 of the requested new projects are for information technology and the request includes annual software maintenance expenses; ongoing maintenance costs are not included in capital project totals. *The Governor recommends \$101.7 million from all sources for three projects, including \$65.5 million in the five-year period. This is \$20.0 million more than the approved plan, primarily reflecting updated project costs for the new health laboratory.*

Lab-Breath Analysis Vehicle Purchase. The Department requests \$40,000 from the State Fleet Replacement Revolving Loan Fund for FY 2024 to purchase a vehicle for the Breathalyzer Unit, which trains and certifies law enforcement officers in the area of breath analysis and tests blood specimens submitted by law enforcement agencies. In 2020, the program certified 2,006 police officers. The Department notes that approximately 1,600 Breathalyzer calibrations are performed annually. It should be noted that the fund essentially operates as a no-interest loan; agencies repay the loan over a period of three to seven years depending on the cost or type of vehicle or equipment acquired. *The Governor recommends \$28,100 from the State Fleet Replacement Revolving Loan Fund.*

Health Laboratories and Medical Examiner Equipment. The Department requests \$2.4 million from Rhode Island Capital Plan funds to be used in the five-year period to replace obsolete medical equipment in the following laboratories: Biological, Forensic and Environmental Sciences. The request delays annual funding of \$0.4 million from FY 2024 to FY 2025. The Department notes that it needs equipment for the new health laboratory facility; however, it does not have sufficient space to store it. It is working with the Rhode Island Emergency Management Agency to store some of the instruments; however, it appears that the Agency's facility is almost full.

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. It appears that some of these instruments are more than 15 years old and according to the Department, the term of useful life is 10-12 years. This has caused downtime, thereby increasing the backlog of untested evidence as well as maintenance costs. The total project cost of \$3.0 million excludes \$1.0 million of prior year expenses and adds \$0.4 million for annual funding

for FY 2029. *The Governor concurs and includes the prior year expenses for a total project cost of \$4.0 million.*

New Health Laboratory. The Department requests \$89.3 million from all sources, including \$81.7 million from federal funds awarded by the Centers for Disease Control and Prevention, to construct a new 80,000 square foot facility to house the Health Laboratories Program. In November 2021, the administration issued a request for proposals for the project with responses due by December 10, 2021. In March 2022, the Department noted that eight developers responded and those all identified preferred sites as parcels within the I-195 District. A project developer was selected in October 2022. Construction is anticipated to last two and a half years, and was scheduled to start in January 2023; it started on August 15.

The request is \$11.2 million more than the approved plan, which had assumed \$78.1 million from federal funds, or \$3.7 million less than the federal award, reflecting the Department's updated project plan. The project has been revised to include \$4.4 million from the Department's indirect cost recovery restricted receipts and \$3.2 million from Rhode Island Capital Plan funds. The Department notes that the \$81.7 million project cost was based on 2021 program needs. The new facility will now allow for shellfish and wastewater testing, genomic sequencing, and other programs. The Department indicates that it is working with the developer to finalize the project cost. The 2021 Assembly adopted legislation authorizing the director of the Department to establish a dockside program through rules and regulations pursuant to the National Shellfish Sanitation Program Model Ordinance to assure that currently licensed marine shellfish processors are meeting sanitary standards.

The current Chapin facility was built in 1976 and has 70,000 square feet. It currently houses the Office of State Medical Examiners and various laboratories, which perform chemical, physical and microbiologic analyses of environmental samples, clinical specimens, and forensic evidence.

Subsequent to its budget submission, the project cost was revised to \$97.7 million, or \$16.0 million more than the federal grant amount and a federal cost extension was granted through July 31, 2026. *The Governor recommends \$97.7 million, consistent with the updated project cost. This includes \$81.7 million from federal funds, \$11.6 million from Rhode Island Capital Plan funds, and \$4.4 million from restricted receipts; \$0.4 million is for FY 2024 and \$4.0 million is for FY 2026.*

401Health Mobile Application. The Department requests \$2.9 million from all sources, including \$2.4 million from Rhode Island Capital Plan funds to re-procure the development and support expenses for the 401Health mobile application, formerly known as the "Crush Covid RI" application. The 401Health mobile application allows Rhode Island residents to track COVID-19 symptoms, report self-test results, find vaccine records, and learn about testing, treatment, and vaccination. Rhode Island Capital Plan funds are usually limited to physical assets and cannot be used for annual software maintenance costs. *The Governor does not recommend funding this project.*

Data Lake. The Department requests \$20.4 million from all sources to establish a data lake to manage health datasets, building upon a rudimentary one created to respond to the COVID-19 pandemic. A data lake is a centralized repository that allows for the storage of different types of raw data until it is needed for analytical applications, such as dashboards and visualizations. The Department notes that this project could help it meet data goals related to preparedness for future pandemics or other public health emergencies. The 2023 Assembly provided the Department with \$34.9 million from State Fiscal Recovery funds to continue COVID-19 mitigation activities. The request assumes use of \$3.4 million from these funds. Subsequently, the Department notes that it is assessing use of remaining stimulus funds it received from the Centers for Disease Control and Prevention and will work on reducing use of State Fiscal Recovery funds. The request also includes \$17.0 million from Rhode Island Capital Plan funds, which are usually limited to physical assets. *The Governor does not recommend funding this project.*

EMS and Patient Tracking System Integration. The Department requests \$2.0 million from all sources, including \$1.0 million from Rhode Island Capital Plan funds to consolidate emergency management services and patient tracking systems. The patient tracking system, used by all 13 acute care hospitals and 82 emergency management services agencies, tracks patients and locations within hospitals to efficiently allocate available space and coordinate health care providers. The emergency management services system manages all emergency management services and ambulance tracking in the state. According to the Department, the existing patient tracking system is outdated and consolidating the two systems would reduce both the reporting burden placed on practitioners and overall annual maintenance costs. The request assumes use of \$165,000 annually from Rhode Island Capital Plan funds, which are usually limited to physical assets and cannot be used for annual software maintenance costs. *The Governor does not recommend funding this project.*

Laboratory Information Management System. The Department requests \$2.8 million, including \$2.0 million from federal funds and \$0.8 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. According to the Department, the laboratory's current Cerner Electronic Medical Record system is outdated, not adaptable and requires considerable maintenance. This integrated database 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 \$1.2 million in FY 2024, and annual maintenance costs of \$0.3 million. *The capital budget does not include funding for this project.*

Licensing Online System. The Department requests \$3.2 million from all sources, including \$1.2 million from general revenues and \$2.0 million from Rhode Island Capital Plan funds, to replace its licensing system, which manages over 500 licenses for health professionals and facilities. The Department intends to conduct a competitive solicitation process in coordination with the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The request assumes use of \$0.4 million annually in the five-year period from Rhode Island Capital Plan funds, which are usually limited to physical assets and cannot be used for annual software maintenance costs. *The Governor does not recommend funding this project.*

National Electronic Disease Surveillance System. The Department of Health is required to report "nationally notifiable conditions" to the Centers for Disease Control and Prevention using the National Electronic Disease Surveillance System. This database is used to track infectious diseases in the state as well as comparative trends across the nation. The request includes \$3.3 million from available federal funds to make improvements to the system. Funds will also be used for annual software maintenance expenses, which the Department indicates fluctuate based upon the addition of new diseases added for reporting. *The capital budget does not include funding for this project.*

Performance Management System. The Department requests \$1.8 million from available federal funds to manage the recapture and reporting of its accreditation performance metrics. The current system is Excel-based, which the Department indicates is inefficient. The request assumes use of \$0.5 million for development costs and \$250,000 annually for software maintenance. *The capital budget does not include funding for this project.*

Public Health System Modernization. The Department requests \$10.2 million from all sources, including \$7.0 million from Rhode Island Capital Plan funds and \$3.2 million from federal funds, to develop and implement an end-to-end people, process, and information technology solution for data collection, processing, analysis, and reporting communicable and non-communicable public health challenges. According to the Department, the project will address its limited capacity to manage infectious disease data that was revealed during the COVID-19 pandemic. In November 2022, the Department received a \$15.3 million, five-year grant from the Centers for Disease Control and Prevention to help the state build its workforce and data systems to respond to future public health emergencies. The request assumes use of

\$3.2 million from this grant; however, use of Rhode Island Capital Plan funds is usually limited to physical assets. *The Governor does not recommend funding this project.*

Radon System Upgrade. The Department manages and maintains a comprehensive radon database of high priority building and residential test results. It also works to enforce mandatory radon testing and mitigation requirements for high priority buildings, including schools and childcare facilities. The request includes \$265,000 from available federal funds, of which \$215,000 will be used in FY 2024 to upgrade the Radon System. *The capital budget does not include funding for this project.*

RI COVID System. The Department requests \$31.0 million from all sources, including \$27.0 million from Rhode Island Capital Plan funds and \$4.0 million from State Fiscal Recovery funds, to continue the development of the Rhode Island COVID System Salesforce-based platform and re-procure vendors through a request for proposals process. The Department notes that the system will collect and consolidate COVID-19 testing and vaccination data and provide access to that data to Department staff, call centers, community partners, and residents as permitted by privacy laws. The 2023 Assembly provided the Department with \$34.9 million from State Fiscal Recovery funds to continue COVID-19 mitigation activities; the capital budget request assumes use of \$7.4 million for two projects. Subsequently, the Department notes that it is assessing use of remaining stimulus funds it received from the Centers for Disease Control and Prevention and will work on reducing use of State Fiscal Recovery funds. It should be noted that use of Rhode Island Capital Plan funds is usually limited to physical assets. *The Governor does not recommend funding this project.*

Vaccine Management System Replacement. The Department requests \$1.2 million from all sources, of which \$0.8 million from Rhode Island Capital Plan funds will be used in the five-year period, to replace its vaccine management system. The system would enable online scheduling of appointments and the administration of clinics remotely. The request assumes \$0.4 million from available federal stimulus funds in upfront expenditures for FY 2024 and FY 2025, and annual maintenance costs of \$200,000 from FY 2026 through FY 2029 from Rhode Island Capital Plan funds. It should be noted that use of Rhode Island Capital Plan funds is usually limited to physical assets. *The Governor does not recommend funding this project.*

WIC - Management Information System. The Women, Infants, and Children nutrition assistance program 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, healthcare, or both. The program currently serves 20,000 women. The request includes \$2.6 million from federal funds, including \$1.4 million to develop a system to manage the data, and annual software maintenance costs of \$0.3 million. The Department notes that during the planning phase, the state decided to join a user group made up of multiple states to share costs for design, development, and maintenance of the system, which is known as “Crossroads.” The user group is being led by the Commonwealth of Virginia, which the Department indicates will be releasing the request for proposals for the design, development, and maintenance of the system. *The capital budget does not include funding for this project.*

Department of Human Services

Projects	Status	5 Year Total	Project Total
<i>Office of Veterans Services</i>			
Veterans' Cemetery Asset Protection	Revised	\$ 6,050,000	\$ 10,385,000
New Veterans' Home	Revised	1,090,000	33,834,552
Veterans' Home Asset Protection	Ongoing	5,860,000	6,870,993
		-	
<i>Other Projects</i>			
		\$ -	
State Fleet Replacement	New	45,126	178,031
Early Childhood Care & Education Capital Fund	Revised	-	15,000,000
Blind Vending Facilities	Ongoing	825,000	1,092,456
Total		\$ 13,870,126	\$ 67,361,032
Sources of Funds			
Federal Funds		\$ 4,500,000	\$ 7,695,000
General Obligation Bonds		-	47,410,000
Other Funds		1,335,126	1,803,703
Restricted Receipts		-	88,880
Rhode Island Capital Funds		8,035,000	10,363,449
Total		\$ 13,870,126	\$ 67,361,032

Summary. The Department requests \$79.6 million for the five-year period FY 2025 through FY 2029 for 11 projects totaling \$108.5 million. The request includes funding for six new projects. This includes four information technology projects, three of which include funding for the current year. It also includes two projects related to field office renovations and state fleet vehicle replacements, both of which have funding programmed for the current year. Three of the existing projects are for the Office of Veterans Services. *The Governor recommends \$67.4 million, including \$13.9 million in the five-year period.*

Office of Veterans Services

Veterans' Cemetery Asset Protection. The Department requests \$11.2 million through the post-FY 2029 period, including \$7.7 million from federal funds, \$3.3 million from Rhode Island Capital Plan funds, \$0.1 million from restricted receipts, and \$0.2 million from State Fleet Replacement Revolving Loan funds, 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 \$2.8 million more than the approved plan, which primarily reflects updated costs. Scheduling changes also relate to a three-year delay for the design and construction phases of both the cemetery expansion for pre-placed crypts and new maintenance facility projects. The request also includes \$0.2 million to purchase a new vehicle and two new backhoes, though such purchases are not considered asset protection. The request programs \$1.3 million for FY 2024, \$5.3 million for FY 2025, \$0.3 million for FY 2026, \$0.8 million for FY 2027, \$0.3 million for FY 2028, \$0.3 million for FY 2029, and \$3.0 million for the post-FY 2029 period.

The Governor recommends funding as requested from all but Rhode Island Capital Plan funds, which are reduced by \$850,000 from the request but essentially consistent with the approved plan with added annual funding for FY 2029 and beyond.

New Veterans' Home. The Department requests total project costs of \$4.9 million through FY 2028 from general obligation bonds, Rhode Island Capital Plan funds, and State Fleet Replacement Revolving Loan funds for projects related to the newly constructed Veterans' Home in Bristol. The bulk of the project has been completed, resulting in a new state of the art long-term care facility built on the Community Living Center design and the demolition of the old facility. The final phase of the project includes upgrading the security system, kitchens, storage, and roof, and providing additional parking.

The request is \$3.7 million more than the approved plan. This primarily reflects the inclusion of \$3.4 million from Rhode Island Capital Plan funds consistent with the Department's FY 2024 capital budget request and Governor's recommendation. However, the Assembly instead shifted this funding to the Veterans' Home asset protection project to be consistent with its intended purpose. The request also includes \$0.3 million from State Fleet Replacement Revolving Loan funds to replace two handicap accessible buses and to purchase a dump truck with a plow. None of these items relate to the Home's construction.

The Governor's capital budget includes \$32.1 million of prior year bond spending and assumes \$1.4 million of remaining bond proceeds programmed through FY 2026. It also includes the requested fleet costs of \$0.3 million for FY 2024.

Veterans' Home Asset Protection. The Department requests total project costs of \$3.5 million through the post-FY 2029 period for asset protection projects at the Veterans' Home in Bristol. The request is \$0.9 million less than the approved plan, and shifts the \$3.4 million of funding the Assembly approved to the new Home construction project. The request instead programs \$0.5 million annually, which is consistent with prior approved levels. Projects include: pharmacy expansion, cement siding, trim joint recaulking, lighting, rebuilding mixing valves, boiler installation, tile transition, replacing baffles on cooling towers, an exhaust system for the bistro, and a vehicle for transportation and movement between building maintenance projects. Vehicle purchases are not considered asset protection.

The Governor recommends \$5.9 million from Rhode Island Capital Plan funds in the five-year period and \$0.5 million each for FY 2024 and post-FY 2029. Average funding from FY 2025 through FY 2028 is \$1.3 million or \$0.4 million more than the approved plan.

Other Projects

State Fleet Replacement. The Department requests \$0.2 million for FY 2024 through FY 2026, including \$0.1 million each from restricted receipts and State Fleet Replacement Revolving Loan funds, to purchase four new vehicles. This includes two vehicles in FY 2024 for the Department's Long Term Services and Supports Unit and one replacement vehicle each for FY 2025 and FY 2026 for the Office of Healthy Aging. New vehicles are expected to enhance the Office's ability to respond to abuse, neglect, self-neglect, and other safety-related calls, which have increased by over 60 percent in recent years. The Office's current vehicles are about ten years old and expected to reach the end of their useful life in the next few years. *The Governor recommends funding as requested.*

Early Childhood Care and Education Capital Fund. The Department requests \$30.0 million from general obligation bonds through FY 2025 for the Early Childhood Care and Capital Fund. This is \$15.0 million more than the approved plan, which reflects the spend down of \$15.0 million from bonds approved by the voters in March 2021 and the request to add a question to the November 2024 ballot to recapitalize the existing fund with \$15.0 million in general obligation bonds. Funds are to be used for physical improvements and development of licensed early child care and education facilities. Studies conducted in 2014 and 2019 found a lack of safe, quality spaces available to house early learning programs across the state, indicating that early learning environments needed improvement. The Department reports its main priority is to distribute competitively awarded grants to qualified organizations to develop high quality early

learning programs through the construction of new facilities or the redevelopment of existing structures. The request programs \$7.6 million for the pre-FY 2024 period, \$7.1 million for FY 2024, and \$15.3 million for FY 2025. Grant funding began in FY 2022. *The Governor does not recommend the new bond and programs the remaining \$7.3 million in FY 2024.*

Blind Vending Facilities. Consistent with the approved plan, the Department requests \$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 facilities 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 Governor recommends funding as requested.*

Child Support Services Transition Off Mainframe. The Department requests \$31.0 million from all sources, including \$10.5 million from general revenues and \$20.5 million from federal funds, for a new project for FY 2024 through FY 2028 to fully transition the Child Support Case Management system to a web-based platform. RIKidsBridge is a legacy mainframe-based Child Support Case Management system. The Department anticipates that other state agencies using the mainframe will transition off of it by June 2027. 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 Assembly authorized \$1.3 million in the operating budget, including \$0.4 million from general revenues and \$0.8 million from federal funds, for a strategic planning vendor to assist with cost estimate revisions for the transition. This was based on a revised recommendation from the Governor who originally recommended \$22.0 million for this project.

The Governor's FY 2025 operating budget recommendation includes only \$1.1 million. This is not the full cost, which is pending the final plan.

RI Start Early System. The Department requests \$6.2 million for a new project for FY 2024 and FY 2025, including \$4.4 million from federal Child Care Development Block Grant funds, \$0.8 million from federal Preschool Development Grant funds, and \$1.0 million from State Fiscal Recovery funds approved by the 2022 Assembly, to improve early childhood operational systems and licensing. The purpose of the project is to determine the future state of early childhood operational systems across the Departments of Elementary and Secondary Education and Human Services to improve early childhood provider licensing, renewals, and workforce registry; and the child care consumer website. The goal is to increase child care program quality, assure efficiency and create an easily navigable system for families and child care providers.

The Department reports that it used the costs from its current operational systems for the new project, in addition to consumer website inspections and monitoring. The Department further reports that its current systems are inadequate and affect the agency's ability to comply with federal regulations. This project would make information and licensing more easily accessible for families, providers, staff, and supervising state agencies. The Department requested this project last year, but it was not funded. *The Governor does not recommend this project.*

Field Office Renovations. The Department requests \$0.7 million from all sources, including \$0.4 million from general revenues, \$0.2 million from federal funds, and \$0.1 million from Rhode Island Capital Plan funds, for FY 2024 and FY 2025 for a new project to renovate its Holden Street and One Reservoir Avenue field office locations in Providence. Funding is intended for design and construction work; furniture, signage, parking, and security gate installations; and various office and information technology equipment. Of the total amount requested, \$0.2 million is intended for renovations at the Holden Street property and

\$0.5 million for Reservoir Avenue. It should be noted that the FY 2023 final and FY 2024 enacted operating budgets include \$0.5 million each from general revenues for potential costs related to office relocation projects currently underway. *The Governor does not recommend this as part of the capital budget.*

RI Bridges System Enhancements. The Department requests \$18.8 million from all sources for FY 2024 through FY 2029, including \$10.4 million from general revenues and \$8.4 million from federal funds, to modernize the RI Bridges system. Though requested as a new standalone project, RI Bridges System Enhancements are part of the annual expenses for the United Health Infrastructure Project that are included in the Department's operating budget. This includes some upgrading related to the new Supplemental Nutrition Assistance Program healthy incentive pilot program. The request programs \$1.6 million from general revenues and \$1.7 million from federal funds in the current year for development and implementation, which is currently underway. The request includes \$3.1 million in annual expenses beginning in FY 2025. This project was submitted as part of the Department's FY 2024 capital budget request, but neither the Governor nor the Assembly included it as a stand-alone project. *The Governor does not include this as a stand-alone capital project. As noted, this is funded through the operating budget.*

Customer Relationship Management System. The Department requests \$1.0 million from Information Technology Investment funds for a new project for FY 2025 to launch a customer relationship management system. It currently uses HealthSource RI vendor software, but once the contract ends so does the use of the management system which purportedly offers insight into how the agency can improve relationships with clients and customer service. The Department reports that research and collaboration with other state agencies with similar systems are necessary for the project. The Department requested this project as part of its FY 2023 and FY 2024 capital budget submissions, but it was not approved. *The Governor does not recommend this as part of the capital budget.*

Dept. of Behavioral Healthcare, Developmental Disabilities and Hospitals

Projects	Status	5 Year Total	Project Total
ESH Hospital Equipment	Revised	\$ 1,700,000	\$ 4,180,588
DD Residential Support	Revised	500,000	2,645,932
Total		\$ 2,200,000	\$ 6,826,520
Source of Funds			
General Revenues		\$ 500,000	\$ 600,000
Rhode Island Capital Funds		1,700,000	6,226,520
Total		\$ 2,200,000	\$ 6,826,520

Summary. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals requests \$6.8 million for 12 capital projects, nine of which are information technology projects being submitted with the traditional capital budget request. Of this amount, \$5.9 million will be spent from FY 2025 through FY 2029. The request includes \$3.5 million from the Information Technology restricted receipt account and \$2.4 million from Rhode Island Capital Plan funds. The approved capital plan totals \$2.0 million for two projects. *The Governor recommends \$2.2 million for the five-year period and \$0.6 million for FY 2024 for two projects. He shifts one project to general revenues.*

ESH - Hospital Equipment. The Department requests \$3.0 million from Rhode Island Capital Plan funds for medical and other equipment at both campuses of the Eleanor Slater hospital system. The request includes \$0.5 million for FY 2024 and \$2.5 million for FY 2025 through FY 2028. The approved capital plan includes \$0.3 million annually. The Department spent \$0.3 million in FY 2022 and FY 2023. *The Governor recommends funding as requested with the exception of adding \$0.3 million for post-FY 2029 and adjusting for prior year expenses.*

DD Residential Support. The Department requests \$0.1 million annually from Rhode Island Capital Plan funds for the period FY 2025 through FY 2029 to fund the thresholds program for residential development with additional funding provided by Rhode Island Housing. This supports new construction 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 home and provides furniture.

This is consistent with the approved plan and adds \$0.1 million for FY 2029. The Department includes \$0.2 million for FY 2024, of which \$0.1 million is unspent from FY 2023. The request excludes prior year expenses of approximately \$8.8 million, mostly from general obligation bonds. *The Governor recommends funding as requested, but shifts expenses to general revenues and adjusts for prior year expenses. The operating budget does not contain the general revenues.*

Licensing System. The Department requests \$500,000 for FY 2025 from the Information Technology restricted receipt account to replace its licensing system. The request also includes \$100,000 annually for FY 2026 through FY 2029 for related operating expenses. The Department licenses approximately 750 providers and facilities and requests a new web-based system that is accessible to submit applications, update information, and automate annual reviews. The Department of Health's capital budget request includes a new system that may be suitable for these licensing purposes. *The Governor does not recommend funding.*

Hospital Risk Management System. The Department requests \$350,000 from information technology restricted receipts to automate and centralize reporting and analysis of all incidents and events at both hospitals which currently use an unsupported and outdated Informix system. The new management system will allow incident reporting so that trend analysis can be generated to determine appropriate next steps including patient care plan changes, and facilities and security process improvements. The request includes \$150,000 for the system for FY 2025 and \$50,000 for annual expenses for FY 2026 through FY 2029. *The Governor does not recommend funding.*

Document Management System. The Department requests \$350,000 from information technology restricted receipts for a document management system to replace the current paper-based system used for records storage. This includes \$150,000 for FY 2025 for the system and \$50,000 annually for FY 2026 through FY 2029 for licensing expenses. *The Governor does not recommend funding.*

Prevention Collection and Reporting System. The Department requests \$100,000 from information technology restricted receipts for FY 2025 to replace its behavioral health prevention collection and reporting system and includes \$25,000 annually for annual maintenance expenses for FY 2026 through FY 2029. This web-based application allows for a compliance monitoring system for community-based organizations receiving prevention funds from the Department. This system contains a collection of standard data elements that enables the Division of Behavioral Healthcare to quantify and compare the number and type of primary prevention and early intervention services delivered. *The Governor does not recommend funding.*

Policy Management Software. The Department requests \$130,000 from information technology restricted receipts to purchase a system to track, update, and approve policies to maintain compliance with state and federal regulations at the state hospitals. *The Governor does not recommend funding.*

Hospital Patient Accounts Tracking System. The Department requests \$140,000 information technology restricted receipts for a new system that reports and tracks income available for use by the state to offset patient expenses at the state hospital. This includes \$100,000 for the system in FY 2025 and \$10,000 annually for FY 2026 through FY 2029 for ongoing expenses. Depending on the patient's financial status, the state may collect a patient's Social Security and/or disability checks. Currently, the state hospital has a single master bank account that individually tracks each resident's balance and transactions. A patient trust system records the individual patient deposits and expenses and produces account statements. *The Governor does not recommend funding.*

Zambarano Campus - Redundant Line. The Department requests \$250,000 information technology restricted receipts to install a secondary data line connecting the Zambarano campus to the state network. This includes \$150,000 in FY 2024 to purchase the system and \$20,000 for related operating expenses in FY 2025 through FY 2029. *The Governor does not recommend funding.*

Zambarano Campus - Wi-Fi Capability. The Department requests \$75,000 from information technology restricted receipts for FY 2025 for Wi-Fi installation at the Zambarano campus that is needed as part of the new electronic medical records system included in the Department of Administration's approved capital plan. *The Governor does not recommend funding.*

RISPH - Equipment. The Department requests \$0.6 million from Rhode Island Capital Plan funds for hospital beds, physical therapy equipment, automated external defibrillators, blood pressure monitors, patient lifts, and customized wheelchairs at the Rhode Island State Psychiatric Hospital. The request includes \$0.1 million annually for FY 2025 through FY 2029; it also includes \$0.1 million for FY 2024. *The Governor does not recommend funding.*

Department of Elementary and Secondary Education

Projects	Status	5 Year Total	Project Total
Davies School Asset Protection	Revised	\$ 3,011,000	\$ 6,240,890
School for the Deaf Asset Protection	Revised	774,000	1,941,541
Met School Asset Protection	Ongoing	3,010,000	7,820,277
Davies Health Career Classrooms	Ongoing	-	6,974,523
Davies School HVAC	Ongoing	250,000	2,199,086
Davies School Wing Renovation	Ongoing	32,500,000	35,000,000
School Construction Bond	Ongoing	198,000,000	500,000,000
Total		\$ 237,545,000	\$ 560,176,317
Sources of Funds			
General Obligation Bonds		\$ 198,000,000	\$ 500,000,000
Rhode Island Capital Funds		39,545,000	60,176,317
Total		\$ 237,545,000	\$ 560,176,317

Summary. The Council on Elementary and Secondary Education requests capital project expenditures totaling \$615.8 million, including \$301.3 million to be spent in the FY 2025 through FY 2029 period. This includes three new projects, including two for the School for the Deaf. *The Governor recommends \$560.2 million in total project costs with \$237.5 million to be spent in the five-year period for seven projects; none are new.*

Davies School Asset Protection. The Council requests total funding of \$14.8 million from Rhode Island Capital Plan funds for asset protection projects at Davies Career and Technical School, \$12.2 million more than enacted. This includes the enacted amount of \$0.5 million for FY 2024, \$0.8 million annually for FY 2025 and FY 2026, and \$4.3 million annually from FY 2027 to FY 2029. The request increases approved annual asset protection funding by \$250,000 beginning in FY 2025 and includes an additional year of funding for FY 2029. The additional \$3.5 million in annual funding requested in FY 2027 to FY 2029 will be used to improve overall facility infrastructure, and the Automotive Careers and Electrical and Renewable Energy programs. *The Governor concurs with the request for FY 2025 and FY 2026, but maintains annual funding of \$0.5 million for the other years and excludes the \$0.4 million reappropriated from FY 2023.*

School for the Deaf Asset Protection. The Council requests total project costs of \$1.1 million from Rhode Island Capital Plan funds for asset protection projects at the School for the Deaf. The request adds \$100,000 for FY 2029 for ongoing needs and shifts approved funding among years to align with project plans. The request includes \$0.4 million in FY 2024 for multiple projects, including security enhancements, replacement of outdated climate control units, and replacement of backboards in the gym, which the School indicates is an immediate safety concern. It programs \$0.1 million annually from FY 2025 to FY 2029 for general building repairs, \$67,648 in FY 2025 to resurface the parking lot, and \$200,000 in FY 2027 to replace the gym floor and bleachers. *The Governor recommends \$1.2 million from Rhode Island Capital Plan funds for FY 2025 through FY 2029. This includes funding all projects except the gym floor and bleacher replacement and adding \$0.3 million to consolidate the roof replacement request into the existing asset protection projects.*

Met School Asset Protection. The Council requests \$5.9 million from Rhode Island Capital Plan funds for asset protection projects at the Metropolitan Career and Technical School. The request is essentially

consistent with the approved plan and adds \$255,000 for both FY 2029 and post-FY 2029. The request reflects \$2.6 million for FY 2024 and \$2.0 million for FY 2025 for roof replacement at the Peace Street and Public Street campuses, consistent with the approved plan. *The Governor recommends funding as requested and adjusts the project total to include \$1.9 million of prior spending.*

Davies Health Career Classrooms. Consistent with the approved plan, the Council requests total project costs of \$7.0 million from Rhode Island Capital Plan funds for renovations to health career classroom space at Davies Career and Technical School, including \$6.9 million for FY 2024 to complete the project. Classrooms for health career programs are located in a modular building, which was opened in the 1970s and has since exhausted its useful life. The project involves adding to the 1990s portion of the building to accommodate the programs. Existing equipment is anticipated to be reused in the new space. In its request, the Council indicates that to improve cohesion in its Facility Master Plan, the health career classrooms upgrades will be coordinated with the newly approved 1970s wing renovation under a single owner's project manager. *The Governor excludes \$25,477 of unspent funds from FY 2023.*

Davies School HVAC. The Council requests total project costs of \$1.5 million from Rhode Island Capital Plan funds for repairs to the heating, ventilation and air-conditioning system at Davies Career and Technical School. Accounting for \$50,000 of funding in FY 2029, this is consistent with the approved plan. Funding in the current year would be used to address repairs and upgrades to the school's climate control infrastructure as part of the wing upgrade, which is requested separately. Annual funding thereafter would be used as asset protection funding specifically for those systems. *The Governor recommends funding as requested and shows \$0.7 million of historical spending excluded from prior budgets.*

Davies School Wing Renovation. The Council requests total project costs of \$35.0 million from Rhode Island Capital Plan funds to significantly renovate the 1970s wing of Davies Career and Technical School. This space houses academic classrooms and labs, including the pre-engineering, graphics and interactive media programs, and is reportedly in need of significant renovations.

Design and demolition is estimated to cost \$2.5 million, construction would be \$30.0 million, and furniture and furnishings would be \$2.5 million. The estimates are based on School Building Authority guidelines, including \$600 per square foot for construction of a 50,000 square foot space, plus design and ancillary expenses. The Authority is working closely with the school on its construction projects, both in estimating costs and planning. The request programs \$2.5 million for FY 2024 and FY 2026 and \$30.0 million for FY 2025. In its request, the Council indicates that to improve cohesion in its Facility Master Plan, this renovation will be coordinated with the health career classrooms upgrades under a single owner's project manager. *The Governor recommends funding as requested.*

School Construction Bond. Consistent with the approved plan, the Council requests \$500.0 million from general obligation bonds for local school construction and renovation projects. This includes \$250.0 million approved by voters on the November 2018 ballot, of which \$237.5 million has been issued, and \$250.0 million approved by voters on the November 2022 ballot. 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. To receive the incentives, projects must meet spending requirements and begin and end within a specific time frame.

The Council's request programs \$80.0 million for FY 2024, \$80.0 million for FY 2025, \$90.0 million for FY 2026, \$37.5 million for FY 2027, and \$2.5 million for FY 2028. Funds are used to support the state share of the traditional housing aid program and offered to districts on an upfront basis. The School Building Authority operationalized this requirement by offering 15.0 percent of the base state share of estimated project costs, including interest for those projects that are bond funded. Funding cannot be used to reimburse debt service for previously approved projects. *The Governor recommends shifting \$12.0 million from FY 2025 to FY 2024 and concurs with the remainder of the request.*

School for the Deaf Roof Replacement. The Council requests \$205,600 for FY 2029 from Rhode Island Capital Plan funds for a new project to restore part of the roof at the School for the Deaf. The roof is original to the 2010 construction of the building and has an estimated 20-year lifespan. The School indicates that this would be the first part of a larger project pending an inspection and analysis. The \$205,600 is a placeholder for a part of that larger project. *The Governor does not recommend this as a standalone project and adds the requested funding for FY 2029 to the existing School for the Deaf Asset Protection project.*

Facility Equity Initiative. The Council requests \$50.0 million from Rhode Island Capital Plan funds to support the School Building Authority Capital Fund. Funding would be used to provide the state share of traditional housing aid upfront for projects in those local education agencies with a 60.0 percent or greater state share ratio. Impacted communities include Central Falls, Providence, Pawtucket, West Warwick, and Woonsocket. Under the traditional school housing aid program, local education agencies are reimbursed for school construction projects upon completion. This was requested last year as a \$40.0 million project but not recommended by the Governor or approved by the Assembly. The request programs \$5.0 million in both FY 2025 and FY 2026 and \$10.0 million annually from FY 2027 through FY 2029 with an additional \$10.0 million after FY 2029. The Rhode Island Capital Plan Fund does not appear to be an appropriate source of funds for this as it is typically used for state facilities. *The Governor does not recommend funding for this project.*

School for the Deaf Vehicle Replacement. The Council requests \$328,780 from general revenues to purchase a 14-passenger mini activity bus and a 7-8 passenger minivan or Ford Transit. The request would replace a 2002 mini bus and a 2012 14 passenger van that should not be used to transport students. It includes \$275,000 for an electric plug-in mini bus in FY 2025 and \$53,780 for an electric minivan in FY 2026. This appears to be in addition to the \$50,000 included in the FY 2024 enacted budget for an eight-passenger vehicle to replace a 2002 Chevrolet Traverse. *The Governor does not recommend funding for this project.*

Public Higher Education

Projects	Status	5 Year Total	Project Total
Systemwide			
Asset Protection	Revised	\$ 119,363,274	\$ 308,482,977
Office of Postsecondary Commissioner		2,951,001	14,168,776
Community College		70,114,728	120,164,516
College		121,475,000	219,155,036
University		759,726,639	1,107,196,681
Total		\$1,073,630,642	\$1,769,167,986
Sources of Funds			
Certificates of Participation		\$ 581,001	\$ 10,608,624
Federal Funds		-	-
General Obligation Bonds - New		135,000,000	135,000,000
General Obligation Bonds		174,747,429	402,300,000
Other Funds		38,107,056	60,821,566
Rhode Island Capital Funds		386,463,155	703,000,797
RIHEBC		310,286,194	413,859,414
University and College Funds		28,445,807	43,577,585
Total		\$1,073,630,642	\$1,769,167,986

Summary. The governing bodies approved five-year capital requests for projects totaling \$2,060.9 million, of which \$1,264.6 million would be spent between FY 2025 and FY 2029; \$147.6 million would be spent in FY 2024. *The Governor recommends \$1,769.2 million with \$1,073.6 million to be spent in the FY 2025 through FY 2029 period and \$151.1 million to be spent in FY 2024. Average outlays for the five-year period total \$214.7 million.*

New Bond Initiatives. The current request includes \$550.8 million from new general obligation bonds for five projects, including two each at the University and Community College and one at the College. The University's Life Sciences Building project would be placed on the November 2024 ballot with a total cost of \$87.5 million. The University's Historic Quadrangle Building Renovations Phase I project would be placed on the November 2026 ballot with a total cost of \$96.3 million.

The new general obligation bonds for the phased renovations of academic buildings at the College are divided among several ballot years. The Academic Buildings Phase V project would include one referendum on each November ballot in 2024, 2026, and 2028. The cost of the referenda would be \$85.0 million, \$42.0 million, and \$75.0 million, respectively.

The new general obligation bonds for the Community College's Campuswide Renovation and Modernization Phase II through IV projects would include one referendum on each November ballot in 2024 for \$50.0 million, and 2026 and 2028 for \$55.0 million each. It also includes \$5.0 million for its Data, Cabling and Infrastructure project, which would go on the November 2026 ballot. Annual debt service for all the newly requested general obligation bonds, assuming a 20-year term and 5.0 percent interest, is \$44.2 million with a total cost of \$899.9 million.

Requested General Obligation Bonds				
Project		2024 Ballot	2026 Ballot	2028 Ballot
Historic Quadrangle Building Renovations Phase I	URI	\$ -	\$ 96,300,000	\$ -
Biomedical Sciences Building	URI	87,450,000	-	-
Academic Buildings Phase V: Fogarty, Whipple, and Adams Library	RIC	85,000,000	42,000,000	75,000,000
Renovation and Modernization Phase II-IV	CCRI	50,000,000	55,000,000	55,000,000
Data, Cabling, and Infrastructure	CCRI	-	5,000,000	-
Total		\$ 222,450,000	\$ 198,300,000	\$ 130,000,000

The Governor's capital budget recommends that \$135.0 million be placed on the November 2024 ballot including \$80.0 million for the University's biomedical sciences building and \$55.0 million for a new cybersecurity building at Rhode Island College. The recommended budget assumes additional funding from other sources for both projects. It does not contemplate any bond initiatives for the 2026 or 2028 ballots.

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. With projects for which there is no dedicated revenue stream, debt service is paid from either general revenues or tuition and fee revenues. The current request includes a total of \$413.9 million from revenue bonds, including \$310.3 million in the five-year period. Annual debt service on the \$310.3 million, assuming 20 years and a 5.0 percent interest rate, is \$24.9 million. Annual debt service on the entire \$413.9 million is \$33.2 million.

The Governor's recommendation includes a request for Assembly approval of revenue bonds for the University's Utility Infrastructure Phase III project. Annual debt service on this authorization would be supported by the University's unrestricted budget and would not exceed \$1.4 million. Total debt service would not exceed \$27.0 million.

Systemwide Projects

Asset Protection. The approved plan includes \$115.8 million from Rhode Island Capital Plan funds for asset protection projects in the five-year period from FY 2024 through FY 2028. The governing bodies request \$132.5 million from Rhode Island Capital Plan funds for that same period and assume use of \$29.4 million for FY 2024 and \$24.8 million for FY 2025. The five-year request for the period FY 2025 through FY 2029 is \$130.7 million, adding \$27.6 million for FY 2029 for all schools and \$8.9 million above approved expenses for the University. For the University, the request is \$27.2 million more, or 37.3 percent higher than the approved capital plan. *The Governor recommends funding consistent with the approved plan.*

Postsecondary Commissioner

Projects	Status	5 Year Total	Project Total
<i>Office of Postsecondary Commissioner</i>			
Northern Rhode Island Higher Education Center Expansion	New	\$ 1,150,000	\$ 2,340,152
Westerly Higher Education Center Expansion	New	1,220,000	1,220,000
Nursing Education Center	Revised	581,001	10,608,624
Total		\$ 2,951,001	\$ 14,168,776

Northern RI Education Center Expansion. In FY 2022, construction of a job training and workforce development site in northern Rhode Island was completed for a total of \$1.7 million, including \$1.2 million from Rhode Island Capital Plan funds and \$0.6 million from donations. The budget required a minimum 50 percent match of total project costs; the Office indicates a portion of the costs from private sources to begin operations were used to meet the state match requirement. The Northern RI Education Center is designed to bridge gaps in education and workforce training within high-demand industries: advanced manufacturing, information technologies, cybersecurity, finance and health care.

The Office requests \$1.2 million from Rhode Island Capital Plan funds, including \$0.2 million for FY 2024 and \$1.0 million for FY 2025, to expand the adult job training and workforce development space. Funding will be used for additional programming space and to purchase furniture, fixtures, and technology equipment for classrooms, common areas and administrative spaces. Center operating costs are supported by program fees and revenues from leasing the space. The 2020 Assembly authorized a lease for the center in Woonsocket not to exceed 10 years and a total aggregate rent of \$2.2 million. *The Governor recommends the requested funding but delays it to FY 2026 and FY 2027.*

Westerly Higher Education Center Expansion. The Office requests \$1.2 million from Rhode Island Capital Plan funds for FY 2025 to expand the Westerly Higher Education and Job Skills Center to an annex site. The expansion would 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 request would allow for between 8,000 and 10,000 additional square feet and would be entirely state funded. The Westerly Education Center is designed to be financially self-sustaining and its restricted receipt account had a balance of \$2.2 million as of September 2023. This is the same request as last year which was not approved. *The Governor recommends funding as requested.*

Nursing Education Center. The Office requests use of the remaining \$0.8 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 each for FY 2024 and FY 2025, \$0.2 million for FY 2026 and \$0.1 million for an additional year of funding for FY 2027, reflecting refinement of its purchasing plan and project timeline. This will provide instructional equipment, new simulation software and hardware, and improvements to the facilities. *The Governor recommends funding as requested.*

Datacenter Replacement. The Office requests \$345,000 from the Information Technology Investment Fund, including \$245,000 for FY 2024 and \$100,000 for FY 2028, to replace its datacenter with a hybrid-based solution that has both physical systems on site and certain cloud-based operations. The current data center and storage system warranty ended in October 2023. Its network, security, and battery backup devices are over ten years old and are no longer supported by the original equipment manufacturer. The Office is concerned that this would leave secure data vulnerable to a cyberattack. This was requested in the previous two years but was not approved. *The Governor does not recommend funding.*

OPC Office Relocation. The Office requests \$320,000 from Rhode Island Capital Plan funds for FY 2024 and FY 2025 for costs related to relocating its office from Warwick to the Shepard building in Providence. These funds would be used to purchase new office furniture, fixtures, cubicles, telecommunication equipment, painting and various repairs. The building is currently occupied by the Department of Elementary and Secondary Education, among other state offices. The Office will move into space previously occupied by the University of Rhode Island. It is worth noting that the approved plan includes \$5.3 million in the Department of Administration's budget for repairs to the building, which were intended to help effectuate a sale of Shepard; it is unclear when this plan changed. The Office of Cannabis Regulation will occupy the newly vacated Warwick space. Information on this project is limited, as it appears it is still in the preliminary stages. *The Governor recommends \$0.3 million from general revenues in the operating budget for moving expenses in FY 2024.*

Community College of Rhode Island

Projects	Status	5 Year Total	Project Total
<i>Community College of Rhode Island</i>			
Campuswide Renovation and Modernization Phase II-IV	New	\$ 5,000,000	\$ 5,000,000
Accessibility Improvements	Revised	680,000	880,000
Campuswide Renovation and Modernization Phase I	Revised	38,084,928	59,499,999
Data, Cabling, and Power Infrastructure	Revised	15,715,295	20,013,245
Infrastructure Improvements - Flanagan Campus	Revised	10,634,505	12,500,000
Knight Campus Renewal	Ongoing	-	22,271,272
Total		\$ 70,114,728	\$ 120,164,516

Campuswide Renovation and Modernization Phase II-IV. The Community College requests \$160.0 million from new general obligation bonds on three successive ballots to renovate and modernize academic and student support spaces as well as other infrastructure on its four campuses. The request includes \$50.0 million being presented to voters in 2024, and \$55.0 million each in 2026 and 2028. The total cost of the three bonds, assuming 5.0 percent interest and a 20-year term, would be \$261.4 million with annual debt service of \$12.8 million supported by general revenues. This was requested in the previous year, but not approved.

The Community College notes that each bond would fund a separate phase of the work across all campuses. This is a comprehensive renovation and modernization, which the request breaks down into several categories: core building infrastructure upgrades, upgraded student services and common areas, improved energy efficiency, modernized academic and student support space, Americans with Disabilities Act improvements, and campus vehicle circulation and traffic flow. Projects in all categories other than upgrading student services would be funded from the 2024 ballot; all but the Americans with Disabilities Act improvements are continued to the 2026 and 2028 ballots. The Community College utilized the Facilities Master Plan’s recommendations, completed in January 2020, to establish the work categories. *The Governor recommends \$5.0 million from Rhode Island Capital Plan funds for FY 2026 to begin the second phase of the project.*

Accessibility Improvements. The Community College requests \$0.9 million from Rhode Island Capital Plan funds for continued accessibility improvements on the Knight Campus. The approved plan includes \$2.8 million from the Governor’s Commission on Disabilities other funds. The Commission’s funds are from its annual allocation of \$1.0 million from Rhode Island Capital Plan funds. In June 2023, the Division of Capital Asset Management and Maintenance and Commission informed the Community College that the Division would oversee funding for ongoing capital projects using the Commission’s funds; the Department of Administration’s capital budget includes only \$0.4 million, which appears to be an error. The Division instructed the Community College to use Rhode Island Capital Plan funds for changes to its ongoing project submission and to exclude Commission funds. The requested Rhode Island Capital Plan funds will be used to renovate restrooms on the Flanagan campus; any aspects of this project funded using Commission funds are included in the Department of Administration’s capital budget request, such as addressing issues with plumbing original to the campus. *The Governor recommends funding as requested.*

Campuswide Renovation and Modernization Phase I. The Community College requests \$59.5 million from all sources to renovate and modernize academic and student support spaces as well as other infrastructure on 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. This includes the \$12.0 million approved by the 2022 Assembly for the next phase of modernization work, which the Community College would use for additional work at the Lincoln Campus, including classroom

renovations, student commons upgrades, simulation laboratory expansion, and updated cost estimates for upgrading the cameras and repaving the parking lot. The request is \$7.5 million more than approved from Rhode Island Capital Plan funds, reallocates funds between years, and extends the project by a year, reflecting updated cost estimates and timeline. Notably, the updated estimates represent a 14.4 percent increase and without adding funding, the scope will need to be revised. Work began in FY 2022 and funding is programmed through FY 2027. *The Governor recommends funding as requested.*

Data, Cabling and Power Infrastructure. The Community College requests \$20.0 million from multiple sources 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. Consistent with the approved plan, funding includes \$13.7 million from Rhode Island Capital Plan funds and \$1.4 million from College funds. It also adds \$5.0 million in new funding from a general obligation bond that would be presented to the voters on the November 2026 ballot. Additional funding reflects updated cost estimates provided by the project vendor. The request also shifts \$0.3 million from College funds to FY 2027 from earlier years to align with an updated project timeline. Notably, the updated estimates represent a 33.4 percent increase and without adding funding the scope will need to be revised. If additional funding is not approved, the Community College indicates that it would value engineer which projects get completed based on need at the time; however, it does note that all aspects of this project do need to be completed eventually. At the time of the request, the Community College indicated that it is currently halfway through the design phase. *The Governor recommends total funding as requested but provides Rhode Island Capital Plan funds in lieu of a new general obligation bond.*

Infrastructure Improvement - Flanagan Campus. The Community College requests \$12.5 million from Rhode Island Capital Plan funds for renovations and upgrades to the Flanagan Campus, located in Lincoln. Total funding is consistent with the approved five-year plan, but \$2.9 million is shifted from FY 2024 to later years, reflecting an updated project timeline. Subprojects include laboratory expansion and renovation, and exterior painting and window replacement. At the time of its request, the Community College indicated that the expansion project is halfway through the design phase. *The Governor recommends funding as requested.*

Knight Campus Renewal. Consistent with the approved plan, the Community College requests \$22.3 million for the Knight Campus Renewal project. Funding includes \$20.1 million from Rhode Island Capital Plan funds, \$0.9 million from College funds, and \$1.2 million from 1977 auxiliary bond funds redeemed by the Community College during the spring of 2015. Funding is programmed through FY 2024. The last remaining component of the project is the Student Services renovation, which is expected to be complete by the end of 2023. *The Governor recommends funding as requested.*

Rhode Island College

Projects	Status	5 Year Total	Project Total
<i>Rhode Island College</i>			
Academic Buildings Phase V: Fogarty, Whipple, and Adams Library			
Adams Library	New	\$ 73,500,000	\$ 73,500,000
Horace Mann Renovation (School of Education)	Ongoing	-	25,000,000
Infrastructure Modernization	Ongoing	28,875,000	67,655,036
Academic Buildings Phase III	Ongoing	19,100,000	53,000,000
Total		\$ 121,475,000	\$ 219,155,036

Academic Buildings Phase V: Fogarty, Whipple, and Adams Library. The College requests \$202.0 million from new general obligation bonds to go on the November 2024, 2026, and 2028 ballots for voter

approval for the fifth phase of its project to modernize and rehabilitate academic buildings. Funding is programmed from FY 2025 into the post-FY 2029 period. The fifth phase encompasses the modernization of the Fogarty Life Science Building, Whipple Hall and steam plant, and Adams Library/Student Learning and Success Center. The request for the Fogarty Life Science Building is \$85.0 million for the November 2024 ballot, \$42.0 million for Whipple Hall and the steam plant for the November 2026 ballot, and \$75.0 million for the Adams Library/Student Learning and Success Center project for the November 2028 ballot. The College indicates that a feasibility study for the Fogarty Life Science Building was anticipated to be complete in November 2023; a study for the Whipple Hall and steam plant is expected to be done in 2024. Assuming 5.0 percent interest and a 20-year term, debt service for the project is \$330.1 million. This project was requested last year but was not approved. In total, the request is \$14.0 million more than the previous year's request, reflecting updated costs based on renovations of the Clarke Science building and inflation. It assumes the same timeline as the previous year's request.

Subsequent to the capital budget submission the College indicated that it has changed its priorities and now requests that \$73.5 million be put on the November 2024 ballot for a new cybersecurity building. It is exploring renovating Whipple Hall to house the new cybersecurity programs and include office space for the new Institute for Cybersecurity and other faculty, classroom space, a cyber command center to provide virtual environments for training and simulations, space for the Rhode Island STEAM Center, student community areas, and meeting and conference space.

The Governor recommends \$55.0 million of general obligation bonds be submitted to the voters on the November 2024 ballot to convert Whipple Hall into a cybersecurity building. He also recommends \$18.5 million from Rhode Island Capital Plan funds programmed to begin in FY 2025 for a total project cost of \$73.5 million. He programs Rhode Island Capital Plan funds from FY 2025 through FY 2027; bond funds are programmed for FY 2027 and FY 2028.

Horace Mann Renovation (School of Education). Consistent with the approved plan, the College requests \$25.0 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 approved plan assumed completion of the project during FY 2023; however, renovations have taken longer than expected. The request assumes a late fall 2023 completion date and includes the remaining \$2.3 million for use in FY 2024. *The Governor recommends funding as requested.*

Infrastructure Modernization. The College requests \$68.0 million from Rhode Island Capital Plan funds programmed through FY 2029 for infrastructure modernization. This is consistent with the approved plan with the exception of adding \$5.9 million for an additional year. Planned work includes the modernization and replacement of steam and sewer distribution lines, power plant upgrades, improvements for electric, gas and water systems, campuswide drainage improvements, signage improvements as well as supporting information technology network improvements. The addition of funding suggests that this project has become one designed to promote ongoing support for improvements, similar to asset protection. *The Governor recommends funding as requested with some revisions to pre-FY 2024 spending totals.*

Academic Buildings Phase III. Consistent with the approved plan, the College requests \$53.0 million, including \$38.0 million from general obligation bonds that received voter approval in March 2021 and \$15.0 million from Rhode Island Capital Plan funds, to complete the third phase of a multi-phase project to modernize and rehabilitate essential academic buildings. The Clarke Science building is 43,126 square feet and includes several labs, two lecture halls, classrooms, and faculty offices and is the only building in this phase. The College reports that it has signed a contract and construction will commence during August 2023. The 2022 Assembly provided \$15.0 million from Rhode Island Capital Plan funds to address a shortfall identified by the College subsequent to the Governor's recommendation. While total funding is unchanged, the request reallocates \$14.8 million of unspent FY 2023 funding, including \$9.9 million for

FY 2024 and \$4.9 million for FY 2025, based on an updated timeline. *The Governor’s budget adds \$5.0 million from Rhode Island Capital Plan funds inadvertently. The reported intention was to include funding as requested and consistent with the approved plan.*

Athletic Facilities. The College requests \$15.0 million from Rhode Island Capital Plan funds for the renovation and modernization of its athletic facilities. The request includes \$0.5 million for FY 2025, \$5.0 million each for FY 2026 and FY 2027 and \$4.5 million for FY 2028. Funding would be used to expand venues, increase seating and fan amenities, improve practice facilities and provide additional space for the student-athlete success center. Improvements would be made to the varsity wrestling facility, Pontarelli Baseball Field, Bazar Women’s Softball facility, Alumni Stadium, the Murray Center, and the Outdoor Track Complex. The College indicates that these improvements will allow it to recruit and retain more student athletes, host sporting events and championships and increase enrollment. The College notes that the estimate is derived from several factors, including feasibility studies, architectural and engineering reports, and other past projects; however, it is unable to provide a detailed estimate for the specific projects assumed to be included. *The Governor does not recommend funding.*

University of Rhode Island

Projects	Status	5 Year Total	Project Total
<i>University of Rhode Island</i>			
Biomedical Sciences Building	New	\$ 88,400,000	\$ 88,400,000
Blue Technology Innovation Center	New	4,936,846	5,250,000
Athletics Complex Renewal	Revised	77,674,785	83,100,000
Combined Health and Counseling Center	Revised	36,176,601	37,000,000
Dining Facilities Improvements	Revised	3,341,010	3,600,000
Facilities Services Sector Upgrades	Revised	13,000,000	13,000,000
Memorial Union Renovation and Addition	Revised	68,600,000	68,600,000
Narragansett Bay Campus Renewal - Phase I	Revised	28,201,373	60,090,149
PFAS Removal Water Treatment	Revised	19,487,500	20,000,000
Academic Mechanical, Electrical and Plumbing Improvements	Ongoing	16,552,950	18,179,127
Brookside Apartments II/ New Undergraduate Housing	Ongoing	168,332,068	170,600,000
College of Engineering Building Renovations - Phase I	Ongoing	-	131,851,656
Fine Arts Center Renovation and Addition	Ongoing	53,633,425	87,825,295
Fire Protection Academic Phase II	Ongoing	3,311,666	8,903,212
Fire Safety and Protection - Auxiliary Enterprise Phase II	Ongoing	1,226,698	2,467,948
Fraternity Circle Master Plan Implementation	Ongoing	725,718	1,400,000
Narragansett Bay Campus Renewal - Phase II	Ongoing	124,781,500	129,000,000
Ranger Hall Phase II	Ongoing	-	8,821,740
Repaving and Hardscape Improvements	Ongoing	20,000,000	20,000,000
Repaving, Hardscape and Landscape	Ongoing	2,458,907	12,317,020
Soloviev Basketball Practice Facility	Ongoing	-	7,900,000
Stormwater Management	Ongoing	4,443,662	4,700,000
Utility Infrastructure Upgrades - Phase I	Ongoing	-	7,247,729
Utility Infrastructure Upgrade - Phase II	Ongoing	14,762,884	15,450,000
Utility Infrastructure Upgrades-Phase III	Ongoing	9,191,250	9,191,250
White Horn Brook Apartments	Ongoing	487,796	92,301,555
Total		\$ 759,726,639	\$1,107,196,681

Biomedical Sciences Building. The University requests \$88.4 million for a new project to construct a laboratory and research facility to expand the Ryan Institute for Neuroscience and other biomedical research. Requested funding includes \$1.0 million from private funding and \$87.5 million from a new general obligation bond to go before voters on the November 2024 ballot. This was requested last year at a total of \$77.6 million; however, the project was not approved. The request is \$10.8 million more than last year's request to account for the increased cost of construction and a start date that is two years later. The total cost of the requested bond, assuming 5.0 percent interest and a 20-year term, is \$140.3 million with annual debt service of \$7.0 million supported by general revenues. The request notes that this project directly aligns with several goals in its Transformational Goals for the 21st Century report, which identifies neuroscience as a field targeted for rapid faculty growth, and that developing a Ryan Institute laboratory facility demonstrates its commitment to invest in neuroscience.

The Governor recommends \$80.0 million of new general obligation bonds to be submitted to the voters on the November 2024 ballot. Annual debt service would be \$6.6 million assuming a 5.0 percent interest rate and a 20-year term. Total debt service would be \$128.1 million. The Governor's recommendation also includes \$8.4 million from private funding for a total project cost of \$88.4 million. Funding is programmed from FY 2026 through FY 2028.

Blue Technology Innovation Center. The University requests \$5.3 million from third-party financing for a new project to construct a Blue Technology Innovation Center on the Narragansett Bay Campus. The source is a general obligation bond, referred to as Innovation Campus funding, that the University is currently working with the Commerce Corporation to secure. The Executive Office's capital request maintains the \$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.

The project will construct a new facility to provide businesses with technology-based innovation support and wrap-around services for new and established companies. 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 space for presentations, training programs, events; and office space for staff and key partners. This was requested in the previous year but was not recommended or approved. The prior request was \$11.6 million higher; the reduction largely reflects sharing space with the planned Ocean Engineering Complex. The estimated impact of the project on the operating budget is approximately \$40,000 annually. *The Governor recommends funding as requested.*

Athletics Complex Renewal. The University requests \$83.1 million from all sources, including \$65.8 million from Rhode Island Capital Plan funds and \$17.3 million from University funds, to renovate six athletic facilities. The University subsequently indicated the request should be for private funding in place of University funds. The request is \$0.8 million more than approved from University funds, reflecting updated project cost estimates. It also shifts \$49.5 million of approved funding from FY 2024 through FY 2025 to FY 2026 through FY 2027 to reflect an updated timeline, which as of the time of the request was ongoing. Notably, the request shifts the requirement for private funds to the end of the project. Renovations include Meade Stadium East Grandstands, Track and Field, Beck Baseball Field, the softball field, Tootell Aquatics Center, and the soccer field. The project may also include a new boat house for the rowing team. The University has released a request for proposals for an architect to commence design of the project. *The Governor recommends funding as requested.*

Combined Health and Counseling Center. Consistent with the approved plan, the University requests \$37.0 million from revenue bonds and University funds for a project to combine its health services and counseling center into a single facility. It reports that the capacity of both facilities is insufficient to meet

the demand for services; the current physically separate facilities require duplications in support staff and medical recordkeeping. The 2019 Assembly authorized \$26.9 million of debt and the 2021 Assembly authorized an additional \$2.1 million of debt for this project. The request delays the project to FY 2027, two years later than the approved plan, in order to focus on the construction of student housing. As of the time of the request, the University indicated it has completed the schematic design for the project. *The Governor recommends funding as requested.*

Dining Facilities Improvements. The University requests \$3.6 million from University funds for the renovation and expansion of the dining distribution center. Total funding is \$1.4 million less than the approved plan and extends the timeline two years to FY 2027. The revision reduces the scope and excludes plans to expand the catering division or convert the distribution center from warehouse space to a kitchen. The University has prioritized the Hope Commons section of the project, which has a more direct daily impact on its students. FY 2024 funding will be used for project design, and construction is expected to begin in FY 2025. *The Governor recommends funding as requested.*

Facilities Services Sector Upgrade. Consistent with the approved plan, the University requests \$13.0 million from revenue bonds to begin improvements to the service sector area that houses the operations and maintenance functions and stores equipment, furniture, and supplies. The request shifts \$9.0 million approved for FY 2024 through FY 2026 to FY 2027 and FY 2028, reflecting an updated project schedule to allow the University to focus on higher priority capital projects. The request calls for the demolition of the automotive garage and the grounds building. New buildings will accommodate equipment and furniture storage, automotive garages, and any workshops necessary in the facilities compound while largely hiding the operations from public view. The 2022 Assembly approved the revenue bonds and annual debt service is not expected to exceed \$1.2 million equivalent to a total cost of \$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 for the issuance of the bond at its September 23, 2022 meeting. The bonds will be issued once the University deems it can afford the additional debt service. *The Governor recommends funding as requested.*

Memorial Union Renovation and Addition. Consistent with the approved plan, the University requests \$68.6 million for the complete renovation and expansion of Memorial Student Union, a 133,000 square foot, four-story building that houses over 180 student groups along with the organizations and offices for Student Affairs. It proposes to renovate and expand the building, with a 9,000 square-foot addition, while improving adjacent parking and landscaping. The request includes \$57.6 million from revenue bonds and \$11.0 million from University funds, consistent with the approved plan. It also adjusts all years of funding, including shifting current year funding to later years, and extends the project to FY 2029. This includes \$3.5 million for FY 2025, \$11.0 million for FY 2026, \$22.5 million for FY 2027, \$22.1 million for FY 2028 and \$9.5 million for FY 2029. The University has completed an advanced planning study; however, the project will be reevaluated to determine a start date once the projects providing student housing are further along, as those are a priority. *The Governor recommends funding as requested.*

Narragansett Bay Campus Renewal - Phase I. The University requests \$60.1 million for the first phase of a three-phase project to complete a comprehensive renewal of the Narragansett Bay Campus. This is \$1.1 million more than the approved plan, including \$1.3 million less from private funding, offset by \$2.4 million more from third-party financing. 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, and \$2.4 million from third-party financing. The request delays the project to FY 2027, which is two years later than the approved plan, resulting from the lack of viable bids received last summer. The project has since been redeveloped and site work and utility enabling has been completed; the Ocean Laboratory building went out to bid in the fall of 2023.

The private funds are from donations that have been secured. The third-party source is a general obligation bond, referred to as Innovation Campus funding, that the University is currently working with the Commerce Corporation to secure. The Executive Office's capital request maintains the \$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. *The Governor recommends funding as requested.*

PFAS Removal Water Treatment. Consistent with the approved plan, the University requests \$20.0 million from State Fiscal Recovery funds to construct a per- and polyfluoroalkyl substances (PFAS) water treatment plant. The request spreads approved funding through FY 2027, which is three years later than the approved plan, including \$0.5 million for FY 2024, \$1.0 million for FY 2025, \$14.1 million for FY 2026 and \$4.4 million for FY 2027. Legislation mandates all public water supply systems not exceed PFAS contamination levels of 20 parts per trillion by July 1, 2023. The University reports that its three wells exceed the legal limit and that a water treatment plant will be needed for compliance. The \$20.0 million estimate is based upon a preliminary assessment in 2022. An engineering firm performed an additional analysis to determine the size of the treatment plant that the water system will need. The University indicates that its updated timeline reflects estimates done with vendors that include water filtration space, construction duration and supply chain issues on granulated activated carbon vessels, variable speed pumps, and the required specialized electronics and switchgears.

The Departments of Health and Business Regulation have been tasked with identifying opportunities for the University to expediate the lead remediation process by a few months. *The Governor recommends Rhode Island Capital Plan funds in lieu of State Fiscal Recovery funds, which have a shorter timeframe for use.*

Academic Mechanical, Electrical, and Plumbing Improvements. Consistent with the approved plan, the University requests \$17.9 million from Rhode Island Capital Plan funds for a project to make mechanical, electrical, and plumbing improvements in Fogarty and White halls. Fogarty Hall would get a new heating, ventilation and air conditioning distribution system and new plumbing and electrical. White Hall would receive a new heating, ventilation, and air conditioning distribution system to properly link it to a new boiler and chiller installed in the Richard E. Beupre Center for Chemical and Forensic Sciences building that were sized to also serve White Hall. Funding is programmed through FY 2027, which is two years later than the approved plan, reflecting an updated project schedule. The University indicated that at the time of the request the project was in code review after which it will seek a vendor for construction. *The Governor recommends funding as requested adjusted for pre-FY 2024 spending.*

Brookside Apartments II/New Undergraduate Housing. Consistent with the approved plan, the University requests \$170.6 million for the construction of 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 approved by the 2022 Assembly and \$7.5 million from University funds with funding programmed from FY 2023 through FY 2027. The bond is expected to have an interest rate of 6.0 percent and a 30-year term, with maximum debt service of \$356.0 million. Debt service on the bond will be supported by fees charged to students living there. At the time of the request, the University was working on developing a request for proposals and planned on selecting a design vendor in early 2024.

The University identified an emerging housing shortage for its students that arose after submitting its FY 2023 capital budget and noted three changes that negatively impacted the student housing market. The first is the housing shortage that grew during the pandemic with remote workers opting to live full-time in their summer homes instead of renting to students during the academic year. The second is a recent change in a local ordinance that limits the maximum per rental dwelling of college students to three. The University lost its legal appeal in September 2021 that the ordinance was discriminatory, but in November 2022, a

Superior Court judge struck down the ordinance. The third is an increased interest among upperclassmen to live on campus, where there is greater access to student resources. *The Governor recommends funding as requested.*

College of Engineering Building Renovations - Phase I. The University's request includes the \$131.9 million first phase of a project to construct a new 186,000 square foot building in the engineering quadrangle. Funding includes \$125.0 million from general obligation bonds approved by the voters on the November 2014 ballot, \$4.2 million from private funding, \$1.7 million from University funds, \$0.8 million from third-party financing, and \$0.2 million from restricted receipt funds. The first phase involved the demolition of Crawford, Gilbreth, Kelly, and Wales halls and Kelly Annex; renovations to Kirk Hall; site work modification to the engineering quadrangle; and the construction of a new building. The project focused on classroom and office improvements, modernization of teaching laboratories, and upgrading elevators and restrooms. The heating, ventilation, and air conditioning systems were also replaced along with the roofs. The project is in the closeout phase. *The Governor recommends funding as requested.*

Fine Arts Center Renovation and Addition. The University requests \$73.3 million to complete the second part of phase I of the project of comprehensive 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 eliminates phase II of the project. The request includes \$57.3 million from general obligation bonds and \$16.0 million from Rhode Island Capital Plan funds, which is consistent with the approved plan; however, the request excludes \$5.0 million in private funding included in the approved plan, which reflects the exclusion of phase II. Private funding was planned to be used for interior renovations to the three performance spaces, the proscenium theater, the black box theater and the concert hall. The University reports that it was unable to identify significant private support for the project, resulting in it cancelling phase II. It also extends the project one year to FY 2026 and includes \$7.4 million from general obligation bonds, and shifts \$33.4 million from FY 2024 to FY 2025, reflecting an updated project schedule. It is scheduled to open in fall 2025. The Fine Arts Project went out to bid in fall 2023. *The Governor's recommendation reflects \$14.5 million from Rhode Island Capital Plan funds for the pre-FY 2024 period but is otherwise consistent with the request.*

Fire Protection Academic - Phase II. Consistent with the approved plan, the University requests \$8.1 million from Rhode Island Capital Plan funds for the second phase of a two-phase project to upgrade existing fire alarm systems and install fire-suppressing sprinkler systems in all of the academic and administrative buildings that are not presently equipped with sprinkler and addressable alarm systems. Funding includes \$0.8 million for prior year expenses, \$4.0 million for FY 2024, and \$3.3 million for FY 2025. The University has contracted a vendor to develop plans on how to address necessary code upgrades in the second phase of the project. *The Governor's recommendation reflects \$1.6 million for the pre-FY 2024 period but is otherwise consistent with the request.*

Fire Safety and Protection Auxiliary Enterprises - Phase II. The University requests \$2.5 million from revenue bonds programmed through FY 2025 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. The request is \$46,287 more than the approved plan and is extended one year, reflecting delays in obtaining commercial generators. This project will install sprinkler and upgraded alarm systems and make other mandatory and beneficial fire safety improvements, including emergency power for fire protection systems to preserve full occupancy in the event of power outages. Annual debt service is \$0.2 million over 20 years, for a total of \$3.4 million. Debt was issued in 2018 and is paid from auxiliary revenue sources. *The Governor recommends funding as requested.*

Fraternity Circle Master Plan Implementation. Consistent with the approved plan, the University requests \$1.4 million from third party and University funds for the second phase of a project to make road,

utilities, and landscaping improvements to Fraternity Circle during FY 2024 and FY 2025. 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 recommends funding as requested.*

Narragansett Bay Campus Renewal - Phase II. Consistent with the approved plan, the University requests \$129.0 million for the second phase of a three-phase project to complete a comprehensive renewal of the Narragansett Bay Campus from FY 2024 through FY 2027. Funding includes \$100.0 million from general obligation bonds approved in 2022, \$25.0 million from Rhode Island Capital Plan funds, and \$4.0 million from private sources. The request assumes a completion date of FY 2028, which is one year later than the approved plan, reflecting anticipated delays caused by supply chain issues, specifically mechanical and electrical equipment. Annual debt service on the bond would be \$8.0 million assuming a 5.0 percent interest rate and a 20-year term; total debt service would be \$160.5 million.

The University completed an advanced planning study for the renewal of the Narragansett Bay Campus in FY 2016, determining that extensive renovations or total replacement of existing buildings on the campus is necessary to meet the future programmatic plans. Phase I of this project is being funded by \$45.0 million from general obligation bonds approved by voters in November 2018, \$0.7 million from private sources, and \$12.0 million from Rhode Island Capital Plan funds which were added by the 2022 Assembly to account for cost overages. *The Governor recommends funding as requested.*

Ranger Hall - Phase II. Consistent with the approved plan, the University requests \$8.8 million for the second phase of the rehabilitation and restoration of Ranger Hall. Funding includes \$5.2 million from private funding and \$3.6 million from University funds. The project included the renovation of the second floor of the hall, which houses the Harrington School of Communication and Media, as well as general assignment classrooms. The project was completed during the beginning of FY 2023 in time for the fall 2022 semester; however, funding is retained to ensure any warranty concerns are fixed. Once the warranty period expires in FY 2024, the final payment will be made. *The Governor recommends funding as requested.*

Repaving and Hardscape Improvements. Consistent with the approved plan, the University requests \$20.0 million from new 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. The total cost of the requested bond, assuming 5.0 percent interest and a 20-year term, is \$32.7 million with annual debt service of \$1.6 million supported by parking fees for the parking lot portions of the project and general revenues, tuition and fees for the roads and walkways portion. Work will take place at three of the four campuses, including Kingston, Narragansett, and Alton Jones. *The Governor recommends funding as requested.*

Repaving, Hardscape and Landscape. The University requests \$12.3 million from revenue bonds through FY 2026 for the fourth phase of the effort to repave and reconstruct major parking facilities, internal roadways, and walkways. Funding is consistent with the approved plan but extends the project by one year to ensure that funding remains available for this type of work until its next planned bond becomes available in FY 2027, discussed separately. The University engaged Pare Engineering to further study, scope, and prioritize future projects and it plans on seeking design support for the first of the projects over the next few months. The 2018 Assembly authorized the bonds, and annual debt service is \$0.8 million with a total cost of \$16.9 million. Debt service is supported by parking fees for the parking lot portions of the project; general revenues and tuition and fees support the roads and walkways portion. The debt was issued in December 2018. *The Governor recommends funding as requested.*

Soloviev Basketball Practice Facility. Consistent with the approved plan, the University requests \$7.9 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, including a new entry, court, heating, ventilation, and air conditioning system, and lighting. The request programs funding through FY 2024, which is one year later than the approved plan; spending of \$1.2 million is assumed for FY 2024. The project is essentially complete and has been in use by student athletes since September. *The Governor recommends funding as requested.*

Stormwater Management. Consistent with the approved plan, the University requests \$4.7 million from Rhode Island Capital Plan funds for stormwater improvements to existing drainage systems on campus from FY 2024 through FY 2026. The drainage improvements would provide additional storage volume and improve channel and pipe sizes and alignment to reduce the frequency of overtopping and flooding along Whitehorn Brook, Ellery Pond and the adjacent areas that feed into these waterways. *The Governor recommends funding as requested.*

Utility Infrastructure Upgrades - Phase I. The University requests \$7.2 million from revenue bonds for the first phase of the three-phase utility infrastructure upgrade project. Total funding is essentially consistent with the approved plan. The project involves the replacement of the steam/condensation distribution, water and electrical distribution, sanitary sewer, and storm water management systems. The total request for all phases of the utility infrastructure upgrade plan is \$31.9 million from revenue bonds, including \$15.5 million for the second phase, and \$9.2 million for the third phase. The total debt service for the first phase is \$10.0 million with annual debt service of \$0.5 million. *The Governor recommends funding as requested.*

Utility Infrastructure Upgrades - Phase II. The University requests \$15.5 million from revenue bonds supported by general revenues and tuition and fees for the second phase of the three-phase utility infrastructure upgrade project. Total funding is consistent with the approved plan but programmed through FY 2026, which is one year later than approved, reflecting a decision to delay the bond issuance so that the FY 2023 operating budget would not include this debt service payment. The 2022 Assembly authorized the revenue bonds, and annual debt service is not expected to exceed \$1.4 million, which equates to a total cost of \$27.0 million. The Board of Trustees approved the resolution for the issuance of the bond at its September 23, 2022 meeting. The bond closed on June 15, 2023.

The total request for all phases of the utility infrastructure upgrade plan is \$31.9 million from revenue bonds, including \$7.2 million for the first phase, and \$9.2 million for the third phase. The project involves the replacement of the steam/condensate distribution, water distribution, electrical distribution, sanitary sewer, and the storm water management systems. *The Governor recommends funding as requested.*

Utility Infrastructure Upgrade - Phase III. Consistent with the approved plan, the University requests \$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. Funding is programmed from FY 2025 through FY 2026. The total request for all phases of the utility infrastructure upgrade plan is \$31.9 million from revenue bonds, including \$7.2 million for the first phase and \$15.5 million for the second phase. The project involves the replacement of the steam/condensate distribution, water distribution, electrical distribution, sanitary sewer, and the stormwater management systems.

The Governor's budget includes authorization for Assembly approval of a \$9.2 million revenue bond. Annual debt service on this authorization would be supported by the University's unrestricted budget and would not exceed \$1.4 million. Total debt service would not exceed \$27.0 million.

White Horn Brook Apartments. The University's request includes the \$92.3 million project for a six-story residence hall providing 500 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. Total requested funding is essentially consistent with the

approved plan, but \$0.5 million is shifted from FY 2024 to FY 2025. The project is in the final closeout phase and students have moved in. The University indicates that it is currently evaluating architectural and engineering proposals for a permanent space for facilities operations staff relocated during construction and expects the design to be underway in the fall. *The Governor recommends funding as requested.*

Historic Quadrangle Building Renovations - Phase I. The University requests \$96.3 million from new general obligation bonds to go on the November 2026 ballot for voter approval for the first phase of a project to renovate the buildings in the historic quadrangle. Funding is programmed from FY 2028 through the post-FY 2029 period. The first phase encompasses the renovation and restoration of Edwards, East, Washburn, and Morrill Halls. The total cost of this phase, assuming 5.0 percent interest and a 20-year term, is \$154.5 million with annual debt service of \$7.7 million supported by general revenues. This was requested in the previous year but not recommended or approved; timing and cost estimates are unchanged. *The Governor does not recommend funding.*

Rhode Island State Council on the Arts

Projects	Status	5 Year Total	Project Total
Creative and Cultural Economy Bonds	Ongoing	\$ 1,750,000	\$ 36,000,000
Total		\$ 1,750,000	\$ 36,000,000
Sources of Funds			
General Obligation Bonds		\$ 1,750,000	36,000,000
Total		\$ 1,750,000	\$ 36,000,000

Summary. The approved plan for the Rhode Island State Council on the Arts includes \$6.0 million from general obligation bond proceeds approved in March 2021 for the Creative and Cultural Economy Grants program, including \$3.0 million for the five-year period. The 2021 bond question allocated \$6.0 million for awards, including \$4.0 million to specific arts organizations as identified in the ballot question and \$2.0 million on a competitive basis. The Council reports the program has supported 25 grants and \$1.7 million has been disbursed as of August 2023. The Council requests \$8.0 million, including \$4.0 million from a new general obligation bond to be placed before the voters on the November 2024 ballot to continue the competitive grant program with a focus on green energy improvements. Annual debt service would be \$0.3 million assuming a 5.0 percent interest rate and a 20-year term; total debt service would be \$6.4 million. Allowable uses of newly requested bonds would also be expanded to include artist housing.

The request programs \$2.2 million for FY 2024, \$0.4 million for FY 2025, and \$1.3 million for FY 2026. The newly requested bonds are programmed at \$750,000 annually for FY 2026 to FY 2028 and \$0.5 million for FY 2029. The request excludes \$2.0 million of prior year funds, including \$0.3 million which was not spent and appears to have been excluded in error. *The Governor's recommendation does not include the newly requested bonds, corrects for the error, and programs \$3.3 million for FY 2024, \$1.7 million for FY 2025, and \$0.1 million for FY 2026.*

Rhode Island Atomic Energy Commission

Projects	Status	5 Year Total	Project Total
Asset Protection	Ongoing	\$ 250,000	\$ 818,904
Total		\$ 250,000	\$ 818,904
Sources of Funds			
Rhode Island Capital Funds		\$ 250,000	\$ 818,904
Total		\$ 250,000	\$ 818,904

Summary. The Rhode Island Atomic Energy Commission requests \$300,000 from Rhode Island Capital Plan funds for asset protection projects at the Rhode Island Nuclear Science Center in Narraganset during the FY 2024 through FY 2029 period. The request is essentially consistent with \$50,000 annually in the approved five-year plan and adds \$50,000 for FY 2029. The approved plan assumed funding would increase to \$51,000 in FY 2028. The Commission divides asset protection projects into several categories to address immediate and long term needs of the facilities. These include landscaping improvements, exterior renovations, interior renovations, mechanical systems, and capability upgrades. *The Governor recommends funding as requested.*

Historical Preservation and Heritage Commission

Projects	Status	5 Year Total	Project Total
Old State House Renovation	Revised	\$ 750,000	\$ 1,250,000
Artifact Relocation	Ongoing	55,000	175,000
State Preservation Grants	Ongoing	-	1,000,000
Total		\$ 805,000	\$ 2,425,000
Sources of Funds			
Federal Funds		\$ 780,000	\$ 1,350,000
General Obligation Bonds		-	1,000,000
Other		25,000	75,000
Total		\$ 805,000	\$ 2,425,000

Summary. The Historical Preservation and Heritage Commission requests total capital expenditures of \$19.4 million for three projects, which is \$12.8 million more than the approved plan. Funding includes \$1.4 million from federal funds, \$12.0 million from new general obligation bonds to go before the voters on the November 2024 ballot, \$6.0 million from previously approved general obligation bonds, and in-kind work valued at \$50,000. *The Governor recommends total capital expenditures of \$2.4 million, including \$1.4 million from federal funds, \$1.0 million from previously approved bonds, and in-kind work valued at \$75,000.*

Old State House Renovation. The Commission requests \$1.3 million from federal funds over FY 2024 and FY 2025 for rehabilitation and upgrades at the Old State House. Work is intended to bring the Old State House into regulatory compliance and reopen the building to the general public. Subprojects include asbestos abatement and Americans with Disabilities Act compliant elevator and bathrooms for all levels of the building. The Commission’s request is \$0.8 million more than approved to reflect receipt of an additional grant from the National Park Service to prepare the site for the country’s 250-year anniversary celebration, including interior renovations, exterior grounds restoration, and historical research. The request also shifts \$250,000 from FY 2023 to FY 2024 to reflect an updated project timeline.

It should be noted that the Department of Administration’s budget contains \$1.0 million from Rhode Island Capital Plan funds as state match for the Commission’s original Save America’s Treasures grant, including \$0.5 million specific to this building and \$0.5 million from the allocation for accessibility projects managed by the Governor’s Commission on Disabilities. *The Governor recommends funding as requested.*

Artifact Relocation. Consistent with the approved plan, the Commission requests \$150,000 to relocate and catalog historical artifacts currently housed in the basement of the Old State House to a central repository at the University of Rhode Island. This includes \$100,000 from federal grant funds and \$50,000 of in-kind staff cataloging and moving to supply the required match. Compared with the approved plan, the request shifts \$85,000 from FY 2023 to the FY 2024 through FY 2026 period to reflect slow federal approval and delays associated with Commission turnover. Storage space is provided by the University of Rhode Island. The Commission indicates that hundreds of boxes of historically significant, informally accepted artifacts are stored in deteriorating conditions. Relocating, repackaging, and cataloging artifacts would ensure their safety and the ability of researchers to access the collection. *The Governor’s recommendation inadvertently adds \$25,000 of in-kind work for FY 2024.*

State Preservation Grants. The Commission requests \$18.0 million from general obligation bonds to support the State Preservation Grants program. This includes \$5.0 million approved by the voters in 2014, \$1.0 million approved in 2021, and \$12.0 million from a new general obligation bond to go before the voters on the November 2024 ballot to continue the program. Voters approved funding in 2002 and 2004 for capital preservation and renovation projects at public historic sites, museums, and cultural art centers that are located in historic structures throughout the state. These are reimbursement grants that have matching requirements per regulations established in 2015.

Of the total grants awarded, \$5.0 million has been disbursed; the request programs the remaining \$1.0 million for FY 2024. Newly requested bond funds are programmed at \$0.3 million for FY 2025, \$2.0 million for FY 2026, \$2.5 million for FY 2027, \$3.0 million for FY 2028, \$2.7 million for FY 2029, and \$1.5 million for the post-FY 2029 period. Annual debt service would be \$1.0 million assuming a 5.0 percent interest rate and a 20-year term; total debt service would be \$19.2 million. *The Governor does not concur with the request to issue new bonds. The recommendation includes \$1.0 million from previously approved 2021 bonds, including \$0.2 million to reflect prior year expenses and \$0.8 million for FY 2024.*

Office of the Attorney General

Projects	Status	5 Year Total	Project Total
Equitable Sharing Capital Projects	Revised	\$ 1,200,000	\$ 1,700,000
Renovation and Asset Protection	Ongoing	4,875,000	8,025,000
Total		\$ 6,075,000	\$ 9,725,000
Sources of Funds			
Federal Funds		\$ 1,200,000	\$ 1,700,000
Rhode Island Capital Funds		4,875,000	8,025,000
Total		\$ 6,075,000	\$ 9,725,000

Summary. The Office of the Attorney General requests \$8.8 million for two projects, including \$6.1 million to be spent in the five-year period. The request includes the use of \$1.7 million from Federal Equitable Sharing funds, with \$1.2 million in the five-year plan. The remainder is from Rhode Island Capital Plan funds. *The Governor recommends \$6.1 million in the five-year period, as requested.*

Equitable Sharing Capital Projects. The Office requests \$1.7 million from its \$60.0 million share of Federal Equitable Sharing funds for asset protection work, new and replacement vehicles, and an electric vehicle charger. This source of federal funding is used to cover cleaning, maintenance contracts, minor interior repairs and renovations, and other expenses the Department of Justice deems allowable. The request is \$1.1 million more than the approved plan which reflects its fleet requests and a related electric vehicle charger as part of a long-term replacement strategy. *The Governor recommends funding as requested.*

Renovation and Asset Protection. The Office requests \$7.1 million from Rhode Island Capital Plan funds for asset protection and building renovations at 150 and 180 South Main Street in Providence, consistent with the approved plan. The request includes a carryforward of \$1.9 million from FY 2023 to FY 2024 to complete the roof replacement at 150 South Main Street. Out-year projects include \$2.4 million for FY 2026 to replace the heating, ventilation, and air conditioning, \$1.0 million for FY 2027 to replace the windows, and \$0.8 million for FY 2028 to replace the lower roof as well as \$150,000 annually for unidentified asset protection work. *The Governor recommends funding as requested and adjusts the project total to include \$1.0 million of prior year spending excluded from the request.*

Department of Corrections

Projects	Status	5 Year Total	Project Total
HVAC Replacement	Revised	\$ 34,219,148	\$ 41,100,000
Facilities Renovations	Revised	10,598,925	41,015,639
Asset Protection	Ongoing	20,500,000	53,957,405
Total		\$ 65,318,073	\$ 136,073,044
Sources of Funds			
Rhode Island Capital Funds		\$ 65,318,073	\$ 136,073,044
Total		\$ 65,318,073	\$ 136,073,044

Summary. The Department of Corrections requests \$718.5 million for the five-year period for total project costs of \$940.3 million. Funding in the five-year plan includes \$717.2 million from Rhode Island Capital Plan funds, \$0.8 million from the Information Technology Investment Fund, and \$0.6 million from unidentified sources. The request is \$854.5 million more than the approved plan, including \$738.9 million for a major new project. *The Governor recommends \$136.1 million from Rhode Island Capital Plan funds, including \$65.3 million in the FY 2025 through FY 2029 period and \$13.8 million for FY 2024.*

HVAC Replacement. The Department requests \$114.7 million from Rhode Island Capital Plan funds for the FY 2024 through post-FY 2029 period to replace the heating, ventilation, and air conditioning systems at the Intake Service Center and Medium Security facility. The Intake Center is estimated to cost \$37.7 million and would be done first as it is in disrepair and is causing inmates and staff issues. The system cannot currently be controlled and is creating fire alarm issues; the Department spends \$20,000 annually to repair the system. The approved asset protection project, discussed separately, also assumes \$3.4 million would be dedicated to this system. The remaining \$77.0 million is for replacement of Medium Security’s system beginning during FY 2026 when it is anticipated to reach its end-of-life. The request includes \$6.9 million for FY 2024, \$20.5 million for FY 2025, \$11.1 million for FY 2026, \$19.3 million each for FY 2027 through FY 2029 and \$18.4 million for the post-FY 2029 period.

The Governor recommends \$41.1 million from Rhode Island Capital Plan funds for the Intake Center portion of the project only. He programs \$6.9 million for FY 2024, \$23.9 million for FY 2025, and \$10.3 million for FY 2026. Some of the current year spending for this new project is offset by the reduction to available asset protection funds, but it would appear that as a new project the Assembly will likely not act in time on a project of this magnitude for the \$6.9 million to be spent in the current year.

Facilities Renovations. The Department requests \$20.7 million from Rhode Island Capital Plan funds for the construction of a behavioral management unit and a firing range. The request includes \$4.8 million for FY 2025 and \$15.6 million for FY 2026. The approved plan includes funding for facility renovations through FY 2023. This expanded scope was requested in the previous year, but not approved. The request assumes a roughly 20 percent cost increase for each, reflecting inflation.

The \$9.8 million requested for a new indoor firearms range at the Maximum Security facility includes \$0.8 million for a feasibility study which will determine the best location. Annual weapons qualifications of correctional officers are required by statute; the Department has used the Camp Fogarty range, private ranges, and a municipal range to conduct qualifications. The Department believes its own facility would allow for year-round training not dependent on availability of other ranges or weather and result in overtime savings, though it has not done an analysis on the extent of those savings.

The \$10.6 million for a new behavioral management unit within High Security would provide psychiatric treatment for individuals who need specialized clinical intervention. The approved plan included \$250,000 for FY 2023 for a feasibility study to determine the appropriate site, needs, design, and cost, that is now expected to be complete in FY 2024. The enacted budget authorized 32.0 new positions to staff the behavioral management unit and the existing restrictive housing unit, as well as to assist with the pilot program of this unit which is expected to begin in November. A lawsuit filed against the Department in 2019 involving the rights of incarcerated seriously and persistently mentally ill inmates is ongoing in federal court.

The Governor recommends \$10.8 million from Rhode Island Capital Plan funds for the new behavioral management unit only. In addition to the \$250,000 to complete the study in FY 2024, the recommendation programs \$3.2 million for FY 2025, and \$7.4 million for FY 2026.

Asset Protection. The Department requests Rhode Island Capital Plan funds for asset protection projects at various facilities, including \$4.1 million annually for the FY 2024 through the post-FY 2029 period. This request adds \$4.1 million for FY 2029 and \$4.2 million for post-FY 2029 period, and is otherwise consistent with the approved plan. Planned work includes replacing plumbing, architectural and engineering costs, and heating, ventilation and air conditioning replacement across all its facilities, including \$3.4 million of unspent FY 2023 funds previously planned for the intake center. The request also assumes \$1.1 million for correctional officers to supervise work crews; state payroll costs are not an appropriate use of Rhode Island Capital Plan funds and these costs should be incorporated into vendor contracts.

The current year's funding includes \$0.3 million for office renovations to house the investigations unit at the Attorney General's Office at the Pastore Center to allow investigations unit personnel to be located at the same place and \$1.5 million for digital license plate equipment. The license plate equipment would allow for the Department to produce digitally-coded license plates for the Division of Motor Vehicles after the reissuance of license plates is complete. Purchasing equipment is atypical of an asset protection project. *The Governor recommends funding as requested. His operating budget does not appear to assign any direct payroll costs to these projects.*

New Maximum and High Security Facility, Minimum Security Facility and Intake Center. The Department commissioned a 25-year master plan for facilities renovations, conducted by CGL Industries during FY 2020. Based on that report, the Department requests \$738.9 million from Rhode Island Capital Plan funds to build a new Minimum Security facility and Intake Service Center, and one to replace the Maximum and High Security facilities. The Department's prior requests assumed costs consistent with those estimated in the report. The current request updates construction costs by \$89.0 million, or 78.1 percent, and \$104.7 million, or 40.6 percent, respectively.

The consolidated facility would replace the two highest security facilities and be built on land currently occupied by the High Security facility. The study suggests construction would be completed in FY 2030 for a total project cost of \$328.7 million. It would contain 776 beds, including 512 for two maximum security units, 108 for a single high security housing unit, 100 beds for mental health, and 56 for a medical infirmary. The July 2023 occupancy report showed 321 inmates at the Maximum Security facility and 78 at High Security for a total of 399 inmates. The request includes \$29.4 million for FY 2025 and \$149.6 million annually for FY 2026 and FY 2027.

The new Minimum Security facility is estimated to cost approximately \$240 million and take eight years to build. For the five-year period, the request includes \$10.7 million for FY 2026 and \$101.5 million each for FY 2027 and FY 2028. The July 2023 occupancy at the Minimum Security facility was 182 inmates while the new facility is expected to contain 600 beds. The Department indicates that the existing design does not allow for certain types of inmates, such as sex offenders, to be housed there due to the lack of a

secure perimeter. The new facility would allow space for 300 additional inmates primarily transferring from Medium Security.

The new Intake Service Center is estimated to cost approximately \$263 million, and the study anticipates it would be completed in eight years. The request includes \$17.9 million for FY 2029 and \$178.7 million in the post-FY 2029 period. The July 2023 occupancy at the Intake Service Center was 865 inmates while the new facility is expected to contain 986 beds. It is worth noting that the Department is requesting \$40.0 million separately for a replacement of its heating, ventilation and air conditioning system at the Intake Service Center which would be completed during FY 2026. If this project were to be approved, the Department would forgo the requested air conditioning replacement. *The Governor does not recommend this project.*

Information Technology Projects. The Department requests \$31.4 million from all sources for a new project that includes seven distinct technological upgrades and replacements. By source, it includes \$27.2 million from Rhode Island Capital Plan funds, \$3.3 million from the Information Technology Investment Fund, with the remaining \$1.0 million unidentified. The request includes \$3.4 million for the current fiscal year, \$10.3 million for FY 2025, \$15.3 million for FY 2026, and \$0.8 million annually for FY 2027 through FY 2029. Consistent with the approved plan and maintained in the Department of Administration's capital budget request, the Department includes \$3.2 million from Information Technology Investment funds to install a Wi-Fi system and purchase a probation and parole E-supervision system.

The request also includes \$28.1 million for five new subprojects, most of which, \$26.8 million, would be used to build a new system to replace the existing inmate facility tracking system. This system would contain all information on an inmate so that there is one centralized record that follows an offender from intake to release and through community supervision. Currently, for a complete record of an offender's history, the Department must combine information from different systems manually. Other new subprojects include the time tracking system, maintenance of the substance abuse tracking system and upgrading its Parole Board hearing system. Rhode Island Capital Plan funds have typically been limited to capital projects with physical assets. *The Governor does not recommend the new projects requested.*

Judicial Department

Projects	Status	5 Year Total	Project Total
Licht Window and Masonry Repairs	New	\$ 3,045,000	\$ 4,337,541
Judicial Complexes Asset Protection	Ongoing	8,250,000	21,815,697
Judicial Complexes - HVAC	Ongoing	2,500,000	12,346,646
Judicial Complexes - Fan Coil Unit Replacements	Ongoing	3,100,000	5,100,000
Garrahy Courtroom Restoration	Ongoing	-	1,750,000
Garrahy Judicial Complex - Asset Protection	Ongoing	3,375,000	5,199,407
Total		\$ 20,270,000	\$ 50,549,291

Sources of Funds

Rhode Island Capital Funds	\$ 20,270,000	\$ 50,549,291
Total	\$ 20,270,000	\$ 50,549,291

Summary. The Judiciary requests capital expenditures of \$25.9 million from Rhode Island Capital Plan funds, of which \$20.3 million will be used from FY 2025 through FY 2029 for six projects, one of which is new. *The Governor recommends funding as requested for the five-year period, including \$0.4 million of reappropriated FY 2023 funding and \$22.7 million of historical spending, and adds \$1.5 million for the post-FY 2029 period.*

Licht Window and Masonry Repairs. The Judiciary requests \$3.0 million from Rhode Island Capital Plan funds for the window and masonry repairs to the Licht Judicial complex for FY 2028 and FY 2029, essentially programming half of the funding in each year. The Judiciary completed a near identical project from FY 2018 through FY 2019; total project costs were \$1.3 million spread over two years. During FY 2023, the Judiciary completed the Licht Judicial Complex Restoration project; \$1.5 million of previously authorized funding was reallocated to the Judiciary's primary asset protection project to ensure the ongoing restoration and maintenance efforts of the complex. The Judiciary reports this is decennial maintenance; it requests the project separately based on its anticipated cost, scope, and reoccurrence. *The Governor recommends funding as requested and includes \$1.3 million of historical spending.*

Judicial Complexes Asset Protection. The Judiciary requests \$10.5 million from Rhode Island Capital Plan funds for the FY 2024 through FY 2029 period. The request includes funding consistent with the approved plan through FY 2028 and adds funding for FY 2029. Projects planned through FY 2028 include upgrades for the elevators, fire suppression and alarm system, security system, LED lighting replacements, and interior restoration. The request excludes \$11.2 million of historical spending, offset by \$1.5 million added for FY 2029. The request programs \$2.3 million annually for FY 2024 and FY 2025, and \$1.5 million annually thereafter through FY 2029. *The Governor recommends \$11.3 million more than requested. This includes \$0.2 million reappropriated from FY 2023, \$9.5 million of historical funding, and \$1.5 million for the post-FY 2029 period.*

Judicial Complexes - HVAC. The Judiciary requests \$3.5 million from Rhode Island Capital Plan funds, for the FY 2024 through FY 2029 period 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 historical spending and adds \$500,000 for ongoing support for FY 2029. *The Governor recommends funding as*

requested, including \$0.1 million reappropriated from FY 2023, and adds \$8.7 million of historical spending.

Judicial Complexes - Fan Coil Unit Replacements. The Judiciary requests \$3.6 million from Rhode Island Capital Plan funds for the FY 2024 through FY 2029 period. This includes funding consistent with the approved plan and adds annual funding of \$0.5 million for FY 2029 to replace the fan coil units at the various complexes. 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 recommends funding as requested and includes \$1.5 million of historical spending.*

Garrahy Courtroom Restoration. Consistent with the approved plan, the Judiciary requests \$0.8 million from Rhode Island Capital Plan funds for courtroom restoration projects in the Garrahy Judicial Complex during FY 2024. The request excludes historical spending. Restoration projects include replacing courtroom seating and benches, sealing and repainting the walls, carpet replacement, and woodwork refinishing. The Garrahy complex has 27 courtrooms. Since its inception, the Judiciary has completed renovations of 17 courtrooms, 25 robing and conference rooms, and built out new office space for additional capacity. *The Governor recommends funding consistent with the approved plan, including \$3,985 reappropriated from FY 2023.*

Garrahy Judicial Complex - Asset Protection. Consistent with the approved plan, the Judiciary requests \$4.5 million from Rhode Island Capital Plan funds, programming \$1.1 million annually from FY 2024 through FY 2027, 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 Governor recommends funding as requested and erroneously includes \$0.7 million of historical spending for the Murray Courtroom Restoration project, which was only programmed for FY 2022.*

Military Staff

Projects	Status	5 Year Total	Project Total
Repair Squadron Operations Facility	New	\$ 3,400,000	\$ 3,400,000
Counter Drug Training Facility	Revised	8,268,579	8,268,579
Military Staff Asset Protection	Revised	24,846,498	39,853,903
Aviation Readiness Center	Revised	46,896,365	49,811,811
Quonset Air National Guard Headquarters Facility	Revised	23,000,000	38,000,000
Quonset Airway Runway Reconstruction	Ongoing	27,407,534	58,038,261
Sun Valley Armory Addition	Ongoing	410,000	7,612,159
Middletown Armory Addition	Ongoing	-	3,536,223
Armory of Mounted Commands Rehabilitation	Ongoing	-	1,576,144
Total		\$ 134,228,976	\$ 210,097,080
Sources of Funds			
Federal Funds		\$ 116,238,778	\$ 180,863,942
Rhode Island Capital Funds		17,990,198	29,233,138
Total		\$ 134,228,976	\$ 210,097,080

Summary. The Military Staff requests a total of \$205.3 million for nine projects, one of which is new. Funding in the five-year period includes \$116.2 million from federal funds and \$18.0 million from Rhode Island Capital Plan funds. This is \$54.6 million more than the approved plan over the five-year period, including \$45.0 million more from federal funds and \$9.6 million more from Rhode Island Capital Plan funds. *The Governor recommends \$210.1 million, including projects and funding consistent with the request for the five-year period.*

Repair Squadron Operations Facility. The Military Staff requests \$3.4 million, including \$2.8 million from federal funds and \$0.6 million from Rhode Island Capital Plan funds, for a new project to renovate and upgrade the Air National Guard's Repair Squadron Operations Facility in Quonset. The structure is designed to accommodate maintenance and mission control for C-130J transport planes. Work includes 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 recommends total funding consistent with the request, but programs the Rhode Island Capital Plan funds in FY 2026, one year later.*

Counter Drug Training Facility. The Military Staff requests \$8.3 million over FY 2025 and FY 2026, including \$3.0 million from Rhode Island Capital Plan funds, to construct a new counter drug training facility at Camp Fogarty in East Greenwich. A nearly identical request was submitted last year and recommended by the Governor. The 2023 Assembly did not concur and maintained the approved plan, which contained no Rhode Island Capital Plan funds. 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 barrack space to support counter drug training activities. The Military Staff received a construction bid in May 2022 that was higher than anticipated and it requests state resources to cover the difference. It indicates the project will need to be put out to bid again, which will likely result in costs greater than its request reflects. *The Governor recommends funding as requested.*

Military Staff Asset Protection. The Military Staff requests \$24.8 million from all sources for the five-year period for asset protection projects, including \$18.6 million from federal funds and \$6.3 million from Rhode Island Capital Plan funds. The agency identified 15 distinct asset protection projects, 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 \$2.1 million more for FY 2024, \$4.4 million more for the five-year period, and adds \$3.3 million of funding for the post-FY 2029 period. The increase reflects inclusion of a project to bring the Armory of Mounted Commands into usable condition. Annual asset protection funding is designed to be flexible for changing priorities without increases in any given year. *The Governor's recommendation includes funding as requested, adds \$0.5 million for the post-FY 2029 period, and shows \$4.4 million of historical spending excluded from prior budgets.*

Aviation Readiness Center. The Military Staff requests \$49.8 million, including \$46.4 million from federal funds and \$3.4 million from Rhode Island Capital Plan funds, to construct a National Guard Readiness Center that supports training, administrative and logistical requirements of the 1-126 Aviation Unit of the Rhode Island Army National Guard. The request is \$11.4 million more than the approved plan, including \$0.6 million more from Rhode Island Capital Plan funds, to adjust for the cost increases associated with inflation. It also advances \$4.0 million from FY 2026 to FY 2025 to reflect an updated project timeline. 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 is scheduled to begin in FY 2025.

This project is included in the Department of Defense's five-year Future Year Defense Program for 92.5 percent of total costs, including 95.0 percent of construction costs. The project has received an approved federal construction estimate and a design firm was selected in June 2023. *The Governor recommends funding as requested.*

Quonset Air National Guard Headquarters Facility. The Military Staff requests \$38.0 million, including \$35.0 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 \$11.0 million less from federal funds and shifts \$23.0 million from FY 2024 to FY 2025 to reflect a lower than expected construction bid and an updated project timeline. Leadership, medical, and support staff will relocate from the current facility, which the Military Staff indicates will substantially lower energy, maintenance, and other costs. The existing facility will be demolished.

Design work was fully funded by the National Guard Bureau and completed in FY 2023. Construction is scheduled to begin in FY 2024 and is expected to be completed in FY 2025. Estimated project costs exceeded federal funding approved by the National Guard Bureau, and state funds were approved to fill the financing gap. State funds will be required for any unforeseen changes in construction and design costs above federal appropriations. *The Governor recommends funding as requested.*

Quonset Airway Runway Reconstruction. The Military Staff requests \$58.1 million, including \$55.0 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 \$0.1 million more than approved, including \$0.2 million less from federal funds and \$0.3 million more from Rhode Island Capital Plan funds, to more closely reflect Airport Corporation administrative costs. 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's recommendation includes funding as requested and excludes \$34,702 of unspent prior year funds.

Sun Valley Armory Addition. The Military Staff requests \$7.6 million, including \$6.8 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 \$0.6 million less than the approved plan to reflect lower than expected furniture costs. Construction is expected to begin in late 2024, sooner than previously anticipated. The Military Staff indicates that the current facility lacks space for sensitive equipment and egress routes currently doubling as additional storage space posing a safety hazard. It further indicates 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 recommends funding as requested.*

Middletown Armory Addition. The Military Staff's request includes \$4.6 million for the project to construct additional armory and storage space at the Middletown Armory, including \$3.5 million from federal funds and \$1.0 million from Rhode Island Capital Plan funds. The project, which required the acquisition of additional land from the Airport Corporation in FY 2019, is complete. The request includes \$72,194 for FY 2024 to reflect outstanding invoices. *The Governor's recommendation includes funding as requested and excludes \$1.0 million of historical spending reported in prior budgets.*

Armory of Mounted Commands Rehabilitation. The Military Staff requests \$0.6 million, including \$0.3 million from Rhode Island Capital Plan funds, for a project to rehabilitate the Armory of Mounted Commands facility. The project is complete; the request includes \$2,026 for FY 2024 to reflect outstanding invoices. Compared to the approved plan, the request excludes \$3.0 million from prior year funds. *The Governor's recommendation includes funding as requested and reports \$1.0 million of historical spending excluded in the request.*

Rhode Island Emergency Management Agency

Projects	Status	5 Year Total	Project Total
State Emergency Operations Center Upgrade	Revised	\$ 80,000	\$ 604,657
RISCON Tower Replacement	Ongoing	-	500,000
RISCON 700MHZ Project	Ongoing	-	2,776,375
RISCON Warehouse Feasibility Study	Ongoing	-	250,000
Emergency Management Building Feasibility Study	Ongoing	-	250,000
Rhode Island Statewide Communications Network Infrastructure Upgrades	Ongoing	210,000	2,534,399
Total		\$ 290,000	\$ 6,915,431
Sources of Funds			
Rhode Island Capital Funds		\$ 290,000	\$ 6,915,431
Total		\$ 290,000	\$ 6,915,431

Summary. The Emergency Management Agency requests capital project expenditures totaling \$10.9 million, all from Rhode Island Capital Plan funds. The request includes eight projects, including two new information technology-related projects and two feasibility studies. The request programs \$4.6 million to be spent in the FY 2025 through FY 2029 period. *The Governor recommends total project costs of \$6.9 million, all from Rhode Island Capital Plan funds for six projects. This includes \$290,000 to be spent in the five-year period and \$5.7 million for use in FY 2024.*

State Emergency Operations Center Upgrade. The Agency requests \$2.2 million from Rhode Island Capital Plan funds, including \$550,000 annually for FY 2025 through FY 2027 to upgrade the State Emergency Operations Center. This includes \$0.4 million remaining from the \$0.5 million approved for FY 2023 for new equipment, office reconfigurations, geographic information system software, lighting system replacement, and renovations to restrooms, break rooms and lunch areas. The Agency also requests \$1.7 million in new funding to replace the emergency generator, fuel tank and satellite system at the Center. The Agency notes that the additional work would ensure a more effective use of space and provide a training area for emergency response during non-emergency periods.

The approved plan also includes \$250,000 for a separate project to conduct a feasibility study to evaluate the adequacy of the current facility for use as a State Emergency Operations Center. The Agency acknowledges that many of the upgrades requested would be non-transferable to a new facility and notes the study is awaiting the Division of Capital Asset Management and Maintenance to provide a project manager. *The Governor recommends adding \$80,000 for FY 2025 only to replace the generator and fuel tank.*

RISCON Tower Replacement. The Agency requests \$1.5 million from Rhode Island Capital Plan funds for FY 2024 through FY 2028 to replace Rhode Island Statewide Communications System Network towers that are experiencing issues. The approved plan includes \$0.5 million for replacement of one tower responsible for connecting the northern part of the state to the rest of the public safety network. That tower is located in a heavily forested area and is unable to handle the installation of new equipment. The new tower will be constructed alongside the existing tower and above tree height to reduce radio interference. The request adds \$1.0 million to include two additional tower replacements, which have not been identified but would help the Agency meet its goal of 95 percent portable coverage in the state. The new funding is

requested for FY 2026 and FY 2028 and likely subject to revision when locations are selected. *The Governor recommends funding consistent with the approved plan.*

RISCON 700MHZ Project. Consistent with the approved plan, the Agency requests \$2.8 million from Rhode Island Capital Plan funds for FY 2024 to upgrade the high performance data system previously used by the Rhode Island Public Transit Authority. The data system was decommissioned because the manufacturer no longer made the parts necessary to maintain it; however, the infrastructure that was used by that system, such as towers, backhaul connections, antennas, lines, and radios are co-located with the current Rhode Island Statewide Communications Network. *The Governor recommends funding as requested.*

RISCON Warehouse Feasibility Study. Consistent with the approved plan, the Agency requests \$250,000 from Rhode Island Capital Plan funds for FY 2024 to conduct a feasibility study on a new warehouse for the state's public safety communication system and response materials, including equipment, vehicles and support staff. The Agency indicates the current warehouse, which is not state-owned, is inadequate and cannot be renovated to meet its space needs. The study would consider the location and configuration. *The Governor recommends funding as requested.*

Emergency Management Building Feasibility Study. The Agency requests \$250,000 from Rhode Island Capital Plan funds carried forward from FY 2023 for a feasibility study of its headquarters in Cranston and its warehouse for use as a State Emergency Operations Center. The study would evaluate the adequacy of the current facilities for use as a State Emergency Operations Center and determine the feasibility of renovating existing facilities or alternatively identify a more suitable location. At the time of its request, the Agency noted that it is awaiting the Division of Capital Asset Management and Maintenance to provide a project manager. Work is now expected to be done in FY 2024. *The Governor recommends funding as requested.*

Rhode Island Statewide Communications System Network Infrastructure Upgrades. The Agency requests \$2.7 million from Rhode Island Capital Plan funds to conduct equipment and hardware upgrades to increase the capabilities of the statewide communications system network. The request adds \$140,000 in FY 2029 but is otherwise consistent with the approved plan. This will include 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 network is a radio system used to expedite emergency phone calls and disaster-related communications throughout the state. *The Governor recommends funding consistent with the approved plan.*

RICHAMP Storm Surge Sea Level Rise Prediction System. The Agency requests new expenditures of \$660,000 from Rhode Island Capital Plan funds for maintenance, upgrades, and operational needs of the storm modeling system and continued development of the Rhode Island Coastal Hazards Analysis, Model, and Prediction system. The request includes \$330,000 in FY 2025 and \$330,000 in FY 2026. In its FY 2024 submission, the Agency requested \$8.6 million to license a statewide geographic information system to enhance emergency response and preparation, which was not recommended. Rhode Island Capital Plan funds are typically limited to physical assets. *The Governor does not recommend funding for this project.*

RIPCON Cameras. The Agency requests \$632,800 from Rhode Island Capital Plan funds for FY 2025 for a new project to support the Rhode Island Port Security Camera Network, which it operates and manages for multiple maritime, coastal, and inland waterway public safety and security entities. The request includes ten new cameras to ensure coverage across the maritime shipping lanes of coastal Rhode Island and infrastructure upgrades to support the Port Security Camera Network overall. These include microwave links for cameras, a fiber optic link, and a license for security software with geographic information system integration. Rhode Island Capital Plan funds are typically limited to physical assets. *The Governor does not recommend funding for this project.*

Department of Public Safety

Projects	Status	5 Year Total	Project Total
Asset Protection	Revised	\$ 5,250,000	\$ 10,024,374
New Southern Barracks	Revised	32,700,000	38,239,248
Vehicle Replacement	Revised	14,976,050	24,076,445
Headquarters Roof Replacement	Ongoing	-	2,100,270
Microwave System Replacement	Ongoing	490,096	1,197,002
State Police Body-Worn Cameras and Vehicle Cameras	Ongoing	2,168,103	3,504,778
Training Academy Upgrades	Ongoing	4,010,000	6,212,573
Total		\$ 59,594,249	\$ 85,354,690
Sources of Funds			
Federal Funds		\$ -	\$ 348,034
General Revenues		5,243,103	12,932,139
Rhode Island Capital Funds		42,450,096	57,773,467
State Fleet Revolving Loan Fund		11,901,050	14,301,050
Total		\$ 59,594,249	\$ 85,354,690

Summary. The Department of Public Safety requests \$103.9 million, of which \$77.8 million will be used in the five-year period, for ten projects. The total request is \$34.3 million more than the approved plan and includes revisions to five projects. Funding in the five-year period includes \$0.2 million from federal funds, \$16.7 million from general revenues, \$2.3 million from restricted receipts, \$46.7 million from Rhode Island Capital Plan funds, and \$11.8 million from all other sources. *The Governor recommends \$85.4 million, including \$59.6 million in the five-year period, for seven capital projects.*

Asset Protection. The Department requests \$12.7 million from Rhode Island Capital Plan funds for various asset protection projects, including \$8.3 million in the five-year period. Projects include immediate health and safety improvements to the Wickford and Hope Valley barracks, renovations to the Administrative Support Building, upgrades to communication towers, and remediation of fire code compliant storage facilities. The request is \$4.2 million more than the approved plan and reflects \$3.0 million for replacement of the State Police Headquarters' roof for FY 2029 and the inclusion of asset protection funds and other inflation adjustments. The request programs \$2.6 million for FY 2024, \$2.1 million for FY 2025, \$1.2 million for FY 2026, \$1.3 million for FY 2027, \$0.4 million for FY 2028, and \$3.2 million for FY 2029. *The Governor recommends funding as requested from FY 2024 through FY 2027 but programs only \$0.3 million annually beginning in FY 2028.*

New Southern Barracks. The Department requests \$38.2 million from Rhode Island Capital Plan funds for 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 will be reassigned to the new southern barracks and the assets will revert to the Department of Administration. The request understates pre-FY 2024 spending by \$0.1 million. Adjusting for this the request is \$7.8 million or 25.6 percent more than the approved plan and extends the project's completion one year to FY 2026. The increase in the request reflects a smaller scope as well as cost estimates established during the design phase when the Department received a \$49.0 million cost estimate. To lower costs, the Department revised the scope to exclude some elements, such as, an emergency access road, geothermal wells, a maintenance outbuilding, interior kennels, and office space for

the Investigation, Commercial Enforcement, and Traffic Safety units. This lowered the estimate to the \$38.2 million reflected in the request. The Department reports that the conceptual changes will need to be redesigned by its Project Manager and Construction Manager and that a revised cost estimate will be presented to the Department upon completion of the redesign. *The Governor recommends funding as requested.*

Vehicle Replacement. The Department requests \$19.4 million to purchase 235 vehicles from FY 2024 through FY 2029 for the State Police, the Division of Sheriffs, and the Capitol Police. The request includes \$14.3 million in the five-year period, \$3.4 million more than the approved plan, based on updated cost estimates to replace State Police cars, and \$2.8 million programmed in FY 2029. The request includes \$15.1 million from state fleet revolving funds, which is \$2.6 million more than the approved plan, and \$3.6 million from general revenues, which is \$3.5 million less than the approved plan. The request also reflects \$0.4 million from a federal Homeland Security grant to purchase a new boat.

The Governor recommends \$4.7 million more than requested, which includes \$5.9 million more from general revenues and \$0.9 million less from revolving loan funds. The change reflects the inclusion of prior year spending and the purchase of 56 vehicles outright in the current year and corresponding loan repayment savings.

Headquarters Roof Replacement. The Department's request includes the \$1.8 million from Rhode Island Capital Plan funds for the replacement of its headquarter's roof. The project was completed in July 2022, but the Department reports a remaining balance of \$0.1 million that will be used in FY 2024 to study the source of a newly discovered leak and remedy the issue. The asset protection request assumes replacement again in FY 2029. *The Governor recommends funding as requested, adjusted to include \$0.3 million of prior year expenses.*

Microwave System Replacement. The Department requests \$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. The Department established a five-year payment plan with the project's contractor. The request reflects the three remaining payments to the contractor and programs \$0.2 million annually from FY 2024 through FY 2026. *The Governor recommends funding as requested, adjusted for prior year expenditures.*

State Police Body-Worn Cameras and Vehicle Cameras. The Department requests \$3.5 million, including \$0.3 million from federal funds and \$3.2 million from general revenues, to implement the State Police's body-worn and vehicle camera program. The project implemented 155 body-worn and vehicle cameras in FY 2023. The request is \$0.2 million more than the approved plan and reflects the addition of 40 body-worn cameras for the State Police Academy's FY 2024 trainees. It programs \$0.7 million annually in FY 2025 through FY 2027. *The Governor recommends funding as requested.*

Training Academy Upgrades. The Department requests \$6.2 million, \$43,185 less than the approved plan, from Rhode Island Capital Plan funds for rehabilitation projects to the Training Academy, including classroom renovations, grounds improvements, environmental and safety upgrades to the firing range, and two feasibility studies, for a new field house and an emergency vehicle obstacle course. The project is delayed one year to FY 2029. The Department reports that the absence of capital projects personnel led to only minimal work during FY 2023. The request programs \$1.4 million in FY 2024, \$1.3 million in FY 2025, \$1.8 million in FY 2026, \$0.6 million in FY 2027, and \$0.2 million annually in FY 2028 and FY 2029. *The Governor recommends funding as requested.*

Information Technology. The Department requests \$2.6 million from all sources to upgrade technology. This includes \$0.4 million from federal funds and \$0.6 million from general revenues previously approved, and \$1.6 million from new restricted receipts. The Department completed State Police technology upgrades

in FY 2023. The increase in the request reflects the addition of upgrades required for E-911. This includes the replacement of its call handling hardware and software, public safety answering point video wall, routers, computers, monitors, switches, and responder phones. The request extends the completion of the project six years to FY 2029 and programs \$0.4 million in FY 2024, \$0.3 million in FY 2025, \$0.2 million in FY 2026 and FY 2027, and \$0.3 million in FY 2028 and FY 2029. *The Governor recommends \$0.3 million from restricted receipts annually for FY 2024 and FY 2025 in the operating budget.*

Records Management. The Department requests \$18.0 million from all sources to install, operate, and maintain a statewide computer aided dispatch and records management system. The request includes \$0.7 million from federal funds, \$11.6 million from general revenues, \$5.2 million from restricted receipts, and \$0.6 million from other funds. Four vendors reached the demonstration phase, but only one proposal qualified. This is \$13.6 million more than the approved plan and reflects the latest cost proposal from the selected vendor. It extends the project four years to FY 2028 and programs \$3.3 million in FY 2025, \$3.9 million in FY 2026, \$3.7 million in FY 2027, and \$3.7 million in FY 2028. *The Governor recommends \$2.7 million, including \$2.5 million from E-911 restricted receipts and \$0.2 million from federal funds, for FY 2025 in the operating budget.*

Portsmouth Barracks. Consistent with the approved plan, the Department requests the \$0.1 million enacted from general revenues for FY 2024 to conduct a feasibility study to examine the appropriate operational presence of the State Police on Aquidneck Island. The request also includes \$0.1 million from Rhode Island Capital Plan funds in pre-FY 2024 spending from an earlier version of the project that was projected to far exceed original funds. The Department has been presented with draft specifications for the feasibility and needs assessment, which is currently being reviewed and sent out to bid. The 2021 Assembly previously authorized \$2.0 million for repairs to reopen the facility. When costs were projected to be four times that amount, the Governor proposed a study to reevaluate options, and the 2023 Assembly concurred. *The Governor recommends funding as requested from general revenues in the operating budget.*

Department of Environmental Management

Projects	Status	5 Year Total	Project Total
Newport Cliff Walk	New	\$ 8,000,000	\$ 8,000,000
Brownfields Remediation	Revised	10,314,114	23,000,000
Climate Resiliency and Public Access Projects	Revised	6,008,619	7,000,000
Dam Repair	Revised	21,335,000	29,948,159
Farmland Development Rights Acquisition	Revised	1,064,836	9,500,000
Forest Conservation and Habitats	Revised	3,000,000	3,000,000
Fort Adams Trust	Revised	2,300,000	5,139,433
Local Land Acquisition Grants	Revised	2,632,774	8,000,000
Local Recreation Development Grants	Revised	9,552,531	30,500,000
Narragansett Bay and Watershed Restoration Fund	Revised	3,671,963	15,500,000
Natural Resources Offices and Visitors Center	Revised	17,673,418	18,992,349
Newport Piers	Revised	1,500,000	2,378,399
Recreational Facilities Improvements	Revised	69,263,047	97,895,696
Roger Williams Park and Zoo	Revised	5,000,000	12,000,000
State Land Acquisition – Open Space	Revised	3,009,361	9,500,000
Wastewater Treatment Facility Resilience Improvements	Revised	487,494	5,000,000
Blackstone Park Improvements	Ongoing	-	3,037,989
Facilities Asset Protection	Ongoing	3,780,000	7,293,133
Fish and Wildlife Facilities	Ongoing	4,000,000	4,866,403
Flood Prevention	Ongoing	238,371	3,000,000
Galilee Piers	Ongoing	44,913,820	73,360,135
Marine Infrastructure/Pier Development	Ongoing	3,250,000	8,599,999
Natural and Working Lands	Ongoing	2,500,000	3,000,000
State Bikeway Development	Ongoing	2,574,814	15,000,000
Stormwater Pollution Prevention	Ongoing	991,406	3,000,000
Woonasquatucket River Watershed Council	Ongoing	580,000	2,000,000
Total		\$ 227,641,568	\$ 408,511,695
Sources of Funds			
Federal Funds		\$ 38,889,000	\$ 42,843,500
General Obligation Bonds - New		20,000,000	20,000,000
General Obligation Bonds		71,411,702	173,037,989
Rhode Island Capital Funds		97,340,866	172,630,206
Total		\$ 227,641,568	\$ 408,511,695

Summary. The Department of Environmental Management requests a total of \$527.8 million, of which \$345.7 million will be used from FY 2025 through FY 2029, for 25 capital projects. It includes revisions to 15 existing projects. Funding in the five-year period includes \$38.9 million from federal funds, \$70.2 million from approved general obligation bonds, \$132.2 million of new general obligation bonds to go before voters in November 2024, and \$104.5 million from Rhode Island Capital Plan funds. *The Governor recommends \$408.5 million, including \$227.6 million in the five-year period, for 26 projects, one more than requested.*

Newport Cliff Walk. The Cliff Walk is a 3.5-mile oceanside National Recreation Trail in Newport's National Historic District. Over the years, this tourist attraction has become vulnerable to damage, which has led to portions of the trail becoming closed to visitors. According to a letter from the city requesting state support, this project is estimated to cost \$14.5 million. This includes \$0.4 million for design costs, which the city will fund, and \$14.1 million for construction and construction services. The city has applied for a federal grant and is seeking funding sources, which would require a 20.0 percent match, and is awaiting a decision. The project is estimated to take 13 months to complete.

The Governor's budget includes \$8.0 million to be placed on the November 2024 ballot. Funds would be used to restore and improve tourism infrastructure at the historic public access walkway. Annual debt service would be \$0.7 million assuming a 5.0 percent interest rate and 20-year term; total debt service would be \$12.8 million.

Brownfields Remediation. The Department requests \$22.0 million, \$4.0 million more than the approved plan, from general obligation bonds 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 both investigate what types of hazardous materials are present and to assist in the remediation of new sites. The request includes \$18.0 million approved by voters in three prior elections and \$4.0 million of new funding to go before voters in November 2024. If approved, annual debt service would be \$0.3 million assuming a 5.0 percent interest rate and 20-year term; total debt service would be \$6.4 million. The request assumes all existing bonds will be exhausted by FY 2028 and programs new funding from FY 2027 through the post-FY 2029 period. Of the previously approved bonds, \$5.0 million remains uncommitted and available for new projects.

The Governor's budget includes \$5.0 million to be placed on the November 2024 ballot, \$1.0 million more than requested. Annual debt service would be \$0.4 million assuming a 5.0 percent interest rate and 20-year term; total debt service would be \$8.0 million.

Climate Resiliency and Public Access Projects. The Department requests \$10.0 million from general obligation bonds to eliminate or reduce flooding risks and to promote green infrastructure and climate resilience. Grants will provide 75.0 percent matching funds for public or nonprofit entities to design and construct projects which would reduce or eliminate flooding risk, promote green infrastructure, and increase public safety. The request includes \$5.0 million approved by voters in November 2018 and \$5.0 million of new funding to go before voters in November 2024. If approved, annual debt service would be \$0.4 million assuming a 5.0 percent interest rate and 20-year term; total debt service would be \$8.0 million. The request assumes all existing bonds will be exhausted by FY 2026 and programs new funding from FY 2026 through FY 2029. Of the previously approved bonds, \$0.9 million remains uncommitted and available for new projects.

The Governor's budget includes \$2.0 million to be placed on the November 2024 ballot, \$3.0 million less than requested. Annual debt service would be \$0.2 million assuming a 5.0 percent interest rate and 20-year term; total debt service would be \$3.2 million.

Dam Repair. The Department requests \$30.4 million from all sources to repair "high hazard" state owned dams at various recreational and management areas operated by the Department. This includes \$30.2 million from Rhode Island Capital Plan funds, \$0.1 million from federal funds, and \$0.2 million from general obligation bonds approved by voters in 2018. Federal funds are from existing resources that were not included in last year's request or the approved plan. The request also excludes \$4.2 million from general obligation bonds approved by voters in 2018 and expended. The request adds \$11.5 million from Rhode Island Capital Plan funds to update project costs for Curran Lower, Browning Mill Pond, and Burlingame Upper, which are currently each in the design phase. Sites often require several years to complete, as

investigations, design, testing, and construction typically only occur during mid-summer months of low precipitation. The request extends the completion of the Wyoming Pond project one year to FY 2024 and delays construction on Burlingame Upper one year to FY 2024. *The Governor recommends the new funding as requested. The project total is \$0.5 million less than requested, which reflects adjustments to prior year expenditures and the exclusion of the remaining \$0.2 million from general obligation bonds.*

Farmland Development Rights Acquisition. The Department requests \$11.5 million, \$2.0 million more than the approved plan, 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 \$9.5 million from general obligation bonds approved by voters in three prior elections, \$0.4 million of which remains uncommitted and available to acquire new development rights. It also includes \$2.0 million from new general obligation bonds to go before voters in November 2024. Assuming a 5.0 percent interest rate and a 20-year term, annual debt service for the new general obligation bond would be \$0.2 million; total debt service would be \$3.2 million. The request assumes all existing bonds are exhausted by FY 2026 and programs new bonds as \$1.0 million annually for each FY 2026 and FY 2027. The Assembly also provided \$2.5 million from general revenues for FY 2024. It should be noted that there is also \$3.0 million for the separate Natural and Working Lands project. *The Governor recommends \$9.5 million, consistent with the approved plan, but programs \$0.5 million annually for FY 2024 and FY 2025.*

Forest Conservation and Habitats. The Department requests \$11.0 million, \$8.0 million more than the approved plan, from general obligation bonds to improve forest and wildlife habitats. The Department manages 60,000 acres of land that need more maintenance to be useable by the public. The project includes improvement of trails and infrastructure, removal of dead trees, and improvement of habitat for non-game wildlife. The request includes \$1.6 million approved by voters in 2020, \$1.4 million approved in 2022, and \$8.0 million from new general obligation bonds to go before voters in November 2024. Assuming a 5.0 percent interest rate and a 20-year term, annual debt service is \$0.7 million; the total cost would be \$12.8 million. Existing bonds will be used to initiate planning for a long-term forest management plan, manage invasive species, and conduct controlled burning exercises. New bonds will be used to continue these efforts and to provide grants to municipalities and nonprofits for comparable projects. The request assumes existing bonds will be exhausted in FY 2025 and programs \$2.0 million from new bonds annually from FY 2026 through FY 2029. *The Governor does not recommend the new general obligation bonds and programs the entire \$3.0 million of approved bonds for FY 2025.*

Fort Adams Trust. The Department requests \$6.2 million from Rhode Island Capital Plan funds to restore and repair historic structures at the 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 overstates pre-FY 2023 expenses by \$0.8 million. Adjusting for this, the request is \$5.4 million or \$1.0 million more than the approved plan, which provides \$0.3 million annually. The increase reflects expected inflation in the outyears with \$0.5 million annually, beginning in FY 2026, to cover long-term cost increases. *The Governor recommends future funding as requested.*

Local Land Acquisition Grants. The Department requests \$11.0 million from general obligation bonds for local land acquisition grants available to municipalities, local land trusts, and nonprofit organizations. Funding includes \$8.0 million approved by voters in four prior elections and \$3.0 million from new general obligation bonds to go before voters in November 2024. 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 request excludes \$12.5 million of general obligation bonds approved by voters in 2004 and 2012 that have been spent. Adjusting for that, the request is \$3.0 million more than the approved plan. The request assumes all existing bonds will be exhausted in FY 2025 and programs \$1.0 million from new bonds annually from FY 2026 through FY 2028. Of the approved bonds, \$2.6 million remains uncommitted and available for new

projects. *The Governor does not recommend the new general obligation bonds. He also includes \$10,415 less in FY 2025 to adjust for prior year expenditures.*

Local Recreation Development Grants. The Department requests \$30.5 million from general obligation bond proceeds 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. Funding includes \$25.5 million approved by voters in six prior elections and \$5.0 million from general obligation bonds to go before voters in November 2024. Assuming a 5.0 percent interest rate and a 20-year term, annual debt service would be \$0.4 million; the total cost would be \$8.0 million. The request assumes all existing bonds are exhausted by FY 2027 and programs \$1.5 million from new general obligation bonds annually from FY 2027 through FY 2029 and \$0.5 million for the post-FY 2029 period.

The Governor's budget includes \$5.0 million to be placed on the November 2024 ballot, consistent with the request. He shifts \$1.0 million to FY 2025 and programs new general obligation bonds as \$1.5 million for FY 2027 and \$1.8 million annually in FY 2028 and FY 2029.

Narragansett Bay and Watershed Restoration Fund. The Department requests \$18.5 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. The request includes \$15.5 million approved by voters in three prior elections and \$3.0 million of new general obligation bonds to go before voters in November 2024. Assuming a 5.0 percent interest rate and a 20-year term, annual debt service would be \$0.3 million; the total cost would be \$4.8 million. The request assumes all existing bonds are exhausted by FY 2028 and programs \$1.0 million from new bonds annually from FY 2028 through the post-FY 2029 period. The Department has awarded 60 grants for projects across the state, which includes riparian buffer restoration, fish passage projects, and storm water abatement projects. Of the approved bond funds, the Department has \$3.1 million available to acquire new development rights. *The Governor does not recommend the new general obligation bonds. He also includes \$40,694 less in FY 2024 and FY 2025 to adjust for prior year expenditures.*

Natural Resources Offices and Visitors Center. The Department requests \$19.0 million, \$5.8 million more than the approved plan, from all sources for the construction of new office facilities and visitors center for the Divisions of Forestry and Fish and Wildlife. The request includes \$14.0 million from federal funds and \$5.0 million from Rhode Island Capital Plan funds, which is \$6.5 million more and \$0.7 million less than the approved plan, respectively. Current facilities, including the Arcadia Management Area for the Division of Forestry and the Great Swamp Management Area for the Division of Fish and Wildlife, do not meet modern code requirements or accessibility standards. The Department is currently working with a vendor to develop master plans for each campus and anticipates moving into the design phase of the project in FY 2024. The increase in the request reflects updated construction estimates for the project and estimated federal funds based on project costs and the allowable match percentage of 58.0 percent. *The Governor recommends total funding as requested, adjusted for prior year expenditures.*

Newport Piers. The Department requests \$2.6 million from Rhode Island Capital Plan funds to complete infrastructure improvements to the Newport Piers. The project will support asset protection work, repairs and renovations to facilities, and the construction of a wave attenuation system in order to reduce the physical forces that cause wear on the infrastructure. The approved plan includes \$2.0 million from federal Economic Development Administration funds, which the Department did not receive. It delays completion two years to FY 2027 and programs \$0.5 million annually from FY 2025 through FY 2027. *The Governor recommends funding as requested, adjusted for prior year expenditures.*

Recreational Facilities Improvements. The Department requests \$198.9 million from all sources for major capital development projects at state parks, beaches, and campgrounds. This includes \$50.1 million

from Rhode Island Capital Plan funds, \$19.9 million from federal funds, \$32.2 million from general obligation bonds approved by the voters in November 2020, and \$96.7 million in new general obligation bonds to go before voters in November 2024. The request excludes \$9.0 million of prior general obligation bonds spending. In addition to the new bonds, the Department's request includes \$1.9 million less from federal funds and \$6.5 million more from Rhode Island Capital Plan funds. The Department reports that the outyear plan for federal funding is based on historically available funding, and that the current plan is based on available funding for the projects that it has identified. Projects include construction of maintenance garages at the Great Swamp Management Area and Fort Adams State Park, rehabilitation of the stone barn at Colt State Park, and various improvements to Beavertail, Brenton Point, Fort Wetherill, Goddard, and Rocky Point State Parks and Burlingame, Echo Lake, and Fishermen's Memorial campgrounds. *The Governor does not recommend new general obligation bonds. He recommends funding essentially consistent with the approved plan but adds \$2.8 million for FY 2029 and excludes \$1.3 million of unspent FY 2023 funds.*

Roger Williams Park and Zoo. Consistent with the approved plan, the Department requests \$12.0 million from general obligation bonds approved by voters in November 2022. The project supports ongoing renovations and improvements to Roger Williams Park and Zoo and the construction of a new, 21,000 square foot education and event pavilion. The request reflects an updated schedule which expedites completion two years to FY 2025. It programs \$6.0 million annually for FY 2024 and FY 2025. *The Governor recommends \$7.0 million for FY 2024 and \$5.0 million for FY 2025.*

State Land Acquisition - Open Space. The Department requests \$12.5 million from general obligation bonds for open space land acquisitions, including forested land, open fields, river access sites, shoreline access areas, farmlands, trail connections and water supply protection areas. This includes \$9.5 million approved by voters in three prior elections and \$3.0 million from general obligation bonds to go before voters in November 2024. Annual debt service would be \$0.2 million assuming a 5.0 percent interest rate and 20-year term; total debt service would be \$4.8 million. The request assumes all existing bonds would be exhausted by FY 2026 and programs \$1.0 million from new bonds annually from FY 2026 through FY 2028. Of the bonds approved, \$2.9 million remains uncommitted and available for new projects. *The Governor recommends total approved funding and programs \$0.5 million in FY 2024, \$1.9 million in FY 2025, and \$1.2 million in FY 2026.*

Wastewater Treatment Facility Resilience Improvements. The Department requests \$10.0 million from general obligation bonds to improve sanitary treatment facilities prone to flooding, storm events, and environmental degradation and provide up to 50.0 percent matching funds. The request includes \$5.0 million approved in November 2018 and \$5.0 million in new bonds to go before voters in November 2024. Annual debt service on the new funds would be \$0.4 million, assuming a 5.0 percent interest rate and 20-year term; total debt service would be \$8.0 million. The request programs \$0.5 million in FY 2024, \$1.5 million annually for FY 2025 through FY 2028, and \$0.5 million for FY 2029. All of the approved funds have been committed. *The Governor recommends total approved funding and programs \$1.3 million in FY 2024 and \$0.5 million in FY 2025.*

Blackstone Park Improvements. The Department requests \$0.1 million from Rhode Island Capital Plan funds in FY 2024 to complete renovation work in the Blackstone River State Park Visitor Center. The project, done in partnership between the Department, the Blackstone River Watershed Council, and Friends of the Blackstone Valley, supports ongoing efforts to improve river access, restore historic landscapes, and develop recreational and educational opportunities. *The Governor recommends funding as requested.*

Facilities Asset Protection. The Department requests \$7.8 million from Rhode Island Capital Plan funds, including \$4.6 million in the five-year period for asset protection and emergency repair projects at most facilities, including recreational facilities, office spaces, and marine infrastructure. The request overstates pre-FY 2024 expenditures by \$0.5 million. Adjusting for this, the request is consistent with the approved

plan, adding \$0.8 million for the post-FY 2029 period. Specific asset protection projects are not listed in the request. Work generally includes the replacement of heating, ventilation, and air conditioning systems, upgrades to the building envelopes, and addressing fire code and American with Disabilities Act compliance. *The Governor recommends funding as requested, adjusted for prior year expenditures.*

Fish and Wildlife Facilities. The Department requests \$4.9 million, \$0.5 million more than the approved plan, from all sources for repairs and renovations to Division of Fish and Wildlife facilities. Funding includes \$1.3 million from Rhode Island Capital Plan funds and \$3.6 million from federal funds. The approved plan includes funding for asset protection projects, including the Division's fish hatcheries, research facilities, and office spaces. It assumes \$800,000 annually, with \$600,000 of that from federal funds, and adds the same funds for FY 2029. *The Governor recommends funding as requested.*

Flood Prevention. Consistent with the approved plan, the Department requests \$3.0 million from general obligation bonds approved by voters in 2014 to reduce flood risks, enhance public safety, and improve 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 delays completion one year to FY 2025. *The Governor recommends funding as requested, adjusted for prior year expenditures.*

Galilee Piers. The Department requests \$73.3 million from Rhode Island Capital Plan funds to improve facilities and infrastructure at the Port of Galilee. The project includes the renovation, rehabilitation, and repair of the port's northern bulkhead, commercial fishing docks, marine infrastructure, utility services, security systems, and the Coastal Resources headquarters and parking lot. The request understates pre-FY 2023 spending by \$5.3 million because it excludes \$3.2 million from Rhode Island Capital Plan funds and \$1.2 million from general obligation bonds approved by voters in 2004. Adjusting for that, the request is \$0.9 million less than the approved plan, from Rhode Island Capital Plan funds, which reflects adding \$2.8 million for FY 2029 for ongoing asset protection projects and appears to exclude \$2.7 million of unspent FY 2023 resources. It programs \$10.8 million for FY 2024, \$11.5 million for FY 2025, \$16.5 million for FY 2026, \$14.1 million for FY 2027, and \$2.8 million annually for FY 2028 and FY 2029. *The Governor recommends funding as requested from FY 2024 through FY 2028 and excludes \$2.8 million from FY 2029.*

Marine Infrastructure/Pier Development. Consistent with the approved plan, the Department requests \$6.5 million from all sources to create a new Port Sakonnet at the Chase Marina in Tiverton. This includes \$5.2 million from federal funds and \$1.3 million from Rhode Island Capital Plan funds. Funding is programmed as \$3.3 million for each FY 2024 and FY 2025. *The Governor recommends funding as requested, adjusted for changes to prior year expenditures.*

Natural and Working Lands. Consistent with the approved plan, the Department requests \$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 delays project completion one year to FY 2026 and programs \$0.3 million annually for FY 2024 and FY 2025 and \$1.5 million for FY 2026. *The Governor recommends total funding as requested, but programs \$0.5 million for FY 2024 and \$1.3 million annually for FY 2025 and FY 2026.*

State Bikeway Development. Consistent with the approved plan, the Department requests \$15.0 million from general obligation bonds approved by voters in 2016 and 2018, for new design and construction of bikeways, including continued work on the Blackstone bikeway and the South County bikeway. Funding is programmed through FY 2027, one year later than assumed in the approved capital plan. *The Governor recommends funding as requested, adjusted for prior year expenditures.*

Stormwater Pollution Prevention. Consistent with the approved plan, the Department requests \$3.0 million from general obligation bonds approved by voters in 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. Funding is programmed through FY 2026, two years later than assumed in the approved capital plan. *The Governor recommends funding as requested, adjusted for prior year expenditures.*

Woonasquatucket River Watershed Council. Consistent with the approved plan, the Department's request includes \$2.0 million from general obligation bonds approved by the voters in 2021 to make improvements to the recreational areas and infrastructure of the Woonasquatucket River watershed. The Woonasquatucket River Watershed is located in communities including North Smithfield, Glocester, Smithfield, North Providence, Johnston, Cranston and Providence. There are seven miles of greenspace which are maintained by the Woonasquatucket Watershed Council, a nonprofit organization that advocates for, and is dedicated to, restoring the Woonasquatucket River and providing recreational infrastructure along the greenway. Funding is programmed as \$1.3 million for FY 2024 and \$0.6 million for FY 2025. *The Governor recommends funding as requested.*

Coastal Resources Management Council

Projects	Status	5 Year Total	Project Total
Confined Aquatic Dredged Material Disposal Cells	Revised	\$ 108,972,820	\$ 108,972,820
South Coast Restoration Project	Revised	2,000,000	4,221,755
Little Narragansett Bay Study	Ongoing	-	50,000
Pawcatuck Resiliency Elevation	Ongoing	-	50,000
Coastal & Estuary Habitat Restoration Program and Trust Fund	Ongoing	1,250,000	4,250,000
Providence Rivers Dredging/Waterplace Park	Ongoing	507	9,000,000
Total		\$ 112,223,327	\$ 126,544,575

Sources of Funds

Certificates of Participation	\$ 20,000,000	\$ 20,000,000
Federal Funds	68,372,820	68,372,820
General Obligation Bonds	507	9,000,000
Restricted Receipts	1,250,000	4,250,000
Rhode Island Capital Funds	22,600,000	24,921,755
Total	\$ 112,223,327	\$ 126,544,575

Summary. The Coastal Resources Management Council requests \$157.7 million, of which \$137.7 million would be used in FY 2025 through FY 2029. Funding in the five-year period includes \$30.0 million through Certificates of Participation, \$68.4 million from federal funds, \$2.6 million from general obligation bonds, \$1.3 million from restricted receipts, and \$35.5 million from Rhode Island Capital Plan funds. The request is for seven projects, one of which is new, and there are significant revisions to three others. *The Governor recommends \$126.5 million, including \$112.2 million in the five-year period, for six projects.*

Confined Aquatic Dredged Material Disposal Cells. The Council requests \$118.5 million from all funds, including \$30.0 million through Certificates of Participation and \$20.1 million from Rhode Island Capital Plan funds as the state match to \$63.4 million of federal funds to construct new confined aquatic disposal cells in conjunction with the Army Corps of Engineers. The cells allow for proper management of dredged materials unsuitable for open water disposal, including those from the Providence River dredging; existing cells in the Providence River area are nearly full. The request assumes \$10.0 million more from borrowed funds. The 2017 Assembly authorized \$10.5 million through Certificates of Participation, but the project was delayed and the cost increased dramatically before the debt was issued. The Governor's capital budget assumed \$20.0 million in debt, but he did not submit it to the 2023 Assembly to approve, as project costs appeared to be uncertain. Debt would need to be approved in the 2024 session as spending is programmed for FY 2025. The Council notes that the total cost is now finalized and requests all funding for FY 2025. *The Governor recommends only \$109.0 million, consistent with the approved plan, and shifts funding to FY 2026. As such, his budget does not include a resolution for debt approval in 2024.*

South Coast Restoration Project. The Council requests \$3.9 million from Rhode Island Capital Plan funds to maintain the levels of sediment within the breachways of each South County coastal lagoon and to ensure that the habitat restoration projects within each pond, which were previously completed in FY 2018 with federal funds, are not compromised or lost to those sediments. Spending for this earlier work totaled \$3.3 million and is excluded here. Chronically accumulating sediment revived the need for the project again in FY 2023. The request understates prior spending by \$1.0 million, as it does not include

pre-FY 2023 Rhode Island Capital Plan funds expenditures reflected in the approved plan. Adjusting for this, the request is \$2.0 million more than the approved plan, adding \$2.0 million for FY 2027 for the Council's next anticipated dredging. Dredging typically takes place every three to five years. The Council is responsible for all costs of the project. *The Governor recommends future funding as requested.*

Little Narragansett Bay Study. The Council requests \$1.5 million from Rhode Island Capital Plan funds to study how dredging in Little Narragansett Bay can be accomplished. The Council states that 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 in partnership with the Army Corps of Engineers who will provide a 50.0 percent match for the project. The request is \$1.5 million more than the approved plan of \$50,000 and reflects a significant change in scope. Though the Council notes that its prior requests were intended to serve as a placeholder for the project as costs were finalized with the Army Corps, this was not reflected in the prior request or the approved plan. The current request reflects costs of project management, engineering, field investigations, and surveys. The request delays completion three years to FY 2026 and programs \$0.5 million in FY 2024, \$0.7 million in FY 2025, and \$0.3 million in FY 2026. *The Governor recommends only the \$50,000, and shifts unexpended FY 2023 funds to FY 2024.*

Pawcatuck Resiliency Elevation. The Council requests \$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 request is \$16.4 million more than the approved plan of \$50,000 and reflects a significant change in scope. Though the Council notes that its prior requests were intended to serve as a placeholder for the project as costs were finalized with the Army Corps, this was not reflected in the prior request or the approved plan. The current request no longer appears to be a feasibility study, as it includes the design and construction of individual elevation projects for residential structures on the south coast that are affected by severe storms. The request also programs \$4.1 million annually for FY 2024 through FY 2027 to cover the non-federal funds for the project. *The Governor recommends only the \$50,000 in the approved plan, and shifts unexpended FY 2023 funds to FY 2024.*

Coastal & Estuary Habitat Restoration Program and Trust Fund. Consistent with the approved plan, the Council requests \$250,000 annually 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 restoration 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 recommends funding as requested.*

Providence Rivers Dredging/Waterplace Park. Consistent with the approved plan, the Council requests total project costs of \$13.0 million from general obligation bonds approved by voters in 2018 and 2021 to dredge sections of the Providence River in two components. The project is delayed one year to FY 2025. Dredging for the second phase of the project includes sections of the Providence River from Crawford Street Bridge to near Point Street. Sections in the second phase consist of material with two distinct properties that require two different dredging and dewatering methods. The request programs \$3.0 million for FY 2024 and \$2.6 million for FY 2025. *The Governor recommends total funding requested, adjusted for changes to prior year expenditures, but shifts \$2.6 million from FY 2025 to FY 2024.*

ROWs Marker Posts and Signs. The Council requests \$50,000 from Rhode Island Capital Plan funds for a new two-year project to develop and disseminate educational materials and signage to educate the public on the recently enacted Shoreline Access Bill and to determine appropriate language and signage details for use at shoreline locations. The Council subsequently acknowledged that the project is more appropriate for its operating budget request. *The Governor recommends \$25,000 from general revenues for FY 2025 as part of the Council's operating budget.*

Rhode Island Infrastructure Bank

Projects	Status	5 Year Total	Project Total
Clean Energy Fund	Revised	\$ 90,000,000	\$ 102,500,000
Municipal Resiliency	Revised	10,000,000	26,000,000
Efficient Buildings Fund	Revised	87,500,000	112,500,000
Water Pollution and Control	Revised	750,000	900,000
Clean Water State Revolving Fund	Ongoing	297,520,002	762,631,002
Drinking Water State Revolving Fund	Ongoing	295,733,716	910,146,872
Municipal Road and Bridge Revolving Fund	Ongoing	72,000,000	180,338,867
Small Business Green Energy Loan Program	Ongoing	-	5,000,000
Water Quality Protection Charge Fund	Ongoing	5,000,000	7,500,000
Total		\$ 858,503,718	\$2,107,516,741
Sources of Funds			
Agency Funds		\$ 5,000,000	\$ 7,500,000
Agency Revenue Bonds		215,049,058	581,015,501
Federal (EPA)		329,908,201	772,094,253
General Obligation Bonds - New		10,000,000	10,000,000
General Obligation Bonds		-	21,000,000
General Revenues		37,896,459	50,415,120
Interest Earnings		250,000	300,000
Other Funds		167,000,000	250,988,867
Revolved Capital		93,400,000	414,203,000
Total		\$ 858,503,718	\$2,107,516,741

Summary. The Rhode Island Infrastructure Bank requests a total of \$1,307.0 million, of which \$1,050.7 million would be used in the five-year period. As requested, the five-year period includes \$164.0 million from new general obligation bonds, \$5.0 million from the Bank’s funds, \$235.0 million from the Bank’s revenue bonds, \$421.3 million from federal funds, \$68.1 million from general revenues, \$0.3 million from interest earnings, \$93.4 million from revolved capital, and \$155.0 million from other funds. The approved plan includes \$4.3 million of State Fiscal Recovery funds programmed for FY 2024. Subsequent to submission of the request, the Bank noted that for a number of projects it has no preference for the fund source. The request is for 11 projects, of which one is new. *The Governor recommends total project costs of \$2,107.5 million for nine previously approved projects. His revised budget includes the enacted level of \$4.3 million from State Fiscal Recovery funds in the budget of the Department of Housing.*

Clean Energy Fund. The Infrastructure Bank requests \$102.5 million, including \$80.0 million from demand-side management gas and electric funds available to the bank by statute, \$22.1 million from agency revenue bonds, and \$0.4 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 management projects.

This is \$13.0 million more than the approved plan, adding \$50.0 million from demand-side funds and \$0.1 million from revolved capital, partially offset by \$37.1 million less from revenue bond funds. As of the end of October 2023, the Infrastructure Bank reports it is still in the process of promulgating regulations for the program, has not received any bond proceeds to support the program, and may not make awards

until the regulations are promulgated. It should be noted the current timeline likely provides no more than four months to make awards from this program. The request programs \$12.5 million for FY 2024 and \$18.0 million thereafter through FY 2029. *The Governor recommends funding as requested. As of January 2024, the regulations are not publicly available.*

Municipal Resiliency. The Infrastructure Bank requests \$150.0 million to provide grants to municipalities for projects that mitigate the effects of climate change. This is \$127.0 million more than the approved plan. The request includes \$16.0 million approved by the voters in 2022 for FY 2024, assumes use of \$134.0 million from FY 2024 through FY 2029 from new general obligation bonds to go before the voters in November 2024, and excludes \$7.0 million approved by the voters during 2021. Assuming a 5.0 percent interest rate and a 20-year term, annual debt service would be \$10.8 million for total debt service of \$215.1 million.

Municipal Resiliency workshops have reportedly identified about \$250 million in necessary projects. The request programs the newly requested \$134.0 million from general obligation bond funds at \$20.0 million each for FY 2024 and FY 2025, \$22.0 million each for FY 2026 and FY 2027, and \$25.0 million for FY 2028. *The Governor recommends \$10.0 million more than enacted from new general obligation bond funds to go before the voters in November 2024 and programs the funding for FY 2026.*

Efficient Buildings Fund. The Infrastructure Bank requests \$87.5 million for the five-year period through FY 2029. This is \$81.5 million more than the approved plan, of which \$50.0 million is from revenue bonds, \$30.0 million is from utility system benefits charges and Regional Greenhouse Gas Initiative receipts, and \$1.5 million is from revolved capital. This essentially restores the proceeds the Infrastructure Bank requested to transfer to the Clean Energy Fund for the FY 2024 to FY 2028 period and adds annual funding for FY 2029. The transfer was requested because the Clean Energy Fund's expanded eligibility and authority were anticipated to have a greater clean energy impact. The request programs \$6.5 million for FY 2024 and \$17.5 million annually thereafter through FY 2029. *The Governor recommends funding as requested and includes \$18.5 million of historical spending.*

Water Pollution Control Revolving Fund. The Infrastructure Bank requests \$0.9 million from revolved capital and interest earnings for the Water Pollution Control State Revolving Fund; it programs \$150,000 annually for the FY 2024 to FY 2029 period. Historically, this fund has received capital funding from general obligation bond proceeds and 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 recommends funding as requested.*

Clean Water State Revolving Fund. The Infrastructure Bank requests total project costs of \$370.0 million from all sources for the Clean Water State Revolving Fund, including \$300.0 million for the five-year period. This is \$358.0 million less than the approved plan; it excludes historical spending offset by \$75.0 million more in the five-year period, of which \$10.0 million is revenue bonds for FY 2027 and \$65.0 million for FY 2029. The request for the five-year period includes \$151.9 million from revenue bonds, \$123.3 million from federal Environment Protection Agency funds, \$72.0 million from revolved capital, and \$22.7 million from previously approved general revenues to finance local governments' wastewater infrastructure projects.

The General Assembly provided \$50.4 million from general revenues to reflect the required state match during 2022 and 2023; between the clean and drinking water programs the request assumes use of \$50.7 million, or \$267,180 more than appropriated. This appears to reflect state match assumed to be necessary for FY 2027 and later. *The Governor essentially concurs with the request and includes historical spending. Between the clean and drinking water programs, he provides general revenues as enacted, but shifts resources between programs and years, which results in an increase of \$269,000 for the pre-FY 2024 period for the clean water program.*

Drinking Water State Revolving Fund. The Infrastructure Bank requests \$400.3 million from all funds, with \$299.5 million for use in the five-year period for the Drinking Water State Revolving Fund. Spending for the five-year period also includes \$24.4 million from previously approved general revenues, \$293.6 million from federal funds, \$60.7 million from revenue bonds, and \$18.0 million from revolved capital. As previously noted, the General Assembly previously provided \$50.4 million from general revenues to reflect the required state match; between the clean and drinking water programs the request assumes use of \$50.7 million, or \$267,180 more than appropriated to reflect the state match assumed to be necessary for FY 2027 and later. 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 essentially concurs with the request and includes historical spending. This is \$536,180 less than requested from general revenues for the drinking water program to correct the overstated resources and shift \$269,000 to clean water programs.*

Municipal Road and Bridge Revolving Fund. The Infrastructure Bank requests \$96.0 million, including \$80.0 million for the five-year period, for the municipal road and bridge revolving fund which subsidizes loans to mitigate underinvestment in local roads; it excludes spending prior to FY 2024. The request includes \$24.0 million from revenue bonds, \$12.0 million from revolved capital, and \$60.0 million from state contributions; the \$60.0 million is prospective and above any previously received contributions. The request is consistent with the approved plan, and adds \$16.0 million for FY 2029. This program is distinct from the Municipal Road Repair program 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 further capitalized the Fund with a combination of bond premium proceeds and tobacco settlement funds; as of November 2024, the state has contributed \$76.9 million, primarily from bond premiums dedicated from referenda approved in 2014, 2016, and 2018. *The Governor recommends \$8.0 million less than requested for the five-year period and includes \$92.3 million of historical spending, including a shift of \$9.0 million from FY 2024 to the pre-FY 2024 period. This assumes \$2.0 million from available state support for FY 2025 and \$10.0 million annually from FY 2026 to FY 2029 from other proceeds.*

Small Business Green Energy Loan Program. The Infrastructure Bank requests \$5.0 million annually from general obligation bond funds, for the FY 2024 to FY 2029 period, for the Small Business Energy Loan Program to provide small businesses zero interest and below market rate loans for clean energy projects to remove impediments to implementation. It reported the intent is to establish a loan and/or grant program within the Clean Energy Fund, discussed separately, to provide access to similar renewable energy, energy efficiency, and demand-side management projects.

Voters approved \$5.0 million from general obligation bonds for the Small Business Energy Loan Program, on November 8, 2022, which the approved plan programmed for use in FY 2024. The request includes \$5.0 million annually thereafter, presumably from a new \$25.0 million general obligation bond to be put before the voters in November 2024. It should be noted that recently approved bonds typically do not provide proceeds for use within the same fiscal year as approval. *The Governor recommends funding as enacted.*

Water Quality Protection Charge Fund. The Infrastructure Bank requests \$6.0 million from the water quality protection surcharge to provide funding for watershed protection and other projects requested by water suppliers. This is \$0.5 million less than the approved plan, reflecting the exclusion of pre-FY 2024 spending, offset by funding added for FY 2029. The request programs \$1.0 million annually, consistent with the approved plan. 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 of proceeds are retained by the individual suppliers for administrative costs, the remaining funds are distributed with 57.0 percent for state general revenues, and 36.1 percent for the Infrastructure Bank. *The Governor recommends funding as requested and includes \$1.5 million of historical spending.*

Housing - Housing Related Infrastructure. The Infrastructure Bank requests \$29.3 million for the FY 2024 through FY 2029 period for housing-related infrastructure. The 2023 Assembly concurred with the Governor's requested amendment to provide \$4.3 million from State Fiscal Recovery funds for a new program to support pre-development activities and development of site-related infrastructure for affordable housing, including road and utility connections.

The request programs that \$4.3 million for FY 2024, and \$25.0 million from future general obligation bond proceeds to go before the voters. The Infrastructure Bank, subsequently reported it does not have a preference for source of funds. It also noted that discussions regarding the required criteria are ongoing; by law, no funding can be released until those criteria are established. *The Governor's revised budget includes \$4.3 million as enacted for the Department of Housing.*

Ocean State Climate Adaptation and Resilience Fund. The Infrastructure Bank requests \$28.0 million to capitalize the Ocean State Climate Adaptation and Resilience Fund authorized by the 2021 Assembly, including the \$4.0 million from general revenues authorized as part of the FY 2023 enacted budget. The request programs \$4.0 million annually through FY 2027 and \$6.0 million each for FY 2028 and FY 2029 from general revenues. The Infrastructure Bank reports it is indifferent to the source of funds, though general revenues are preferred for ease of administration. The funding is intended to provide grants to address climate change impacts, including flooding, erosion, sea level rise and storm surge, and to rehabilitate certain wetland crossing infrastructure. *The Governor's recommendation excludes this funding; however, Article 5 of the Governor's budget proposes \$2.0 million from new general obligation bonds to go before voters in November 2024 for up to 75.0 percent matching grants to public and non-profit entities for coastal restoration, public safety and resiliency projects. This program will be through the Department of Environmental Management.*

Narragansett Bay Commission

Projects	Status	5 Year Total	Project Total
Bucklin Point Resiliency Improvements	Revised	\$ 19,011,500	\$ 76,601,100
Combined Sewer Overflow Phase III Facilities	Revised	289,422,000	1,386,703,645
Infrastructure Management	Revised	3,066,700	6,173,500
Sewer System Improvements	Revised	21,054,000	41,189,250
Wastewater Treatment Facilities	Revised	14,410,300	28,245,399
Field's Point Resiliency Improvements	Ongoing	94,035,325	111,899,825
Interceptor Inspection, Cleaning, Restoration, and Construction	Ongoing	13,499,800	22,736,480
Total		\$ 454,499,625	\$1,673,549,199
Sources of Funds			
Other Funds		\$ 454,499,625	\$1,673,549,199
Total		\$ 454,499,625	\$1,673,549,199

Summary. The Narragansett Bay Commission requests a total of \$1,673.5 million, of which \$454.5 million would be used in the five-year period, FY 2025 through FY 2029, 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 recommends funding as requested.*

Bucklin Point Resiliency Improvements. The Commission requests total project costs of \$76.6 million, of which \$19.0 million will be used in the five-year period for various improvements to the Bucklin Point wastewater treatment facility. Requested funding is from the Infrastructure Bank's revolving funds, Environmental Protection Agency Water Infrastructure Finance and Innovation Act program loan funds, and Commission revenue bonds and is \$6.4 million more than the approved plan, which appears to represent updated cost estimates and timeline, which delays completion two years to FY 2027. The project involves the design and construction of new buildings at the Bucklin Point Campus; upgrades to boilers, hydronic piping systems, and isolation gates; modifications to the existing heating, ventilation, and air conditioning system; installation of a redundant standby power system; and replacement of the ultraviolet disinfection system. *The Governor recommends funding as requested.*

Combined Sewer Overflow Phase III Facilities. The Commission requests \$1,386.7 million, \$269.6 million more than the approved plan, for the design and construction of the combined sewer overflow phase III facilities. This is the final phase of a federally mandated project to protect public health by keeping potentially harmful pollutants out of community water bodies. The request includes \$289.4 million in the five-year period from the Infrastructure Bank's revolving funds, Commission revenue bonds, and Environmental Protection Agency Water Infrastructure and Innovation Act program loan funds. The increase in the request reflects updated cost estimates in the outyears; prior requests were based on 2018 cost estimates. The Commission received a \$268.7 million loan through a federal program for this project in 2019. The project will reduce stormwater inflow by implementing stormwater infiltration projects, including 11,600-foot rock tunnel in Pawtucket, a pump station, drop shafts, and consolidation conduits, followed by the design and construction of interceptors and a stub tunnel that will convey flow to the Pawtucket tunnel. *The Governor recommends funding as requested.*

Infrastructure Management. The Commission requests total project costs of \$6.2 million, \$0.2 million more than the approved plan, from the Infrastructure Bank’s revolving funds and Commission revenue bonds for ongoing infrastructure management, with \$3.1 million in the five-year period. 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. The requested increase appears to reflect updated cost estimates and schedule, which delays completion two years to FY 2028. *The Governor recommends funding as requested.*

Sewer System Improvements. The Commission requests \$41.2 million from the Infrastructure Bank’s revolving funds and Commission revenue bonds, with \$21.1 million in the five-year period for maintenance and upgrades to sewers and easement restorations. The approved plan includes placeholder estimates for a new interceptor maintenance building should the Commission be legislatively required to own, operate, and maintain any municipal controlled sewer facilities. The request is \$18.6 million more than the approved plan, including a new \$8.7 million project to improve the Reservoir Avenue pump station and updated cost estimates for established subprojects, largely for the interceptor maintenance building which is \$8.1 million more than the approved plan. The request delays the start of this subproject five years to FY 2029 and the completion of the project eight years to FY 2034. *The Governor recommends funding as requested.*

Wastewater Treatment Facilities. The Commission requests \$28.2 million from the Infrastructure Bank’s revolving funds and Commission revenue bonds for several wastewater treatment improvement projects. The request includes \$14.4 million in the five-year period. The wastewater treatment facility improvements include projects such as, long-range biosolids disposal, data communications upgrades, electrical improvements, upgrades to digesters, and building improvements. The request is \$4.7 million more than the approved plan, largely from adding an ethernet-based hybrid data control system and renovations to the Commission’s office to the scope of work. *The Governor recommends funding as requested.*

Field’s Point Resiliency Improvements. The Commission requests \$111.9 million from the Rhode Island Infrastructure Bank’s revolving funds, Commission revenue bonds, and federal funds for ongoing improvements that ensure resiliency of the Field’s Point sewer system. The Commission was awarded 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 \$94.0 million in the five-year period for 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, construction of a solar carport, and improvements to cybersecurity implementation. The total request is \$8.0 million more than the approved plan for updated engineering estimates and contract bids. It reflects updated cost estimates for Field’s Point upgrades and a three-year delay to FY 2028. It also reflects updated cost estimates to replace the Lincoln Septage Receiving Station, projected to start construction in the current fiscal year. *The Governor recommends funding as requested.*

Interceptor Inspection, Cleaning, Restoration, and Construction. The Commission requests total project costs of \$22.7 million from the Infrastructure Bank’s revolving funds and Commission revenue bonds, with \$13.5 million to be used in the five-year period for interceptor improvements. 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 to ensure resources for future inspection and cleaning of interceptors and \$1.5 million annually for future interceptor restoration and construction work. The request is \$0.9 million less than the approved plan and excludes \$1.4 million of pre-FY 2024 spending on completed subprojects. Adjusting for this, the request is \$24.1 million, \$0.5 million more than the approved plan. It reflects an updated project schedule, particularly delaying improvements to the Louisquisset Pike Interceptor to accommodate additional flow resulting from potential development, that has not yet materialized. *The Governor recommends funding as requested.*

Rhode Island Resource Recovery Corporation

Projects	Status	5 Year Total	Project Total
Material Recycling Facility Roof	Revised	\$ 200,000	\$ 300,000
Material Recycling Facility Building Improvements	Revised	1,325,000	1,780,000
Material Recycling Facility Design	Revised	3,000,000	3,000,000
Material Recycling Facility Construction	Revised	55,000,000	55,000,000
Main Scale Replacement	Revised	1,300,000	1,300,000
Phase VI Construction	Ongoing	14,205,556	153,097,684
Total		\$ 75,030,556	\$ 214,477,684
Sources of Funds			
Resource Recovery Corporation General Revenue		\$ 75,030,556	\$ 214,477,684
Total		\$ 75,030,556	\$ 214,477,684

Summary. The Rhode Island Resource Recovery Corporation requests a total of \$215.6 million from its general revenues for seven projects, of which \$75.0 million would be used in the five-year period. *The Governor recommends \$214.5 million for six active projects.*

Material Recycling Facility Roof. The Corporation requests \$0.3 million for FY 2024 through FY 2027 from its general revenues to repair the roof of its material recycling facility. The roof has surpassed its operating life and is deteriorating. The request is \$1.4 million less than the approved plan to reflect a reduced project scope from a total roof replacement, as the Corporation is planning to construct a new material recycling facility during FY 2026 through FY 2028, 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 a new facility is built. *The Governor recommends funding as requested.*

Material Recycling Facility Building Improvements. The Corporation requests \$1.8 million from its general revenues to provide building improvements and repairs to the existing material recycling facility. The Corporation reports that these upgrades are essential as the building is outdated and no longer safe nor functional for the wellbeing and accessibility of its employees. The request is \$3.2 million less than the approved plan to reflect a change in the scope of the project to include the costs required to keep the building operable as the Corporation plans to construct a new material recycling facility. The request programs funding for FY 2024 through FY 2028 for concrete repairs, facility improvements, asphalt repairs, and elevator upgrades. *The Governor recommends funding as requested.*

Material Recycling Facility Design. The Corporation requests \$3.0 million from its general revenues for FY 2025 through FY 2028 to site, plan, and design a new material recycling facility. This is \$2.0 million more than the approved plan and moves funding forward four years to begin in FY 2025. The project has been expanded to include the costs related to bidding preparations and construction oversight. There is a separate project for construction costs. The Corporation reported that the project is necessary to continue operating as the sole residential and commercial recycling processing facility in the state. The decision to build a new facility is based on research findings regarding the success rates of mixed waste processing facilities in other parts of the country and the Corporation's own observations and evaluations from site visits. *The Governor recommends funding as requested.*

Material Recycling Facility Construction. The Corporation requests \$55.0 million from its general revenues for FY 2026 through FY 2028 to construct a new material recycling facility. Design work is

programmed as a separate project. Funding is consistent with the approved plan, but the project schedule has been accelerated from the post-FY 2028 period with the Corporation's recent confirmed decision to proceed with the new mixed waste processing facility. The Corporation reports that the project is necessary to continue its operations as the sole residential and commercial recycling processing facility in the state. The decision to build a new facility is based on research findings regarding the success rates of mixed waste processing facilities in other parts of the country and the Corporation's own observations and evaluations from site visits. *The Governor recommends funding as requested.*

Main Scale Replacement. The Corporation requests \$1.3 million from its general revenues for FY 2025 and FY 2026 to replace its current main scale and the building that houses it. Funding is consistent with the approved plan, but delayed a year as it can only be done following the completion of the new entrance opening expected to be completed by 2024. The project consists of replacing the facility's existing underground scales with aboveground scales and constructing a new building to store the aboveground scales as well as new information technology infrastructure. These upgrades are intended to provide safer working conditions for staff, facilitate scale maintenance, improve the cost efficiency of operations, and keep the building up to code. These upgrades are anticipated to last for the remaining life of the landfill, which is currently projected to continue operating through 2043. *The Governor recommends funding as requested.*

Phase VI Construction. The Corporation requests \$153.1 million from its general revenues, of which \$14.2 million will be used in the five-year period to design, excavate, and construct the baseliner for several planned cells as part of the eastward Phase VI expansion of the Central Landfill. This is \$1.7 million more than the approved plan, which reflects annual budget revisions, changes in construction costs, and fluctuations in waste volumes. The project is estimated to be completed by 2043. *The Governor recommends funding as requested.*

Fiber Baler Replacement. The Corporation requests \$1.1 million from its general revenues to replace the fiber baler at the material recycling facility. The request reflects funding in FY 2023 and is consistent with the approved plan, but the project went out to bid in June 2023 and is now expected to be completed in FY 2024 due to delays for materials and supplies. The Corporation reports that the baler has logged over 34,000 operating hours and is expected to last 35,000 to 40,000 operating hours; it currently operates at 2,400 hours annually. *The Governor's budget omits this project.*

Department of Transportation

Projects	Status	5 Year Total	Project Total
Highway Improvement Program	Revised	\$ 3,738,604,310	\$ 7,589,530,727
Information Technology Investment Strategy	Revised	14,882,903	27,912,627
Pawtucket/CF Train Station	Revised	-	3,500,000
Bike Path Asset Protection	Ongoing	2,000,000	3,608,795
Capital Equipment Replacement	Ongoing	47,628,250	103,024,595
Commuter Rail (Fixed Guideway)	Ongoing	29,694,431	73,354,990
Maintenance Facility Improvements	Ongoing	3,734,756	8,410,524
Mass Transit Hub Infrastructure	Ongoing	10,682,486	35,000,000
Salt Storage Facilities	Ongoing	6,450,000	13,454,384
State Funded Improvement Projects	Ongoing	143,000,000	320,129,000
Train Station Asset Protection	Ongoing	2,475,585	5,697,225
Welcome Center Improvements	Ongoing	1,250,000	2,049,265
Total		\$ 4,000,402,721	\$ 8,185,672,132
Sources of Funds			
Federal Funds		\$ 3,209,842,051	\$ 6,467,469,947
Federal GARVEE Bonds		69,000,000	200,000,000
Gasoline Tax		46,400,720	89,648,781
General Obligation Bonds		82,382,486	106,700,000
Highway Maintenance Account		312,660,000	517,229,000
Land Sales		25,955,063	56,909,305
Rhode Island Capital Funds		254,162,401	747,715,099
Total		\$ 4,000,402,721	\$ 8,185,672,132

Summary. The Department of Transportation requests \$4,376.8 million from all sources to be used from FY 2025 through FY 2029 for projects totaling \$8,327.0 million. The request is for 16 projects, four of which are new. It is \$986.9 million more than the approved plan, including \$377.7 million for the new projects. It assumes use of \$206.6 million from a source not yet identified.

Federal law requires that a statewide transportation improvement plan cover 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 Department has been awarded several of those grants, including \$60.0 million from the Bridge Investment Program to improve bridge condition, safety, efficiency and reliability. It also received \$25.0 million for the Route 37 Corridor project and \$1.2 million for the Washington Secondary Bike Path. In the

two prior budget cycles, the Assembly provided the Department a total of \$163.0 million from Rhode Island Capital Plan funds to match additional federal funds. *The Governor recommends \$8,185.7 million from all sources for 12 approved projects. This includes \$4,000.4 million programmed for the five-year plan, which averages \$800.1 million annually. The recommendation is \$141.3 million less than requested and does not fund new projects.*

Highway Improvement Program. The Department requests \$3,738.1 million from all sources for Highway Improvement Program expenditures to be used in the five-year period, for project costs of \$7,264.8 million. This assumes an average annual outlay of \$747.6 million. The request is \$573.9 million more than the approved plan. Accounting for the exclusion of \$990.8 million of prior year expenses, it is \$1,568.7 million more, including annual funding of \$525.3 million for FY 2029. Expenditures in the previously approved period were revised by an additional \$1,039.3 million, including \$665.0 million for projects to be determined and future grant requests. The request includes \$901.1 million more from federal funds, \$20.2 million from residual GARVEE bonds, \$71.7 million from general obligation bonds approved by the voters in March 2021, and \$62.6 million from available highway maintenance funds. It also includes \$0.5 million less from Rhode Island Capital Plan funds for FY 2025, in error.

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 Program includes 311 of the 432 projects identified in the Transportation Improvement Program. It includes \$1,234.2 million for bridges, and \$1,508.9 million for major capital projects, including the Providence Viaduct Northbound, Route 146 Reconstruction and the Route 6/10 Bridge Reconstruction.

The Governor recommends \$3,738.6 million in the five-year period for project costs of \$7,589.5 million. This is \$324.8 million more from all sources, including \$324.7 million from Rhode Island Capital Plan funds than requested, adjusting for exclusion of prior year expenses and restoring the \$0.5 million reduction that was requested in error.

Information Technology Investment Strategy. The Department requests \$27.9 million from all sources, of which \$18.2 million will be used in the five-year period 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 to allow the automation of prompt payment. The reported project cost is \$7.8 million more than the approved plan; prior year expenses are overstated by \$1.7 million and \$2.9 million is added for FY 2029 annual funding. The request reflects updated project costs for a stormwater e-permitting system in order to produce reports relating to the Consent Decree with the U. S. Department of Justice. The Department is coordinating this project with the Department of Environmental Management and the Coastal Resources Management Council. Expenditures for previously approved projects were also revised by \$3.3 million for updated annual software maintenance expenses and a geographic information system, supporting the Traffic Management Center's multiple cameras and other operations. *The Governor concurs, and does not correct for the overstated expense.*

Pawtucket/Central Falls Train Station. The approved plan includes \$58.0 million from all sources for a new commuter rail station on the Pawtucket/Central Falls border. The station is intended to be served by the Massachusetts Bay Transportation Authority along its Providence line, connecting Pawtucket/Central Falls to Providence and Boston. The project's infrastructure included two platforms, a pedestrian overpass, bus drop-off access, pedestrian access and construction of 200 parking spaces. The station became operational on January 2023.

The request includes \$3.5 million from available highway maintenance funds for FY 2024 to construction an additional 200 parking spots. The Department had initially estimated 500 riders. It notes that preliminary counts conducted in March 2023 identified 900 daily commuters, and that ridership has continued to increase, necessitating additional parking spaces. Construction has started and is estimated to be complete by December. *The Governor concurs.*

Bike Path Asset Protection. The Department requests \$2.2 million from Rhode Island Capital Plan funds to be used in the five-year period to repave bike paths. It notes 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, some severely. The reported project cost of \$4.3 million overstates prior expenses by \$0.4 million and adds \$0.9 million for asset protection funding for FY 2029 and the later years. *The Governor recommends project costs of \$3.6 million; adjusting for overstated expenses, it is \$0.3 million less than requested to essentially include funding consistent with the approved plan.*

Capital Equipment Replacement. The Department requests \$296.5 million from Rhode Island Capital Plan funds and gasoline tax proceeds for capital equipment, including heavy trucks, sweepers, loaders, backhoes and tractors to replace the Maintenance Division's existing equipment. The request is \$211.8 million more than the approved plan, primarily reflecting the cost of the Department's 15-year vehicle and equipment replacement plan. This includes annual funding of \$14.5 million for FY 2029 and \$164.1 million in the later years. The approved plan includes average annual outlays of \$8.4 million; the request assumes \$14.9 million. The increase is also reflective of increased costs for electric vehicles. The Department indicates that the Maintenance Division's capacity to meet its mandated responsibilities on the state's 3,000 lane miles of highways and 779 bridges is dependent on the availability of appropriate, safe and functional equipment. *The Governor recommends project costs of \$103.0 million, which is \$193.5 million less than requested. The recommendation includes \$47.6 million for the five-year plan, with annual outlay of \$9.5 million.*

Commuter Rail (Fixed Guideway). The Department requests \$51.8 million from federal funds and Rhode Island Capital Plan funds to be used from FY 2024 through the later years for the Commuter Rail Project. Phase I of the project involved the extension of commuter rail service south from Providence to the Rhode Island T.F. Green International Airport and has been completed. Phase II extended commuter rail service 25 miles to the Wickford Junction Station. The request includes \$40.3 million in payments to Amtrak for required capital and operational costs. It also includes \$10.4 million for the Department to oversee a Ferry Boat program, which is formula-based for ferry terminal facilities, and \$1.2 million to make improvements to Providence and Newport ferry terminals.

The reported project cost of \$83.7 million is \$3.2 million less than the approved plan; it excludes prior year expenses of \$21.6 million, partially offset by \$16.7 million programmed for FY 2029 and the later years. The request includes \$10.4 million from Rhode Island Capital Plan funds, which were historically included in the Highway Improvement Program. It appears that the intent is to show the required match; however, the Department's request does not reduce funding in the Highway Improvement Program, thus double counting expenses. *The Governor concurs, with the exception of showing Rhode Island Capital Plan fund expenses in the Highway Improvement Program.*

Maintenance Facility Improvements. The Department requests \$5.4 million from Rhode Island Capital Plan funds in the five-year period to make repairs at its seven maintenance facilities throughout the state and its headquarters in Warwick. Improvements include pavement repair, replacement and repairs of heating, ventilation and air conditioning systems, roof, and improvements to windows and garage doors at several facilities. The project cost of \$10.2 million is \$2.6 million more than the approved plan. This includes \$1.5 million for FY 2029 to make structural improvements to the Warren Avenue Facility.

Expenditures for previously approved projects increase by \$1.1 million, reflecting the Department's updated estimates. This includes \$0.5 million to refurbish the Cherry Hill Facility in Johnston and \$0.2 million to upgrade the water distribution system in East Greenwich. The request also includes \$0.2 million for the Department to assess its maintenance facility's needs. *The Governor recommends a total project cost of \$8.4 million, of which \$3.7 million will be used in the five-year period. This is \$1.9 million less than requested; however, it is \$0.8 million more than the approved plan.*

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. Since approval of the bond funds, several requests for proposals have been issued and through FY 2023, approximately \$9 million has been spent. The Department's request includes \$5.0 million for FY 2024 to match a federal discretionary grant to repair the Providence Train Station. This leaves a balance of about \$21 million.

Consistent with the Rhode Island Public Transit Authority's capital budget request, the Department includes \$21.1 million from the approved general obligation bonds to create a new intermodal transit facility on Dorrance Street. This includes restrooms, interior waiting space, a customer service center, ticket vending machines, and retail and dining space. The Authority notes that the location is preferable due to proximity to the core of downtown, including the Jewelry and Hospital districts. The project is in 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 notes that this structure would ensure the long-term viability of the project, including maintenance and daily operations of the 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. The Authority received one bid and it is in the process of negotiating with the vendor. It anticipates awarding the project by the end of October. The location of the project has not been determined. *The Governor concurred with the total approved amount. His recommendation does not specify a different location.*

Salt Storage Facilities. The Department requests \$14.2 million from all sources, of which \$6.5 million from Rhode Island Capital Plan funds will be used in the five-year period for the construction of salt storage facilities at various locations statewide where salt is stored uncovered. There are 23 salt storage facilities, four remain without an enclosed facility, resulting in a negative impact on both the environment and operational efficiency. This project was originally developed to address the significant number of uncovered facilities. The plan 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 \$1.8 million more than the approved plan, including expenses of \$0.3 million for FY 2024 and adding \$1.5 million for FY 2029.

The Department notes that construction costs have increased, especially if contamination issues have to be addressed, and its recent annual funding from Rhode Island Capital Plan funds which averages \$1.0 million is no longer sufficient to cover the cost. It reported expenses of \$2.5 million for FY 2023, \$0.6 million above the final budget. Its operating budget, which was submitted subsequent to the capital budget request assumes use of \$2.0 million from gasoline tax proceeds to cover increased costs. *The recommended capital budget includes a total project cost of \$13.5 million. This is \$0.7 million less than requested for FY 2024, including \$0.6 million to recapture the amount overspent in FY 2023. The recommended operating budget for FY 2025 does include the requested expense from gasoline tax proceeds.*

State Funded Capital Improvements. The request includes project costs of \$203.0 million from the Highway Maintenance Account to be used from FY 2024 through the later years for project expenses without a federal match, including \$54.0 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

\$149.0 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 \$106.2 million less than the approved plan. It adds \$29.0 million for FY 2029, offset by the exclusion of prior year expenses. *The Governor recommends \$320.1 million, \$117.1 million more than enacted to correct for understated prior year expenses.*

Train Stations Asset Protection. The Department requests \$6.0 million from Rhode Island Capital Plan funds in the five-year period for repairs at four train stations: Woonsocket, Kingston, Wickford Junction and Westerly. The Kingston and Westerly stations are currently active, while the Woonsocket station serves as a bus depot. The Maintenance Division is responsible for these facilities. Funding would be used for asset protection projects, such as roof and window repairs, painting, and heating, ventilation and air conditioning upgrades. The project cost of \$9.4 million is \$5.2 million more than the approved plan, of which \$4.4 million is for projects at the Wickford Junction Station. This includes replacement of rub guards on the rail platform, upgrading the locking system on all doors, lighting, and other projects. The request also adds \$0.9 million for FY 2029 and the later years. It assumes average annual outlays of \$1.2 million; expenditures have averaged \$129,148 annually in the last five fiscal years. *The Governor recommends \$5.7 million. Consistent with the approved plan, it includes \$0.5 million annually for the five-year period.*

Welcome Center Improvements. The Department requests \$4.6 million from Rhode Island Capital Plan funds and gasoline tax proceeds, of which \$2.0 million will be used in the five-year period, to renovate the Welcome Center facility in Richmond. The request is \$2.4 million more than the approved plan; costs were revised to include an additional \$0.6 million to install a new well system per Department of Health requirements. It also adds \$0.5 million for bathroom renovations, \$0.2 million for a camera surveillance system and \$0.8 million to repair the parking lot. The Department reopened the facility in May 2016 with portable restrooms and several month later, it opened the indoor facilities, which need restroom renovations, roof repair, heating, ventilation and air conditioning upgrades, and a new filtration system. *The Governor recommends \$1.3 million for the five-year period, for total project costs of \$2.0 million. This is \$2.6 million less than requested, to include funding essentially consistent with the approved plan.*

Block Island Facility and Salt Storage. The Department requests \$3.1 million from Rhode Island Capital Plan funds, of which \$1.0 million would be used in FY 2024, to build a maintenance facility on state-owned space on Block Island. Subsequently, the Department indicates that it had intended to request a project cost of \$4.0 million, consistent with last year's request. The request also assumes use of \$80,000 to build a salt storage shed. It should be noted that the approved plan includes this expense as part of the Salt Storage Facilities project. The Department notes based on mobilization expenses to Block Island, the approved amount would be sufficient only if funding for the Block Island Facility was also provided.

The current facility is more than 90 years old, and a condition assessment conducted in 2017 revealed many deficiencies, including the automatic fire suppression system. Through a memorandum of agreement, the state transferred all maintenance responsibilities of state-owned roads on Block Island to the Town of New Shoreham. The ten-year agreement is in effect through June 30, 2024. The Department pays the town \$0.4 million annually for services, including snow removal, de-icing, litter removal, mowing grass and cleaning sidewalks. *The Governor does not recommend funding this project.*

Discretionary Grant Match. The Department requests \$206.6 million from a source not yet identified for use from FY 2027 through FY 2029 as the match requirement of federal funds and discretionary grants. The request is intended to include all of the Department's state match shortfall, not limited to discretionary grants. Discretionary grant funds allow the Department to advance and/or to enhance a project by adding traffic improvements, transit features or security measures. It should be noted that the Department includes \$665.0 million as part of the Highway Improvement Program for projects to be determined and future grant requests.

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 also authorized several competitive grant programs for which a match would also be required. The Department notes the state would be more competitive when applying for discretionary grant funds if the 20.0 percent match were already available.

The requested \$206.6 million averages \$41.3 million annually, and appears to equate to the projected loss of toll revenues. On September 21, 2022, the U.S. District Court ruled that the tolling program was unconstitutional and ordered the Department to stop collections. The state has filed an appeal. The 2023 Assembly concurred with the Governor's proposal to provide the Department with \$70.0 million from Rhode Island Capital Plan funds to backfill toll revenues including \$30.0 million for FY 2023 for three quarters and \$40.0 million for FY 2024, the annualized value.

The 2021 Assembly required 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 state's match is available under currently authorized funding. The July 2023 Quarterly RhodeWorks Report identified two grant applications pending, requiring \$4.2 million for match, including \$0.4 million for the Northeast Corridor Regional Rail Plan for Rhode Island and Massachusetts, and \$3.8 million for Charging Ahead: Rhode Island Working Together for Electrification applications. The report also noted four upcoming grant applications for projects totaling \$663.0 million, including \$550.0 million for major rehabilitation and deck replacement of five bridges along Interstate 95 from Cranston to Providence; \$135.0 million for this project is already included in the Transportation Improvement Program. The Department notes that it is reviewing funding options for this project, including financing through Grant Anticipation Revenue Vehicle bonds. *The Governor does not recommend funding this project.*

Maintenance Facility - 360 Lincoln Avenue. The Department requests \$28.0 million from Rhode Island Capital Plan funds to build a new maintenance facility behind its current maintenance headquarters in Warwick. The facility will include office space for additional in-house maintenance staff and garage space to house vehicles and equipment. The Department previously requested this project; however, neither the Governor nor the Assembly concurred. In addition to its headquarters, the Department has seven maintenance facilities throughout the state.

It should be noted that the Department is in the process of purchasing a 33,000 square foot building in Providence, which it had leased on a temporary basis. The Department notes that the Providence facility would solve its immediate need for storage space and in the event this requested project is approved, it could later consolidate. The Department's request includes \$0.2 million from Rhode Island Capital Plan funds as part of the Maintenance Facility Improvements project to assess its maintenance facility's needs. The plan will create a strategic asset management plan for the various maintenance facilities. *The Governor does not recommend funding this project.*

Statewide Pavement. The Department requests \$20.0 million annually from FY 2024 through the later years 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. It should be noted that the requested amount is in addition to \$727.6 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 \$78.1 million for pavement projects. Expenditures in the first four years of the plan average \$98.6 million annually. *The Governor does not recommend funding this project.*

Rhode Island Public Transit Authority

Projects	Status	5 Year Total	Project Total
Bus Purchases	Revised	\$ 130,680,446	\$ 308,083,151
College Hill Bus Tunnel	Revised	8,207,968	17,834,529
Land and Buildings	Revised	215,941,454	398,165,709
Pawtucket Bus Hub Passenger Facility	Revised	4,052,506	5,741,722
URI Mobility Hub	Revised	3,883,850	8,733,850
Enterprise Software	Ongoing	2,000,000	3,583,070
Farebox Upgrade	Ongoing	-	6,384,866
Information Technology Redundancy	Ongoing	1,000,000	1,891,328
Paratransit Vehicles	Ongoing	16,535,568	39,424,720
Pawtucket Bus Hub and Transit Corridor	Ongoing	-	5,728,550
Providence High-Capacity Transit Corridor Study	Ongoing	-	1,425,000
Warwick Bus Hub	Ongoing	-	1,398,286
Total		\$ 382,301,792	\$ 798,394,781

Sources of Funds

Federal Funds	\$ 332,608,904	\$ 691,118,946
Highway Maintenance Account	19,617,559	27,774,590
Local Funds	-	1,145,710
Other	-	683,567
Paratransit Revolving Fund	3,307,114	7,884,945
Rhode Island Capital Funds	21,328,792	38,200,732
RIPTA Capital Funds	-	481,045
RIPTA Operating Funds	4,839,423	24,539,659
RIPTA Revolving Loan Funds	600,000	2,365,587
State Fleet Replacement Revolving Loan Fund	-	4,200,000
Total	\$ 382,301,792	\$ 798,394,781

Summary. The Rhode Island Public Transit Authority requests \$512.2 million for the FY 2025 through FY 2029 period for total project costs of \$978.8 million. Funding in the five-year plan includes \$381.0 million, or 74.4 percent from federal funds; \$90.6 million for required match is included from Rhode Island Capital Plan funds, Authority sources, 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 2024 ballot to construct 600 bus shelters statewide. The request is for 18 projects, five of which are new. It is \$393.6 million more than the approved plan, including \$111.8 million for new projects.

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 project to be used as the state match for additional transportation projects authorized under the federal Infrastructure Investment and Jobs Act. The Authority's request reallocates a total of \$13.3 million of these funds to six other projects.

Land and Buildings	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Post-FY 2029	Total
Approved Plan	\$10,372,818	\$11,214,401	\$ 4,561,885	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ 27,149,104
<i>Reallocation Requested</i>								
Bus Shelters	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ -	\$ (1,875,000)
College Hill Bus Tunnel	-	(2,051,992)	-	-	-	-	-	(2,051,992)
Newport/Middletown								
Garage Electrification	(2,000,000)	(3,592,700)	-	-	-	-	-	(5,592,700)
Rapid Bus Network	(1,123,000)	(1,000,000)	-	-	-	-	-	(2,123,000)
Safe Streets for All	(825,000)	(425,000)	-	-	-	-	-	(1,250,000)
URI Mobility Hub	(400,000)	-	-	-	-	-	-	(400,000)
Total Requested	\$ (4,660,500)	\$ (7,382,192)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ -	\$ (13,292,692)
Balance	\$ 5,712,318	\$ 3,832,209	\$ 4,249,385	\$ 187,500	\$ 187,500	\$ (312,500)	\$ -	\$ 13,856,412
Land & Building Requests	\$ 9,064,935	\$ 5,244,820	\$ 10,242,320	\$ 9,982,320	\$ 7,782,320	\$ 7,782,320	\$ 8,094,820	\$ 58,193,855
Change to Approved	\$ 3,352,617	\$ 1,412,611	\$ 5,992,935	\$ 9,794,820	\$ 7,594,820	\$ 8,094,820	\$ 8,094,820	\$ 44,337,443

The Governor recommends total project costs of \$798.4 million, of which \$382.3 million will be used in the five-year period for 12 approved projects. This is \$180.4 million less than requested; however, adjusting for \$21.1 million from approved general obligation bond proceeds that are included in the Department of Transportation's budget, the recommendation is \$159.3 million less, and does not fund new projects. It also retains Rhode Island Capital Plan funds in the Land and Buildings project, instead of allocating them to various projects.

Bus Purchases. The Authority requests \$181.8 million from all sources to be used from FY 2024 through the out-years to purchase 189 buses. This includes \$145.4 million from federal funds, \$4.6 million from the Authority's sources for FY 2024, and \$31.8 million from the Department of Transportation's share of the Highway Maintenance Account, for the required match. Funds would be used to replace 75.0 percent of the Authority's current fleet of 238 fixed route buses and 15 flex vehicles. The Authority indicates the 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. In FY 2023, it purchased 26 buses, 14 of them electric. The Authority is in the process of procuring 29 diesel buses. The request includes \$30.4 million for FY 2025 to purchase 25 electric buses to be used in the Newport/Middletown garage.

The request assumes use of Authority sources for the match instead of the approved \$4.7 million from the Department for FY 2024. The Department submitted its operating budget, reflecting use of these funds for its projects. Subsequently, the Authority notified the Department that it would not have the match from its sources.

The total request of \$310.8 million is \$102.1 million more than the approved plan; it adds \$29.3 million of prior year expenses, of which \$21.8 million was from American Recovery and Reinvestment Act funds, authorized in 2009. It also adds \$73.7 million for FY 2028 and the out-years. The approved plan did not include funding beyond FY 2027 pending a long-term transportation funding plan.

The Governor recommends \$308.1 million from all sources, or \$2.7 million less than requested, reflecting an updated project replacement schedule. It assumes \$7.6 million less from the Department's share of highway maintenance funds, partially offset by \$4.8 million from Authority sources. This is not consistent with the agencies' respective budgets which assume use of Department sources.

College Hill Bus Tunnel. The Authority requests \$19.9 million from all sources, including \$15.9 million from federal funds, to make structural and drainage repairs and safety improvements to the College Hill Bus Tunnel. According to the Authority, more than 300 trips are made daily through the tunnel, which was built in 1914 and was last renovated in 1992. The request is \$10.3 million more than the approved plan, reflecting updated construction costs. This includes \$8.2 million more from federal funds and \$2.2 million from Rhode Island Capital Plan funds for the match, of which \$2.1 million is a reallocation of funds previously approved for the Land and Buildings project. It should be noted that the College Hill Bus Tunnel project was first approved by the 2017 Assembly with the state providing the match. The 2020 Assembly

excluded the Rhode Island Capital Plan funds, based on the availability of CARES Act funds for transit projects. *The Governor's recommendation includes a project cost of \$17.8 million, \$2.1 million less than requested, including \$0.5 million from Authority sources and \$1.5 million from Rhode Island Capital Plan funds, which are retained in the Land and Buildings project.*

Land and Buildings. The Authority requests \$239.7 million in the five-year period to improve security at its Elmwood facilities, provide upgrades to various transit hubs and park and ride facilities while also making multi-year improvements to bus stops, sidewalks and transit hubs. These upgrades would include increased security measures, crack repair, and repaving work. The total project cost of \$440.3 million is \$163.4 million more than the approved plan, including \$127.5 million from federal funds and \$43.1 million from Rhode Island Capital Plan funds for match requirement, adjusted for the reallocation of \$13.3 million to six other projects. These increases are partially offset by the exclusion of prior year expenses. The request includes a total of \$80.6 million programmed for FY 2029 and the out-years. Also, an average of \$20 million annually was added to FY 2025 through FY 2028, assuming additional discretionary grants are awarded. It should be noted that the Infrastructure Investment and Jobs Act established many competitive grant programs and included increased funding for existing programs. As of September 2023, the Authority does not have any pending grant applications; its request is based on potential grant opportunities.

The Governor recommends a project cost of \$398.2 million from all sources, including \$215.9 million in the five-year period and retains Rhode Island Capital Plan funds in this project. This is \$42.2 million less than requested; however, it is \$1.0 million more than the approved plan to include annual funding for FY 2029 and in the out-years.

Pawtucket Bus Hub Passenger Facility. The Authority requests \$5.7 million from all sources, including \$5.3 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 request is \$0.7 million more than the approved plan, including \$0.5 million from federal funds and \$0.3 million from Rhode Island Capital Plan funds. The Authority indicates that the state match is not new funding but a reallocation of unused funds from the Pawtucket Bus Hub and Transit Corridor project; that project is essentially complete. It should be noted that the increased request is based on the availability of unused funds and not actual project costs, as the project is in the design phase. *The Governor concurs.*

URI Mobility Hub. The Authority requests a total of \$9.1 million from all funds, including \$7.4 million from federal sources, to construct a new bus hub at the University of Rhode Island Kingston Campus, consistent with the approved plan. The project will create a mobility hub for the campus that will allow for improved access within and around the campus by bus, bike, or foot. It includes six to eight bus berths with shelters, interior waiting space, restrooms, electric charging stations, and bicycle racks. Matching funds include \$0.5 million from highway maintenance funds and \$1.3 million from Rhode Island Capital Plan funds, \$0.4 million more than the approved plan, which had assumed this amount from the University. The Authority indicates that the University has withdrawn its matching funds for the project, because of loss of parking revenues from the space provided. The Authority's request assumes use of the match from funds previously approved for the Land and Buildings project. *The Governor's recommendation includes \$8.7 million; additional Rhode Island Capital Plan funds are retained in the Land and Buildings project.*

Enterprise Software. Consistent with the approved plan, the Authority requests \$3.6 million to replace its current financial tracking system in order to address shortfalls in financial data quality, processing, and monitoring. Total funding includes 80.0 percent from Federal Transit Administration funds matched with 20.0 percent from Authority sources. An asset management system would comply with requirements set by the Federal Transit Administration, including detailed records on revenue and vehicle maintenance to ensure that acquired assets are properly maintained so vehicles will reach their full useful lives. Additionally, the Authority must report annually on its assets to the National Transit Database and

determine what percentage of assets are not in a state of good repair, and how it plans to address that. *The Governor recommends funding as requested.*

Farebox Upgrade. The Authority requests \$6.4 million, including \$5.1 million or 80.0 percent from federal funds and the remaining funds from its sources, to upgrade its farebox system. The goal of the project is threefold: speed up boarding time, reduce maintenance expenses on current fareboxes, and provide easier and more forms of fare payment. These technologies would also reduce the amount of cash collected and decrease the use of mechanical components in the farebox, which requires unscheduled maintenance. In November 2021, the Authority transitioned to paperless fare products. The project is essentially complete and the request includes \$150,976 for FY 2024 for final payments. *The Governor recommends funding as requested.*

Information Technology Redundancy. The Authority requests \$1.9 million to be used through FY 2025 to provide backup and disaster recovery for its computerized systems. Consistent with the approved plan, the request includes \$1.5 million or 80.0 percent from federal funds and the rest from the Authority's operating sources. The Authority is seeking offsite redundancy in the case of electrical failure or other conditions that could lead to the loss of stored data and system functionality. *The Governor concurs.*

Paratransit Vehicles. The Authority requests \$16.5 million from all sources, including \$13.2 million from federal funds, to be used in the five-year period to replace 75 paratransit vehicles. Its fleet currently includes 104 vehicles, as well as spare vehicles, which are used to allow for unscheduled repairs and preventive maintenance. The Authority notes that the current fleet plan calls for purchase of smaller vehicles with gasoline engines, and in 2019 and 2020, it purchased five Dodge Caravans and 25 Ford Transit vans. In FY 2023, it purchased 50; they were anticipated to arrive by the end of September 2023. The request of \$39.4 million is \$3.0 million more than the approved plan, including annual funding of \$5.8 million for FY 2029 and previously approved expenses revised based on updated costs. *The Governor recommends funding as requested.*

Pawtucket Bus Hub and Transit Corridor. The Authority requests total project costs of \$5.7 million from all sources, including \$4.6 million from federal funds, to build a transit hub adjacent to the new commuter rail station on the Pawtucket/Central Falls border. The project includes bus berths, shelters, real-time bus information, ticket vending machines, and waiting space. The request is \$2.9 million less than the approved plan, which appears to have excluded the state match of \$1.3 million from Rhode Island Capital Plan funds. The project is essentially complete and through FY 2023 \$0.6 million from Rhode Island Capital Plan funds was spent, resulting in a surplus of \$0.7 million. The Authority's request assumes use of \$0.3 million from this surplus for the Pawtucket Bus Hub Passenger Facility project, previously discussed. *The Governor recommends funding as requested.*

Providence High-Capacity Transit Corridor Study. The Authority requests \$1.5 million from all sources, including \$1.2 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 indicates that the study will also assess the costs, benefits, and design concepts. The request is \$0.3 million more than the approved plan, reflecting updated project costs. *The Governor recommends \$1.4 million. This is \$0.1 million less than requested from Rhode Island Capital Plan funds, which are retained in the Land and Buildings project.*

Warwick Bus Hub. The Authority requests \$1.4 million from all funds, including \$284,572 from Rhode Island Capital Plan funds, to match federal funds to construct a new bus hub to serve the Community College's Knight Campus in Warwick. The new bus hub will include benches, shelters, real-time arrival

signs, lighting, roadway and landscaping improvements. The project is underway and the Authority anticipates it being completed by the end of 2023. The request is \$122,859 more than the approved plan, which appears to overstate prior year expenses. *The Governor recommends \$24,573 less than requested, correcting for overstated Rhode Island Capital Plan Fund expenses; it retains overstated federal fund expenses of \$98,286.*

265 Melrose Rehabilitation. The Authority requests \$27.6 million from all sources to rehabilitate the 72,000 square foot facility on Melrose Street, which houses a vehicle maintenance garage and office space. The building was constructed in 1922 and the Authority purchased it in 1966. The request assumes \$22.1 million from a federal discretionary grant, which has not been secured, and \$5.5 million from Rhode Island Capital Plan funds for the required match. The project will include a new employee training facility, exterior finishes, electrical upgrades, and replacing elevators. The Authority indicates that the facility has remained largely unoccupied since administrative functions were relocated to the Elmwood Avenue building in 2010. The Authority has submitted two grant applications for this project to the Federal Transit Administration; they were both denied. *The Governor does not recommend funding this project.*

Bus Shelters. The Authority requests new expenditures of \$39.4 million from all sources, including \$30.0 million from new general obligation bonds to go before voters in 2024, to add and replace a total of 600 bus shelters statewide. This equates to \$50,000 per bus shelter. The Authority indicates it has 300 shelters that are more than 20 years old; the Federal Transit Administration's standard is 15 years. It further notes 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. The Authority has requested funding for this project in its last two capital budgets.

It should be noted that this request expedites the existing long-term plan to replace shelters over time. If the bonds are not approved, the request maintains approved funding of \$9.4 million, previously included in the Land and Buildings project for bus shelters for this standalone project. This includes annual funding of \$1.6 million, of which \$0.3 million is from Rhode Island Capital Plan funds. *The Governor does not recommend funding this project.*

Dorrance Street 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. Since approval of the bond funds, several requests for proposals have been issued and through FY 2023, approximately \$9 million has been spent. The Department's request includes \$5 million for FY 2024 to match a federal discretionary grant to repair the Providence Train Station. This leaves a balance of about \$21 million.

Consistent with the Authority's capital budget request, the Department of Transportation's request includes \$21.1 million from the approved general obligation bonds to create a new intermodal transit facility on Dorrance Street. This includes restrooms, interior waiting space, a customer service center, ticket vending machines, and retail and dining space. The Authority notes that the location is preferable due to the proximity to the core of downtown, including the Jewelry and Hospital districts. The project 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 notes that this structure would ensure the long-term viability of the project, including maintenance and daily operations of the 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. The Authority received one bid and it is in the process of negotiating with the vendor. It anticipates awarding the project by the end of October. The location of the project has not been determined. *The Governor concurs; expenses are included in the Mass Transit Hub Infrastructure Project in the Department of Transportation's budget. His recommendation does not specify a different location.*

Newport/Middletown Garage Electrification. The Authority requests \$28.0 million, including \$22.4 million from a newly awarded discretionary grant and matching funds of \$5.6 million from Rhode Island Capital Plan funds, to electrify the Newport/Middletown garage; the match is from a reallocation of funds previously approved for the Land and Buildings project. The funds would be used for infrastructure improvements, including 12 charging stations in the Newport/Middletown garage, two stations at the Newport Transportation Center on America’s Cup Avenue, and two stations at the University of Rhode Island. Expenditures for the electric buses are included in the Bus Purchases project for which the Authority is requesting \$30.4 million for FY 2025 to purchase 29 electric buses. *The Governor’s recommendation does not separately fund this project; Rhode Island Capital Plan funds for match are retained in the Land and Buildings project.*

Rapid Bus Network. The Authority requests \$10.6 million from all sources, including \$8.5 million from a newly awarded federal discretionary grant and \$2.1 million from Rhode Island Capital Plan funds for project planning, development and engineering costs for establishing a Rapid Bus Network system. The match is from a reallocation of funds previously approved for the Land and Buildings 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: Elmwood Avenue, Broadway/Manton, Cranston Street, Chalkstone Avenue, Beverage Hill/East Providence, and Hope/Dyer-Pocasset. The Authority notes that increasing transit services along these corridors will increase its ridership by more than 60 percent. Future costs for implementation, including land acquisition, would be determined once planning is complete. *The Governor’s recommendation does not separately fund this project; Rhode Island Capital Plan funds for match are retained in the Land and Buildings project.*

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. 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 project. The Authority notes that various outreach sessions will be conducted and each municipality will work with a consultant to ensure that specific needs are addressed. The Division of Statewide Planning, which is responsible for a wide range of transportation-related activities, is involved in formulating this plan. Once the plan is developed, municipalities will be able to apply for implementation funding. *The Governor’s recommendation does not separately fund this project; Rhode Island Capital Plan funds for match are retained in the Land and Buildings project.*

Rhode Island Airport Corporation

Projects	Status	5 Year Total	Project Total
Outlying General Airports Improvements	Revised	\$ 48,710,407	\$ 110,978,638
Rhode Island T.F. Green International Airport General Improvements	Revised	168,766,600	214,415,092
Total		\$ 217,477,007	\$ 325,393,730
Sources of Funds			
Agency Funds		\$ -	\$ 5,464,083
Federal Funds		113,630,251	171,901,624
Other Funds		82,444,375	119,605,486
Passenger Facility Charges		21,402,381	28,422,537
Total		\$ 217,477,007	\$ 325,393,730

Summary. The Rhode Island Airport Corporation requests capital expenditures of \$325.4 million from all sources, including \$217.5 million during FY 2025 through FY 2028 for two projects. The request assumes use of \$67.6 million from new revenue bonds, which require Assembly approval. *The Governor recommends funding as requested. Legislation for the General Assembly to authorize the debt was not submitted as part of the recommended budget.*

Outlying General Airports Improvements. The Corporation requests project costs of \$111.0 million from all sources, of which \$48.7 million will be used from FY 2025 through FY 2027 to make improvements at its five general aviation airports, including rehabilitation to runways, taxiways and aircraft parking aprons. This assumes \$2.2 million from new revenue bonds that would need Assembly approval.

The request is \$42.0 million more than the approved plan, including new expenditures of \$25.0 million to realign the taxiway on the Quonset State Airport. It also adds \$6.0 million to revise the joint project with the Rhode Island Air National Guard for the reconstruction of runway 16/34 at Quonset. The total project cost is \$63.0 million and the National Guard’s portion is \$30.8 million. The remaining \$23.0 million is for ten projects at Westerly, Quonset, and Block Island.

The request does not include any expenditures beyond FY 2027. The Corporation indicated that the capital budget is based on a “tentative plan.” *The Governor recommends funding as requested.*

Rhode Island T.F. Green International Airport General Improvements. The Corporation requests \$214.4 million from all sources, of which \$209.8 million would be used from FY 2024 through FY 2028 for general improvement components at T.F. Green Airport. The request is \$40.7 million less than the approved plan, which had assumed \$116.0 million from new revenue bonds; however, legislation for the General Assembly to authorize the debt was not submitted. It now appears to include \$65.5 million from new revenue bonds. The Corporation notes that the request is preliminary and project costs would need to be updated prior to finalizing funding that would need to be approved for issuance.

The request is for 42 projects, which are grouped into three categories. This includes \$159.0 million for airside projects such as the reconstruction of runways 16/34 and 5/23. Of this amount, \$101.0 million is for the Southside Site Work and Grading project, which includes new utility connections and grading improvements to ready a parcel at Rhode Island T.F. Green International Airport for future development. It should be noted that as part of its FY 2023 through FY 2027 capital budget, the Corporation requested

\$38.0 million from the state's allocation of the federal Capital Projects Fund authorized under the American Rescue Plan Act; funding was not approved. It's FY 2024 through FY 2028 capital request had assumed a project cost of \$161.0 million, which is \$60.0 million less, reflecting use of the earlier estimate.

The Corporation is in the process of updating its master plan and conducting a strategic business plan and indicated that based on these plans, the capital improvement plan will be updated. It noted that the requested projects are necessary to maintain operations of the airport and to meet Federal Aviation Administration standards and regulations. *The Governor recommends funding as requested.*

Rhode Island Turnpike and Bridge Authority

Projects	Status	5 Year Total	Project Total
Mount Hope Bridge	Revised	\$ 59,759,000	\$ 86,794,000
Newport Pell Bridge	Revised	134,999,000	158,741,000
Administrative Facilities Asset Protection	Ongoing	519,000	942,000
Jamestown Verrazzano Bridge	Ongoing	5,893,000	12,934,000
Minor Bridges	Ongoing	3,230,000	3,308,000
Route 138 Connector Highway	Ongoing	3,401,000	3,401,000
Sakonnet River Bridge	Ongoing	1,982,000	3,457,000
Total		\$ 209,783,000	\$ 269,577,000
Sources of Funds			
Revenue Bonds		\$ 209,783,000	\$ 269,577,000
Total		\$ 209,783,000	\$ 269,577,000

Summary. The Rhode Island Turnpike and Bridge Authority requests \$209.8 million from revenue bonds in the FY 2025 through FY 2029 period, for project costs of \$269.6 million. The request is \$36.3 million more than the approved plan, reflecting the Authority’s updated project costs for the Mount Hope and Newport Pell bridges. It should be noted that the Authority was awarded a total of \$92.5 million in federal grants, including \$82.5 million for the Newport Pell Bridge project; the request inadvertently omitted the federal funds, which would lower the amount needed from revenue bonds. *The Governor concurs; expenditures were not updated to reflect the new award.*

Mount Hope Bridge. The Authority requests \$86.8 million from revenue bonds, of which \$59.8 million would be used in the five-year period to make structural improvements to the Mount Hope Bridge, which connects Portsmouth with Bristol. The request is \$10.0 million less than the approved plan to correct for expenses that the Authority indicates were double counted. Consistent with the approved plan, it includes \$35.4 million from new revenue bonds to install a dehumidification system to prevent corrosion in the wires that support the bridge. It should be noted that in 2022, the Authority received \$10.0 million in federal earmarks, which it had intended to include in the request. This lowers the amount needed from revenue bonds. The Authority also notes that it has \$15.0 million in outstanding federal grant applications, which may further reduce the need for revenue bonds. The request also includes \$29.2 million for deck replacement and \$22.3 million for other projects, including painting and steel repair of the suspended span and painting the tower of the bridge. *The Governor recommends funding as requested.*

Newport Pell Bridge. The Authority requests a total of \$158.7 million from revenue bonds, of which \$135.0 million would 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 reconstruct the bridge, including deck replacement, dehumidification to reduce moisture to prevent corrosion, security improvement, and repairs to the tower elevators. That project cost is \$137.5 million; the awarded amount funds 60.0 percent of the project cost. As with most transportation projects, a match is required.

Subsequently, the Authority indicated it had intended to include the federal funds in its capital budget, which would lower the requested revenue bonds by \$82.5 million to \$76.2 million. The revenue bonds would need to be authorized by the 2024 Assembly for project costs programmed for FY 2025 and later years. The total request of \$158.7 million is \$45.5 million more than the approved plan, primarily reflecting

the Authority's excluded share of the cost. *The Governor concurs expenditures were not updated to reflect the new award.*

Administrative Facilities Asset Protection. The Authority requests \$942,000 from revenue bonds for asset protection work at its administrative facilities. The total project cost is \$190,000 more than the approved plan, reflecting expenditures programmed in the later years to replace the roof at the Authority's Jamestown administrative building. *The Governor recommends funding as requested.*

Jamestown Verrazzano Bridge. The Authority requests \$12.9 million from revenue bonds, or \$0.1 million less than the approved plan for asset protection work on the Jamestown Verrazzano Bridge, including box girder repairs, joint repairs, and replacements. The request also includes \$8.2 million from FY 2028 through the out-years to rehabilitate the main span of the bridge. *The Governor concurs.*

Minor Bridges. The Authority requests \$3.3 million from revenue bonds, of which \$3.2 million will be used in the five-year period 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 \$1.5 million for FY 2026 and FY 2027 to repair the Hummocks Avenue Bridge in Portsmouth. The total request is \$1.1 million more than the approved plan to reflect the Authority's updated project cost for the fishing pier access road project in North Kingstown, which includes steel repairs, painting and joint replacements. *The Governor concurs.*

Route 138 Connector Highway. Consistent with the approved plan, the Authority requests \$3.4 million from revenues bonds to be used from FY 2025 through FY 2028 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 Governor recommends funding as requested.*

Sakonnet River Bridge. The Authority requests \$2.0 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 \$3.5 million, is \$0.4 million less than the approved plan, reflecting the removal of prior year expenses and expenditures previously programmed in the out-years. *The Governor recommends funding as requested.*

Section V

FY 2024

Revised Budget

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FY 2024 Revised Budget

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Function*				
General Government	\$ 2,668.1	\$ 2,705.2	\$ 2,853.6	\$ 2,877.6
Human Services	5,358.6	6,021.3	6,151.8	6,014.0
Education	3,254.2	3,481.0	3,602.9	3,566.8
Public Safety	718.6	810.6	823.6	825.6
Natural Resources	140.2	133.7	149.5	144.0
Transportation	760.4	859.1	996.8	981.1
Total	\$ 12,899.9	\$ 14,010.8	\$ 14,578.3	\$ 14,409.1
Expenditures by Category*				
Salaries and Benefits	\$ 1,923.6	\$ 2,099.9	\$ 2,016.4	\$ 2,000.5
Contracted Services	486.5	568.6	664.3	610.0
Subtotal	\$ 2,410.1	\$ 2,668.4	\$ 2,680.7	\$ 2,610.5
Other State Operations	1,130.3	1,235.2	1,239.5	1,244.6
Aid to Local Units of Government	2,075.9	2,147.2	2,248.6	2,219.1
Assistance, Grants, and Benefits	5,715.1	6,171.6	6,458.6	6,647.9
Capital	442.9	762.6	932.7	1,006.5
Capital Debt Service	233.6	328.6	325.9	319.8
Operating Transfers	892.0	697.2	692.4	360.7
Total	\$ 12,899.9	\$ 14,010.8	\$ 14,578.3	\$ 14,409.1
Sources of Funds*				
General Revenue	\$ 5,074.9	\$ 5,425.1	\$ 5,482.1	\$ 5,378.9
Federal Aid	5,251.6	5,643.0	5,811.6	5,793.7
Restricted Receipts	354.6	392.1	444.0	443.0
Other	2,218.8	2,550.6	2,840.6	2,793.4
Total	\$ 12,899.9	\$ 14,010.8	\$ 14,578.3	\$ 14,409.1
FTE Authorization	15,463.5	15,636.9	15,645.8	15,652.8
FTE Average	13,715.1			

**Data in millions*

Summary

The Governor's revised budget recommendations for FY 2024 are contained in 2024-H 7224, introduced on January 18, 2024. The Governor recommends total revised expenditures for FY 2024 of \$14,409.1 million, which is \$398.2 million or 2.8 percent more than enacted by the 2023 Assembly.

Total expenditures would increase by \$1,509.1 million or 11.7 percent over FY 2023 expenditures based on draft audit data. General revenue expenditures are \$46.2 million or 0.9 percent less than the FY 2024 budget adopted by the 2023 Assembly and \$304.0 million or 6.0 percent more than FY 2023. Expenditures from federal funds are \$150.7 million more than enacted and \$542.0 million more than FY 2023. Expenditures from restricted receipts are \$50.9 million more than enacted and \$88.5 million more than FY 2023. Those from other funds, including the gas tax, Rhode Island Capital Plan funds and unemployment

trust funds, are \$242.9 million or 9.5 percent more than enacted and \$574.6 million more than spent in FY 2023.

FY 2024 Revised	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2023 Final	\$ 5,174.2	\$ 5,825.6	\$ 475.9	\$ 2,378.8	\$ 13,854.6
FY 2023 Reported*	5,074.9	5,251.6	354.6	2,218.8	12,899.9
Difference	\$ (99.3)	\$ (574.0)	\$ (121.4)	\$ (160.0)	\$ (954.7)
FY 2024 Enacted	\$ 5,425.1	\$ 5,643.0	\$ 392.1	\$ 2,550.6	\$ 14,010.8
Governor's FY 2024 Revised	5,378.9	5,793.7	443.0	2,793.4	14,409.1
Governor's Change to Enacted	\$ (46.2)	\$ 150.7	\$ 50.9	\$ 242.9	\$ 398.2
Percent Change	-0.9%	2.7%	13.0%	9.5%	2.8%

\$ in millions; *draft audit

The FY 2023 final budget projected \$368.7 million would be available for FY 2024. Preliminary closing data showed an increase to that, attributed to lower spending. Excess revenues were committed to the pension and supplemental budget reserve funds. The State Controller had not yet finalized the closing statements as of early February. Draft data, incorporated into the Governor's budget assumptions showed a surplus of \$412.3 million or \$43.6 million more than anticipated when the budget was finalized. It is also \$14.2 million higher than the preliminary statements issued in mid-September, weeks past the statutory deadline.

FY 2023 Closing	Enacted	Audited/draft	Variance
Open: Free Surplus	\$ 209,649,745	\$ 209,649,745	\$ -
Plus: Reappropriated Surplus	19,442,046	19,442,046	-
Equals: Total Surplus	\$ 229,091,791	\$ 229,091,791	\$ -
Plus: Revenues	5,199,200,000	5,212,664,935	13,464,935
Plus: Adjustment to Fund Balance	281,333,393	270,762,495	(10,570,898)
Minus: Transfer to Budget Stabilization Fund	(162,265,492)	(162,669,440)	(403,948)
Equals: Total Available	\$5,547,359,692	\$5,549,849,781	\$ 2,490,089
Minus: Expenditures	(5,174,208,534)	(5,074,929,254)	99,279,280
Minus: Transfers	(4,444,444)	(4,444,444)	-
Equals: Closing Surplus	\$ 368,706,714	\$ 470,476,083	\$ 101,769,369
Minus: Reappropriations	-	(45,152,130)	(45,152,130)
Minus: Transfer to Retirement/SRD	-	(13,060,987)	(13,060,987)
Equals: Free Surplus	\$ 368,706,714	\$ 412,262,966	\$ 43,556,252

Revenues were up \$13.5 million or 0.3 percent above estimates. Total taxes were \$1.2 million or 0.2 percent less than budgeted. Sales tax revenues were lower than expected. This was more than offset by more revenues such as investment earnings and estate taxes. All excess revenues above the final estimates are dedicated to the retirement system and the newly established supplemental budget reserve fund. They each receive half of the excess, but the Governor has proposed legislation to repeal the provision directing half to reserves and assumes the estimated \$6.5 million as available for use in his budget.

Complicating closing expenditure data in the past couple years has been how accounting rules for reimbursements from the Federal Emergency Management Agency work. This had forced unbudgeted state expenses in FY 2020 and FY 2021 that essentially would be reversed in the following year with a reimbursement added to the available fund balance for no net change over the two years. Subsequent budgets included general revenues to cover a declining level of this reimbursable spending. The FY 2023 budget included \$281.3 million from these prior year reimbursements and also provided general revenues

to cover expenses in FY 2023 for which reimbursements would be delayed and assumed the funds would be returned in FY 2024. Both the prior year reimbursements and the anticipated spending came in lower than estimated, but the Governor's budget assumes that nearly all of that difference is available for use in FY 2024.

Excluding the spending subject to that timing issue, and underspending reappropriated for use in FY 2024, general revenues were otherwise underspent by about \$50 million. Most of that was underspending for staffing and services through the Department of Children, Youth and Families and the Department of Human Services and some non-recurring Medicaid adjustments. Teacher retirement costs were about \$3.9 million less than expected and there was widespread personnel and operating savings, some from difficulty filling vacancies. There was also a shortfall in the employee medical benefits fund as well as overspending for services to those with developmental disabilities.

The preliminary results also revealed some systematic problems with fiscal close procedures in major state agencies. Those contributed to delays in accessing accurate and timely information critical to decisionmakers. The Auditor General has formally communicated his concerns about this problem and desire to assist with developing solutions. The draft audit figures include corrections where possible to address some of the issues identified.

Expenditures from all other sources of funds were \$855.4 million less than enacted, or 9.9 percent. While the budget attempts to account for expenses when they are planned to occur, the recent influx of grant funding without more precise spending plans or timing estimates has complicated this effort. There was also less spending for capital projects and other programs supported by non-federal sources. In most cases those funds are available for use in FY 2024.

The November consensus estimate shows a \$42.1 million revenue increase and the caseload estimate lowered general revenue expenses by \$19.6 million. The Governor's revised budget makes other revisions to spending and revenue assumptions based on updated information or policy choices that increase available resources for use in FY 2025.

The pages that follow include full analyses of the expenditure changes by agency. The tables in those analyses contain comparisons to draft audit spending data as does the first table in this report.

The revised budget as recommended assumes \$195.9 million to be available for use in FY 2025.

The general revenue surplus statement for FY 2025 shows an ending surplus of \$0.9 million and is presented as part of the overview of his FY 2025 budget recommendations in that section of this publication.

	Enacted	Revised	Difference
Opening Surplus			
Free Surplus	\$ 368,706,714	\$ 412,262,966	\$ 43,556,252
Reappropriated Surplus	-	45,152,130	45,152,130
Adjustment to Fund Balance - FEMA	5,055,846	14,717,153	9,661,307
Subtotal	\$ 373,762,560	\$ 472,132,249	\$ 98,369,689
Revenues			
Enacted	\$5,276,275,288	\$5,276,275,288	\$ -
Governor	-	46,939,153	46,939,153
Revenues	\$5,276,275,288	\$5,323,214,441	\$ 46,939,153
Budget Stabilization and Cash Reserve Fund	\$ (169,349,460)	\$ (172,064,322)	\$ (2,714,862)
Total Available Resources	\$5,480,688,388	\$5,623,282,368	\$ 142,593,980
Expenditures			
Enacted	\$5,425,140,429	\$5,425,140,429	\$ -
Reappropriations	-	45,152,130	45,152,130
Governor	-	(91,351,615)	(91,351,615)
Total Expenditures	\$5,425,140,429	\$5,378,940,944	\$ (46,199,485)
Total Surplus	\$ 55,547,959	\$ 244,341,424	\$ 188,793,465
Transfers	(55,000,000)	(48,469,506)	6,530,494
Free Surplus	\$ 547,959	\$ 195,871,918	\$ 195,323,959
<i>Operating Surplus/(Deficit)</i>	<i>(318,214,601)</i>	<i>(182,638,695)</i>	<i>135,575,906</i>
Budget Stabilization and Cash Reserve	\$ 282,249,100	\$ 270,442,487	\$ (11,806,613)
Percent of Revenues	5.3%	5.1%	-0.3%

Department of Administration

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Central Management	\$ 182,941,577	\$ 111,636,356	\$ 64,940,798	\$ 45,929,070
Accounts & Control	11,321,609	19,767,213	7,975,233	8,159,148
Office of Management & Budget	8,651,221	11,053,032	23,100,162	19,653,195
Purchasing	4,209,515	4,927,613	5,244,765	5,284,969
Human Resources	718,222	937,996	929,762	930,739
Personnel Appeal Board	97,962	100,881	100,368	100,368
General	344,183,199	224,521,902	265,016,929	264,290,593
Debt Service	190,923,919	218,147,926	218,147,926	211,689,329
Legal Services	2,054,358	2,440,410	2,439,412	2,409,575
Information Technology	18,336,635	20,554,831	28,841,441	28,335,394
Library Programs	3,681,415	3,476,305	3,445,667	3,456,047
Planning	4,292,442	6,606,016	6,500,339	6,552,981
Energy Resources	32,568,314	47,533,500	71,162,232	68,182,359
Statewide	-	-	5,000,000	5,000,000
Health Benefits Exchange	31,176,290	31,893,421	31,479,608	30,485,975
Equity, Diversity & Inclusion	1,394,339	2,007,320	1,863,386	1,780,546
Capital Asset Mgmt. & Maint.	9,852,520	12,161,961	12,161,961	9,894,370
Total	\$ 846,403,537	\$ 717,766,683	\$ 748,349,989	\$ 712,134,658
Expenditures by Category				
Salaries and Benefits	\$ 31,271,580	\$ 39,076,655	\$ 37,017,890	\$ 36,961,906
Contracted Services	20,887,274	22,248,932	26,105,587	23,607,969
Subtotal	\$ 52,158,854	\$ 61,325,587	\$ 63,123,477	\$ 60,569,875
Other State Operations	39,631,608	95,889,859	77,015,353	54,531,054
Aid to Local Units of Government	12,060,770	13,384,631	13,384,631	13,384,631
Assistance, Grants, and Benefits	146,034,440	126,945,232	162,730,150	170,218,847
Capital	16,365,970	122,173,448	146,548,452	145,340,922
Capital Debt Service	165,464,150	253,047,926	253,047,926	246,589,329
Operating Transfers	414,687,745	45,000,000	32,500,000	21,500,000
Total	\$ 846,403,537	\$ 717,766,683	\$ 748,349,989	\$ 712,134,658
Sources of Funds				
General Revenue	\$ 489,769,559	\$ 293,843,692	\$ 300,562,823	\$ 292,357,861
Federal Aid	210,085,376	212,681,251	207,634,439	183,993,462
Restricted Receipts	66,714,156	48,486,518	62,594,716	59,415,067
Other	79,834,446	162,755,222	177,558,011	176,368,268
Total	\$ 846,403,537	\$ 717,766,683	\$ 748,349,989	\$ 712,134,658
FTE Authorization	662.7	674.7	677.6	674.6
FTE Average	604.6			

FY 2024 Revised Request. The revised request is \$30.6 million more from all sources than enacted, including \$6.7 million more from general revenues. The changes from general revenues include

reappropriations of \$7.9 million for several initiatives; adjusting for that, it is \$1.1 million less than enacted. The request includes \$5.0 million less from federal funds, \$14.1 million more from restricted receipts primarily information technology funds and auction proceeds from the Regional Greenhouse Gas Initiative, and \$14.8 million more from other funds. The revised request also includes staffing of 677.6 full-time equivalent positions, 2.9 more than authorized.

The Governor recommends \$712.1 million from all sources and staffing of 674.6 full-time equivalent positions, 0.1 fewer than authorized. The recommendation is \$36.2 million less than requested, including \$8.2 million less from general revenues; this includes \$6.5 million from debt savings, mostly from a delay in issuing the debt for the Central Falls School project. The recommendation also includes \$2.4 million less from all sources, including \$2.3 million from general revenues primarily to account for statewide utility savings and increased employee health benefit rates.

Salaries and Benefits. The revised request includes \$2.1 million less from all sources, including \$0.4 million less from general revenues for salaries and benefits. This reflects additional turnover savings, updated staffing costs and allocations; a total of \$1.0 million for HealthSource RI's positions is allocated to the Executive Office of Health and Human Services' budget. The request includes \$256,047 from restricted receipts to support a chief of information technology position and \$389,044 from other funds for two positions to help implement the Enterprise Resource Planning System. Expenses for the latter two positions are included in the Large Systems Initiatives Fund, which is outside of the General Fund. The request includes 263.6 full-time equivalent positions to support non-internal service fund programs, 8.0 more than enacted; positions supporting internal service fund programs were reduced by 5.1 full-time equivalent positions. *The Governor recommends \$37.0 million from all sources. This is \$0.1 million less than requested from all sources, including \$0.3 million more from general revenues. It includes \$0.2 million for increased employee health benefit rates, and \$0.2 million less for a requested new position, turnover savings and updated staffing allocations. He recommends 674.6 full-time equivalent positions, 3.0 fewer positions than requested.*

Centralized Services. The Department requests \$14.0 million from all sources for its share of centralized services for FY 2024. This is \$48,752 less than enacted, including \$231,436 less from general revenues, primarily for information technology support. Expenditures for facilities management and human resources are essentially consistent with the enacted budget. These expenses are also \$2.7 million more than spent in FY 2023. *The Governor recommends \$2.2 million less from all funds than requested, including \$2.3 million less from general revenues to account for statewide utility savings.*

Reappropriation - Compensation and Job Classification Study. The final budget included \$2.0 million from general revenues for FY 2023 to conduct a statewide compensation and job classification study, which will reduce the number of job titles and update job classifications so as not to enter outdated data into the new human resources module. The study was anticipated to take a couple of years to complete. The Department had initially anticipated awarding the contract in February 2023 but did not incur any expenses for FY 2023. The revised request reflects the required reappropriation of these unspent funds to FY 2024. The contract was awarded in mid-January. *The Governor's recommendation includes the reappropriation.*

Reappropriation - FEMA Contingency Reserve. The FY 2023 final budget included \$5.0 million from general revenues provided as a contingency reserve for COVID-19 related expenses, in the event reimbursements from the Federal Emergency Management Agency differ from budgeted assumptions. Since FY 2020, the state has been reimbursed \$630 million; \$14.7 million of expenditures remain under review. The revised request includes the required reappropriation of \$5.0 million of these unspent funds to FY 2024. *The Governor's recommendation includes the reappropriation.*

ARPA - Warehouse Lease Expense. The revised request excludes the enacted amount of \$30,995 from Federal Emergency Management Agency reimbursements for lease expenses to store COVID-19 supplies,

including personal protective equipment. These reimbursements ended in May 2023; the enacted budget assumed that timing would cause some expenses to cross fiscal years. It also includes \$1.4 million from State Fiscal Recovery funds for lease expenses for FY 2024. Expenses for FY 2023 were \$1.3 million, including \$0.4 million from State Fiscal Recovery funds or \$1.6 million less than the final budget. Any unspent funds are automatically reappropriated. *The Governor concurs and includes the unspent funds from FY 2023, for total FY 2024 expenses of \$3.0 million.*

ARPA - COVID-19 Ongoing Response. The request includes the enacted amount of \$41.8 million from State Fiscal Recovery funds for FY 2024 to help the state continue its response to the COVID-19 pandemic. Through the end of December, no funds have been spent; unspent funds are automatically reappropriated. *The Governor recommends \$20.6 million less than enacted; there have been no expenses yet in FY 2024.*

CPF - Community Learning Center Municipal Grants. Consistent with the capital budget request, the revised request includes \$23.4 million from FY 2023 unspent Capital Projects funds for matching grants 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. Preliminary allocations to cities and towns were announced on August 15 and detailed applications were due on October 13. The Pandemic Recovery Office is reviewing applications. *The Governor concurs.*

COVID Relief - Rent and Utilities Assistance. The state received \$352.0 million from two federal acts for rent and utilities assistance and through FY 2023, of which \$301.1 million was spent, including \$295.0 million for RI Housing Rent Relief and Eviction Prevention programs. Both programs are now completed and closed, leaving a balance of \$50.9 million. According to the Pandemic Recovery Office, some of the remaining funds will be spent by the Department of Housing for housing stability services, including housing navigation, legal work, and funding for the Center for Justice. Based on this updated plan, the revised request reduces enacted expenses to \$5.3 million; delaying \$48.7 million to FY 2025 and FY 2026. *The Governor concurs.*

Debt

Central Falls School Project. 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. The revised request includes the enacted amount of \$13.4 million; however, the issuance was delayed. *The Governor recommends \$6.1 million less than enacted to account for the delay; \$93.5 million of the debt has been issued and the remaining \$50.5 million will be issued in FY 2026.*

Garrahy Parking Garage. Consistent with the enacted budget, the revised request includes \$1.3 million for debt service for FY 2024 for the Garrahy Parking Garage. The annual debt service is \$3.0 million, and through FY 2023, \$9.3 million from state support for debt service has been provided. *The Governor recommends \$0.4 million less than enacted, reflecting use of parking revenues.*

Other. The revised request includes the enacted amount of \$203.6 million, including \$168.2 million from general revenues for all remaining debt service. This includes \$134.8 million for general obligation debt. *The Governor includes an additional \$0.1 million from general revenues, reflecting an updated issuance.*

Office of Energy Resources

ARPA - Electric Heat Pump Grant Program. Consistent with the approved plan, the request includes \$25.0 million, including \$5.0 million from FY 2023 unspent State Fiscal Recovery funds 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 did not incur any expenses for FY 2023, reflecting a project delay. The Office started taking applications for the program on September 5, and through the first quarter \$1.9 million has been spent; unspent funds will automatically be reappropriated. *The Governor concurs.*

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. It includes \$32.0 million for home efficiency and \$31.8 million for home electrification and appliance rebates. Federal guidance was issued in July 2023, and the Office is working on the applications, which it anticipates will be submitted in January 2024. The request includes \$10.9 million for FY 2024, including \$10.0 million for rebates, and \$0.9 million for program administration. This includes \$0.5 million each to support an existing 3.3 full-time equivalent positions, and contracted services to help implement the program. A similar program in 2010 was administered with American Recovery and Reinvestment Act funds. *The Governor concurs and adds \$1,398 for increased employee health benefit rates.*

Regional Greenhouse Gas Initiative. The Department requests \$5.0 million more than enacted from Regional Greenhouse Gas Initiative restricted receipt funds based on available resources. The receipts are derived from the sale of carbon emission credits through an auction process; four auctions are held annually. The request includes \$5.2 million more to provide grants to invest in projects that reduce long-term energy demands. This is partially offset by \$0.2 million less for program expenses; \$0.4 million for salary and benefit expenses are allocated to newly available federal funds.

In September 2023, the allocation and distribution plan for use of the proceeds was revised to include \$8.8 million of project expenses, including the one-time transfer of \$3.0 million to the Executive Climate Change Coordinating Council that the 2023 Assembly authorized. It also includes \$3.0 million to Rhode Island Energy to provide electric bill credits to low-income customers for November and December 2023, \$1.0 million to leverage a \$2.8 million federal Energy Efficiency Conservation Block Grant that the Office received, \$550,000 for LED lighting technologies in public schools, and \$1.2 million for two programs administered by the Office. The revised request includes increases of \$0.2 million for energy conservation projects, and \$80,000 for contracted services to assist with reporting requirements. *The Governor concurs and adds \$1,912 for increased employee health benefit rates.*

Executive Climate Change Coordinating Council Projects. The Assembly authorized the one-time transfer of \$3.0 million, and annual funding of up to \$1.5 million from Regional Greenhouse Gas Initiative funds to the Executive Climate Change Coordinating Council. The revised request includes the enacted amount of \$4.5 million for FY 2024. By September 2023, the Council had allocated the \$3.0 million transferred to various projects: \$1.5 million for electric vehicles and E-Bike Incentive programs, \$200,000 for a project with the Commerce Corporation, \$150,000 to the Public Utilities Commission for contractual staff for to work on dockets that relate to implementation on the Act on Climate, \$100,000 for the Department of Environmental Management to invest in the Urban and Community Forestry Program, and \$1.0 million for all remaining project expenses. The remaining \$1.5 million from the \$4.5 million provided for FY 2024 will be allocated in future plans since auction amounts were not known.

The Governor proposes legislation in Article 2 of 2024-H 7225, authorizing the State Budget Officer to create restricted receipt sub-accounts in any department or agency that the Executive Climate Change Coordinating Council allocates funding to for its projects. The recommendation reduces expenses in the

Department's budget by \$3.0 million and assumes use of the one-time funding over two years in various agency budgets, including \$1.9 million for FY 2024 and \$0.8 million for FY 2025.

School Lighting and Energy Improvements. The Office is working with the Department of Elementary and Secondary Education to establish a new Public School LED Lighting Accelerator Program, which will provide technical assistance, procurement support, implementation oversight, and financial incentives to public schools to accelerate the transition to LED lighting. The program is being supported by \$3.5 million from Regional Greenhouse Gas Initiative auction proceeds, and \$1.0 million from the School Building Authority Capital Fund. Subsequently, the Office received a \$5.0 million federal grant to make energy improvements in schools, for total funding of \$9.5 million. The request includes \$1.0 million for FY 2024, \$0.5 million each from the federal grant and School Building Authority Capital funds; expenses of \$0.2 million from the Regional Greenhouse Gas Initiative are included in that account. The Office notes that RI Energy will also commit \$1.5 million by providing staff support to the projects and paying efficiency incentives to municipalities. *The Governor recommends funding as requested.*

National Electric Vehicle Infrastructure Program. The Infrastructure Investment and Jobs Act allocated a total of \$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 will be administered by the Department of Transportation and the Office, with consultation from the Department of Environmental Management. Federal funds and the state's match are included in the Department Transportation's budget; however, the federal funds are passed-through to the Office. The revised request includes \$0.7 million less, reflecting project delays with procurement of construction and equipment. The Office indicated that federal sign-off is imminent and it is in the final stages of awarding a bid for the construction and materials. *The Governor concurs, and adds \$161 for increased employee health benefit rates.*

Other Expenses. The revised request includes \$2.5 million more than enacted from all sources for all remaining expenses in the Office. This includes \$2.0 million more from federal funds, primarily reflecting additional resources received from the Infrastructure Investment and Jobs Act, including \$0.7 million to capitalize the Energy Efficiency Revolving Loan Fund. Those funds will be transferred to the Infrastructure Bank, as it currently administers energy loan programs. It also includes \$0.9 million from a \$2.8 million Energy Efficiency and Conservation Block Grant. The funds will be distributed to municipalities to reduce energy use and fossil fuel emissions, and \$0.4 million from unspent FY 2023 funds will help implement the Refrigeration Energy Management project. *The Governor concurs, and adds \$2,949 for increased employee health benefit rates.*

HealthSource RI

ARPA - Auto-Enrollment Program. The revised request includes \$1.0 million from unspent FY 2023 State Fiscal Recovery funds for HealthSource RI to automatically enroll qualified individuals who are transitioning off Medicaid at the end of the COVID-19 emergency into a qualified health plan. Funding will support two months of premiums and information technology upgrades to the Unified Health Infrastructure Project. The 2023 Assembly provided a total of \$2.6 million over two years; \$0.3 million was spent in FY 2023, including \$292,416 for operating and \$45,062 for premium expenses. *The Governor recommends \$1.0 million less than requested, reflecting updated enrollment and cost projections. Any unused funds from FY 2024 will be reappropriated.*

Reappropriation - Computer Equipment. The Governor reappropriated \$7,878 from unused FY 2023 general revenues for new servers associated with the Unified Health Infrastructure Project and the revised request includes this expense. *The Governor's recommendation includes the reappropriation.*

Updated Cost Allocation Plan. HealthSource RI has been part of the Executive Office of Health and Human Services' cost allocation plan for several years and contributes to the state share of covered expenses. At that time, indirect expenses were not assumed in the plan; however, it was recently determined and the Executive Office agreed that these expenses should be included. It was also determined that HealthSource RI would receive a two-year retroactive credit for indirect expenses it previously paid. The prior year credit totals \$1.0 million with \$0.6 million for FY 2024, for a total of \$1.6 million. Its revised request includes savings of \$1.4 million from restricted assessment receipts reflecting use of the credits. These expenses are allocated to federal funds in the budget of the Executive Office. This includes \$1.0 million for salaries and benefits and \$0.3 million for operating expenses. *The Governor concurs.*

Other Expenses. The revised request includes \$0.1 million more from all sources for all remaining expenses for HealthSource RI. This includes \$1.0 million less from general revenues, offset by \$1.1 million more from restricted receipts. Of the general revenue decrease, \$0.5 million of expenses was shifted to assessment receipts, made available from the updated cost allocation plan. Expenses for HealthSource's share of the Unified Health Infrastructure Project are \$0.5 million lower; however, these expenses are higher in the budgets of the Executive Office of Health and Human Services and the Department of Human Services. In November 2022, the Office relocated from leased space to the Department of Administration's building and the enacted budget included expenses comparable to HealthSource RI's previous lease expense; however, it will not be charged rent. The request includes savings of \$155,000 for rent, and additional expenses for advertising and financial services. *The Governor adds \$6,362 from all sources for statewide adjustments, and concurs with the remainder of the request.*

Information Technology

Large Systems Initiatives Projects (2.0 FTE). The 2023 Assembly established a Large Systems Initiatives Fund, outside of the General Fund to be administered by the state's Chief Information Officer. The fund is intended to support information technology projects to facilitate capture of federal participation for information technology projects once they are implemented. The fund is supported from direct appropriations; the FY 2024 budget transferred a total \$128.0 million, including \$115.0 million from the current Information Technology restricted receipt account for eight projects. The revised request includes project expenses of \$32.9 million, including \$0.4 million to fund 2.0 new full-time equivalent positions, including a deputy director of financial services and an assistant director for special projects to support the implementation of the Enterprise Resource Planning System. The human resources and payroll components of the system will be implemented in the fourth quarter of FY 2024. The request is inconsistent with the capital budget request, which includes \$61.6 million for FY 2024. Subsequently, the Department indicated that the operating budget request prevails. *The Governor does not recommend funding the new positions, and concurs with the remainder of the request.*

Cybersecurity Federal Grant Match. The Infrastructure Investment and Jobs Act includes a total of \$1.0 billion from federal FY 2022 through FY 2025 for a new formula grant program to provide states and local governments with funds to enhance cybersecurity. The state will receive \$11 million; a state match, starting with 10.0 percent increasing to 40.0 percent by FY 2026 is required. The request includes the enacted amount of \$500,000 from general revenues for the required match. The state's application was approved subsequent to the budget submission. The act requires states to distribute at least 80 percent of funds to local governments. A cybersecurity planning committee to develop a plan for spending is also required; a 29-member committee has been established. *The Governor recommends a total of \$1.4 million from general revenues, including \$250,000 for FY 2024 and \$1.1 million for FY 2025 to provide the state match for a \$6.5 million cybersecurity grant. An additional \$2.1 million will be required in the out-years to access the remaining \$4.5 million of federal funds.*

Other Expenses (1.0 FTE). The revised request includes \$8.3 million more from the Information Technology restricted receipt account, for total expenses of \$14.3 million. This includes \$0.3 million to

fund a new chief of information technology position to support a data management system, which will provide timely and secure access to data for authorized users. Operating expenses for the system are projected at \$2.3 million for FY 2025 and \$0.9 million annually, thereafter. At the end of FY 2023, the account had a balance of \$21.8 million, \$6.3 million of which is obligated for several projects. *The Governor does not recommend the new position, and concurs with the remainder of the request.*

Office of Management and Budget

Office of Internal Audit. The revised request includes \$3.7 million from all sources for the Office of Internal Audit, which was consolidated to increase efficiency and decrease fraud and waste. Various positions were transferred from other departments and entities to effectuate this. The request is \$0.8 million less than enacted, including \$0.2 million less from general revenues and \$0.6 million less from other funds. Salary and benefit expenses are \$0.9 million less, including \$0.7 million from eliminating 4.0 vacant full-time equivalent positions and assume \$0.2 million in turnover savings by maintaining a deputy chief position vacancy. The request assumes 21.0 full-time equivalent positions and as of early December, there were 19.0 filled positions. It also adds \$12,000 for maintenance of two copy machines. *The Governor concurs, and adds \$1,956 from all sources, including \$1,257 less from general revenues reflecting savings for training. This is partial offset by increased employee health benefit rates.*

Other Expenses. The Department requests \$221,315 more from general revenues than enacted for all remaining expenses in the Office of Management and Budget for FY 2024. This includes \$206,763 from general revenues for salaries and benefits, of which \$155,128 will be used to fund a principal budget and policy analyst position in the Office of Regulatory Reform, which was created to improve the state's business climate by making it easier for businesses to navigate state and local permitting and regulatory issues. It appears that the position is filled. That Office was previously staffed with 7.0 full-time equivalent positions and during the pandemic, its staffing allocation was reduced, reflecting workload; the current request is for four positions. All other salary and benefit expenses are \$51,635 more, reflecting updated staffing costs and allocations. Operating expenses are \$14,552 more based on recent experience.

The Governor recommends \$0.3 million more from general revenues than requested. This includes \$0.2 million for salaries and benefits, reflecting updated staffing allocations and costs, and for statewide increased employee health benefit rates. It also includes \$80,000 for legal services for expertise relating to debt issuances; the recommended budget for FY 2025 also includes \$40,000, for total funding of \$120,000. The Budget Office notes its costs are not attributable to a specific bond issuance, they cannot be charged to bond proceeds.

Other Programs

Federal Lobbyist Contract. The revised request adds new general revenue expenses of \$90,000 for a federal lobbying advisory firm to provide counsel and representation in obtaining future federal funds. The annual cost of the contract is \$180,000. The Department indicates that it constrained its request, assuming that some additional turnover savings will occur to cover the remaining \$90,000. The 2023 Assembly did not concur with the Governor's recommendation to add funding. *The Governor concurs.*

Reappropriation - Wrongful Conviction Awards. The revised request includes \$0.9 million from FY 2023 unspent general revenues for wrongful conviction settlements; \$250,000 is included for FY 2024. 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 2023, \$1.2 million in payments have been made. As of January 2024, \$0.2 million was spent. *The Governor's recommendation includes \$511,946, or \$343,806 less than the reappropriated amount, based on updated projections.*

Tort Court Awards - Settlements. The Department requests the enacted amount of \$675,000 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. As of December, \$0.1 million was spent. *The Governor recommends \$1.5 million, or \$0.8 million more than enacted, reflecting anticipated expenses. As of January, expenses were \$0.6 million.*

Pandemic Recovery Office. The request includes \$922,937 more from federal funds, including \$900,257 from the Capital Projects Fund for administrative expenses. Combined with prior year expenses, funding totals \$6.0 million, or \$418,819 more than the 5.0 percent allowed for administrative costs. Subsequently, the Department indicated that it would work with the Budget Office to align expenses with available funding. The request also reflects the transfer of expenses from the Office of Accounts and Control to the Office of Management and Budget. The Pandemic Recovery Office was established by the 2022 Assembly within the Department of Administration to ensure compliance with all rules, regulations and guidance and submission of all required reports for all programs financed by State Fiscal Recovery and Capital Projects funds. *The Governor recommends \$3.7 million less than requested. This includes funding essentially at the enacted level for administration of the Capital Project Funds and \$2.8 million less from State Fiscal Recovery funds.*

Other Salary and Benefit Adjustments. The revised request includes \$0.6 million less from all sources, including \$0.4 million less from general revenues, reflecting additional turnover savings, updated staffing costs and allocations. The enacted budget includes turnover savings equivalent to approximately two positions, supporting non-internal service fund programs. The request also removes funding for a Division of Equity, Diversity and Inclusion position for which there have been contracted services requested, because of hiring difficulties. As of early December, there were 15 vacancies, including the two new positions that the 2023 Assembly authorized for the Water Resources Board.

Subsequently, the Department indicated that funding for salaries and benefits will be included in the Governor's recommended budget to essentially reduce requested turnover savings in the Office of Accounts and Control. It notes that it had intended to allocate these expenses to rebate receipts it received from credit cards; however, a decision as to what the source of the funds should be was not finalized. *The Governor recommends \$159,874 more from all sources than requested, all but \$21,594 is from general revenues. This includes \$0.1 million of additional turnover savings in the Office of Legal Services, and the Division of Equity, Diversity and Inclusion. This is offset by additional funding in the Office of Accounts and Control, reflecting updated staffing costs, and increased employee health benefit rates.*

Capital - Projects. The revised request includes \$132.3 million from Rhode Island Capital Plan funds for 39 approved projects. This is \$16.3 million more than enacted and is consistent with the capital budget request. *The Governor recommends \$1.2 million less than requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Expenses. The revised request includes \$364,962 more from general revenues than enacted for all remaining expenses in the Department. Funds will primarily be used for contracted services to augment staffing in areas where there is turnover, including \$135,000 for the Office of Accounts and Control to obtain services related to risk management. There is \$50,000 for the Water Resources Board to audit public water suppliers to ensure the proper collection of water quality surcharges, which is a revenue generating activity, as the water suppliers are responsible for collecting the surcharges. It includes \$75,000 for the Statewide Planning Division to fund non-transportation planning initiatives to provide the flexibility to undertake projects that are solely transportation planning related, including housing. It also includes \$90,000 for the Division of Equity, Diversity and Inclusion to obtain services to help process data into the MBE/WBE Compliance Management System for which the enacted budget includes \$250,000. *The Governor concurs, with the exception of providing \$0.1 million less from general revenue for training, reflecting historical expenses.*

Department of Business Regulation

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Central Management	\$ 3,951,630	\$ 4,609,968	\$ 4,601,092	\$ 4,196,421
Banking Regulation	1,913,162	1,864,125	1,921,398	1,928,155
Securities Regulation	833,870	880,851	862,171	866,702
Insurance Regulation	5,637,115	6,553,051	6,463,667	6,195,192
Office of the Health Ins. Comm.	3,833,212	3,778,878	4,159,996	4,656,989
Board of Accountancy	5,456	5,490	5,490	5,490
Commercial Licensing, Gaming & Athletics	2,088,304	2,083,836	1,960,697	1,966,921
Building, Design & Fire	10,274,613	16,429,499	16,344,343	16,821,320
Office of Cannabis Regulation	2,600,370	6,117,205	5,717,056	5,735,433
Total	\$ 31,137,732	\$ 42,322,903	\$ 42,035,910	\$ 42,372,623
Expenditures by Category				
Salaries and Benefits	\$ 19,473,556	\$ 23,858,012	\$ 22,429,619	\$ 22,733,659
Contracted Services	3,931,903	4,102,970	4,513,890	5,003,890
Subtotal	\$ 23,405,459	\$ 27,960,982	\$ 26,943,509	\$ 27,737,549
Other State Operations	6,350,355	6,889,354	7,690,834	7,233,507
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	285,000	285,000	285,000
Capital	1,381,918	7,187,567	7,116,567	7,116,567
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 31,137,732	\$ 42,322,903	\$ 42,035,910	\$ 42,372,623
Sources of Funds				
General Revenue	\$ 23,204,713	\$ 24,371,468	\$ 24,576,146	\$ 24,436,087
Federal Aid	910,863	641,503	742,472	1,232,597
Restricted Receipts	6,957,527	11,523,017	10,937,311	10,923,958
Other	64,629	5,786,915	5,779,981	5,779,981
Total	\$ 31,137,732	\$ 42,322,903	\$ 42,035,910	\$ 42,372,623
FTE Authorization	181.0	181.0	181.0	181.0
FTE Average	150.4			

FY 2024 Revised Request. The Department of Business Regulation requests \$0.3 million less from all sources, including \$0.2 million more from general revenues, \$0.1 million more from federal funds, \$0.6 million less from restricted receipts, and \$6,934 less from Quonset Development Corporation funds.

The Governor recommends \$0.3 million more than requested, including \$0.1 million less from general revenues, \$0.5 million more from federal funds, and \$13,335 less from restricted receipts. The recommendation includes \$0.4 million less, almost entirely from general revenues for statewide adjustments including higher than anticipated employee health benefit rates. There are also changes to

account for utility savings and updated projections for other centralized services including six months of charges related to implementation of new systems management software.

Office of the Health Insurance Commissioner

State Flexibility Grant. The Office requests \$26,349 less than enacted from federal funds for the State Flexibility to Stabilize Market Program to ensure states are in line with federal requirements. The Office received the award in September 2021 for three years and a total of \$0.7 million, of which \$0.4 million is for staffing, \$0.4 million is for contracted expenditures, and \$19,090 is for other operational expenses. The grant's staffing allocation supports one full-time equivalent senior policy analyst to administer the program. The request reflects exhaustion of all remaining federal grant funds. *The Governor recommends funding essentially as requested.*

Health Spending Accountability and Transparency Program. The Office requests \$204,405 more than enacted from general revenues for contracted technical assistance and data analysis of healthcare claims. The increase reflects unspent FY 2023 funds the Office requested to be reappropriated but excluded because the request was not timely. Work supports the Cost Trend Steering Committee's Rhode Island Healthcare Cost Trend Project. From FY 2018 to FY 2022, this program was funded by a grant from the Peterson Center on Healthcare through Brown University. *The Governor recommends funding as requested.*

Human Service Programs Rates and Benefit Analysis. The Office requests \$283,537 more than enacted from general revenues for 1.0 full-time equivalent position and a biennial comprehensive rate and program review of social and human services programs. The increase reflects unspent FY 2023 funds requested to be reappropriated but excluded because the request was not timely. The state contracts and licenses a variety of service providers to conduct social and human services programs. The Office submitted its final report on September 1, but indicated that it did not include an analysis of rates for developmental disability nor Department of Children, Youth, and Families programs. Department budget requests include some of these rate increases. The enacted budget includes \$0.6 million to represent off year funding for public meetings and budget planning. As of December 4, 2023, the Office indicates it has signed an agreement with the Executive Office of Health and Human Services for Medicaid reimbursement of a portion of these expenses. *The Governor recommends \$0.5 million more, almost entirely from federal Medicaid funds.*

OHIC - Other Personnel and Operations. The Office requests \$80,475 less from all sources for all other staff and operations of the Office of the Health Insurance Commissioner, including \$55,530 from general revenues and \$24,945 from restricted receipts. The decrease includes \$110,603 of additional turnover savings equivalent to 0.5 full-time equivalent positions partially offset by \$30,128 more for the Office's contracted consumer assistance helpline and outreach vendor. *The Governor recommends \$3,505 less than requested, including \$5,068 more from general revenues, to reflect statewide adjustments such as higher than anticipated employee health benefit rates and updated projections for centralized services.*

Other Business Regulation Programs

Reappropriation - E-Permitting Expansion. The Department's request includes \$142,165 in reappropriated FY 2023 general revenues to implement online construction permitting for all Rhode Island municipalities and support 1.0 associated full-time equivalent position. Municipalities are required under Rhode Island General Law, Chapter 23-27.3 to provide online construction permitting as of July 1, 2023; as of December, two municipalities have not completed the transition and a portion of final implementation work was delayed into FY 2024. Funds support a project to manage online permitting for all 39 municipalities through the Department, develop a unified online application format, and provide necessary equipment and software licenses. *The Governor recommends funding as requested.*

Other Salaries and Benefits. The Department requests \$1.4 million less than enacted from all sources for all other staffing expenses, including \$0.8 million less from general revenues, \$18 more from federal funds, \$0.5 million less from restricted receipts, and \$6,934 less from Quonset Development Corporation funds. The enacted budget includes turnover savings equivalent to 1.9 full-time equivalent positions. As of early December, the Department has 27.0 vacancies; the request includes turnover savings equivalent to 13.5 vacancies. The Department later acknowledged that its request inadvertently excludes \$0.5 million for certain benefit expenses. *The Governor recommends \$0.3 million more than requested, primarily from general revenues. The increase reflects \$0.3 million in turnover savings, offset by \$0.5 million more to correct for understated benefits, and \$0.1 million more for higher than anticipated employee health benefit rates.*

Office Renovation. The Department requests \$250,000, including increases of \$200,000 from general revenues and \$25,000 from restricted receipts, for a new initiative to renovate the Insurance Division workspace. The total project cost is estimated at \$450,000, which also includes \$225,000 in the Department's FY 2025 request. Work includes new flooring, electrical systems, cubicles, and other improvements to replace damage caused when portions of the building flooded in February 2022. The Department indicates that the upgrades will aide productivity, hiring, and retention. *The Governor recommends funding as requested for FY 2024 but does not provide funding for FY 2025.*

Reappropriation - Bomb Squad Equipment. The Department's request includes \$323,115 in reappropriated FY 2023 general revenues for Bomb Squad safety equipment to increase readiness and maintain Federal Bureau of Investigation certification. The 2022 Assembly provided one-time funding of \$1.1 million from general revenues in FY 2022 and FY 2023 to replace four bomb robots and provide other lacking specialized equipment. The Department indicates future years require ongoing replacement expenses of around \$100,000 annually. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$16,300 more from all sources for all other expenditures. The request includes \$71,000 less from general revenues for a one-time vehicle purchase in FY 2023, \$127,300 more from federal funds for additional firefighter and bomb squad grants, and \$40,000 less from restricted receipts for travel expenses no longer expected to be incurred. *The Governor recommends \$0.5 million less than requested, including \$0.4 million from general revenues and \$41,758 from restricted receipts, to account for statewide adjustments such as utility savings and updated projections for centralized services, primarily for facilities management.*

Executive Office of Commerce

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Executive Office of Commerce	\$ 2,349,808	\$ 2,249,368	\$ 2,145,790	\$ 2,148,014
Housing & Community Dev.*	72,188,252	-	-	-
Quasi-Public Appropriations	31,814,866	73,366,774	73,366,774	73,525,593
Economic Dev. Initiative Funds	16,532,168	64,860,000	64,860,000	65,460,368
Commerce Programs	27,279,908	101,151,499	101,151,499	117,794,292
Total	\$ 150,165,002	\$ 241,627,641	\$ 241,524,063	\$ 258,928,267
Expenditures by Category				
Salaries and Benefits	\$ 2,840,392	\$ 1,039,888	\$ 936,310	\$ 938,603
Contracted Services	601,251	-	-	-
Subtotal	\$ 3,441,643	\$ 1,039,888	\$ 936,310	\$ 938,603
Other State Operations	1,369,383	204,230	204,230	204,161
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	46,479,804	30,473,500	30,473,500	125,856,500
Capital	13,277	1,810,250	1,810,250	1,969,069
Capital Debt Service	-	-	-	-
Operating Transfers	98,860,895	208,099,773	208,099,773	129,959,934
Total	\$ 150,165,002	\$ 241,627,641	\$ 241,524,063	\$ 258,928,267
Sources of Funds				
General Revenue	\$ 57,080,960	\$ 66,421,142	\$ 66,317,564	\$ 66,319,788
Federal Aid	72,664,510	174,401,499	174,401,499	191,644,660
Restricted Receipts	19,538,304	-	-	-
Other	881,228	805,000	805,000	963,819
Total	\$ 150,165,002	\$ 241,627,641	\$ 241,524,063	\$ 258,928,267
FTE Authorization	20.0	5.0	5.0	5.0
FTE Average	15.7			

*Beginning FY 2024 operations transferred to the new Department of Housing

FY 2024 Revised Request. The Executive Office of Commerce’s revised budget request is \$103,578 less from general revenues than enacted. *The Governor recommends \$17.4 million more, including \$2,224 from general revenues, \$17.2 million from federal funds, and \$0.2 million from Rhode Island Capital Plan funds.*

ARPA - Small Business and Technical Assistance. The Assembly provided \$32.0 million from State Fiscal Recovery funds to provide grants and technical assistance to businesses impacted by the pandemic. The FY 2023 final budget allocates \$12.5 million in direct grants; \$18.0 million in technical assistance, public health capital improvements, and energy efficiency improvements; and \$1.5 million for administrative costs associated with this and for the Assistance to Impacted Industries program. Eligibility is limited to businesses with less than \$1.0 million in annual gross revenues that can demonstrate a negative impact from the COVID-19 pandemic and 20.0 percent of funds are reserved for awards to assist minority business enterprises. Expenditures were \$18.4 million in FY 2022 and \$11.0 million in FY 2023; \$2.6 million remains unspent. The Executive Office inadvertently requested \$0.3 million in each FY 2024 and

FY 2025. It did not indicate how remaining funds should be distributed between years, but any unspent funds are automatically reappropriated. The Pandemic Recovery Office has flagged this project as at risk of not meeting the federal obligation and spending deadlines. *The Governor recommends \$30.0 million, \$2.0 million less for technical assistance, and includes the remaining \$0.6 million for FY 2024.*

State Small Business Credit Initiative. The Executive Office requests the enacted amount of \$20.0 million from federal funds provided under the American Rescue Plan Act to support small businesses impacted by the economic effects of the coronavirus pandemic. Rhode Island will receive one-time funding of \$62.5 million from the State Small Business Credit Initiative. The Executive Office indicates funds will be received in tranches of \$20.5 million, the first of which was awarded in February 2023. The United States Department of Commerce also announced \$100.0 million for the Minority Business Development Agency to provide technical assistance to eligible underserved small businesses, from which Rhode Island is expected to receive \$0.8 million. *The Governor recommends funding as requested.*

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. This replaced a prior initiative intended as a match for the BioConnects New England grant application to the Economic Development Administration that was unsuccessful. In October 2023, the Governor nominated the chair of the Hub's board. The Executive Office inadvertently requested the full \$45.0 million in both FY 2024 and FY 2025. It did not indicate how funds should be distributed between years, but any unspent funds are automatically reappropriated. *The Governor recommends \$45.0 million for FY 2024, consistent with the enacted budget*

ARPA - South Quay Marine Terminal. The 2023 Assembly provided \$35.0 million from State Fiscal Recovery funds to create a new South Quay Marine Terminal in East Providence. Since FY 2020, the Commerce Corporation has awarded but not yet certified \$15.0 million from Rebuild Rhode Island tax credits and \$0.2 million in Site Readiness grants to Rhode Island Waterfront Enterprises for initial dredging, infrastructure upgrades, and design work. The terminal and related upgrades to waterfront port facilities are part of a statewide infrastructure expansion plan focused around the blue economy. The 2023 Assembly provided \$35.0 million for FY 2024 and stipulated that these funds may only be used if sufficient matching funds for completion of the project are committed by February 1, 2024. In October 2023, the Corporation announced a \$35.0 million private sector commitment and a ground lease was signed. The Executive Office inadvertently requested the full \$35.0 million in both FY 2024 and FY 2025. It did not indicate how funds should be distributed between years, but any unspent funds are automatically reappropriated. *The Governor recommends \$35.0 million for FY 2024, consistent with the enacted budget. A detailed description of the project is included in the Capital Budget section of this publication.*

ARPA - Destination Marketing. The 2022 Assembly provided \$3.0 million from State Fiscal Recovery funds to conduct tourism campaigns in destination markets for airline routes to Rhode Island T.F. Green International Airport. It also required an equivalent match from the Commerce Corporation's allocation of State Hotel Tax receipts. The 2023 Assembly programmed \$1.5 million in each FY 2023 and FY 2024. The FY 2023 spending was \$0.8 million; \$2.2 million remains to be disbursed. The agency inadvertently requested \$1.5 million in both FY 2024 and FY 2025. The Executive Office did not indicate how remaining funds should be distributed between years, but any unspent funds are automatically reappropriated. *The Governor recommends \$3.0 million, consistent with the enacted budget, including \$2.1 million for FY 2024. His FY 2025 recommendation includes \$1.4 million from general revenues to continue the program.*

Wavemaker Fellowship. Consistent with the enacted budget, the Executive Office requests \$4.0 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. The 2022 Assembly expanded eligibility to the fields of healthcare and mental health and provided \$3.2 million. The 2023 Assembly expanded eligibility to teachers and provided \$4.0 million. In October 2023, the Corporation announced 262 fellowship awardees, including 137 healthcare fellows. Teachers will be included in the next award round which is typically announced in spring. *The Governor recommends funding as requested.*

ARPA - Port of Davisville. The 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 berthing and growth capacity. The Quonset Development Corporation indicates private funds estimated at \$35.8 million are under negotiation for additional dedicated offshore wind infrastructure and laydown space. It did not include these funds in its operating request. The 2022 Assembly provided \$60.0 million and the 2023 Assembly added \$5.0 million for additional work related to pier specialization for offshore wind development. FY 2023 spending was \$6.0 million, consistent with the final budget; \$59.0 million remains to be disbursed. The agency inadvertently requested \$59.0 million in both FY 2024 and FY 2025. The Executive Office did not indicate how remaining funds should be distributed between years, but any unspent funds are automatically reappropriated. *The Governor recommends \$65.0 million, consistent with the enacted budget, including \$59.0 million for FY 2024. A detailed description of the project is included in the Capital Budget section of this publication.*

ARPA - Minority Business Accelerator. The Assembly provided \$6.0 million from State Fiscal Recovery funds for a minority business accelerator grant program. The program includes capital grants to businesses, service and program grants to business support organizations, and technical assistance. Of these funds, the 2022 Assembly allocated \$0.5 million to support the Rhode Island Black Business Association and \$0.3 million to the Roger Williams University Business Start-Up Clinic. It also required that the Executive Office work with minority small business associations to advance this program. The Executive Office indicates the program's design is the result of discussion with these organizations and its March 2022 Black, Indigenous, and People of Color Small Business Ecosystem Assessment, developed in collaboration with the Rhode Island Foundation. FY 2023 spending was \$1.0 million, including all funding for the Association and Clinic; \$5.0 million remains to be disbursed. The agency inadvertently requested \$4.0 million in both FY 2024 and FY 2025. The Executive Office did not indicate how remaining funds should be distributed between years, but any unspent funds are automatically reappropriated. *The Governor recommends \$6.0 million, consistent with the enacted budget, including \$5.0 million for FY 2024. His FY 2025 recommendation includes \$0.5 million from general revenues for additional grants and technical assistance.*

CPF - Broadband. The 2023 Assembly provided \$25.0 million from Capital Projects funds for projects to provide high-speed, reliable internet to all Rhode Islanders. In June 2023, Rhode Island was awarded \$108.7 million through the Infrastructure Investment and Jobs Act. As of January 2024, the federal government has not yet announced how Digital Equity Act funds will be 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 and community buildings; however, matching funds and a five-year statewide strategic plan are required.

The 2021 Assembly provided \$0.5 million from State Fiscal Recovery funds to develop a state broadband infrastructure strategic plan and hire a new Broadband Director position at the Commerce Corporation. The strategic plan was submitted in December 2022, and the position was filled in July 2022; all funds are expended. The 2022 Assembly provided \$25.0 million from Capital Projects funds to augment or provide a match for broadband investments made available through the Infrastructure Investment and Jobs Act, consistent with the strategic plan. The 2023 Assembly programmed funds at \$15.4 million for FY 2023

and \$9.6 million for FY 2024. No Capital Projects funds were expended in FY 2023. The agency inadvertently requested \$9.6 million in each FY 2024 and FY 2025. It did not indicate how funds should be distributed between years, but any unspent funds are automatically reappropriated. *The Governor recommends \$25.0 million, consistent with the enacted budget. A detailed description of the project is included in the Capital Budget section of this publication.*

Municipal Infrastructure Matching Pool. The 2023 Assembly provided \$5.5 million from general revenues for FY 2023 for the Infrastructure Bank to provide municipalities with awards to use as match for Infrastructure Investment and Jobs Act funds. The Executive Office's request does not include additional funding. *The Governor's recommendation recaptures \$2.4 million, as demand for these funds is less than previously anticipated.*

Other Personnel and Operations. The Executive Office requests \$103,578 less than enacted from general revenues for 5.0 full-time equivalent positions and other operations. The requested decrease includes \$89,406 of turnover associated with the vacant senior policy analyst position and \$14,172 for changes to medical benefit selections. The enacted budget authorized 2.0 new positions which have since been filled, including a chief financial officer and an administrative secretary. *The Governor recommends \$5,474 less based on updated turnover estimates, including \$2,224 more to account for increased employee health benefit rates.*

Capital. The Executive Office requests \$0.8 million from Rhode Island Capital Plan funds, consistent with the enacted budget, to support the I-195 Commission's planning and zoning expenses. It indicates that it intended to request \$5.2 million more, including \$0.2 million from unspent FY 2023 funds for the Commission and \$5.0 million associated with the Gateway to Government digitization project included in its capital budget request. *The Governor recommends \$0.9 million, \$0.2 million more than requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Department of Housing

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 1,860,669	\$ 5,364,538	\$ 4,678,430	\$ 3,195,314
Contracted Services	600,660	500,000	650,000	2,150,000
Subtotal	\$ 2,461,329	\$ 5,864,538	\$ 5,328,430	\$ 5,345,314
Other State Operations	1,130,059	1,433,065	1,433,065	1,539,828
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	46,592,920	104,853,340	104,853,340	288,629,731
Capital	9,494	105,000	305,000	305,000
Capital Debt Service	-	-	-	-
Operating Transfers	21,994,450	139,400,000	139,400,000	28,000,000
Total	\$ 72,188,252	\$ 251,655,943	\$ 251,319,835	\$ 323,819,873
Sources of Funds				
General Revenue	\$ 3,897,514	\$ 32,997,895	\$ 32,873,795	\$ 31,494,506
Federal Aid	48,752,434	210,993,898	210,781,890	284,661,217
Restricted Receipts	19,538,304	7,664,150	7,664,150	7,664,150
Other	-	-	-	-
Total	\$ 72,188,252	\$ 251,655,943	\$ 251,319,835	\$ 323,819,873
FTE Authorization	17.0	38.0	38.0	38.0
FTE Average	12.7			

FY 2024 Revised Request. The Department of Housing’s revised budget request is \$0.3 million less from all sources than enacted, including \$0.1 million less from general revenues and \$0.2 million less from federal funds. A number of housing programs are in partnership with or through the Rhode Island Housing and Mortgage Finance Corporation, also known as RI Housing. *The Governor recommends \$72.5 million more than requested, including \$1.4 million less from general revenue and \$73.9 million more from federal funds, mostly to reflect carry forward of unused FY 2023 authorizations. Additional information regarding housing programs and policy structure is included in the Special Reports section of this publication.*

Housing Production Fund. The 2021 Assembly enacted a second tier of the Real Estate Conveyance Tax, doubling the tax to \$4.60 for each \$500 increment for residential property over \$0.8 million, and dedicated that portion to a new housing production fund, effective January 1, 2022. At the time it was estimated to yield \$4.3 million annually. FY 2023 collections were \$3.6 million. The 2021 Assembly also provided \$25.0 million from general revenues in FY 2022 to capitalize the fund and required that funds be disbursed subject to program and reporting guidelines adopted by the Coordinating Committee. As of December 2023, RI Housing has made awards totaling \$19.2 million and has \$13.2 million in available funds. The revised request includes \$3.0 million, consistent with the enacted budget. *The Governor recommends funding consistent with the request.*

Low-Income Housing Tax Credit. Established by the 2023 Assembly, this program awards additional state tax incentives, which are redeemed over time, to projects eligible for federal Low-Income Housing Tax Credits. The design of the program is to forward fund credits, thereby creating a predictable effect on state resources when redemption of those credits begins; current project credits are estimated to be

redeemed through at least FY 2033. The 2023 Assembly provided \$28.0 million from general revenues to prefund the credits against an existing award maximum of \$150.0 million based on the current sunset date. Credits are available to projects that have demonstrated a gap between available funding and total estimated project costs to ensure development proceeds. As of December 2023, the Department is still designing the program. The revised request includes \$28.0 million, consistent with the enacted budget. *The Governor concurs.*

ARPA - Targeted Housing Development. The Assembly provided \$31.0 million from State Fiscal Recovery funds for FY 2024 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 \$27.0 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 December, the Department indicates that all funds were included in the November application round and are expected to be awarded before the end of FY 2024. The Department requests funding consistent with the enacted budget. *The Governor recommends funding as requested.*

ARPA - Housing Related Infrastructure. The Assembly provided \$4.3 million from State Fiscal Recovery funds for FY 2024 to 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. The Department indicates it is working with the Infrastructure Bank to establish the program, and it anticipates issuing a request for proposals before the end of FY 2024. The Department requests funding consistent with the enacted budget. *The Governor recommends funding as requested.*

ARPA - Municipal Planning. The Assembly provided \$2.3 million from State Fiscal Recovery funds for FY 2024 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 a municipal fellowship program and \$1.0 million supports grants to study and implement zoning changes that encourage development near public transit. The Department requests funding consistent with the enacted budget and expects both programs to open applications in spring 2024. *The Governor recommends funding as requested.*

ARPA - Proactive Housing Development. The Assembly provided enabling legislation and \$1.4 million from State Fiscal Recovery funds for FY 2024 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 Department anticipates that RI Housing will formally establish the subsidiary in January; however, it did not provide information on how or when funds will be spent. The Department requests funding consistent with the enacted budget. *The Governor recommends funding as requested.*

ARPA - Preservation of Affordable Units. The Assembly provided \$2.3 million from State Fiscal Recovery funds for FY 2024 to preserve affordable housing units at risk of foreclosure or blight. Units that become blighted or subject to foreclosure are removed from the housing stock. The loss of these units results in greater demand on resources dedicated to homelessness and housing production. The Department indicates that it has issued a request for proposals for an organization to manage a revolving loan fund, which it anticipates awarding in the third quarter of FY 2024. The Department requests funding consistent with the enacted budget. *The Governor recommends funding as requested.*

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

FY 2024 budget allocates \$90.0 million for an additional direct subsidy as a match to multiple 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 2023, \$85.3 million remains unspent. As of December, all pilot funds are obligated; only \$18.0 million remains unobligated and is currently subject to a request for proposals issued in November. The Department's revised request includes \$55.0 million, consistent with the enacted budget. *The Governor's recommendation is \$30.3 million more to reflect unspent FY 2023 funds. It also removes language added by the 2023 Assembly explicitly permitting the pilot to include creation of a revolving fund, although this remains an allowable use.*

ARPA - Predevelopment and Capacity Building. The Assembly provided \$1.5 million from State Fiscal Recovery funds for consultants to provide administrative support to the Department 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 2021 Assembly required monthly progress reports beginning February 2022. The Department 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 2023, \$0.9 million remains unspent. In December the Department indicated that it expects to obligate all remaining funds before the end of FY 2024. The Department's revised request includes \$0.5 million, consistent with the enacted budget. *The Governor recommends \$0.4 million more to reflect unspent FY 2023 funds.*

ARPA - Down Payment Assistance. The Assembly provided \$30.0 million from State Fiscal Recovery funds to provide down payment assistance to eligible first-time homebuyers. Funds are used to provide grants to promote homeownership, up to a \$20,000 limit established by the 2023 Assembly. The program is similar to others run by RI Housing and uses nearly identical eligibility requirements. As of November, the Department indicates that 1,661 applications were received, all funds have been obligated, and \$25.8 million has been spent; the program is closed to new applications. The Department's revised request includes \$20.0 million, consistent with the enacted budget. *The Governor recommends funding as requested.*

ARPA - Workforce Housing. The Assembly provided \$20.0 million 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 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. FY 2024 represents the first year of the program and the Department indicates that \$12.5 million is currently subject to a request for proposals issued in November. The Department's revised request includes \$8.0 million, consistent with the enacted budget. *The Governor recommends \$12.0 million more to reflect unspent FY 2023 funds.*

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. As of the end of FY 2023, \$2.5 million has been transferred to RI Housing and only \$16,593 has been disbursed. The Department indicates that \$6.9 million has been committed to 31 projects as of December and remaining funds are expected to be committed by the end of March 2024. The Department's revised request includes \$7.5 million, consistent with the enacted budget. *The Governor recommends funding as requested.*

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. The program was originally created using \$10.0 million from 2016 general obligation bonds. The FY 2024 budget allocates \$20.0 million to finance acquisition and redevelopment of blighted properties in disadvantaged communities and \$4.5 million for critical home repairs within the same communities. As of the end of FY

2023, no funds have been spent. The Department indicates that \$16.4 million has been obligated and \$3.6 million is currently subject to a request for proposals issued in November; home repair funds are subject to a request for proposals for a vendor to administer the program and responses are due January 11, 2024. It did not provide a timeline for awarding and expending these funds. The Department's revised request includes \$9.5 million, consistent with the enacted budget. *The Governor recommends \$15.0 million more to reflect unspent FY 2023 funds.*

ARPA - Statewide Housing Plan. The Assembly provided \$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 2023, no funds have been spent. The Department indicates that it has contracted with a vendor to produce this report by December 2024. The request includes no funding for FY 2025, which appears to be an error. The Pandemic Recovery Office has flagged this project as at risk of not meeting the federal obligation and spending deadlines. As of October 2023, the Department has only received approval from the Office to spend \$1.0 million of the \$2.0 million dedicated to this program. *The Governor recommends \$2.0 million to reflect unspent FY 2023 funds.*

Housing Opportunities for Persons with AIDS. The Department requests the enacted amount of \$0.4 million from federal funds for the administration of the federal Housing Opportunities for Persons with AIDS. The federal grant is awarded every three years. RI Housing and the Department 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. These 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 recommends funding as requested.*

Neighborhood Stabilization Grant. The Department requests \$0.2 million for personnel costs for federal Neighborhood Stabilization Program eligible activities. The enacted budget includes no funding, as the Department previously reported that there is no new funding for this program and all remaining program funds were exhausted at the end of FY 2023. It indicates that its current request represents remaining administrative funds, which will be used to close out the program. The Neighborhood Stabilization Program provides emergency assistance to state and local governments to mitigate abandonment and blight by purchasing foreclosed or abandoned homes to rehabilitate, resell, or redevelop in order to stabilize neighborhoods and home values. The program is authorized under Title III of the Housing and Economic Recovery Act of 2008. *The Governor recommends funding essentially as requested.*

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 December 2023, the Department reports that all funds have been obligated and \$35.3 million remains unspent. The Department's revised request includes \$30.0 million, consistent with the enacted budget. *The Governor recommends \$11.3 million more to reflect unspent FY 2023 funds.*

ARPA - Homelessness Assistance Program. The Assembly provided \$21.5 million from State Fiscal Recovery funds to provide housing navigation, stabilization and mental health services for people experiencing homelessness. The Department 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 February 2022. The Department submitted its first report in March 2023 and has not submitted a report since July 2023. As of December 2023, the Department reports that all funds have been obligated and \$12.4 million remains unspent; its revised request includes \$13.0 million, consistent with the enacted budget. *The Governor's recommendation includes \$2.9 million more to reflect unspent FY 2023 funds. It also removes language requiring that a portion of funds be used for operating subsidies for extremely low-income housing units.*

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 the end of FY 2023, \$10.0 million remains unspent. The Department indicates that it is finalizing awards for all remaining funds. The Department's revised request includes \$10.0 million, consistent with the enacted budget. *The Governor recommends funding as requested.*

ARPA - Municipal Homelessness Support Initiative. The Assembly provided \$2.5 million from State Fiscal Recovery funds for FY 2024 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 Department began accepting applications from municipalities in October 2023, which will remain open until March 1, 2024, or until all funds have been obligated. As of December, it reports that the first three applications from municipalities have been received and additional applications are expected shortly. The Department requests funding consistent with the enacted budget. *The Governor recommends funding as requested.*

Homelessness Assistance Grants. The Department requests the enacted amount of \$3.3 million from federal Emergency Shelter Grants and Title XX Shelter Transfer Grants. The Housing Resources Commission typically allocates funding competitively to the private shelter system through the Consolidated Homeless Fund. *The Governor recommends funding as requested.*

Lead Abatement and Housing Rental Subsidies. The Department requests the enacted amount of \$4.7 million from restricted lead abatement and housing rental subsidy resources. Funding is from a dedicated portion of the Real Estate Conveyance Tax to be used by the Housing Resources Commission for lead hazard reduction abatement, rental subsidy and shelter operations. The November 2023 Revenue Estimating Conference estimated that the state would retain a total of \$14.9 million and \$15.4 million from the tax in each FY 2024 and FY 2025, which should equate to a \$5.0 million and \$5.1 million yield in each year, respectively, for the Commission's share. *The Governor recommends funding as requested.*

Community Development Block Grants. The Department requests the enacted amount of \$10.9 million from federal Community Development Block Grant funds. Cranston, East Providence, Pawtucket, Providence, Warwick and Woonsocket are entitlement communities which 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 recommends funding as requested.*

Other Salaries and Benefits. The Department requests \$0.8 million less than enacted from all sources, including \$0.5 million less from general revenues and \$0.3 million less from federal funds, for personnel expenses for its 38.0 full-time equivalent positions. As of December, the Department has 17.0 positions filled. The request shifts \$0.3 million from federal funds to general revenues, as the Department indicates that federal funds for administrative costs are lower than previously reported and requests general revenues

to cover remaining costs. The request includes \$0.9 million in turnover savings almost entirely from general revenues and equivalent to 6.4 positions, partially offset by \$0.1 million more for positions hired at a higher salary than anticipated. It also appears to increase the Secretary’s salary by around 8 percent; current law requires that salaries for department directors, including secretaries, shall be determined annually, presented in a March public hearing, and referred to the Assembly, which may reject any adjustments.

The 2022 Assembly provided 4.0 new positions to assist with managing increased resources for federal and other housing related programs in preparation of 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 Department. The request reallocates staffing among functional duties compared to the enacted assumption, as shown in the following table.

Positions by Function	FY 2024 Governor/ Enacted	FY 2024 Rev. Req./ Governor	Rev. Req. Change to Enacted
Analysis	6.0	10.0	4.0
Implementation	21.0	19.0	(2.0)
Administration	3.0	4.0	1.0
Legal Services	3.0	-	(3.0)
Public Relations	2.0	1.0	(1.0)
Executive Leadership	3.0	4.0	1.0
Total	38.0	38.0	-

The Governor recommends title upgrades and duty reallocations as requested and \$1.5 million less, including \$2,303 more from federal funds. The reduction reflects turnover savings equivalent to an average of 20.2 positions and is partially offset by adding \$30,120, including \$27,184 from general revenues, for increased employee health benefit rates.

Other Operations. The Department requests \$350,000 more from general revenues for other operations. The enacted budget includes \$105,000 for office equipment and other expenses associated with transitioning to a new office location, and the request would add \$200,000 based on updated estimates. The Department relocated to the Shepard Building in Providence in January 2024. The request also includes \$150,000 to maintain an increased level of support for contractors, including legal and communications services, currently funded from State Fiscal Recovery funds for one-time support to assist with the creation of the Department until newly authorized positions are filled. The Assembly has previously provided \$3.5 million from State Fiscal Recovery funds for contractors, including \$2.0 million for creation of a statewide strategic plan and \$1.5 million for predevelopment and capacity building. As of the end of FY 2023, \$2.9 million of these funds remains unspent. The Department’s FY 2025 request includes \$850,000 more for contractors. To the extent these contractors represent legal services, it should be noted that the Department’s request prioritizes other staff roles in filling permanent positions. *The Governor concurs and recommends \$0.1 million more for centralized services associated with the Department’s new location. His FY 2025 recommendation includes \$347,625 for additional contractors.*

Department of Labor and Training

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Central Management	\$ 1,410,272	\$ 1,841,623	\$ 1,770,800	\$ 1,769,690
Workforce Development Services	23,319,782	27,842,289	35,264,449	35,209,897
Workforce Regulation and Safety	4,170,937	4,828,609	4,828,609	4,837,864
Income Support	522,984,967	439,035,244	501,404,009	501,018,538
Injured Workers Services	9,964,390	10,320,752	10,110,073	10,075,689
Labor Relations Board	545,461	553,932	553,932	555,589
Governor's Workforce Board	38,104,826	43,211,583	49,568,012	48,761,661
Total	\$ 600,500,635	\$ 527,634,032	\$ 603,499,884	\$ 602,228,928
Expenditures by Category				
Salaries and Benefits	\$ 48,576,938	\$ 55,868,828	\$ 51,868,403	\$ 51,665,054
Contracted Services	8,922,292	7,921,101	8,569,190	8,569,190
Subtotal	\$ 57,499,230	\$ 63,789,929	\$ 60,437,593	\$ 60,234,244
Other State Operations	13,869,017	16,229,101	15,124,058	14,855,938
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	423,491,174	444,143,702	521,833,427	521,033,940
Capital	442,374	196,300	104,806	104,806
Capital Debt Service	-	-	-	-
Operating Transfers	105,198,840	3,275,000	6,000,000	6,000,000
Total	\$ 600,500,635	\$ 527,634,032	\$ 603,499,884	\$ 602,228,928
Sources of Funds				
General Revenue	\$ 18,204,543	\$ 17,697,227	\$ 22,180,429	\$ 22,190,882
Federal Aid	150,859,908	74,703,378	76,085,348	74,768,385
Restricted Receipts	34,183,149	30,280,568	31,182,298	31,213,509
Other	397,253,035	404,952,859	474,051,809	474,056,152
Total	\$ 600,500,635	\$ 527,634,032	\$ 603,499,884	\$ 602,228,928
FTE Authorization	461.7	461.7	461.7	461.7
FTE Average	418.4			

FY 2024 Revised Request. The Department of Labor and Training requests \$75.9 million more than enacted from all sources. This includes \$4.5 million from general revenues reappropriated from FY 2023 and increases of \$1.4 million from federal funds, \$0.9 million from restricted receipts and \$69.1 million from other funds. *The Governor recommends \$1.3 million less than requested from all sources, including \$10,453 more from general revenues, primarily to correct overstated federal resources.*

Staffing. The Department's revised staffing request is \$4.0 million less than enacted from all sources to reflect the available resources to support the authorized staffing level of 461.7 full-time equivalent positions. This includes increases of \$0.2 million from general revenues and \$0.1 million from restricted receipts, offset by reductions of \$3.6 million from federal funds and \$0.7 million from other funds. The Department's various fund sources, primarily federal grants, cycle for a variety of reasons, including economic conditions, and change the resources available to support the program staff. The resulting cost

allocation redistributes positions among functions. The staffing allocation by function is shown in the following table. *The Governor recommends \$0.2 million less than requested from all sources, including \$23,254 more from general revenues for the authorized staffing level.*

Function	FY 2024 Enacted	FY 2024 Rev. Req.	Chg. to Enacted	FY 2025 Request	Chg. to Rev. Req.
Governor's Workforce Board	19.4	21.9	2.4	21.9	-
Workforce Development	88.7	84.0	(4.6)	84.0	-
Unemployment Administration	155.2	153.5	(1.6)	153.5	-
Temporary Insurance	80.2	81.3	1.1	81.3	-
Workers' Compensation	41.9	39.8	(2.0)	39.8	-
Employer Tax	40.7	41.3	0.7	41.3	-
Police and Fire	1.0	1.1	0.1	1.1	-
Workforce Regulation and Safety	32.2	36.0	3.8	36.0	-
Other Staffing	2.5	2.7	0.2	2.7	-
Grand Total	461.7	461.7	-	461.7	-

Reappropriation - Firefighter Benefits. The Department requests \$100,642 from general revenues which includes the \$106,998 death benefit liability the Governor reappropriated from FY 2023 offset by other adjustments. For FY 2023, the Department spent \$3.6 million of the \$3.8 million appropriated for survivor benefits for the families of police and firefighters deceased or disabled while in the line of duty, including a death benefit that is 40.0 percent of the one-time federal benefit. *The Governor concurs.*

Reappropriation - Healthcare Workforce Support - SkillsRI. The Department's request includes the \$4.0 million from general revenues the Governor reappropriated from FY 2023 for a healthcare workforce development initiative to address staffing shortages through recruitment efforts and existing staff talent development, assumed to be one-time. This initiative proposed placing 200 participants, of which half would be new hires, at Care New England and Lifespan. This includes embedding Skills for Rhode Island's Future staff at the human resources systems of the hospitals, wage subsidies for the employers, and wraparound services for participants. The Department previously reported contracts totaling \$5.1 million for Skills for Rhode Island's Future for employment referrals and \$0.8 million for the Office of Postsecondary Commissioner for wraparound services. The Department spent \$1.9 million and appears to have used other funding for the wraparound services during FY 2023. The Department reports the initiative closed at the end of FY 2023, requiring a relaunch. *The Governor concurs.*

Reappropriation - Work Immersion. The Department's request includes the \$328,138 from general revenues the Governor reappropriated from FY 2023 for work immersion contracts. This reflects the general revenue savings of the workforce development division, of which \$295,101 is grants and \$33,037 is staffing expenses. For FY 2023, the final appropriation included the Governor's reappropriation of \$408,725 for the same purpose. The Department reports that was spent using a first-in-first-out disbursement methodology. Work Immersion Training Grants provide 50.0 percent or 75.0 percent wage reimbursements to Rhode Island employers that provide temporary paid work experience to eligible students, and unemployed or underemployed adults. These programs are paid on a reimbursement basis; the timing of invoices varies. *The Governor concurs.*

Centralized Services. The Department requests \$1.8 million less from all sources, including \$4,347 more from general revenues for centralized services provided by the Department of Administration. Reductions total \$0.9 million for information technology, \$0.8 million for facilities, and \$0.1 million for human resources. The enacted budget includes \$10.5 million from all sources, including \$1.8 million from general revenues. The Budget Office reported a technical error in the Governor's FY 2024 recommendation; the 2023 Assembly corrected the error based on Budget Office estimates. The Department's request is essentially reflecting FY 2023 spending, adjusted for the exclusion of exhausted grant funds. *The Governor*

recommends \$268,035 less than requested from all sources, including \$12,716 less from general revenues to account for statewide utility savings.

Real Jobs Rhode Island. The Department requests \$6.7 million more than enacted from all sources for the Real Jobs Rhode Island program, totaling \$44.2 million. The program's functions are to place employees in job openings, advance skills of employed people, and create a talent pipeline for businesses. Processes and programs offered vary by participant and partnership. The request includes increases of \$5.9 million from federal funds and \$0.9 million from restricted receipts, and the enacted level of \$6.1 million from general revenues, of which \$0.6 million is for nursing facilities. Federal funds total \$32.0 million, of which \$21.3 million is from State Fiscal Recovery funds and \$10.7 million from the Quality Jobs, Equity, Strategy and Training, or QUEST grant. These are \$1.3 million and \$4.6 million more than enacted, respectively, to reflect estimated prior year carry-forward.

It should be noted that the request exceeds available State Fiscal Recovery Fund resources by \$0.8 million. The 2023 Assembly authorized \$30.0 million, of which \$9.6 million was spent during FY 2023, leaving only \$20.4 million. The excess may be related to a separate but similar program through the Office of Postsecondary Commissioner.

Federal QUEST grant funds are available from FY 2023 through FY 2025 to reduce barriers to participation, including childcare and transportation assistance, similar to the Back to Work RI program the Department operated for FY 2021 and FY 2022. The restricted receipts reflect the allocation approved for FY 2024 at the May 2023 Governor's Workforce Board meeting. Final allocation of resources is subject to actual utilization as they support multiple programs. *The Governor recommends \$0.9 million less than requested to correct the overstatement based on updated FY 2023 spending and concurs with the remainder of the request.*

Governor's Workforce Board Grants. The Department requests \$0.9 million less than enacted from restricted receipts to support multiple Governor's Workforce Board workforce development initiatives, and reflect a higher allocation to Real Jobs Rhode Island than the enacted budget. The initiatives include: 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, Institute for Labor Studies and Research, and the Westerly Education Center. *The Governor recommends adding \$75,000 from regional greenhouse gas restricted receipts to establish a grant program related to environmental education, professional development, and youth apprenticeships or internships.*

Governor's Workforce Board Staffing and Operations. The Department requests \$0.8 million more 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 for the employer's payroll tax; this funding can be used for staff or grants and operations. The staffing request includes \$3.1 million to fund 21.9 full-time equivalent positions. This is \$0.3 million and 2.4 positions more than the enacted assumptions. All other spending is \$0.5 million more than enacted, including \$0.3 million more for information technology expenses and \$0.2 million more for facilities and meeting expenses. *The Governor recommends \$13,252 more than requested to reflect increased employee health benefit rates.*

Workforce Development Grants. The Department requests \$3.2 million more than enacted from federal funds for workforce development grants. This adds \$1,051 from new Trade Readjustment Act funds, \$1.0 million for apprenticeships, and \$3.2 million from the Workforce Innovation and Opportunity Act, which includes \$1.2 million for youth, \$0.8 million for adults, and \$0.1 million for displaced workers. This is \$3.2 million more than FY 2023 actual spending and reflects funding adjustments based on grant cycle exhaustions, unspent carry-forward, and awards. *The Governor recommends funding as requested.*

netWORKri Renovations. The Department requests \$0.3 million, primarily from federal funds for continued renovations in the netWORKri Offices; the funding represents carryforward to complete the lavatories. The FY 2022 budget included funding for this purpose, but the Department reported the projects were delayed and no spending occurred. For FY 2023, \$0.4 million was spent for the West Warwick and Woonsocket locations; the Department reported that the projects were done, except for the lavatories. The renovations are intended to address structural and technological deficiencies, improve Americans with Disabilities Act compliance, and accommodate more users' languages, and personal circumstances. *The Governor recommends funding as requested.*

Other Workforce Development Staff. The Department requests \$1.1 million less than enacted, primarily from federal funds for 4.6 fewer full-time equivalent positions allocated to workforce development initiatives than assumed in the enacted budget. The enacted budget assumes no turnover savings; the request reflects an updated savings amount. The request reallocates the Department's staff based on its available resources. *The Governor recommends \$1,173 less from all sources than requested, including \$918 more from general revenues to reflect increased employee health benefit rates and updated available resources.*

Other Workforce Development Operations. The Department requests \$146,906 more than enacted, primarily from federal funds for all other workforce development expenses. This includes \$105,778 for electronic security services \$31,116 for virtual career centers cloud-hosted services, \$14,076 for travel expenses and \$5,540 for all other expenses, including rent for the American Job Centers location in Providence, relocated from 1 Reservoir Avenue to 50 Sims Avenue. *The Governor recommends funding as requested.*

Unemployment Benefits. The Department requests \$69.2 million more than enacted from unemployment insurance funds for benefit payments totaling \$212.0 million, based on its Labor Market Information unit's projections. This reflects \$1.0 million less for benefits for government employees, including veterans, offset by \$70.2 million more for unemployment benefits, including \$3.0 million more for payments to other states. *The Governor recommends funding as requested.*

Unemployment Integrity Grants. The Department requests \$2.5 million from federal funds to reflect three unemployment insurance grants it received during April 2023 and September 2023. These include a claimant experience pilot grant totaling \$155,134 for which the program period closed September 2023, as well as tiger team and integrity grants totaling \$1.5 million and \$869,000, respectively, for which the program periods close December 31, 2025.

The claimant experience grant supports user-facing content review and improvement by substituting plain language, and ensuring statutory and regulatory compliance and sufficiency. The integrity grant supports unemployment fraud prevention by strengthening identity verification and improving fraud prevention and overpayment recovery strategies. Tiger teams represent the Department of Labor's multidisciplinary technical assistance to states to assess and address unique and state-specific challenges. Tiger team grants are for states that previously underwent an assessment for unemployment claims systems and business processes recommendations to enhance fraud detection, prevention, and fund recovery; equitable access; and backlog reduction and timely benefit payments. It should be noted that most funding is available through FY 2025, but programmed entirely for FY 2024. *The Governor recommends funding as requested.*

Unemployment Administration. The Department requests \$5.0 million less than enacted from federal funds offset by \$75,690 more from restricted receipts for unemployment insurance program administration. The staffing request assumes 153.5 full-time equivalent positions or 1.8 fewer positions than the enacted assumptions; however, it should be noted that the request and its supporting documents are in conflict. The request is \$0.4 million lower than the documents in support, suggesting additional available savings. The request for all other expenses is \$2.5 million less than enacted, primarily from federal funds reflecting the

exhaustion of certain pandemic support programs. Most reductions reflect changes to information technology expenses, legal costs and postage. *The Governor recommends \$0.3 million less than requested from federal funds to reflect increased employee health benefit rates and updated available resources.*

Temporary Disability Insurance Benefits. The Department requests \$9.0 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 for \$216.0 million, is \$14.2 million more than FY 2023 spending. The Department requests benefit amounts based on its Labor Market Information unit's projections. As of the end of November 2023, the program has paid out \$75.4 million, averaging \$18.9 million per month; if consistent, benefit payments for FY 2024 will total \$226.2 million. *The Governor concurs.*

Temporary Caregiver Insurance Benefits. The Department requests \$6.5 million more than enacted from the Temporary Disability Insurance Fund for caregiver insurance benefit payments. The program allows eligible claimants up to six 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. The revised request for \$30.0 million is \$5.0 million more than FY 2023 total spending. The Department requests benefit amounts based on its Labor Market Information unit's projections. As of the end of November 2023, the program has paid out \$10.4 million, averaging \$2.6 million per month; if that is consistent for FY 2024, benefit payments will total \$31.3 million. *The Governor concurs.*

Temporary Insurance Staff and Operations. The Department requests \$0.7 million less than enacted from temporary disability funds for staffing and operations of the temporary disability and caregiver programs. The staffing request is \$8.4 million, which is \$0.9 million less than enacted for 81.3 full-time equivalent positions, which is 1.1 more positions more than the enacted. It includes \$0.5 million of turnover savings, equivalent to 7.4 vacancies, and excludes \$0.3 million of overtime, based on FY 2023 spending. The request for all other expenses is \$0.2 million more than enacted, primarily information technology contracted services related to replacing its mainframe system. *The Governor recommends \$43,954 more than requested to reflect increased employee health benefit rates.*

Workers' Compensation Staffing and Operations. The Department requests \$0.1 million more than enacted from workers' compensation restricted receipts for its staffing and operating costs. This includes \$0.2 million less to support 2.0 fewer full-time equivalent positions than enacted. Both the enacted and the request assume no turnover savings. The request for all other spending is \$0.3 million more, of which \$0.2 million is for workers' compensation payments, and \$0.1 million is information technology spending. *The Governor recommends \$20,967 more than requested to reflect increased employee health benefit rates.*

Employer Tax Unit. The Department requests \$248,032 more than enacted from all sources for the staffing and operations of the Employer Tax Unit. The unit administers the taxes which 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 request generally reflects decreasing unemployment funding. It shifts \$2.8 million of existing liabilities from federal unemployment funds to disability insurance other funds, and includes increases of \$112,325 from job development restricted receipts and \$161,806 from other funds, offset by \$26,099 from federal funds.

The staffing request is \$121,343 and 0.7 full-time equivalent positions more than enacted, including shifts among fund sources. The enacted budget assumes 40.7 full-time equivalent positions and the request includes 41.3 full-time equivalent positions, neither includes turnover savings. The request includes \$126,689 more for all other spending, primarily for printing and postal services, \$14,814 for mileage reimbursement, and \$3,183 more for all other adjustments. The postage and printing expenses are meant to reflect actual FY 2023 spending, including some costs which were shifted to other functions. *The*

Governor recommends \$26,480 more than requested, primarily from federal funds to reflect increased employee health benefit rates.

Other Staffing and Operations. The Department requests \$6,356 more from general revenues than enacted for all other staffing and operations. This includes \$223,640 more to support 39.8 full-time equivalent positions, which is 4.1 positions more than enacted for the Divisions of Workforce Regulation and Safety and Central Management, the Labor Relations Board, and the Police and Fire Relief Fund. All other spending is \$217,417 less than enacted, most of which is a \$220,327 reduction to available federal resources. It also includes \$14,753 less for Police Relief benefit payments, offset by additions of \$2,429 for stenographic services and \$15,367 for miscellaneous expenses. *The Governor recommends \$22,251 more than requested to reflect increased employee health benefit rates.*

Department of Revenue

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Office of Director	\$ 2,020,431	\$ 2,348,848	\$ 2,407,933	\$ 2,493,427
Office of Revenue Analysis	842,404	983,531	1,009,006	1,010,997
Lottery Division	411,701,080	391,759,764	423,719,825	423,553,743
Division of Municipal Finance	133,427,841	1,759,431	1,731,757	1,624,177
Taxation	32,296,691	39,847,264	39,587,079	38,858,835
Registry of Motor Vehicles	38,402,506	36,132,264	41,665,638	41,686,614
State Aid	292,880,579	326,199,626	326,199,626	298,199,626
Collections	777,728	1,002,552	957,281	931,948
Total	\$ 912,349,260	\$ 800,033,280	\$ 837,278,145	\$ 808,359,367
Expenditures by Category				
Salaries and Benefits	\$ 58,432,892	\$ 64,001,981	\$ 64,369,468	\$ 63,568,803
Contracted Services	9,994,362	10,249,897	11,191,856	11,271,856
Subtotal	\$ 68,427,254	\$ 74,251,878	\$ 75,561,324	\$ 74,840,659
Other State Operations	417,808,476	393,225,558	429,201,200	429,003,087
Aid to Local Units of Government	292,880,579	330,760,105	330,760,105	302,760,105
Assistance, Grants, and Benefits	132,693,449	862,600	822,377	822,377
Capital	539,502	933,139	933,139	933,139
Operating Transfers	-	-	-	-
Total	\$ 912,349,260	\$ 800,033,280	\$ 837,278,145	\$ 808,359,367
Sources of Funds				
General Revenue	\$ 363,463,749	\$ 397,716,359	\$ 403,122,889	\$ 374,366,590
Federal Aid	132,434,740	825,339	791,354	794,957
Restricted Receipts	4,575,546	9,556,818	9,469,077	9,469,077
Other	411,875,225	391,934,764	423,894,825	423,728,743
Total	\$ 912,349,260	\$ 800,033,280	\$ 837,278,145	\$ 808,359,367
FTE Authorization	575.5	575.5	586.5	587.5
FTE Average	496.6			

FY 2024 Revised Request. The Department of Revenue requests \$37.2 million less than enacted from all sources for FY 2024 including \$5.4 million more from general revenues, \$33,985 less from federal funds, \$88,741 less from restricted receipts, and \$32.0 million less from lottery funds. The request also includes 586.5 full-time equivalent positions, which is 11.0 positions more than enacted. *The Governor recommends \$28.9 million less than requested, nearly all from general revenues, primarily from shifting \$28.0 million for a new general state aid program from the enacted budget to FY 2025, when the payments will be made. The recommendation includes 12.0 positions more than enacted, which is one more than requested.*

Lottery

Commission Payments. The Department requests \$32.4 million more than enacted for Lottery commission payments to correspond to the May 2023 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 recommends funding as requested.*

Advertising. The Department requests \$1.5 million less than enacted from lottery funds for advertising and outreach activities. The enacted budget includes \$10.0 million, as requested by the Lottery for FY 2024, which reprogrammed a number of expenses and reduced advertising spending by \$0.4 million. For the pre-pandemic period FY 2017 through FY 2019, the appropriations acts averaged \$10.0 million for advertising and outreach, with average spending of \$8.8 million. Excluding FY 2022, the most severely impacted year of the pandemic, spending from FY 2020 through FY 2023 averaged \$7.1 million or \$3.3 million below budgeted amounts. The request essentially aligns spending with actual experience. *The Governor recommends funding as requested.*

iGaming (11.0 FTE). The Department requests \$0.8 million more from lottery funds than enacted and 11.0 new full-time equivalent positions to implement digital casino gambling for participants age 21 and older located within the state, beginning March 1, 2024, consistent with legislation authorized by the 2023 Assembly. The November 2023 Revenue Estimating Conference adopted estimate includes a \$436.8 million state lottery share for FY 2024, of which \$4.9 million is assuming a March 1 iGaming start. *The Governor recommends one more position than requested for FY 2024, but includes \$0.1 million less than requested, assuming some turnover savings.*

Capital. Consistent with the approved plan, the Department requests \$2.2 million from all funds, including \$0.9 million from Rhode Island Capital Plan funds and \$1.4 million from lottery funds for two projects, one of which consolidates two projects assumed separately within the approved plan. The Department's capital request includes the approved projects, but changes assumptions about funding and timing; the Department subsequently reported it intended to request funding consistent with the approved plan. *The Governor recommends funding as requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Lottery Staffing and Operations. The Department requests \$0.3 million more than enacted from lottery funds for all other staffing and operations expenses, including its centralized services expenses. The staffing request is \$0.1 million more to reflect current service adjustments, and shifts one position from casino operations to the central Lottery function. All other spending is \$0.1 million more than enacted, primarily for centralized facilities services and to reflect prior year spending. *The Governor recommends \$35,217 less than requested, including \$60,027 more to reflect increased employee health benefits rate, and \$95,244 less for centralized facilities management services.*

Taxation

Adult Use Marijuana. The Department requests \$252,978 less than enacted from restricted receipts to support compliance with the implementation of adult use marijuana tax provisions. The decrease reflects projected receipts based on FY 2023 actual revenues. The enacted budget assumes \$406,816 for 4.0 full-time equivalent positions; whereas the request assumes \$153,838 for 2.0 full-time equivalent positions. Other operational spending is maintained at \$100,000. *The Governor recommends funding as requested.*

Taxation Staffing and Operations. The Department requests \$7,207 less from general revenues than enacted for staffing and all other Division of Taxation expenses; it maintains the enacted level of spending for tax increment agreements and motor fuel tax evasion funds. All other spending is as enacted, but includes shifting \$0.3 million from centralized information technology expenses to the Department's cloud services provider, consistent with shifting the Division's integrated taxation system to cloud functionality. *The Governor recommends \$0.7 million less, primarily to reflect available turnover savings and an updated estimate of statewide medical benefits rates.*

Division of Motor Vehicles

Reappropriation - License Plate Reissuance. The 2022 Assembly provided \$8.5 million from general revenues to reflect the total estimated cost to reissue all standard registration license plates over a 24-month period beginning October 2022; the reissuance began January 3, 2023 for all in-person and online January renewals. Language in the appropriations act provides for the automatic reappropriation of unspent funding. For FY 2023, the Department reported spending \$3.1 million requiring a \$5.4 million reappropriation to FY 2024. The Department's request includes \$5.0 million, \$393,000 less than legally available. State law requires new fully-reflective license plates be issued no less than every ten years. The reissuance had been delayed seven times previously, as recommended by three different governors. The 2022 Assembly eliminated the \$8 fee for all currently registered vehicles for this reissuance. *The Governor recommends funding as requested.*

Mobile DMV. Consistent with the enacted budget the Department requests \$0.8 million to purchase a mobile motor vehicle registry unit. The FY 2023 budget assumed this as one-time funding; however, the request for proposals development during FY 2023 was delayed and the 2023 Assembly shifted the funding to FY 2024 accordingly. The request for proposals is anticipated to be released during December 2023. *The Governor recommends funding as requested.*

Cleaning and Security Services. The Department requests \$0.5 million more from general revenues to maintain the level of janitorial, security and screening services for its motor vehicle registries as it used during the pandemic period. The request is \$41,109 more than the prior year, but \$90,482 less than FY 2022, which included additional federal support. The Department reports this essentially reflects a new current service level, but it is reviewing potential cost reductions; the FY 2025 request is \$0.1 million less. *The Governor recommends funding as requested.*

Rhode Island Motor Vehicle System. The Department requests \$3.7 million, \$0.2 million more than enacted from restricted receipts for contractual support for the Rhode Island Motor Vehicle System. The request is \$8,789 less than FY 2023 actual spending. *The Governor recommends funding as requested.*

Reservation System. The Department requests \$234,264 from general revenues to update the reservation system used by the Division of Motor Vehicles. The Division implemented a reservation system when it launched the Rhode Island Motor Vehicle System on July 5, 2017. The Department reports it was informed by the Division of Information Technology that its existing system had insufficient security measures and required replacement. The Department notes that the system does not include sensitive personal information and is being replaced out of an abundance of caution. *The Governor recommends funding as requested.*

Other Staffing. The Department requests \$285,752 less than enacted for 213.5 full-time equivalent positions. This is \$251,767 less from general revenues and \$33,985 less from federal funds. The request reallocates staff among fund sources with federal funds supporting an additional position compared to the enacted assumptions and includes \$1.6 million of turnover savings, equivalent to 22.2 vacancies. *The Governor recommends \$0.1 million more than requested, primarily from general revenues, to reflect increased employee health benefit rates.*

Other Operations. The Department requests \$88,812 less than enacted for all other expenses for the Division of Motor Vehicles, including centralized services provided by the Department of Administration. The request reduces general revenues by \$74,049 and excludes \$14,763 from municipal vehicle value commission restricted receipts; the Commission is defunct with the excise tax phase-out complete. The Department adjusts several expenditures to reflect prior year or projected spending. It reduces driver and identification credential printing expenses by \$100,000 offset by \$25,950 more for all other spending, of which \$21,500 is centralized information technology billings. *The Governor recommends \$0.1 million less*

than requested from general revenues to account for statewide utility savings and updated centralized facilities management services projections.

Other Programs

City of Central Falls Pensions. The Department requests \$40,223 less than enacted from general revenues for payments by the state to Central Falls pensioners affected by the city's bankruptcy, totaling \$220,000. 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; however, under current law, the program is administered by the Employees' Retirement System of Rhode Island. The reduction reflects an updated estimate of liabilities. *The Governor recommends funding as requested.*

Tangible Tax Exemption. The enacted budget includes \$28.0 million to reimburse municipalities for a tax exemption program authorized by the 2023 Assembly. The exemption applies as of the December 31, 2023 assessment date, or effectively for all tax years beginning on or after January 1, 2024. Article 1 of 2023-H 5200 Substitute A, as amended, includes language to reappropriate the authorized funding to FY 2025, the year reimbursements are anticipated to be paid. The Department requests \$28.0 million for FY 2025; as this funding is accounted for in the enacted budget, the request double counts those resources. *The Governor recommends shifting the enacted \$28.0 million to FY 2025, when the payments will be made.*

Other Staffing and Operations. The Department requests \$51,838 more than enacted from general revenues for its staffing expenses for the remaining 33.0 full-time equivalent positions. This includes \$59,085 more for the director's office primarily to reflect filling the director position, offset by \$7,247 for all other staffing adjustments throughout revenue analysis, municipal finance, and the collections unit. All other expenses are as enacted. *The Governor recommends \$45,428 less than requested. This includes reductions of \$125,205 to reflect available turnover savings and an updated estimate of statewide medical benefits rates, and \$223 for other statewide adjustments, offset by \$80,000 more for legal expenses.*

Legislature

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
General Assembly	\$ 7,854,588	\$ 7,292,334	\$ 9,326,306	\$ 9,330,903
Fiscal Advisory Staff	2,105,213	2,393,445	2,476,383	2,484,631
Legislative Council	3,598,986	5,320,904	5,567,974	5,606,592
Joint Comm. On Legislative Affairs	27,887,118	31,075,736	35,022,950	35,153,045
Office of the Auditor General	5,362,126	6,992,457	7,260,025	7,288,195
Special Legislative Commissions	6,607	13,900	13,900	13,898
Total	\$ 46,814,638	\$ 53,088,776	\$ 59,667,538	\$ 59,877,264
Expenditures by Category				
Salaries and Benefits	\$ 38,148,206	\$ 44,543,552	\$ 46,052,189	\$ 46,263,931
Contracted Services	423,165	888,600	2,479,700	2,479,700
Subtotal	\$ 38,571,371	\$ 45,432,152	\$ 48,531,889	\$ 48,743,631
Other State Operations	5,283,829	4,504,624	6,994,149	6,992,133
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,269,565	2,300,000	2,300,000	2,300,000
Capital	663,738	852,000	1,841,500	1,841,500
Capital Debt Service	26,135	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 46,814,638	\$ 53,088,776	\$ 59,667,538	\$ 59,877,264
Sources of Funds				
General Revenue	\$ 45,119,046	\$ 50,998,683	\$ 57,271,721	\$ 57,472,017
Federal Aid	-	-	-	-
Restricted Receipts	1,695,592	2,090,093	2,395,817	2,405,247
Other	-	-	-	-
Total	\$ 46,814,638	\$ 53,088,776	\$ 59,667,538	\$ 59,877,264
FTE Authorization	298.5	298.5	298.5	298.5
FTE Average	237.7			

FY 2024 Revised Request. The Legislature’s revised budget of \$59.7 million includes \$6.3 million from the \$12.5 million reappropriation from FY 2023 and 298.5 full-time equivalent positions. *The Governor recommends adding \$0.2 million, almost entirely from general revenues, to account for statewide utility savings and increased employee health benefit rates.*

Office of the Lieutenant Governor

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 1,119,335	\$ 1,193,041	\$ 1,234,339	\$ 1,210,147
Contracted Services	59,750	68,000	68,000	68,000
Subtotal	\$ 1,179,085	\$ 1,261,041	\$ 1,302,339	\$ 1,278,147
Other State Operations	122,779	149,540	149,540	135,494
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	5,795	-	-	-
Capital	8,603	750	750	750
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,316,262	\$ 1,411,331	\$ 1,452,629	\$ 1,414,391
Sources of Funds				
General Revenue	\$ 1,316,886	\$ 1,411,331	\$ 1,452,629	\$ 1,414,391
Federal Aid	(624)	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,316,262	\$ 1,411,331	\$ 1,452,629	\$ 1,414,391
FTE Authorization	8.0	8.0	8.0	8.0
FTE Average	8.0			

FY 2024 Revised Request. The Office of the Lieutenant Governor requests \$41,298 more than enacted from general revenues, primarily for seasonal policy interns. *The Governor recommends \$3,060 more than enacted from general revenues, primarily for statewide adjustments.*

Seasonal Policy Interns. The Office's revised request includes \$44,321 more than enacted for temporary staff positions to pursue federal grant opportunities. The Office will continue to pursue federal grant opportunities for its work related to the State Long-Term Care Coordinating Council, which is chaired by the Lieutenant Governor. The positions will also assist with administrative tasks and existing Office initiatives, including areas such as health care, housing, and services for veterans and older adults. As of early October, the Office has three seasonal policy interns. While the enacted budget may have understated costs, the request appears to overfund them. *The Governor recommends \$27,431 less than requested based on updated calculations by the Budget Office.*

Salaries and Benefits. The Office requests \$3,023 less than enacted, to reflect current staff costs and fully fund the Office's 8.0 full-time equivalent positions. The enacted budget included turnover savings equivalent to 0.1 position. As of November, the Office had no vacancies. *The Governor recommends \$3,239 more than requested to account for increased employee health benefit rates.*

Other Operations. The Office requests funding consistent with the enacted budget for all other operations. Expenses include \$58,101 for information technology services provided through the Department of Administration, \$55,131 for office supplies and equipment, and \$4,432 for its share of state fleet expenses.

The Governor recommends \$14,046 less than requested for office supplies and equipment to offset increases to fund seasonal policy interns, including changes to account for statewide utility savings.

Office of the Secretary of State

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Administration	\$ 4,226,682	\$ 4,639,961	\$ 4,883,906	\$ 4,893,335
Corporations	2,647,063	2,815,916	2,814,846	2,819,649
State Archives	747,866	756,379	712,109	713,280
Elections and Civics	3,975,961	4,677,314	3,562,747	3,537,620
State Library	884,222	879,042	641,078	642,724
Office of Public Information	543,586	655,466	704,783	706,118
Total	\$ 13,025,380	\$ 14,424,078	\$ 13,319,469	\$ 13,312,726
Expenditures by Category				
Salaries and Benefits	\$ 7,510,967	\$ 7,895,002	\$ 7,840,549	\$ 7,868,548
Contracted Services	464,431	1,094,980	1,113,380	1,113,380
Subtotal	\$ 7,975,398	\$ 8,989,982	\$ 8,953,929	\$ 8,981,928
Other State Operations	4,157,460	4,624,396	3,609,840	3,576,098
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	143,000	418,000	418,000	418,000
Capital	121,953	336,700	337,700	336,700
Capital Debt Service	627,569	-	-	-
Operating Transfers	-	55,000	-	-
Total	\$ 13,025,380	\$ 14,424,078	\$ 13,319,469	\$ 13,312,726
Sources of Funds				
General Revenue	\$ 11,966,380	\$ 11,839,843	\$ 10,909,847	\$ 10,902,244
Federal Aid	562,061	2,001,207	2,001,207	2,001,207
Restricted Receipts	496,939	583,028	408,415	409,275
Other	-	-	-	-
Total	\$ 13,025,380	\$ 14,424,078	\$ 13,319,469	\$ 13,312,726
FTE Authorization	61.0	61.0	61.0	61.0

FY 2024 Revised Request. The Office of the Secretary of State requests \$1.1 million less than enacted for FY 2024, of which \$0.9 million is from general revenues and \$0.2 million is from restricted receipts. *The Governor recommends \$6,743 less than requested, including \$7,603 less from general revenues.*

Legal Counsel. The 2023 Assembly provided \$202,000 from general revenues for a new full-time equivalent legal counsel position, consistent with the request made by the Secretary of State prior to enactment of the FY 2024 budget. The position was filled during July. The request adds \$2,856 to adjust for the actual cost. *The Governor recommends funding essentially as requested.*

Network IT Manager. The 2023 Assembly provided \$129,044 from general revenues for a new full-time equivalent network manager position, consistent with the request made by the Secretary of State prior to enactment of the FY 2024 budget. The position was filled as of December. The Office requests \$13,535 less than enacted to adjust for the projected cost. *The Governor recommends funding essentially as requested.*

State Grants. Consistent with the enacted budget, the Office requests \$318,000 from general revenues for state grants to four local cultural organizations and for Rhode Island students to attend a national competition. This includes \$168,000 to support historical libraries, of which \$125,000 is for the Rhode Island Historical Society, \$25,000 is for the Rhode Island Black Heritage Society, and \$18,000 is for the Newport Historical Society in accordance with Chapter 29-2 of the General Laws, for the purpose of caring for, preserving, and cataloguing 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 2023 Assembly added grants for the Rhode Island Black Heritage Society, Rhode Island Council for the Humanities, and the We the People Civics Challenge. *The Governor recommends funding as requested.*

Elections Equipment Contract Shift. The enacted budget includes \$1.3 million from general revenues to support the state's voting machine contracts. The Office requests \$1.1 million less to reflect shifting the election equipment contract liability from the Secretary of State to the Board of Elections. This results in \$200,000 to account for paying the July 2023 licensing fee prior to transferring the expense to the Board of Elections. The 2015 Assembly enacted legislation providing exclusive authority to purchase new elections equipment to the Secretary of State's office. The 2023 Assembly enacted 2023-H 5462 Substitute A, requiring the Board of Elections, in consultation with the Secretary of State to submit the specifications for new equipment. The Board of Elections' revised request includes \$0.6 million for this expense, which it subsequently noted is understated. *The Governor recommends \$26,765 less than requested which assumes use of already budgeted Help America Vote Act funds to maintain the Centralized Voter Roll System.*

Records Center. The Office requests \$9,703 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 \$181,498 more than FY 2023 and \$246,968 more than FY 2022. Its expenses are budgeted in user agencies that pay a portion of their operating costs for record storage and retrieval. Payments to support the expenses will need to increase accordingly. The request to fully fund 4.2 full-time equivalent positions is \$43,183 less than enacted to reflect 60 percent of the six positions of the archives and Records Center, and one position from the Office of Public Information. The request also adds \$11,000 for an updated electronic security contract and \$25,000 for records storage and retrieval, offset by \$9,020 less for several items based on prior year spending.

The staff allocation is consistent with the enacted assumptions, but substitutes a lower cost position from the Office of Public Information, for the one assumed in the enacted budget. The net savings from the substitution for the Records Center are \$44,244, offset by \$1,061 more for all other adjustments. For the last two fiscal years, actual collections have been insufficient to support positions outside the Records Center and archives. Records Center employees are housed at the State Archives facility. *The Governor recommends \$1,783 more than requested for increased employee health benefit rates.*

State Archives. The Office requests \$44,270 less than enacted from all sources for the staffing and operations of the state's archives, including \$130,343 more from general revenues. The staffing request is \$23,135 less than enacted, reflecting \$106,178 from general revenues not assumed in the enacted budget, offset by \$129,313 less from restricted receipts. For all other spending, general revenues are \$24,165 more than enacted, primarily to reflect utility expenses consistent with FY 2023 and an updated electronic security contract. Restricted receipts are \$45,300 less, based on prior year spending. The Office reports distributing more costs to general revenues because restricted historical records trust revenues for FY 2023 were \$173,800, nearly a third lower than FY 2022.

The archives' staffing request totals \$371,203 and fully funds 2.8 full-time equivalent positions and a summer fellowship. The allocation represents the remaining 40.0 percent of the six positions of the archives and Records Center, and one position from the Office of Public Information. It substitutes a lower cost

position from the Office of Public Information, for the one assumed in the enacted budget. The net savings from the substitution for the archives are \$29,497, offset by \$5,250 for a summer fellowship and \$1,112 for all other adjustments. For the last two years, actual revenues have been insufficient to support positions outside the Records Center and archives. *The Governor recommends funding essentially as requested.*

Semiquincentennial Commission. The Office requests \$74,451 more from general revenues for the Semiquincentennial Commission dedicated to preparing commemorative celebrations. 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 enacted budget includes \$70,000 for consultant expenses to support the Commission and \$30,000 for its operations. The Commission has historically developed its operating budget as it meets after accounting for the contracted support costs. The incumbent contractor was hired by the office for a separate staff role during March 2023. The request includes \$100,000 for the commission and adds \$74,410 for a seasonal employee, hired consistent with the contractor's departure, for 35 hours per week to support the Commission. The request appears to be \$6,543 more than reportedly spent for the role in FY 2023. The request does not account for the coordinator as a full-time equivalent position, though it appears to meet the definition in the appropriations act, which is a term of employment that exceeds 26 weeks, and scheduled for at least 925 hours in a one-year period. *The Governor recommends funding as requested and includes no change to the staffing authorization.*

Turnover. The Office requests \$95,090 less from general revenues than enacted for its 52.0 remaining full-time equivalent positions, excluding the 9.0 full-time equivalent positions and seasonal staffer discussed separately. It includes \$20,000 of turnover savings, equivalent to 0.2 full-time equivalent positions. It should be noted there is also a \$45,249 discrepancy between the personnel supplement and the requested funding, suggesting additional savings may be available. *The Governor recommends \$26,761 more from general revenues than requested to reflect increased employee health benefit rates.*

Other Operations. The Office requests \$61,790 more than enacted from general revenues, for its other operations. This includes increases of \$13,400 to update the capital estimates for a new state archives facility, \$50,000 for mailings from the Corporations division, \$10,827 for Electronic Registration Information Center membership costs, and \$1,232 for centralized information technology services provided by the Department of Administration, offset by a \$14,103 reduction for fleet expenses. It should be noted that the FY 2024 Electronic Registration Information Center membership costs were paid during FY 2023. The Office makes a number of other adjustments within the enacted spending level. The request excludes any National Historical Publications and Records grant federal funds. *The Governor recommends \$7,956 less from general revenues than requested, of which \$1,356 is statewide rebate savings and \$6,600 reflects reductions to printing, travel, and computer hardware costs to the enacted level.*

Office of the General Treasurer

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
General Treasurer	\$ 3,761,384	\$ 4,135,387	\$ 4,144,737	\$ 4,036,268
Unclaimed Property	2,340,930	2,604,026	2,779,825	2,758,762
Employees' Retirement System	10,570,782	15,419,006	15,096,973	15,058,392
Crime Victim Compensation	1,388,429	1,877,046	1,683,490	1,682,618
Subtotal	\$ 18,061,525	\$ 24,035,465	\$ 23,705,025	\$ 23,536,040
Expenditures by Category				
Salaries and Benefits	\$ 11,821,338	\$ 13,189,987	\$ 13,082,047	\$ 12,980,088
Contracted Services	3,639,457	6,202,519	6,202,519	6,202,519
Subtotal	\$ 15,460,795	\$ 19,392,506	\$ 19,284,566	\$ 19,182,607
Other State Operations	1,424,443	2,842,541	2,864,041	2,797,015
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,114,501	1,706,993	1,462,993	1,462,993
Capital	61,786	93,425	93,425	93,425
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 18,061,525	\$ 24,035,465	\$ 23,705,025	\$ 23,536,040
Sources of Funds				
General Revenue	\$ 3,624,716	\$ 3,995,808	\$ 4,067,953	\$ 3,980,018
Federal Aid	706,784	766,369	766,542	763,919
Restricted Receipts	13,092,062	18,578,032	18,256,798	18,197,154
Other	637,963	695,256	613,732	594,949
Total	\$ 18,061,525	\$ 24,035,465	\$ 23,705,025	\$ 23,536,040
FTE Authorization	89.0	91.0	91.0	91.0
FTE Average	84.7			

FY 2024 Revised Request. The Office of the General Treasurer requests \$330,440 less from all sources, including \$72,145 more from general revenues. *The Governor recommends \$0.5 million less than enacted and \$0.2 million less than requested. General revenues are \$15,790 less than enacted.*

Crime Victim Compensation. The Office requests \$193,556 less from all sources including \$26,056 less from general revenues for the Crime Victim Compensation program. This includes \$244,000 less for claims, of which \$75,000 is from general revenues, to more closely align the budget with FY 2023 spending. It also adds \$28,944 from general revenues for the 4.0 full-time equivalent positions that support the program as well as portions of ten other positions to reduce turnover savings and \$20,000 from general revenues for claim management software licenses. 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 2023 totaled \$321,897. The revised request assumes \$380,000. *The Governor adds \$5,669 from general revenues primarily to account for statewide utility savings and increased employee health benefit rates.*

Centralized Services. The Office requests the enacted level of \$0.6 million from all sources for centralized facilities management and information technology services. This includes \$0.4 million from general revenues. Based on FY 2023 spending, the FY 2024 enacted budget is \$0.4 million more than likely spending; general revenues would be \$0.1 million overfunded. Facilities would be overfunded by \$0.4 million and information technology would be \$18,060 overfunded. It is unclear if expenses are allocated to the right fund sources. *The Governor recommends \$94,047 less than requested, including \$34,377 less from general revenues to account for statewide utility savings.*

Other Operations. The Office requests \$0.1 million less than enacted for other salaries and benefits, including \$96,701 more from general revenues based on current staffing levels and adjustments to cost allocations and staffing among programs. As of late October, there were 4.0 vacancies among all programs. The revised request is \$1.1 million or 10.1 percent more than spent in FY 2023.

The Governor recommends \$80,607 less than requested, including \$59,227 less from general revenues. This includes increased employee health benefit rates offset by additional turnover savings and an additional \$27,061 from general revenues for unidentified operating expenses.

Rhode Island Board of Elections

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 1,966,297	\$ 2,143,252	\$ 2,155,260	\$ 2,152,820
Contracted Services	296,198	313,550	313,550	385,000
Subtotal	\$ 2,262,495	\$ 2,456,802	\$ 2,468,810	\$ 2,537,820
Other State Operations	1,261,746	1,516,926	2,159,926	2,139,198
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,288,862	-	-	-
Capital	42,415	8,000	8,000	2,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 5,855,518	\$ 3,981,728	\$ 4,636,736	\$ 4,679,018
Sources of Funds				
General Revenue	\$ 5,861,157	\$ 3,981,728	\$ 4,636,736	\$ 4,679,018
Federal Aid	(5,639)	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 5,855,518	\$ 3,981,728	\$ 4,636,736	\$ 4,679,018
FTE Authorization	13.0	13.0	13.0	13.0
FTE Average	12.0			

FY 2024 Revised Request. The Board of Elections requests \$0.7 million more than enacted from general revenues for FY 2024, reflecting an expected shift of expenses from the Secretary of State’s budget. *The Governor recommends \$0.7 million more than enacted from general revenues, primarily to reflect the shift of expenses.*

Elections Equipment Contract Shift. The Board of Elections requests \$643,000 more than enacted from general revenues to reflect shifting the liability for an election equipment contract from the Secretary of State to the Board of Elections. The Board subsequently noted its request is understated, citing a \$1.1 million total; it should be noted that the Secretary of State paid \$0.2 million of that contract prior to transferring the liability to the Board. The 2015 Assembly enacted legislation providing exclusive authority to purchase new elections equipment to the Secretary of State’s office. The 2023 Assembly enacted 2023-H 5462, Substitute A, requiring the Board of Elections, in consultation with the Secretary of State, to submit the specifications for new equipment.

The Governor recommends \$264,996 more than requested to reflect the outstanding liability to be paid by the Board. Subsequent to submission of the Governor’s budget, it was reported that the Board had signed a new four-year contract totaling \$2.1 million, of which \$0.3 million is due for FY 2024.

Other Staffing and Operations. The Board of Elections requests \$12,008 more from general revenues for all other expenses to fully fund 13.0 full-time equivalent positions and compensate its board members. The 2022 Assembly provided full funding for a position to support the Let RI Vote Act for FY 2023; that position remains vacant as of December 2023, with a current value of \$125,369, about half of which should

be available as turnover savings. For FY 2023, the Board reported utilizing some of the available turnover savings to adjust expenses for other existing positions.

The request reflects current service adjustments and updated medical benefit selections, offset by lower seasonal elections staff expenses and a technical error for Commissioner's payroll taxes. The Rhode Island Board of Elections is a seven-member standalone Board for which the members serve a nine-year term. Pursuant to Rhode Island General Law, Section 17-7-4, board members are eligible to receive a \$7,000 salary.

The Governor recommends \$222,714 less than requested from general revenues. This includes reductions of \$2,440 for turnover savings, \$158,050 for 2023 election expenses, \$16,601 for centralized information technology expenses, and \$45,623 for all other spending, primarily to account for statewide utility savings.

Rhode Island Ethics Commission

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 1,626,374	\$ 1,725,006	\$ 1,744,646	\$ 1,729,054
Contracted Services	19,770	62,275	62,275	62,275
Subtotal	\$ 1,646,144	\$ 1,787,281	\$ 1,806,921	\$ 1,791,329
Other State Operations	268,972	340,952	362,616	362,499
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	6,318	8,826	8,826	8,826
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,921,434	\$ 2,137,059	\$ 2,178,363	\$ 2,162,654
Sources of Funds				
General Revenue	\$ 1,921,434	\$ 2,137,059	\$ 2,178,363	\$ 2,162,654
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,921,434	\$ 2,137,059	\$ 2,178,363	\$ 2,162,654
FTE Authorization	12.0	12.0	12.0	12.0
FTE Average	11.8			

FY 2024 Revised Request. The Commission requests \$41,304 more from general revenues, of which \$21,664 was reappropriated from FY 2023 to continue development of a new case management system. *The Governor recommends \$15,709 less than requested, including the \$21,664 reappropriation.*

Reappropriation - Case Management System. The enacted budget includes \$40,000 from general revenues to continue the development of a new case management system. The FY 2023 final budget included \$30,000, of which only \$8,336 was spent, and the request includes the Governor's \$21,664 reappropriation. The new system will manage and track complaints filed against, and conflict of interest statements filed by, public officials and employees. The system being replaced does not track conflict of interest statements and is at functional end-of-life. For FY 2025, the Commission is requesting \$50,000 to incorporate financial disclosure and advisory opinion functionality to the new system. *The Governor includes the reappropriated amount.*

Staffing and Operations. The Commission requests \$19,640 more than enacted from general revenues for salary expenses and updated benefits for its 12.0 authorized positions, of which 11.0 positions are filled as of late October. The request retains funding for a position vacated at the end of August; turnover savings are likely available. The request for all other spending is consistent with the enacted budget, but some expenses change to reflect higher occupancy costs, offset by reductions for other functions for which the enacted budget is higher than FY 2023 spending. The Commission's first quarter report assumes available turnover offsets the requested increase. *The Governor recommends \$15,709 less than requested to reflect finalized increased employee medical benefit rates and increased turnover savings. As of December, all positions were filled.*

Office of the Governor

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 6,921,165	\$ 7,773,873	\$ 7,773,873	\$ 7,655,315
Contracted Services	61,123	500	500	500
Subtotal	\$ 6,982,288	\$ 7,774,373	\$ 7,774,373	\$ 7,655,815
Other State Operations	476,658	465,074	465,074	464,328
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	150,000	150,000	150,000
Capital	9,891	17,100	17,100	17,100
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 7,468,837	\$ 8,406,547	\$ 8,406,547	\$ 8,287,243
Sources of Funds				
General Revenue	\$ 7,426,985	\$ 8,406,547	\$ 8,406,547	\$ 8,287,243
Federal Aid	41,852	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 7,468,837	\$ 8,406,547	\$ 8,406,547	\$ 8,287,243
FTE Authorization	45.0	45.0	45.0	45.0
FTE Average	41.1			

FY 2024 Revised Request. The Office of the Governor requests \$8.4 million from general revenues consistent with the enacted budget and funds 43.5 of the Office’s 45.0 full-time equivalent positions. *The Governor recommends \$119,403 less from general revenues than requested and enacted.*

Operations. The Office requests \$7.8 million from general revenues for personnel expenses, which would fully fund 44.0 full-time equivalent positions, 0.5 more than the enacted budget. As of early December, the Office had 35.5 filled positions and is averaging 37.9 filled positions for FY 2024, indicating that additional turnover savings are available. Expenses for all other operations are \$0.6 million, as enacted. *The Governor recommends \$0.1 million less than requested which includes additional turnover savings equivalent to 0.9 positions. The recommendation also includes \$746 less for statewide utility savings and \$31,712 more for increased employee health benefit rates.*

Rhode Island Commission for Human Rights

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 1,559,207	\$ 1,955,845	\$ 1,958,414	\$ 1,968,808
Contracted Services	(16,800)	36,919	123,813	103,811
Subtotal	\$ 1,542,407	\$ 1,992,764	\$ 2,082,227	\$ 2,072,619
Other State Operations	474,710	375,083	388,247	412,532
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	5,312	500	4,500	4,500
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,022,429	\$ 2,368,347	\$ 2,474,974	\$ 2,489,651
Sources of Funds				
General Revenue	\$ 1,758,445	\$ 2,009,246	\$ 2,057,983	\$ 2,071,702
Federal Aid	263,984	359,101	416,991	417,949
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,022,429	\$ 2,368,347	\$ 2,474,974	\$ 2,489,651
FTE Authorization	15.0	15.0	15.0	15.0
FTE Average	12.9			

FY 2024 Revised Request. The Rhode Island Commission for Human Rights requests \$106,627 more than enacted from all sources, including \$48,737 from general revenues and \$57,890 from federal funds. *The Governor recommends \$14,677 more than requested, including \$13,719 more from general revenues.*

Federal Receipts. The revised request assumes total available federal receipts of \$616,488, including new receipts of \$360,091 received for FY 2024, for expenditures totaling \$416,991. This is \$57,890 more than enacted. The Commission spent \$263,904 in FY 2023. The projected surplus at the end of FY 2024 is \$206,143. The Housing and Urban Development award has specific restrictions on what may be spent from those funds; it must directly concern the advancement of fair housing cases. The Equal Employment Opportunity award does not have these restrictions, making expenditures more flexible. *The Governor's recommendation increases federal funding by \$958.*

Salaries and Benefits. The Commission requests \$2,569 more than enacted from all sources for salary and benefit expenses, including \$30,266 less from general revenues and \$32,835 more from federal funds. The reduction to general revenues is associated with changes to medical benefit selections. The federal funds increase is associated with pay classification changes approved at a March 2023 hearing. Consistent with an amendment requested by the Governor, the 2023 Assembly added \$185,044 for the cost of upgrades to general revenue funded positions; however, it did not adjust for upgrades to federally funded positions. As of November 2023, the Commission has no vacancies. *The Governor recommends \$10,394 more, including \$9,436 more from general revenues, primarily to account for increased employee health benefit rates.*

Reappropriation - Case Management System. The Commission requests \$80,744 more than enacted from general revenues for a case management system to streamline intake services, case management and tracking, and consolidate the information. The system coordinates with federal tracking systems and enhances reporting capabilities. The request includes the Governor's reappropriation of \$76,413 of unspent FY 2023 funds and adds \$4,331 for annual licensing fees and an additional user. FY 2023 spending was \$56,411 less than enacted, which is \$20,002 less than reappropriated. The Budget Office indicates that the reappropriation is overstated. *The Governor recommends \$20,002 less to correct the overstatement.*

Other Operations. The Commission requests \$23,314 more than enacted from all sources, including \$1,741 less from general revenues and \$25,055 more from federal funds, for all other operating expenses. The increase reflects \$25,000 from a new federal grant to advertise and promote fair housing, \$2,000 more for additional staff training, and is partially offset by adjustments to more closely reflect FY 2023 spending. *The Governor recommends \$24,285 more from general revenues based on updated estimates for office supplies and information technology centralized services.*

Public Utilities Commission

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 8,190,936	\$ 8,729,784	\$ 8,890,290	\$ 8,938,515
Contracted Services	1,792,149	3,721,836	3,708,836	3,783,836
Subtotal	\$ 9,983,085	\$ 12,451,620	\$ 12,599,126	\$ 12,722,351
Other State Operations	1,307,795	1,429,680	1,470,680	1,134,394
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	35,890	380,000	130,000	130,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 11,326,770	\$ 14,261,300	\$ 14,199,806	\$ 13,986,745
Sources of Funds				
General Revenue	-	-	-	-
Federal Aid	522,308	593,775	699,308	702,387
Restricted Receipts	10,804,462	13,667,525	13,500,498	13,284,358
Other	-	-	-	-
Total	\$ 11,326,770	\$ 14,261,300	\$ 14,199,806	\$ 13,986,745
FTE Authorization	54.0	54.0	54.0	54.0
FTE Average	50.7			

FY 2024 Revised Request. The Public Utilities Commission requests \$61,494 less than enacted from all sources, primarily restricted receipts assessed to the regulated utilities. *The Governor recommends \$0.3 million less than enacted and \$0.2 million less than requested.*

Microgrid Consultant. The Commission’s revised request includes the \$100,000 in the enacted budget for the Commission to hire a consultant to advise it in developing a rate structure to integrate microgrids into the state’s power system. The Commission has not begun to implement this legislative initiative, pending further clarification. *The Governor recommends funding as requested.*

Salaries and Benefits. The Commission requests \$0.2 million more than enacted from federal funds and restricted receipts for salaries and benefits to reflect the restoration of turnover savings equivalent to one full-time equivalent position. The enacted budget assumed about two vacancies. As of early October, the Commission had one vacancy. *The Governor recommends \$48,225 more than requested to account for increased employee health benefit rates.*

Rent. The Commission’s headquarters are in a state-owned building in Warwick. The Commission annually transfers \$333,420 from its restricted receipts to the general fund for rent. Rent for this property has been deposited as general revenues since 2004. Prior to that, proceeds went to the sinking fund for debt defeasance as it was a former asset of the Depositors Economic Protection Corporation. In November, the administration notified the Commission that it would no longer charge it rent effective beginning in FY 2024. The November revenue estimate excludes this payment. *The Governor recommends removing the \$333,420 rent payment.*

Other Operations. The Commission requests \$222,000 less than enacted for other operations. This includes \$1,500 less from federal gas pipeline safety funds and \$220,500 less from restricted receipts assessed to the utilities for general operations. The majority of the change to the enacted budget reflects the removal of \$250,000 that was included for an electronic business portal that the Commission is no longer pursuing. The request is \$2.2 million or 69.3 percent more than spent in FY 2023. The budget typically overstates expected spending. *The Governor recommends \$72,134 more than requested to account for statewide utility savings.*

Executive Office of Health and Human Services

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Central Management	\$ 207,072,939	\$ 253,531,253	\$ 295,640,502	\$ 287,654,449
Medical Assistance	3,154,044,133	3,561,482,505	3,569,020,071	3,420,620,733
Total	\$ 3,361,117,072	\$ 3,815,013,758	\$ 3,864,660,573	\$ 3,708,275,182
Expenditures by Category				
Salaries and Benefits	\$ 31,182,888	\$ 36,358,849	\$ 37,081,695	\$ 37,227,556
Contracted Services	114,141,568	174,703,985	196,318,868	164,891,469
Subtotal	\$ 145,324,456	\$ 211,062,834	\$ 233,400,563	\$ 202,119,025
Other State Operations	10,882,613	12,542,619	13,487,416	13,165,486
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	3,204,901,175	3,591,222,090	3,617,654,364	3,492,872,441
Capital	8,828	186,215	118,230	118,230
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,361,117,072	\$ 3,815,013,758	\$ 3,864,660,573	\$ 3,708,275,182
Sources of Funds				
General Revenue	\$ 1,083,850,138	\$ 1,314,146,804	\$ 1,316,067,409	\$ 1,280,599,214
Federal Aid	2,254,454,475	2,448,794,456	2,489,074,893	2,367,067,094
Restricted Receipts	22,812,459	52,072,498	59,518,271	60,608,874
Other	-	-	-	-
Total	\$ 3,361,117,072	\$ 3,815,013,758	\$ 3,864,660,573	\$ 3,708,275,182
FTE Authorization	204.0	218.0	218.0	218.0
FTE Average	176.8			

FY 2024 Revised Request. The Executive Office includes \$49.6 million more from all sources for total funding of \$3,864.7 million in its revised request. This includes \$40.3 million more from federal funds, \$7.4 million more from restricted receipts and \$1.9 million more from general revenues. The revised request was submitted in October and does not reflect the revised caseload estimates adopted in November.

The Governor recommends \$156.4 million less than requested, which includes \$35.5 million less from general revenues. The recommendation decreases medical assistance expenses by \$148.9 million, including \$33.8 million less from general revenues, to reflect the November caseload estimate and a proposed delay in implementation of the Certified Community Behavioral Health Clinics.

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.

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 2024 guidelines are shown in the following table.

Percent of Federal Poverty Level Based on Annual Income								
Family Size	100%	133%	135%	175%	180%	185%	200%	225%
1	\$ 15,060	\$ 20,030	\$ 20,331	\$ 26,355	\$ 27,108	\$ 27,861	\$ 30,120	\$ 33,885
2	20,440	27,185	\$ 27,594	35,770	36,792	37,814	40,880	45,990
3	25,820	34,341	\$ 34,857	45,185	46,476	47,767	51,640	58,095
4	31,200	41,496	\$ 42,120	54,600	56,160	57,720	62,400	70,200
5	36,580	48,651	\$ 49,383	64,015	65,844	67,673	73,160	82,305
6	41,960	55,807	\$ 56,646	73,430	75,528	77,626	83,920	94,410
7	47,340	62,962	\$ 63,909	82,845	85,212	87,579	94,680	106,515
8	52,720	70,118	\$ 71,172	92,260	94,896	97,532	105,440	118,620

For families with more than 8 members, add \$5,380 for each additional member for the 100 percent calculation.

Medical Assistance

The Caseload Estimating Conference met on November 7, 2023, and based on current law set the FY 2024 medical assistance expenditures at \$3,381.7 million, including \$1,237.5 million from general revenues, which is \$137.5 million less than enacted from all funds and \$29.4 million less from general revenues. Consistent with the enacted assumptions, the enhanced Medicaid rate available as a result of the public health emergency will be phased down through the second quarter of FY 2024. 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 2022 and FY 2023, adopted by the caseload estimators in November 2023, enacted by the 2023 Assembly and recommended by the Governor. Each category is discussed separately.

Medical Assistance	FY 2022 Spent	FY 2023 Spent	FY 2024 Enacted	FY 2024 Nov. CEC	FY 2024 Gov. Rev.
Hospitals					
Regular Payments	\$ 68.9	\$ 65.2	\$ 59.0	\$ 59.2	\$ 59.2
State Directed Payments	-	-	287.9	287.9	287.9
DSH Payments	287.5	158.9	14.7	14.7	14.7
Total	\$ 356.4	\$ 224.2	\$ 361.6	\$ 361.8	\$ 361.8
Long Term Care					
Nursing and Hospice Care	\$ 291.4	\$ 295.7	\$ 344.8	\$ 328.8	\$ 328.8
Home and Community Care	97.9	123.7	133.4	152.2	152.2
Total	\$ 389.4	\$ 419.5	\$ 478.2	\$ 481.0	\$ 481.0
Managed Care					
Rite Care	\$ 811.0	\$ 943.6	\$ 1,036.3	\$ 989.6	\$ 987.5
Rite Share	2.2	2.2	2.3	2.1	2.1
Fee For Service	25.8	25.7	31.4	29.1	29.1
Total	\$ 839.0	\$ 971.5	\$ 1,070.0	\$ 1,020.8	\$ 1,018.7
Rhody Health Partners	\$ 291.5	\$ 288.6	\$ 326.8	\$ 303.1	\$ 301.1
Medicaid Expansion	\$ 722.7	\$ 784.5	\$ 821.7	\$ 755.7	\$ 753.6
Rhody Health Options	\$ 132.5	\$ 165.4	\$ 175.2	\$ 179.9	\$ 179.9
Pharmacy	\$ (1.0)	\$ (2.2)	\$ 1.3	\$ (0.3)	\$ (0.3)
Pharmacy Part D Clawback	\$ 69.4	\$ 81.3	\$ 95.7	\$ 98.0	\$ 98.0
Other Medical Services	\$ 145.0	\$ 159.3	\$ 188.7	\$ 181.7	\$ 176.5
Medical Assistance Total	\$ 2,944.8	\$ 3,091.9	\$ 3,519.2	\$ 3,381.7	\$ 3,370.3
Federal Funds	\$ 1,981.8	\$ 2,051.5	\$ 2,243.8	\$ 2,135.7	\$ 2,128.7
General Revenues	953.6	1,030.5	1,266.9	1,237.5	1,233.1
Restricted Receipts	9.5	9.9	8.5	8.5	8.5

\$ in millions

The Governor recommends \$11.4 million less than the caseload estimate, including \$4.4 million less from general revenues, reflecting a five-month delay in implementation of the Certified Behavioral Health Clinics initiative from February 1 to July 1, 2024.

Certified Community Behavioral Health Clinics. The enacted budget includes \$20.3 million, of which \$6.9 million is from general revenues, for five months of expenses reflecting a February 1, 2024 start date to implement the federal model for the Certified Community Behavioral Health Clinics. The original date was July 1, 2023. Testimony from the Executive Office at the November Caseload Estimating Conference assumes contingently certifying three sites by February 1, 2024 and certifying ten sites by July 1, 2024, but was delayed by the 2023 Assembly based on a budget recommendation from the Governor. The November conference estimate includes \$11.4 million, of which \$4.3 million is from general revenues for FY 2024 and \$122.6 million, of which \$49.3 million is from general revenues for FY 2025.

The Governor proposes Section 4 of Article 9 of 2024-H 7225 to move the start date to July 1 and eliminates funding included in the November caseload conference; this change affects several programs which are discussed separately. The article also adds language declaring that any changes in federal requirements, or guidance, could result in the Executive Office of Health and Human Services delaying certification of a clinic or clinics.

Hospitals

The November Caseload Estimating Conference estimate includes FY 2024 expenditures of \$361.8 million, of which \$123.5 million is from general revenues. The estimate includes \$36.4 million for inpatient and outpatient medical services, or \$0.2 million more than enacted, based on anticipated utilization. It also includes \$287.9 million for the state hospital directed payment, \$16.5 million for supplemental hospitals payments, and \$2.5 million for graduate medical education payments. The Executive Office’s revised request does not reflect the adopted estimate.

Community Hospitals	FY 2023 Spent	FY 2024 Enacted	FY 2024 Nov. CEC	FY 2024 Governor
Uncompensated Care Payments				
State	\$ 63,480,362	\$ 6,631,019	\$ 6,631,019	\$ 6,631,019
Federal	95,440,986	8,107,853	8,107,853	8,107,853
Subtotal	\$ 158,921,348	\$ 14,738,872	\$ 14,738,872	\$ 14,738,872
State-Directed Payment				
State	\$ -	\$ 88,293,022	\$ 90,391,035	\$ 90,391,035
Federal	-	199,634,003	197,535,990	197,535,990
Subtotal	\$ -	\$ 287,927,025	\$ 287,927,025	\$ 287,927,025
Upper Payment Limit				
State	\$ 7,991,810	\$ 6,494,272	\$ 6,252,622	\$ 6,252,623
Federal	15,389,578	10,648,588	10,252,372	10,252,371
Subtotal	\$ 23,381,388	\$ 17,142,860	\$ 16,504,994	\$ 16,504,994
Graduate Medical Education				
State	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Total	\$ 184,802,736	\$ 322,308,757	\$ 321,670,891	\$ 321,670,891

Disproportionate Share Payments to Hospitals. The November caseload estimate includes \$14.7 million for the disproportionate share payments for uncompensated care costs to the state’s community hospitals. This includes \$6.6 million from general revenues and matching federal funds. This total is consistent with the enacted budget and revised request. The state’s federal allotment is \$8.4 million matched by general revenues to total \$15.3 million. Starting with FY 2024, Rhode Island’s federal payment was lowered by about 90 percent to reflect 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.

Rhode Island's calculation for the uncompensated care payments includes the costs incurred treating uninsured individuals and the Medicaid "shortfall" which represents the difference between payments made by the state for its Medicaid recipients (including managed care enrollees and fee-for-service patients) and what the hospital's costs are for that treatment. Each hospital has its own set of costs for each procedure so there may be different charges for the same procedures among hospitals; however, the state pays the same rate for the same services for Medicaid-eligible individuals, regardless of which hospital provides the treatment. *The Governor recommends funding consistent with the caseload estimate.*

State Directed Payments. The conference estimate includes \$287.9 million, of which \$90.4 million is from general revenues, for a newly established hospital state-directed payment program through the managed care plans to promote quality improvements at the community hospital. The total is consistent with the enacted budget but the estimate adjusts the Medicaid rate for revised enrollment among eligibility groups resulting in a shift of \$2.3 million from federal funds to general revenues. *The Governor recommends funding consistent with the caseload estimate.*

Upper Payment Limit Reimbursements. The conference estimate includes \$16.5 million, of which \$6.3 million is from general revenues, for the inpatient and outpatient upper payment limit reimbursements. This is \$0.6 million less than enacted to reflect updated hospital information. *The Governor recommends funding consistent with the caseload estimate.*

Graduate Medical Education. The enacted budget includes \$2.5 million from general revenues for graduate medical education programs at the Level I Trauma Center at Lifespan, \$1.0 million for neo-natal intensive care unit level of care and \$0.5 million for Landmark Hospital for its medical training program. The Executive Office's revised request and the November caseload estimate include funding consistent with the enacted budget. *The Governor recommends funding consistent with the caseload estimate.*

Long Term Care

Long Term Care. The November Caseload Estimating Conference estimate includes long term care expenses of \$481.0 million, of which \$212.8 million is from general revenues. This includes \$328.8 million for nursing facilities and hospice care and \$152.2 million for home and community care. The caseload estimate is \$2.8 million more than the enacted budget, including \$1.2 million more from general revenues.

The estimate includes a decrease of \$16.0 million for nursing facilities, which excludes \$11.8 million related to an expected shift of expenses from Rhody Health Options that did not occur. The remaining reduction relates to claims activity including no participation in a behavioral health initiative assumed to cost \$2.0 million in prior estimates and a reduction in utilization.

The estimate for home and community-based services is \$18.8 million more than enacted primarily to reflect a projected \$17.3 million increase in personal care services and \$1.4 million in conflict-free case management expenses shifted from other programs. *The Governor recommends funding consistent with the caseload estimate.*

Nursing Facilities and Hospice Care. The Caseload Estimating Conference estimate includes revised expenditures of \$328.8 million, of which \$145.5 million is from general revenues for the state's nursing facilities. This is \$16.0 million less than enacted, including \$7.1 million less from general revenues, for nursing facilities to adjust for expenses not realized from the Rhody Health Options shift and other claims activity. *The Governor recommends funding consistent with the caseload estimate.*

Home and Community Care. The November Caseload Estimating Conference estimate includes \$152.2 million for home and community care expenses, including \$67.3 million from general revenues. This is \$18.8 million more from all sources, including \$8.3 million more from general revenues to shift conflict-free case management expenses from other programs and an increase in home care services. *The Governor recommends funding consistent with the caseload estimate.*

Managed Care

The Caseload Estimating Conference estimate includes managed care expenses of \$1,020.8 million, including \$437.6 million from general revenues and \$583.2 million from federal funds. The estimate decreases enacted funding by \$49.2 million, including \$15.1 million from general revenues. The enacted budget assumes a 5.0 percent increase in the monthly cost per person and the November estimate lowered that to 1.0 percent and reduced enrollment expectations. The November estimate also shifted \$13.0 million of expenses for the Certified Community Behavioral Health Care Clinics and conflict free case management initiatives to the appropriate programs.

The estimate includes RItE Care expenses at \$989.6 million, RItE Share at \$2.1 million and fee-for-service expenses at \$29.1 million; a discussion of each follows. *The Governor recommends \$2.1 million less than the conference estimate to reflect the proposed delay for the Certified Community Behavioral Health Clinics initiative.*

RItE Care. The Caseload Estimating Conference estimated RItE Care expenditures at \$989.6 million, including \$427.3 million from general revenues and revisions to the caseload enrollment and payments that influence program costs. The estimate is \$46.7 million less than enacted and primarily attributable to a lower than projected cost increase in the monthly premium payment and the delayed implementation of the Certified Community Behavioral Health Clinic initiative. The estimate also includes \$12.5 million from general revenues, or \$5.1 million more than enacted, to expand coverage through the Cover All Kids initiative. *The Governor recommends \$2.1 million less than the conference estimate.*

RItE Share. The Caseload Estimating Conference estimate includes RItE Share expenditures of \$2.1 million, including \$1.0 million from general revenues and is consistent with the enacted budget.

The RItE Share program allows families who are 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 recommends funding consistent with the conference estimate.*

Fee-Based Managed Care. The Caseload Estimating Conference estimate includes fee-based managed care expenditures of \$29.1 million, of which \$12.9 million is general revenues. The expenses are for additional services provided to those in the contracted managed care system are \$2.3 million less than enacted. *The Governor recommends funding consistent with the conference estimate.*

Rhody Health Partners

The Caseload Estimating Conference estimate includes FY 2024 expenditures of \$303.1 million, including \$135.2 million from general revenues for the managed care program for adults with disabilities. The revised request is consistent with the enacted budget and does not reflect the adopted estimate.

The estimate is \$23.7 million less than the enacted, including \$10.6 million less from general revenues, based on updated data showing a decrease in the monthly cost per person and lower enrollment than the original estimate. The enacted estimate assumed a 5.0 percent increase and the revised lowers that to 1.9 percent along with a revised projection of 13,822 enrollees, or 403 fewer than assumed in the enacted

budget. *The Governor recommends \$2.0 million less than the conference estimate to reflect the proposed delay for the Certified Community Behavioral Health Clinics initiative.*

Medicaid Expansion

The November caseload estimate decreases spending by \$66.0 million for total funding of \$755.7 million to provide Medicaid coverage to adults between ages 19 to 64, without dependent children, and with incomes at or below 138 percent of poverty. The estimate is based on updated data showing a decrease in the monthly cost per person from the original estimate. It reflects an 8.0 percent reduction instead of the 5.0 percent increase originally assumed and keeps enrollment at approximately 102,800, essentially consistent with the enacted budget. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate.

The Governor recommends \$2.1 million less than the conference estimate to reflect the proposed delay for the Certified Community Behavioral Health Clinics initiative.

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 caseload conference estimate includes \$179.9 million, including \$79.6 million from general revenues. This represents an increase of \$4.7 million compared to the enacted budget, reflecting a higher monthly cost per person than projected in the enacted estimate and slightly lower enrollment. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate. *The Governor recommends funding consistent with the conference estimate.*

Pharmacy

The Caseload Estimating Conference estimate includes pharmacy expenses of \$97.7 million from all sources, which is \$0.7 million more than enacted. This includes \$1.6 million more from general revenues and \$0.9 million less from federal rebates. The estimate includes both direct pharmacy costs and the state's estimated Medicare Part D clawback payment. *The Governor recommends funding consistent with the conference estimate.*

Fee-for-Service. The Caseload Estimating Conference estimate includes savings of \$0.3 million for FY 2024 pharmacy expenses, which reflects updated fee-for-service pharmacy costs and federal rebates. The estimate is \$1.6 million less than enacted, including \$0.7 million from general revenues and \$0.9 million from federal rebates. *The Governor recommends funding consistent with the 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 \$98.0 million, or \$2.3 million more than enacted, based on increased enrollment. *The Governor recommends funding consistent with the caseload estimate.*

The plan provides coverage with a series of deductibles and co-payments based on the recipient's income level. For individuals enrolled in Medicaid as well as 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, which has been calculated based on a nationwide formula. The dual eligibles do not pay any annual deductible but do pay a \$1 co-payment for generic drugs or \$3 co-payment for brand names. *The Governor recommends funding consistent with the caseload estimate.*

Other Medical Services

Other Medical Services. The Caseload Estimating Conference estimate includes expenditures for other medical services of \$181.7 million, which includes \$69.8 million from general revenues and \$103.4 million from federal funds. The estimate also includes \$8.5 million from restricted receipts, which provides direct general revenue savings from assessments to 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 \$7.0 million less than the enacted budget, including \$2.3 million less from general revenues and \$4.7 million less from federal funds. This includes \$13.1 million less than enacted for conflict-free case management expenses shifted to other programs and \$1.5 million less for federally funded COVID-19 vaccinations. This is partially offset by \$3.5 million more for the Certified Community Behavioral Health Clinic initiative, \$0.4 million for Medicare premium payments, and \$3.7 million more for all other medical and professional services. The revised request is consistent with the enacted budget and does not reflect the adopted estimate. *The Governor recommends \$5.2 million less than the conference estimate to reflect the proposed delay for the Certified Community Behavioral Health Clinics initiative.*

Administration

Unified Health Infrastructure Project. Costs for the Unified Health Infrastructure Project are included in the budgets of the Executive Office of Health and Human Services, Department of Human Services and HealthSource RI through the Department of Administration's budget. The expenses to operate the eligibility system, now known as RI Bridges, include design and development, maintenance and operation, financial consultants, postage and notification, and staff from the Division of Information Technology to assist with the system functions, and are identified separately in the budget submissions of those agencies. This separate identification allows for the comparison of expenses to the enacted budget and prior years. For FY 2024, expenses are \$105.4 million, or \$7.8 million more than enacted, including \$0.2 million more from general revenues, as shown in the following table.

There are other expenses that 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 a determination eligibility that are also budgeted in multiple agencies and are considered part of the project.

The Executive Office's revised request includes \$64.1 million from all sources, including \$57.4 million for contracted services, \$4.5 million for staffing and \$2.2 million for operating expenses for a share of system costs. This is \$5.8 million more than enacted, including \$0.2 million less from general revenues, \$5.8 million more from federal funds and \$0.2 million from unspent Deloitte Settlement funds.

The \$57.4 million for contracted services is \$4.0 million more than enacted, including \$0.5 million less from general revenues, \$4.3 million more from federal funds and \$0.2 million more from settlement funds. The revised request is \$17.1 million more than FY 2023 actual expenses, and includes expenses for the public health emergency unwinding and one-time expenses for implementing expansions to the Medicaid program. The revised request reflects projected spending and shifts expenses from the development phase to project maintenance. The Executive Office also requests \$23.2 million for FY 2024 in its capital request, discussed separately in the Capital Budget section of this publication.

The request also includes \$4.5 million for salary and benefit expenses, \$1.3 million more than enacted and \$0.6 million more than FY 2023 actual expenses. The revised request includes updated staffing costs for 27.5 full-time equivalent positions.

Unified Health Infrastructure Project/Contact Center	General Revenues	Federal Funds	Deloitte Settlement Funds	Other Restricted Funds & HealthSource RI	Total
FY 2016 through FY 2023	\$ 107,101,509	\$ 404,194,643	\$ 49,262,860	\$ 20,749,570	\$ 585,593,055
FY 2024 Enacted					
EOHHS	\$ 14,381,097	\$ 43,882,038	\$ -	\$ -	\$ 58,263,135
DHS	13,559,111	18,389,865	-	-	31,948,976
HealthSource RI/Contact Center	2,204,186	-	-	5,166,245	7,370,431
Total	\$ 30,144,394	\$ 62,271,903	\$ -	\$ 5,166,245	\$ 97,582,542
FY 2024 Revised Request					
EOHHS	\$ 14,192,677	\$ 49,701,318	\$ 216,430	\$ -	\$ 64,110,425
DHS	14,375,820	20,051,434	-	-	34,427,254
HealthSource RI/Contact Center	1,728,041	-	-	5,161,227	6,889,268
Total	\$ 30,296,538	\$ 69,752,752	\$ 216,430	\$ 5,161,227	\$ 105,426,947
FY 2024 Gov. Rev.					
EOHHS	\$ 14,195,456	\$ 49,716,388	\$ 216,430	\$ -	\$ 64,128,274
DHS	14,392,414	20,098,223	-	-	34,490,637
HealthSource RI/Contact Center	1,728,043	-	-	5,162,338	6,890,381
Total	\$ 30,315,913	\$ 69,814,611	\$ 216,430	\$ 5,162,338	\$ 105,509,292
Gov. Rev. to Enacted					
EOHHS	\$ (185,641)	\$ 5,834,350	\$ 216,430	\$ -	\$ 5,865,139
DHS	833,303	1,708,358	-	-	2,541,661
HealthSource RI/Contact Center	(476,143)	-	-	(3,907)	(480,050)
Total	\$ 171,519	\$ 7,542,708	\$ 216,430	\$ (3,907)	\$ 7,926,750
FY 2016 through FY 2024 Revised Budget	\$ 137,398,047	\$ 473,947,395	\$ 49,479,290	\$ 25,910,797	\$ 691,020,002

Other contracted expenses supporting the system add \$3.7 million, including \$1.2 million from general revenues, for total expenses of \$67.8 million, including \$15.4 million from general revenues. This includes \$1.2 million from Medicaid to match expenses at HealthSource RI, \$0.8 million for additional funding for public health unwinding, \$1.0 million for the call center, and \$0.7 million for other staff support. This brings the total change to \$6.3 million more from all sources and \$0.2 million more from general revenues. *The Governor recommends \$17,799 more than requested, including \$2,779 from general revenues, to account for increased employee health benefit rates.*

The Work Number. The Executive Office’s revised request adds \$0.4 million, including \$0.1 million from general revenues, for payments made to Equifax for its income verification product, The Work Number, which will allow the state to have access to another data source to determine eligibility for medical assistance benefits and programs through the Department of Human Services. The total cost for this change is \$1.0 million, including \$0.3 million from general revenues, apportioned among the Executive Office, Department of Human Services, and HealthSource RI. The remaining \$0.6 million is assumed as part of the FY 2024 appropriations which includes \$0.4 million in the Executive Office’s budget and \$0.2 million in the Department of Human Services.

The request assumes that the income verification tool will be incorporated into the Unified Health Infrastructure Project’s March 2024 update, be operational in July, with terminations starting by the end of August. The revised request includes a monthly service fee of \$7,200 and \$11.15 for each matched transaction up to 745,000; the request incorrectly includes a \$72,000 monthly service fee, overstating costs by \$0.8 million.

This change addresses an audit finding in the state’s Office of the Auditor General 2022 review of the Medicaid program that identified cases where known employee wages were not reported accurately or

through the Department of Labor and Training's data interface. The audit finding recommended that the Executive Office correct operational deficiencies in RI Bridges income validation process and implement a technical solution that increases reporting frequency and improves accuracy of wage data within the system. The Executive Office's first quarter report identifies this initiative as the remedy in its required update on addressing audit findings but does not explicitly identify the increase for the expense. *The Governor recommends funding as requested and does not correct for the overstated monthly expenses.*

HealthFacts RI/All Payer Claims Database. The Executive Office requests \$0.3 million more than enacted, primarily from federal funds, for total funding of \$8.0 million to support the state's All Payer Claims Database, known as HealthFacts RI. The request is also \$2.9 million more than FY 2023 expenses from all sources and \$0.2 million less from general revenues. The increase reflects expenses related to the Freedman Healthcare and OnPoint Health Data contracts for data enhancements and analytic functions and reporting activities. The Department of Health's budget also supports the two contracts and its revised request includes \$0.7 million from restricted receipts. The Executive Office reports that there were 18 data requests in FY 2020, 49 in FY 2021, and 89 in FY 2022. Through September 2023, there were 180 requests. It anticipates an average of 20 new projects a month. *The Governor recommends \$3,020 more than requested, including \$422 more from general revenues, for statewide benefit adjustments.*

CurrentCare. The Executive Office requests \$0.4 million more than enacted, including \$0.4 million less from general revenues, to make a payment totaling \$4.7 million for the state's share for medical assistance recipients in CurrentCare, the state's electronic health information exchange. This is \$0.3 million more than spent in FY 2023, reflecting current year expenses. The state payment is based on all its Medicaid beneficiaries already being enrolled in the exchange through the opt-in process. The electronic network that gives medical professionals access to their patients' health information is operated by the Rhode Island Quality Institute. *The Governor recommends funding as requested.*

CurrentCare Opt Out. The Executive Office's revised request adds \$3.9 million, including \$0.4 million from general revenues, for total funding of \$5.4 million to change the enrollment process from opt-in to opt-out to comply with a statutory change made by the 2021 Assembly. The Executive Office requested \$1.6 million, of which \$0.2 million is general revenues, to fund the first year of the project in FY 2023; the project was initially funded in FY 2022 and delayed one year. The Executive Office's FY 2023 third quarter report noted that the project start would be delayed until FY 2024 so funding was excluded from the FY 2023 final budget.

The Executive Office issued the request for proposals in October 2023 and anticipates awarding the contract by April 1, 2024 potentially further delaying the project into FY 2025. It should be noted that the capital request includes \$1.6 million for FY 2024, to cover design, development, and implementation costs for the transition to the opt-out model as well as operations, project management, regulatory compliance, and communications. *The Governor recommends funding as requested.*

RI Quality Report System. The Executive Office's revised request is \$0.6 million more than enacted, primarily from federal funds, for the RI Quality Reporting System, which supports Medicaid agencies providing electronic clinical quality reporting through a centralized Quality Reporting System. Clinical data is collected and aggregated across the Accountable Entities system and matched with enrollment from the managed care organizations. The information is sent to each organization on their members and used to calculate performance-based payments to the providers. The increase brings the total to \$4.4 million which is consistent with FY 2023 expenses. *The Governor recommends funding as requested.*

Medicaid Management Information System Expenses. The Executive Office requests \$29.4 million, including \$7.0 million from general revenues, for Medicaid Management Information system expenses. This is \$6.2 million more than enacted, including \$1.6 million more from general revenues, and \$3.4 million more than spent in FY 2023. The Assembly provided funding only for expenses that were specified by the

Executive Office in its FY 2024 budget request. That request also contained \$6.2 million for unidentified needs, which the Assembly excluded. The four-year contract with the system’s operator, Gainwell Technologies, effective April 1, 2021 to March 20, 2025, totals \$104.7 million.

The revised budget adds funding to remain consistent with its original request and provided a list of activities to be performed by the system’s operator but did not identify the specific costs for each one. Projects include changes for the Certified Community Behavioral Health Clinic initiative, program oversight, and improved analytical capabilities. It should be noted that the Executive Office’s first quarter report includes only the enacted level of funding for system expenses.

The contractor processes an estimated 11 million transactions a year at \$0.20 a transaction, manages the data warehouse, and performs prior authorization, utilization and claims reviews, training and outreach activities, and other core system functions. *The Governor does not recommend the increase; however, available resources appear to be sufficient for necessary expenses.*

Home and Community Based Support - ARPA. The Executive Office includes \$40.9 million from all sources, or \$14.3 million less than enacted, to enhance funding to support home- and community-based services. The revised request also includes \$0.4 million for salary and benefit expenses. Funding is available from the ten percentage points of Medicaid reimbursement on eligible home- and community-based services included in the American Rescue Plan Act; general revenue savings must be reinvested to expand home and community-based activities and spent by March 31, 2025.

The Executive Office’s October spending plan for these time-limited funds totals \$147.8 million. The following table shows the October 2023 plan, and the proposals for FY 2024 and FY 2025 as well as pre-FY 2024 spending. Actual and requested expenses are also shown in the following table.

The Governor recommends \$3,732 more than requested to account for increased employee health benefit rates.

HCBS Plan - ARPA		EOHHS			
Proposal Categories	October 2023 Submission	Pre-FY 2024	FY 2024	FY 2025	5-Year Total
1 Increasing Access to HCBS Services Building Infrastructure to Expand Provider	\$ 62.3	\$ 60.2	\$ 2.1	\$ -	\$ 62.3
2 Capacity and Care Continuum	47.4	7.3	30.0	10.2	47.5
3 No Wrong Door Enhancement Initiative	15.5	2.5	10.9	2.2	15.6
4 Updating Technology	1.6	0.2	0.6	0.9	1.7
5 HCBS Workforce Training	6.8	1.3	5.5	-	6.8
6 Quality Improvement/Promoting Equity	4.3	-	3.2	1.1	4.3
7 HCBS Equity	0.9	-	0.4	0.4	0.8
8 Phase III & Overall Contracted Support	9.0	0.1	2.7	6.2	9.0
Total	\$ 147.8	\$ 71.6	\$ 55.4	\$ 21.0	\$ 148.0

\$ in millions

The next table shows the projects anticipated to be funded in FY 2024 and FY 2025 and the category each falls under within the approved federal plan shown above.

The Governor’s recommendation for FY 2024 is \$14.5 million less than the October approved plan. The Executive Office is reviewing its April submission and an amendment may be requested to reflect it.

Project	Category	FY 2024	FY 2025
Accountable Entities	2	\$ 14.9	\$ 3.3
eLTSS Technology Project	2	3.1	1.9
Mobile Response and Stabilization Services	2	2.9	-
Medical Respite Pilot Program	2	2.7	1.4
First Connections	2	1.3	-
Self-Directed Program Expansion	2	1.3	-
Brain Injury Capacity Study	2	1.5	-
Health Equity Zones	2	0.7	0.2
Housing Supports	2	0.5	-
Mini-Grants	2	0.6	-
DOH - Existing Care Collaborative	2	0.3	0.3
Tele-dentistry at Emergency Rooms	2	0.2	-
Portable Dental Equipment Mini-Grants	2	0.1	-
Certified Community Behavioral Health Clinics Expansion	2	-	1.6
988 Hotline	2	0.3	-
Conflict Free Case Management	3	0.4	-
Advanced Certification for Direct Services Workers	5	2.9	-
Equity Challenge Grants	6	0.6	0.6
Olmstead Plan	7	0.4	0.4
Communication/Media Campaign	8	0.6	-
Contracted Administrative and Financial Services	8	3.3	0.9
Training	8	1.3	1.3
Unidentified		1.1	11.3
Total		\$ 40.9	\$ 23.2

\$ in millions

Olmstead Plan. The FY 2024 enacted budget identifies \$250,000 from federal funds for the state to develop an Olmstead Plan. The most recently approved federal plan for use of these time limited funds includes \$0.4 million in FY 2024 and FY 2025. The Executive Office is in the process of developing the plan, which should be completed by March 2025. *The Governor's recommendation funds the plan.*

Health System Transformation Project. The Executive Office requests \$5.5 million less than enacted for total funding of \$22.3 million for the Health System Transformation Project to reflect updated contracts and administrative expenses. This includes \$0.2 million more for workforce development, and contracted administrative and financial services. It also includes \$0.7 million to partially fund eight staff, equivalent to 2.5 full-time equivalent positions, shifting expenses to other fund sources as the program starts to wind down, expiring in FY 2025. This is \$2.0 million less than the enacted budget which assumed partially funding 50 positions. The revised request also includes \$17.1 million, or \$3.8 million less than enacted, for updated payments to the Accountable Entities initiative. *The Governor recommends \$2,808 more than requested to account for increased employee health benefit rates. A more detailed description of the program is contained in the Medicaid Report in the Special Reports section of this publication.*

Opioid Funds. The Executive Office's revised request is \$11.0 million more than enacted from opioid funds for total spending of \$15.2 million. This includes \$13.9 million from opioid abatement funds, \$0.4 million from both McKinsey Settlement funds and opioid stewardship funds. The Executive Office coordinates with the Departments of Behavioral Healthcare, Developmental Disabilities and Hospitals, Health, Corrections, and Housing, on distribution of the funds. The FY 2025 request includes \$10.3 million, for a three-year total of \$20.9 million, from statewide opioid sources; this includes \$3.3 million spent in FY 2023. The revised request also adds \$0.5 million from state opioid response grants for RDW Group to engage in a community campaign for the harm reduction programs.

The 2022 Assembly adopted legislation requiring an annual January 1 report to the Speaker of the House of Representatives, President of the Senate and the Attorney General on how the opioid abatement funds were spent. The recent report shows spending of \$6.8 million through December 2023 from allocations totaling \$30.2 million for FY 2023 and FY 2024, leaving a balance of \$23.4 million. This includes \$0.5 million on program administration and \$0.3 million in data analysis to support Department of Health staff to expand data surveillance capacity and accelerate data collection and reporting on overdoses and fatalities.

The Governor's recommendation includes \$0.4 million more than requested for contracted financial services. The following table shows the recommendation in the four agencies receiving the funds.

Governor's Recommendation					
Agency	Pre-FY 2023	FY 2023	FY 2024	FY 2025	5-Year Total
EOHHS	\$ -	\$ 3,296,603	\$ 15,075,410	\$ 25,238,667	\$ 40,314,077
BHDDH	1,803,172	2,124,235	11,750,778	6,282,507	19,836,457
Health	926,565	2,643,786	6,772,800	4,749,471	12,448,836
Corrections	2,053,595	1,699,177	1,976,587	1,331,555	5,361,737
Total	\$ 4,783,332	\$ 9,763,801	\$ 35,575,575	\$ 37,602,200	\$ 77,961,107

The next table shows FY 2023 spending and Governor's recommendations for FY 2024 and FY 2025 by category. Additional information is available at eohhs.ri.gov/Opioid-Settlement-Advisory-Committee.

Category	FY 2023	FY 2024	FY 2025
Treatment	\$ 2,131,586	\$ 6,436,498	\$ 5,374,698
Prevention	2,467,847	5,425,472	2,900,000
Social Determinants of Health	1,126,841	6,619,779	2,350,000
Harm Reduction and Rescue	2,442,190	9,298,976	4,589,318
Recovery	545,197	3,500,439	3,800,508
Racial Equity	-	300,000	500,000
Governance	505,982	2,840,808	2,676,695
Data	544,157	1,153,602	1,299,009
Not Yet Identified	-	-	14,111,972
Total	\$ 9,763,800	\$ 35,575,574	\$ 23,490,228

Children and Youth - Behavioral Health System of Care Grant. The Executive Office's revised request adds \$2.0 million for total funding of \$4.5 million from two federal grants to support the children's behavioral health care system. This includes \$3.7 million from the behavioral health system of care grant, of which \$2.2 million is for Community-Based Intensive Care Teams and \$0.8 million is for Mobile Response Stabilization Services. The Executive Office also received a one-year grant of \$0.8 million for these services and there is another \$3.0 million from the Home and Community Based Support-ARPA funds for the same purpose, previously discussed. The projects will involve 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 request also includes \$0.7 million for data analytics and a project director, and a family lead coordinator essentially consistent with the budget. The Executive Office received a four-year, \$10.6 million federal grant to expand services available to children and their families. *The Governor recommends funding as requested.*

Children's Cabinet - Early Childhood Programs. The Assembly provided one-time funding of \$250,000 to establish an early childhood governance working group to review and provide recommendations regarding the structure of early childhood programs, which included \$30,000 for FY 2023 and \$220,000

for FY 2024. FY 2023 final expenses were \$28,000, leaving \$2,000 unspent, and the Executive Office includes this balance in its revised request for a total of \$220,000 in FY 2024. *The Governor recommends funding as requested.*

ARPA - Certified Community Behavioral Health Clinics. The Executive Office's revised request includes \$25.1 million more than enacted from State Fiscal Recovery funds for the state to implement the Certified Community Behavioral Health Clinics federal model. The Assembly provided \$30.0 million and \$4.9 million was spent in FY 2023. Funding supports the infrastructure needed to expand the number of clinics and assist with the rate reimbursement structure tied to the federal model. State law requires the new model to be established by February 1, 2024. The revised request updates for the projected timeline and required expenses for the federal model in FY 2024. *The Governor's recommendation includes \$25.1 million more than enacted for the remainder of the \$30.0 million authorized for the clinics.*

ARPA - Butler Hospital. The Assembly provided \$8.0 million from State Fiscal Recovery funds in FY 2023 to Butler Hospital for a new 25-bed short term stay unit intended 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. The Executive Office spent \$0.6 million and the remaining \$7.4 million is automatically reappropriated and included in the revised request. *The Governor recommends funding as requested.*

ARPA - Pediatric Recovery. The Assembly provided \$15.0 million from State Fiscal Recovery funds, or \$7.5 million for stabilization and pay-for-performance bonuses to pediatric providers. Payments of \$6.0 million were made in FY 2022 and \$5.3 million in FY 2023 leaving a balance of \$3.7 million to be spent in FY 2024, which is included in the Executive Office's revised request. *The Governor recommends the available balance to provide total funding consistent with the authorization.*

ARPA - Early Intervention. The Assembly authorized \$11.0 million from State Fiscal Recovery funds over FY 2022 and FY 2023 to provide financial support to early intervention providers and performance bonuses when hitting certain targets, such as reducing staff turnover and restoring the number of families receiving services to pre-pandemic levels. The nine early intervention providers were to receive \$2.6 million in stabilization funding ranging from \$0.1 million to \$0.7 million depending on the loss of revenue and \$2.9 million for performance bonuses. The Executive Office spent \$4.1 million in FY 2022 and \$5.6 million in FY 2023 for a total of \$9.6 million leaving a balance of \$1.4 million to be awarded in FY 2024. The revised request incorrectly includes \$2.9 million for FY 2024, overstating available funds by \$1.5 million. *The Governor recommends the remaining balance of \$1.4 million for total funding of \$11.0 million consistent with the authorization.*

Early Intervention Services. The Executive Office requests \$2.1 million, including \$0.1 million from general revenues, for Early Intervention Services, which is \$0.7 million less from federal funds than enacted, for direct funding available to the nine providers for administrative support, performance incentive, professional development and staff recruitment and retention. *The Governor recommends funding as requested.*

Long Term Services and Supports. The Executive Office requests \$0.5 million less from Federal Money Follows the Person grant funds to reflect available funding. This includes \$0.6 million less for community activities and \$0.1 million more for contracted services to reflect updated grant awards. *The Governor recommends \$0.2 million less than requested, which appears to be inadvertent.*

Predictive Modeling. The Executive Office's request excludes \$0.4 million, of which \$0.1 million from general revenues, included in the enacted budget for predictive modeling and data analytics for fraud prevention activities in the Office of Program Integrity. LexisNexis is no longer providing this type of

program support. It is not clear what analytics have replaced this. *The Governor excludes funding as requested.*

Other Salaries and Benefits. The Executive Office requests \$0.9 million more from all sources, including \$0.9 million more from federal funds, \$0.2 million more from general revenues, and \$9,922 less from restricted receipts to either fully or partially fund 189.6 positions. The revised request includes position upgrades and shifts staffing expenses from time-limited funds. This is \$4.6 million more than spent in FY 2023, including \$2.6 million from general revenues. As of early November, the Executive Office has 24 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 recommends \$100,415 more than requested, including \$61,760 more from general revenues, to account for increased employee health benefit rates.*

Other Operations. The Executive Office requests \$5,438 less than enacted, including \$14,835 less from general revenues, for all other operations. This includes \$80,000 more from restricted receipts for a grant from the Rhode Island Foundation for Blue Meridian to assist the Executive Office and Department of Health on projects related to race equity and planning capacity. The request also includes \$70,603 less from federal funds, including \$121,094 less from the preschool development grant and \$39,844 more for HIV treatment and prevention services. *The Governor recommends \$228,223 less than requested, including \$168,498 less from general revenues, primarily to account for statewide utility savings.*

Capital Projects. The Executive Office requests \$16.6 million, including \$14.9 million from federal funds, \$0.6 million from general revenues, and \$0.2 million from restricted receipts for four projects in its capital request for FY 2024. *The Governor recommends funding the technology projects in the operating budget. A detailed description of the projects is included in the Capital Budget section of this publication.*

Department of Children, Youth and Families

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Central Management	\$ 26,430,282	\$ 49,496,112	\$ 47,455,955	\$ 49,945,887
Child Welfare	221,514,409	260,421,337	255,833,281	247,260,533
Youth Development Services	22,271,327	38,762,931	37,441,350	37,935,266
Children's Behavioral Health	16,756,012	17,482,028	23,625,631	25,741,081
Higher Education Incentive Grants	93,155	200,000	200,000	200,000
Total	\$ 287,065,185	\$ 366,362,408	\$ 364,556,217	\$ 361,082,767
Expenditures by Category				
Salaries and Benefits	\$ 86,365,364	\$ 95,684,196	\$ 90,805,002	\$ 88,736,031
Contracted Services	4,816,920	7,085,318	6,772,612	6,642,280
Subtotal	\$ 91,182,284	\$ 102,769,514	\$ 97,577,614	\$ 95,378,311
Other State Operations	20,646,282	16,982,398	20,472,896	20,404,166
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	174,333,060	210,010,069	208,415,280	207,209,863
Capital	903,559	36,600,427	38,090,427	38,090,427
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 287,065,185	\$ 366,362,408	\$ 364,556,217	\$ 361,082,767
Sources of Funds				
General Revenue	\$ 196,678,497	\$ 217,262,746	\$ 225,014,714	\$ 209,135,694
Federal Aid	89,206,174	132,358,539	123,014,548	136,031,263
Restricted Receipts	1,023,457	1,491,123	1,271,362	665,810
Other	157,057	15,250,000	15,255,593	15,250,000
Total	\$ 287,065,185	\$ 366,362,408	\$ 364,556,217	\$ 361,082,767
FTE Authorization	702.5	705.5	697.5	705.5
FTE Average	629.0			

FY 2024 Revised Request. The Department of Children, Youth and Families requests \$1.8 million less than enacted from all sources, including \$7.8 million more from general revenues, \$9.3 million less from federal funds, \$0.2 million less from restricted receipts, and \$5,593 more from Rhode Island Capital Plan funds. *The Governor recommends \$3.5 million less than requested, including \$15.9 million less from general revenues, \$13.0 million more from federal funds, and \$0.6 million less from restricted receipts.*

Staffing. The Department requests \$90.8 million which is \$4.9 million less than enacted for 697.5 positions inadvertently; the request intended to maintain the enacted 705.5 full-time equivalent positions. The request adds 3.0 positions to Central Management, offset by a like amount of positions within Child Welfare. It also shifts positions between the Children's Behavioral Health and Child Welfare programs which often overlap in duties and responsibilities and shifting positions between the programs is common. As of early October, 613.0 positions were filled for 92.5 vacancies; the average filled was 615.5. The Department's request assumes an average of 662.5 filled positions or 43.0 vacancies. By fund source, the request includes \$8.4 million less from general revenues and \$3.5 million more from federal funds.

Full-Time Equivalent Positions				
Program	FY 2024 Enacted	FY 2024 Rev. Request*	Change	FY 2024 Governor
Central Management	74.0	77.0	3.0	77.0
Children's Behavioral Healthcare/Child Welfare	491.5	488.5	(3.0)	488.5
Youth Development Services	140.0	140.0	-	140.0
Total	705.5	705.5	-	705.5

**Intent*

It is worth noting that the Department had 62 resignations occur during 2022 which is more than 2020 and 2021 combined which had 26 and 27, respectively. Through the end of August 2023, there have been 21 resignations. Excluding retirements, in 2018, about 37 percent of staff departures were resignations, reaching a five-year high in FY 2022 of 59 percent. Through its September accreditation report, the Department reports 48 percent of its non-retirement staff departures have been resignations.

The Governor recommends \$2.1 million less than requested, including \$1.4 million less from general revenues and the enacted level of positions. This includes adding \$0.4 million, of which \$0.3 million is from general revenues, for increased health benefit costs. Those costs are offset by \$2.5 million of increased turnover savings, including \$1.8 million from general revenues.

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. The Department manages some homes under its direct supervision while other 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.

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 higher placement costs than FY 2023, largely from a \$7.8 million rate increase provided in the enacted budget and 30.8 fewer placements than assumed in the enacted budget, adjusted to reflect FY 2023 expenses. The table on the next page provides a breakdown by specific placement type. Through the first four months of FY 2024, the Department averaged 355.5 congregate care placements which is 10.1 fewer than the 365.6 placements assumed in the revised request. In FY 2023, the Department averaged only 340.0 placements, because of a lack of placement availability caused by the pandemic and provider staffing problems which continue to be an issue. The request assumes residential placements will increase in FY 2024 over FY 2023 levels by approximately 26, as availability grows with provider staffing levels. In its most recent provider staffing report, the Department reports a net gain of 31 positions in 2023 through July.

Foster Care Placements. The Department provides home-based placements to between 1,300 and 1,600 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 youth goes 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 private agencies. Many of the private agency homes recruit therapeutic homes.

Through the first four months of FY 2024, the Department averaged 991.5 placements which is 327.5 fewer than the 1,319.1 foster care placements assumed in the revised request and 487.5 less than the 1,479.0 assumed in the enacted budget. In FY 2023, the Department averaged 1,193.4 foster care placements. The number of youths in foster care has dropped significantly during the first four months of FY 2024; in July, the average was approximately 1,049 and reached a low of 939 placements in October. During the pandemic, provider staffing issues caused a lack of congregate care placement availability resulting in some youths being placed in lower levels of care than necessary such as foster care.

Compared to FY 2023, the Department is expecting an increase for foster care of approximately 126 youth and an increase of approximately 26 placements within congregate care. During the pandemic, the placements also declined because of a decrease in child abuse reports; the Department expected to see an increase in all placements once the pandemic was over, but that has not yet occurred. The caseload through the end of October does not reflect the changes expected in the revised request with a total of 1,285.6 youths being in Department care or 399.6 fewer than assumed in the revised request.

Placement	Description/Services	Population				October Census
		FY 2023 Reported	FY 2024 Enacted	FY 2024 Rev. Req.	Diff. from Enacted	
Congregate Care	Residential Based Placements	340.0	396.4	365.6	(30.8)	346.6
Assessment and Stabilization Centers	Trauma centers with counseling	16.1	14.9	17.1	2.2	17.7
Bradley	In-patient psychiatric care, long-term treatment	23.6	29.8	29.8	0.0	33.3
Group Homes	Less-intensive treatment plans, counseling	94.6	102.5	98.7	(3.8)	91.9
Independent Living	Unrestricted community access, live in own apartment	53.5	63.9	51.2	(12.7)	51.2
Residential Treatment Centers	Intensive treatment, behavior modification/treatment; includes psychiatric female youth facilities	62.9	80.1	61.5	(18.6)	50.2
Semi Independent Living	Semi-restricted community access, sleep-in staff	22.2	34.0	31.7	(2.3)	32.6
Out-of-State	Most troubled children care with specialized behavioral needs	67.1	71.2	75.6	4.4	69.7
Foster Care	Home Based Placements	1,193.4	1,479.0	1,319.0	(160.0)	939.0
Total		1,533.4	1,875.4	1,684.6	(190.8)	1,285.6

The Governor's revised budget does not include specific population or cost per youth assumptions but provides \$21.9 million less from all sources, including \$10.5 million less from general revenues than requested to support the placement network. This is based on updated Budget Office estimates.

Rate Increase. The Department's revised request includes an additional \$8.0 million from all sources for FY 2024, including \$6.0 million from general revenues and \$2.0 million from federal funds, for expected rate increases resulting from its service array contract renegotiation. The enacted budget also includes \$7.8 million for the renegotiation, bringing the Department's updated FY 2024 estimate to \$15.8 million. The procurement is happening in phases through FY 2024, beginning with congregate care which had a request for proposals that closed in September 2023. No timeline is finalized, but when the congregate care

contracts are finished, they will be followed by the home- and community-based service contracts, adoption- related support services and private foster care agency services. Providers will continue to receive stabilization support payments until each new contract takes effect. The FY 2025 request includes \$13.3 million more than enacted, or \$5.3 million more than the revised request, for the annualized value of these contract adjustments. *The Governor recommends \$0.8 million more than requested, including \$0.3 million more from general revenues based on more updated projections.*

Contract Status by Placement Type			
Placements/Services	RFI Issuance	RFP Issuance	New Contracts Take Effect
Congregate Care	11/15/2022	5/25/2023	12/31/2023
Foster Care	8/24/2022	FY 2024	Prior to FY 2025
LBQTQI+ Services	8/23/2022	9/18/2023	Prior to FY 2025
Home & Community Based Services	12/22/2022	9/18/2023	Prior to FY 2025
Therapeutic Foster Care	2/7/2023	FY 2024	Prior to FY 2025
Adoption Services	N/A	FY 2024	Prior to FY 2025

Congregate Care. The Department requests \$3.5 million less than enacted, including \$2.9 million more from general revenues, for congregate care placements, reflecting adjustments based on the FY 2023 experience. The request assumes 18.6 fewer residential treatment center placements which are among the most expensive placements; they account for \$2.7 million of the decrease. It is unclear if the decrease in high level of need placements assumed in the request is because of additional placement availability at other levels of care. The revised request assumes a cost per youth in each congregate care placement similar to the FY 2023 costs, adjusted for a rate increase included in the enacted budget. By placement type, it also makes changes based on the FY 2023 experience. Rates are assumed to increase between 23.4 percent and 15.2 percent depending on the placement. *The Governor recommends \$6.1 million less than requested, including \$4.3 million less from general revenues based on more updated projections.*

Out-of-State Medicaid Claiming Issues. The Rhode Island Medicaid Office requires all providers who work with the Department to register as Rhode Island Medicaid providers. As of November 15, the Department has 42 youth in out-of-state placements being billed through Medicaid, despite these providers not being registered with the Rhode Island Medicaid Office. Federal law requires that all providers who serve Medicaid beneficiaries be enrolled in their respective Medicaid programs. The FY 2025 request assumes that approximately 76 youths will to be placed out-of-state, of which 25 will need to be paid entirely from general revenues, and it adds \$2.1 million for this expense, offset by a like amount of federal funds. The Department did not make a similar request as part of its FY 2024 revised budget. *The Governor recommends adding \$2.3 million from general revenues to account for the lack of Medicaid claiming in the current year.*

Female Residential Facilities. The 2022 Assembly provided \$12.0 million from State Fiscal Recovery funds to expand existing in-state capacity at private facilities and initial design of a new qualified residential treatment program facility which is maintained in the request. The Department contracted with St. Mary’s Home for Children to add 12 beds to expand existing in-state capacity for female youth placements within a psychiatric residential treatment program. The \$11.0 million contract assumes placements become available during the third quarter of FY 2025. Of that total, the Department spent \$2.1 million in FY 2023, \$6.9 million is requested for FY 2024 and \$2.0 million for FY 2025.

The remaining \$1.0 million was provided to design the new female youth facility and the 2022 Assembly included \$45.0 million from Rhode Island Capital Plan funds from FY 2024 through FY 2026 to construct such a facility. The request maintains the enacted \$15.0 million in FY 2024. The Department spent \$0.3 million for the design in FY 2023; the Department does anticipate using the remaining amount for FY 2024, although it is not included in the request. Through the end of October, the Department has spent \$63,556 of these funds. Currently, female youth who would otherwise be served in state facilities are placed in out-

of-state residential facilities which are among the most expensive and intensive placements in use. The FY 2024 operating budget dedicated \$10.1 million, including \$4.5 million from general revenues, in costs associated with operating at least one new psychiatric residential facility for female youth currently residing in out-of-state congregate care placements. The revised budget shifts these funds to other placements and services, consistent with the expected timeline for occupancy in FY 2025.

The Governor's recommendation includes \$9.6 million of State Fiscal Recovery funds for FY 2024 to account for FY 2023 spending and no allocation to FY 2025. Consistent with the request, no placement funding is assumed for FY 2024.

Foster Care. The Department requests \$9.8 million less than enacted, including \$6.9 million less from general revenues, for home-based foster care placements. The revised request assumes a population of 1,319, or 126 more than FY 2023. Through October 2023, the Department averaged 991.5 placements or 327.5 fewer than assumed in the revised request. The number of youth in foster care has declined during the first four months of FY 2024; in July, the average was approximately 1,049 which is when the budget was being prepared and reached a low of 939 placements in October. The Department assumes a cost per placement of \$16,507 which is \$1,605 or 8.9 percent less than FY 2023 expenses, reflecting cost projections of the population level of need at the time of the request. During the pandemic, the placements also declined because of a decrease in child abuse reports; the Department expected all placements would increase once the pandemic was over, but that has not yet occurred.

The Governor recommends \$12.4 million less than enacted based on updated caseload projections. This is \$2.5 million less than requested, including \$2.1 million less from general revenues; foster care placements remain below 1,000.

ARPA - Provider Workforce Stabilization. The Assembly provided a total of \$22.9 million from State Fiscal Recovery funds for wage stabilization payments to direct care staff of congregate care and community-based providers in contract with the Department. This was in response to providers reporting a high number of vacancies and staff recruitment issues which has resulted in a capped or reduced number of youth that providers are able to serve. Payments began in FY 2022. The Assembly also included language specifying that the \$7.9 million included for FY 2024 remain available only until a contracted service provider's new contract takes effect. The Department's revised request is for \$5.1 million, \$2.8 million less than enacted, reflecting updated cost projections. *The Governor recommends \$8.3 million which is the balance of the available funding and \$3.1 million more than requested.*

ARPA - Foster Home Lead Abatement and Fire Safety Upgrades. Consistent with the enacted budget, the Department requests \$0.4 million from State Fiscal Recovery funds for lead abatement and fire suppression upgrades for foster homes that cannot meet licensing requirements because of lead or fire standards. One goal of this initiative is to allow for additional foster care placement opportunities, and fewer group-based placements. The Department of Health promulgates the rules and regulations for lead prevention that a foster home must comply with to be licensed. States can leverage federal funds for foster care payments if a child or youth is residing in a licensed foster care home. The Department has previously reported that lead safety compliance makes recruitment efforts more challenging, especially in the urban core where the housing stock is older. The FY 2023 budget included \$1.5 million for this purpose; however, the Department experienced continual delays with this project and no spending occurred; that funding is included in the FY 2025 request. At the time of the request, conversations with Rhode Island Housing to effectuate the lead removal remain ongoing. According the Pandemic Recovery Office's first quarter report, the Department plans to send letters to 14 foster care providers that are currently pending a kinship license due to a failed lead inspection. *The Governor's budget excludes all funding for this project which has experienced repeated delays and there has been no spending to date.*

COVID Child Welfare Grants. The Department requests \$0.3 million, or \$0.5 million less than the enacted budget for federal COVID-related child welfare services grants, reflecting updated projected spending for FY 2024. The majority of these grants can be used to enhance community-based and prevention-focused programs and activities designed to strengthen child abuse prevention activities. It also includes funding to improve the child welfare system in accordance with the Child Abuse Prevention and Treatment Act. Remaining grant funding of \$0.3 million is requested for FY 2025. *The Governor recommends funding as requested.*

Child Care. The Department requests \$0.9 million less than enacted for child care expenses for youth in its care, including \$0.5 million less from general revenues, reportedly to be more consistent with FY 2023 actual spending. In recent years, the Department has been allocated Temporary Assistance for Needy Families funds to offset general revenue expenses for these youths; however, it has experienced difficulty providing the documentation necessary for federal compliance with funding requirements; it is unclear why. *The Governor recommends funding as requested.*

Adoption and Guardianship. The Department requests \$0.9 million less than enacted, including \$0.5 million less from general revenues, for adoption and guardianship expenses. This includes adoption subsidies, pre-adoption placements and both relative and non-relative guardianships. The funding reflects updated information on the expected number of placements and updated cost estimates. The average cost per youth is \$9,335 for adoption placements, which is 4.1 percent more than FY 2023, and \$9,569 for guardianship placements, which is 8.5 percent more than FY 2023. The average rate reflects more new placements paid at higher rates. 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 3,396 which is 196 more than the FY 2023 population. *The Governor recommends \$0.7 million less than requested from general revenues, which appears to assume a lower population.*

Voluntary Extension of Care. The Department requests \$47,318 less than enacted from general revenues for its Voluntary Extension of Care program for updated expenses for rent and other services. The Department has been unable to claim federal funds for these youths because of federal income limits linked to Title IV-E eligibility for this population. The program lets individuals age 18 through 21 remain in state care with the Family Court retaining oversight. *The Governor recommends \$0.1 million more than requested based on Budget Office projections.*

Children's Rights Settlement. Consistent with the enacted budget, the Department requests \$0.1 million from general revenues for a data validator that is required as part of the state's settlement with Children's Rights. In May 2018, the case was settled in the federal Court of Appeals for the First Circuit with the Department obliged to fulfill mutually agreed upon commitments for improvement and related reporting. For each commitment, the Department submits proof of compliance data to an independent data validator. Findings and assessments are then submitted to the Office of the Child Advocate who will determine criteria fulfillment. Failure to comply triggers corrective action plans. Upon completion of each assessment for two consecutive six-month periods, the Department may request that the Court allow it to exit from monitoring for that specific commitment. Through the most recent report published January 2023, the Department has exited 12 of the 20 commitment areas. *The Governor recommends funding as requested.*

Home and Community Based Services. The Department requests \$8.7 million more than enacted from all sources, including \$11.2 million more from general revenues, to reflect updated utilization of its youth and family support services and expectation of federal match. These services include counseling, education programs, family support services for preparation for reunification, family centered treatment, parent aides, and the Positive Parenting program. While the services primarily reflect foster care placements, they also include children in congregate care, other placements, and in-home populations. While congregate care

placements continue to remain impaired by staffing issues, the Department reports these services are steadily improving which contributes to their anticipated increased use. It is worth noting that the Department expects to renegotiate all provider contracts by July 1, 2024, which will include higher rates and is expected to help address service delivery issues. The procurement is happening in phases through FY 2024, beginning with congregate care which had a request for proposals that closed in September 2023. *The Governor recommends \$0.1 million more than requested; including \$5.3 million less from general revenues, assuming greater availability of federal match.*

Local Education Agency Reimbursement. Local school districts are responsible for certain education costs for children in state care. In order to ensure reimbursements are made to providers, the Department began paying the costs directly in FY 2020 and seeking reimbursement from the appropriate local education agency directly, eliminating the need for the provider to do so. Historically, it has been difficult to track the amount the Department pays to providers for education services exclusively. The Department indicates that it expects to receive full reimbursement from local education agencies for payments to residential treatment centers that provide education services; however, the request identifies \$0.6 million more in reimbursements than assumed in the enacted budget and only \$0.3 million more in payments. This apparent overstatement of reimbursements suggests a \$0.3 million shortfall is possible. *The Governor's budget assumes the need for \$2.1 million more than requested, including \$0.9 million from general revenues based updated Budget Office projections.*

Higher Education Incentive Grant. The Department requests \$401,093 for higher education support payments from all sources, including the \$200,000 from general revenues for the statutorily mandated funding for the Higher Education Incentive Grant. It also includes \$201,093 from federal funds for Education and Training Vouchers, which is \$32,675 less than enacted and excludes \$50,000 in previous year funding which is not expected to be needed in FY 2024. The Department spent \$260,194 in FY 2023, including \$54,372 from general revenues, \$200,007 from federal funds, and \$5,815 in unspent restricted receipt funds from prior years. The enacted budget includes a new requirement that the Department provide information on higher education for Department youth with the first report due in December 2023.

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. In order to qualify for these grants, a youth must have been in Department foster care on or after their 16th birthday and spent at least two years in foster care. General revenues have historically been paid to the Office of Postsecondary Commissioner during the fall, but in March 2021, it was reported that the Department was making payments directly to the youth's education institution. Similar to the Higher Education Incentive Grant, 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 Governor recommends \$41,934 more from federal funds than requested. The required December report has not been submitted.*

Emergency Housing. The Department requests \$8.0 million from general revenues for emergency housing for families in which housing is a barrier to reunification which is \$5.5 million more than assumed in the enacted budget. The Family Court has the authority to require the Department to provide housing, most often in the form of a hotel and appears to have increased this practice. The FY 2025 request is for \$8.4 million. After averaging about \$0.1 million annually, costs grew to \$0.9 million for FY 2022. They increased more than four-fold in FY 2023 to \$3.1 million.

The Governor recommends \$3.8 million more than enacted primarily from the Department of Human Services' federal Temporary Assistance to Needy Families block grant funds. This is \$1.7 million less than requested based on updated projections and planning for how these expenses are addressed. The FY 2025 recommendation adds \$1.2 million from these funds.

Other Placements and Services. The Department requests \$1.8 million less than enacted, including \$0.3 million more from general revenues, for all other placements and services, based on FY 2023 spending. These costs include intensive supervision for youth, family nursing assistance, and training for nursing and religious chaplains. These placements 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 among other costs that are not covered by any other source of payment. *The Governor recommends \$1.0 million more than requested, including \$0.4 million less from general revenues, for all other services based on Budget Office estimates.*

Youth Development Services

Salaries and Benefits. The Department requests \$1.0 million less than enacted for staffing at the Rhode Island Training School, essentially all from general revenues. The request funds 129.7 positions and assumes 10.3 vacancies. The cost per position is assumed to be approximately \$9,500 lower than in the enacted budget which reflects new hires beginning at a lower cost, as well as updated benefit selections. It is worth noting that upon the Department's request, \$0.7 million was added to the FY 2024 budget to staff the Training School; that appears to have been unnecessary.

During FY 2021, the population average reached an all-time low of 24. During FY 2022 and FY 2023 it averaged 36 and 47, respectively; as of November 1, it was 43. The FY 2022 final budget had excluded 11.0 positions compared to the previous year's budget to reflect the Training School's low population; however, 4.0 of those positions were restored beginning in the FY 2023 final budget and 3.0 additional positions were authorized for FY 2024. The revised request maintains the FY 2024 enacted allocation of 140.0 positions. In its FY 2025 request, the Department includes an additional 14.0 positions to open an additional unit to accommodate more youths. As of late November, Youth Development Services has averaged 114.7 filled positions or 15.0 fewer than funded in the request. The request includes \$0.4 million more than enacted for overtime expenses and is \$0.1 million less than FY 2023 expenses. *The Governor recommends \$0.1 million more than requested for statewide adjustments for increased health benefit rates.*

Education Services. The Department requests \$48,250 more, including \$57,508 more from general revenues and \$9,258 less from federal funds, for non-payroll education expenses at the Training School. General revenue funding is \$23,094 less than FY 2023 expenses, reflecting the need for less programming supplies. The largest expense is for temporary staff needs, including long-term substitute teachers and post-secondary instructors; this expense was \$63,143 in FY 2023. The request includes \$19,281 more than enacted to be consistent. Educational services are provided to all residents of the Rhode Island 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 recommends funding as requested.*

Institutional Support Services. The Department requests \$0.1 million more than enacted from all sources, essentially all from general revenues, for institutional support services at the Training School, bringing total expenses to \$1.5 million. These expenses include legal costs, repairs and maintenance, food, non-prescription medicine and clothing for juveniles. *The Governor recommends \$3,284 more than requested to account for statewide utility expenses.*

Juvenile Probation and Parole. The Department requests \$15,961 more than enacted from general revenues for Juvenile Probation and Parole, reflecting a higher population. These services include the supervision of adolescents that are placed on probation by the Family Court. The request is typically based on the previous year's population which was 256. Through the end of October, the population was 225 and averaged 219 probation and parolees, which is 37 less. *The Governor recommends \$4,488 less for statewide utility savings.*

Other Operations

Other Salaries and Benefits. The Department requests \$3.9 million less than enacted, including \$7.5 million less from general revenues and \$3.5 million more from federal funds, for all remaining staff expenses which appears to assume approximately 37 vacancies or 29 more than the enacted budget. The request inadvertently excludes 8.5 positions in these programs which are assumed vacant in the request. Adjusting to include these positions, the request assumes 1.4 vacancies for the Children's Behavioral Health program, 10.8 vacancies in Central Management and 24.4 vacancies in the Child Welfare program. Through the end of November, the Department has averaged 500.1 of these positions filled or 28.7 fewer than assumed in the revised request. The enacted budget assumed 16.0 of the 91.0 positions added by the 2021 Assembly for accreditation are taking on full workloads and no longer distinguished from other frontline staff positions; the request fully integrates the remaining 75.0 positions. The Department anticipates an increase in federal fund availability based on its cost allocation plan which determines what amount of staffing costs are attributable to federal funds; that increase offsets general revenues.

The Governor recommends \$2.2 million less than requested, including \$1.5 million less from general revenues. This includes adding \$0.3 million, of which \$0.2 million is from general revenues, for increased health benefit costs. Those costs are offset by \$2.5 million of increased turnover savings, including \$1.8 million from general revenues.

Temporary Staff. The Department requests \$1.8 million, or \$0.1 million more than enacted, including \$0.4 million more from general revenues, for temporary staff which is usually used to fill vacancies until permanent staff can be hired. This is essentially consistent with FY 2023 spending. The Department bases the amount attributable to federal grants based on the previous year and allocates the expected remaining need to general revenues. *The Governor recommends funding as requested.*

Parking and Rent. The Department requests \$330,270 more than enacted, including \$361,957 more from general revenues and \$31,687 less from federal funds, for its parking and rent expenses, primarily at its headquarters in Providence, reflecting corrected cost projections. The Department pays rental expenses for several locations, the largest being its headquarters at 101 Friendship Street in Providence. It also pays parking expenses at the 75 Clifford Street parking garage. Through the end of October, the Department has spent \$1.3 million; annualized, the Department would spend \$3.9 million, or \$0.4 million less than requested. *The Governor recommends funding as requested.*

Cost Allocation Plan and Family First Compliance. The Department requests \$0.5 million more than enacted from federal funds for cost allocation plan consulting consistent with FY 2023 actual expenses. The previous year's request did not properly account for an entire year of these expenses. The Department uses a consultant, Public Consulting Group, for the development and maintenance of its cost allocation plan. The 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, based on random moment in time studies. The newest contract, signed in 2021, added provisions to assist 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 concurs.*

Technology. The Department requests \$1.0 million more than enacted, including \$0.6 million from general revenues for system maintenance, computer supplies, software, and equipment, for a total of \$4.9 million. The general revenue increase is for a new contract to lease new copiers and printers which would replace older models. During FY 2023, the Department spent \$4.0 million, which is \$0.2 million more than the final appropriation, including \$0.4 million less from general revenues, offset by \$0.5 million more from other sources. The Department indicates that its information technology contract is paid largely from non-

state sources which had costs higher than expected in FY 2023; the revised request adjusts expenses to reflect that updated cost. *The Governor recommends funding as requested.*

Legal. The Department requests \$0.2 million less than enacted from general revenues for temporary legal services to assist the Department while it fills vacant legal positions. At the time of its FY 2024 budget request in October 2022, the Department had six vacancies, and a year later had two. The FY 2024 enacted budget of the Executive Office of Health and Human Services included upgrades for all authorized legal counsel position salaries to help alleviate staffing issues. *The Governor recommends funding as requested.*

Vehicles. The Department requests \$2.6 million from general revenues for FY 2024 vehicle expenses which is \$1.3 million more than enacted, consistent with its FY 2025 through FY 2029 capital request. The Department initiated purchase orders for 73 vehicles during FY 2023 for a total of \$2.5 million, including \$2.0 million of unexpended FY 2023 funding that the Assembly authorized for reappropriation to FY 2024. The Department reports that \$1.9 million of vehicle orders were not completed because of supply chain issues and the request assumes that spending will occur in FY 2024. The request also excludes the \$0.5 million provided in the enacted budget to rent vehicles. *The Governor recommends \$0.3 million less than requested to reflect the final costs for the vehicles purchased.*

Placement Monitoring. The Department requests \$0.6 million more than provided in the enacted budget mostly from general revenues for the travel expenses for the oversight of Department youth and their placement facilities, largely reflecting increases for out-of-state youth monitoring. Rhode Island General Law, Section 14-1-65 requires the Department to petition the Family Court for a hearing prior to a child being placed out-of-state, and ensure that there are no suitable in-state facilities available, 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 for placements less than 35 miles from the home of the parent with previous custody. The request is essentially consistent with FY 2023 actual expenses. *The Governor concurs.*

Clothing. The Department requests \$0.2 million more than enacted for gift cards to assist youth with obtaining clothing once they enter Department care. The Department is providing gift cards to foster parents who take in children who need essential items immediately. It reports that annual expenditures for these items were under \$50,000, but its reliance on these cards has increased in recent years. The revised request is consistent with FY 2023 spending. *The Governor recommends funding as requested.*

Capital Projects. The Department's request is \$1.5 million more than enacted from federal funds that were included in the enacted budget for the replacement of the Department's child welfare system. This reflects an updated planning schedule but does not appear to include \$3.4 million in general revenues requested for FY 2024 in its capital budget request or the funding for its newly requested dental system cloud implementation project. *The Governor concurs with the operating budget request. A detailed description of the projects is included in the Capital Budget section of this publication.*

Centralized Services. The Department requests \$0.7 million less than enacted for centralized services provided through the Department of Administration. By source, this includes \$0.1 million more from general revenues and \$0.9 million less from federal funds, consistent with the FY 2023 experience for federal funds and updated billings provided by the Department of Administration. In total, the request is \$1.0 million more than FY 2023 spending which inadvertently double counted expenses which should be corrected in the audited closing. *The Governor recommends \$0.5 million less than enacted to account for statewide utility savings.*

Other Operations. The Department requests \$0.1 million less than enacted from all sources, including \$55,987 less from general revenues, to reflect updated estimates for all other expenses, primarily reflecting the FY 2023 experience. Differences from FY 2023 appear to be reflective of one-time expenses, such as the use of a consultant and other fees. *The Governor recommends \$0.1 million less than requested.*

Department of Health

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Central Management	\$ 24,394,604	\$ 28,468,354	\$ 28,178,228	\$ 27,658,211
Community Health and Equity	120,447,007	124,126,466	157,515,118	156,353,443
Environmental Health	14,163,891	18,213,199	19,394,325	19,493,357
Health Lab. & Medical Examiner	16,049,396	15,827,184	15,619,116	15,663,659
Customer Services	18,245,119	20,157,076	23,504,187	23,567,085
Policy, Info. & Communications	4,470,283	5,302,889	7,935,691	8,100,450
Preparedness, Response, Infectious Disease & Emergency Services	18,919,738	22,009,331	24,117,616	24,170,340
COVID-19	73,575,445	93,491,536	98,934,615	110,521,145
Total	\$ 290,265,483	\$ 327,596,035	\$ 375,198,896	\$ 385,527,690
Expenditures by Category				
Salaries and Benefits	\$ 71,199,502	\$ 78,633,119	\$ 77,602,310	\$ 77,909,275
Contracted Services	62,942,971	33,278,199	64,032,286	45,855,598
Subtotal	\$ 134,142,473	\$ 111,911,318	\$ 141,634,596	\$ 123,764,873
Other State Operations	92,527,561	130,602,058	127,216,182	156,698,283
Aid to Local Units of Government	128,226	-	-	-
Assistance, Grants, and Benefits	56,485,628	53,752,112	68,722,981	67,439,305
Capital	6,981,595	31,330,547	37,625,137	37,625,229
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 290,265,483	\$ 327,596,035	\$ 375,198,896	\$ 385,527,690
Sources of Funds				
General Revenue	\$ 33,336,252	\$ 35,655,172	\$ 35,059,376	\$ 34,558,400
Federal Aid	193,406,893	225,090,085	251,851,625	262,579,394
Restricted Receipts	62,955,316	66,450,778	88,278,998	88,380,907
Other	567,022	400,000	8,897	8,989
Total	\$ 290,265,483	\$ 327,596,035	\$ 375,198,896	\$ 385,527,690
FTE Authorization	543.4	574.4	576.6	575.6
FTE Average	528.4			

FY 2024 Revised Request. The revised request is \$47.6 million more than enacted from all sources, including increases of \$26.8 million from federal funds, and \$21.8 million from restricted receipts. General revenues are \$0.6 million less, including the removal of \$0.9 million for first connections and family visiting program expenses. The Department requests staffing authorization of 576.6 full-time equivalent positions, 2.2 positions more than enacted. As of early December, it had 19.8 positions vacant. *The Governor recommends \$10.3 million more from all sources than requested. This includes \$0.5 million less from general revenues primarily to account for statewide utility savings, partially offset by increased employee health benefit rates. He recommends staffing of 575.6 full-time positions, 1.0 fewer position than requested.*

Turnover Savings. The revised request includes \$1.0 million less from all sources than enacted, including \$0.5 million less from general revenues, primarily reflecting additional turnover savings. It includes \$0.2 million from federal funds to support 2.2 new full-time equivalent positions. It should be noted that the Department’s original request for FY 2024 included funding for 104.0 new positions. The Assembly authorized an additional 39 positions and concurred with the Governor’s recommendation to retain funding in the budget as operating expenses to provide the Department with the flexibility to backfill high priority positions to ensure timely compliance with various federal grants that the Department has and will receive. Unlike prior years the revised request still retains some expenses as operating, which will likely be used for salaries and benefits. This makes it difficult to determine how many positions are funded. Requested salary and benefit expenses of \$77.6 million are \$6.4 million more than FY 2023 spending and through early December, the Department averaged 31 vacancies.

The Governor recommends \$77.9 million and staffing of 575.6 full-time equivalent positions, which is 1.2 more than enacted and 1.0 fewer than requested. The recommendation is \$0.3 million more from all sources, including \$0.1 million more from general revenues to reflect updated staffing costs and allocations and for increased employee health benefit rates.

Centralized Services. The revised request includes \$0.6 million less than enacted, including \$28,056 less from general revenues for the Department’s share of centralized services provided by the Department of Administration. All but \$18,765 of the reduction is for information technology services, to align expenses with FY 2023 actual spending. Expenses in the first quarter total \$2.2 million, annualized they would be \$8.7 million, and the revised request is \$33,141 above that. *The Governor concurs, with the exception of providing \$0.4 million less from general revenues to account for statewide utility savings.*

COVID-19

CDC Funding. On March 13, 2020, President Trump declared that a nationwide emergency exists as a result of COVID-19 beginning on January 20, 2020. Through March 2021, six federal acts were adopted, providing the Centers for Disease Control and Prevention with approximately \$60 billion to prepare for, promote, distribute, administer, monitor, and track coronavirus vaccines to ensure broad-based distribution and vaccine coverage. A portion of these funds can be used through federal fiscal years 2023 and 2024 and some remain available until expended. The Centers for Disease Control and Prevention provides funding to states, municipalities and other entities for surveillance, laboratory capacity or other preparedness and response activities. According the Department, the state will receive a total of \$407.6 million. This includes \$81.7 million for the construction of the new health laboratory facility. The following table shows COVID-related funding and expenses.

Total Available* \$ 407,570,169				
Expenditures	Per year	Cumulative	Expired	Balance
FY 2020 Spent	\$ 3,256,480	\$ 3,256,480	\$ -	\$ 404,313,689
FY 2021 Spent	66,254,107	69,510,587	-	338,059,582
FY 2022 Spent	59,127,552	128,638,139	-	278,932,030
FY 2023 Spent	84,073,705	212,711,844	(15,176,716)	194,858,325
FY 2024 Gov. Rev.	99,057,220	311,769,064	-	95,801,105

**Prior publications used FFIS data; current information from DOH*

Through FY 2023, \$212.7 million has been spent, and one grant expired, leaving \$15.2 million unspent for k-12 reopening schools related initiatives, for which the state was awarded \$31.9 million. The Department attributed the underspending to the restrictions of the award. The Centers for Disease Control and Prevention required that 85.0 percent of the funds had to be used for direct support to k-12 schools and the remaining 15.0 percent was for the Department’s administrative expenses or indirect costs. The Department stated that it worked to identify state and contract staff working specifically on k-12 COVID testing and

mitigation efforts so the charges could be allocated to the grant; however, it was not possible to identify sufficient indisputable charges that directly supported schools only. Based on budgeted revised expenses for FY 2024, \$91.1 million of the funds will remain available. *The Governor's revised budget assumes use of \$99.1 million from direct grant funds, \$4.7 million less than requested to align expenses with available funding for one of the grants. This would leave a balance of \$95.8 million for FY 2025 and beyond.*

New Health Laboratory. The revised request includes new expenses of \$0.4 million from indirect cost restricted receipts and the enacted amount of \$33.0 million from federal funds for FY 2024 to construct a new 80,000 square foot new health laboratory facility. It should be noted that its capital budget assumes a total project cost of \$89.3 million from all sources. This is \$11.2 million more than the approved plan, which had assumed \$78.1 million from federal funds, or \$3.7 million less than the federal award, reflecting the Department's updated project plan. It also adds \$3.2 million from Rhode Island Capital Plan funds, and \$4.4 million from restricted receipts for cost overruns. Subsequent to its budget submission, the project cost was revised to \$97.7 million, or \$16.0 million more than the federal grant amount and a federal cost extension was granted through July 31, 2026. *The Governor recommends total funding consistent with the updated project cost. The revised budget includes \$33.3 million for FY 2024; however, these expenses are \$2.9 million more than the recommended capital budget.*

ARPA - COVID-19 Operational Support. The Department's revised request delays \$14.3 million of the \$34.9 million provided from State Fiscal Recovery funds to continue COVID-19 mitigation activities and to address the public health impacts of the pandemic in the state. Its capital budget request assumes use of \$7.4 million of these funds, including \$3.4 million to establish a data lake to manage health datasets, and \$4.0 million to continue the development of the Rhode Island COVID System, which will collect and consolidate COVID-19 testing and vaccination data. *The Governor recommends \$32.2 million for FY 2024, \$2.7 million less than enacted. The capital budget does not assume use of these funds for the requested projects. Any unspent funds will automatically be reappropriated.*

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 each for 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 expires on August 30, 2024. Through FY 2023, \$5.8 million has been spent, leaving a balance of \$10.5 million. Both the FY 2024 revised and FY 2025 requests each include \$12.8 million, \$7.6 million more than enacted; however, these expenses are \$15.1 million more than available funding. Subsequently, the Department noted that it will work with the Budget Office to align expenses with available funding. *The Governor's recommendation for both years reduces requested expenses by a total of \$14.7 million, including \$4.8 million for FY 2024 to align expenses with funding.*

COVID Relief - Other Expenses. The revised request includes \$19.7 million more from federal funds for all remaining COVID-19 expenses. This includes increases of \$5.5 million for epidemiology services and case investigation and other services, \$2.1 million for testing supplies, \$2.5 million for vaccines, and \$4.5 million for data analytics and technical support. *The Governor concurs and adds \$21,712 from federal funds to account for increased employee health benefit rates.*

Preparedness, Response, Infectious Disease and Emergency Services

Staffing and Operations. The Department requests revised expenses of \$23.9 million from all sources for the Division of Preparedness, Response, Infectious Disease and Emergency Services. This includes the Centers for Emergency Medical Services, which plans for and oversees licensing of emergency medical services in the state, and Emergency Preparedness and Response, which is responsible for hospital preparedness and public health emergency response activities. It also includes expenses for prevention and

control of infectious, communicable diseases in the areas of HIV/AIDS, sexually transmitted diseases, viral hepatitis and tuberculosis.

The request is \$2.1 million more than enacted, including \$0.1 million less from general revenues, and \$2.2 million more from federal funds. It adds \$3.0 million for capital expenses, of which \$2.3 million will be used to renovate the new medical examiners facility in Cumberland; a portion of the renovations are funded with Rhode Island Capital Plan funds, which are budgeted in the Department of Administration. It includes \$0.7 million for the replacement of the state laboratory information management system, which will allow the exchange of data and medical records, improve efficiency, accuracy and connectivity. It also includes \$10.8 million, essentially as enacted to fund 79.2 full-time equivalent positions. All other expenses are \$0.9 million less, to align expenses with available remaining federal funds. *The Governor concurs and adds \$52,724 from all sources, including \$6,320 from general revenues, primarily for increased employee health benefit rates.*

Central Management

Indirect Cost Recovery. The Department uses its indirect cost recovery restricted receipts to offset costs associated with administering federally funded programs. 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. A portion of the Department's federal grants allows a percent cost recovery charge on the actual amount expended. The 2023 Assembly adopted legislation requiring the Director of the Office of Management and Budget to approve expenditures from the indirect cost recoveries on federal stimulus grants. At the end of FY 2023, the Department reported a surplus of \$5.8 million. This was \$1.7 million less than the final budget had assumed, receipts were \$8.7 million less as a result of underspending from various federal grants, and expenditures were \$7.0 million less. As previously noted, its capital budget request includes a total of \$4.4 million, including \$0.4 million for FY 2024 and \$4.0 million for FY 2026 for project cost overruns.

Excluding expenses for items previously discussed, the revised request includes \$12.7 million or \$1.2 million less than enacted. It includes \$7.6 million for salary and benefit expenses for approximately 53 positions, which is \$0.3 million less than enacted. It also reduces unspecified operating expenses to remove \$0.8 million enacted to fund 8.0 positions. This reflects updated staffing costs, and expenses were also allocated to newly available grants. Based on requested expenditures and projected receipts, a surplus of \$5.4 million is anticipated at the end of FY 2024. *The Governor concurs, with the exception of providing \$0.1 million less primarily for updated staffing costs and allocations, and increased employee health benefit rates.*

Other Expenses. All remaining expenses in Central Management are \$1.0 million more than enacted, including increases of \$18,765 from general revenues, \$0.7 million from federal funds and \$0.3 million from restricted receipts. The request includes increases of \$0.4 million for the state to build its workforce and data systems to respond to future public health emergencies; \$0.4 million to address maternal behavioral health conditions, such as depression, anxiety, and substance use disorder; and \$0.1 million for refugee assistance. *The Governor concurs and adds \$16,608 from all sources, including \$4,340 from general revenues, primarily for increased employee health benefit rates.*

Community Health and Equity

ARPA - Public Health Clinics. The FY 2023 final budget included \$4.0 million from State Fiscal Recovery funds, \$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. It appears \$279,798 was paid to the Rhode Island Free Clinic. The revised request omits the remaining \$3.7 million; unspent funds are automatically

reappropriated. Open Door Health is required to return any funds allocated for land acquisition that is not used by June 30, 2024. Any other expenses that are not obligated by December 31, 2026 must be returned by January 31, 2027. *The Governor includes the unspent funds from FY 2023.*

First Connections Benefits to EOHHS. The Department proposes transferring Medicaid benefits funding of \$147,269 and the general revenue match of \$124,709 for the First Connections Program to the Executive Office of Health and Human Services. The program provides services to prenatal women, including home and health assessments, developmental screening, and connections to community resources. The Executive Office noted that the transfer is technical in nature as the Department will continue to manage and offer the services; however, providers will bill the Department for non-Medicaid claims and the Executive Office for Medicaid claims. It should be noted that the Assembly did not concur with this same proposal last year and retained these expenses in the Department. *The Governor recommends funding as requested.*

Family Home Visiting Benefits to EOHHS. The request includes \$3.7 million less from all sources than enacted for expenses relating to home visiting programs, which are designed to work with families from pregnancy 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. It includes \$1.7 million less, of which \$0.8 million is from general revenues, reflecting the Department's proposal to transfer Medicaid benefit expenses to the Executive Office. The Department will continue to provide the services; however, providers will bill the Department for non-Medicaid claims and the Executive Office for Medicaid claims. It should be noted that the Assembly did not concur with this same proposal last year and retained these expenses in the Department.

All remaining expenses are \$2.0 million less from federal funds than enacted, reflecting updated awards, funding is primarily from the Maternal, Infant and Early Childhood block grant. It includes \$2.7 million less for grants to community-based providers for services. Salary and benefit expenses are \$0.3 million more than enacted, for updated staffing costs and allocations for an additional 4.5 full-time equivalent positions. Operating expenses are \$0.5 million more, including \$0.2 million less for indirect cost charges and \$0.7 million more for unspecified expenses. *The Governor concurs and adds \$3,970 from federal funds for increased employee health benefit rates.*

Immunization Programs. Based on vaccine purchasing projections, the Department requests \$22.4 million more than enacted, including \$4.3 million from federal funds and \$18.1 million from restricted receipts for immunization programs. The restricted receipts are generated based on a rate per person enrolled in fully-insured or self-insured plans. For FY 2024, the rates increased from \$14.78 to \$24.83 for the childhood program, and from \$3.56 to \$6.24 for adults. At the end of FY 2023, the accounts had \$16.1 million in available resources; balances are incorporated in setting rates for the following year. Reserves for each account are maintained in order to address any changes in current vaccine recommendations and/or new vaccines being added to the recommended schedules. The Department projects receipts of \$64.8 million for FY 2024. Of the increase, \$22.0 million is primarily reflecting expenses for COVID and Respiratory Syncytial Virus, or RSV vaccines. Salary and benefit expenses are \$35,972, reflecting updated costs and allocations for approximately 22 positions supporting the programs. All other expenses are \$0.3 million more, \$0.1 million each for indirect cost charges, advertising, and contracted services for development of immunization assessment rates. *The Governor concurs and adds \$3,970 from federal funds for increased employee health benefit rates.*

WIC Nutrition Assistance. The revised request includes \$3.7 million more than enacted from federal funds for the Women, Infants, and Children nutrition assistance program, which 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 \$3.5 million more for benefit payments, based on program

utilization; the revised request of \$22.2 million is \$3.0 million more than FY 2023 expenses. Program expenses of \$3.5 million are \$110,042 more, including \$70,000 for contracted services to implement electronic benefits for the Farmers Market Nutrition Program, which currently provides checks to eligible participants from June through October to encourage and educate participants about the consumption of fruits and vegetables. *The Governor concurs and adds \$6,076 from federal funds and restricted receipts for increased employee health benefit rates.*

Cancer Registry and Screening (0.2 FTE). The Department requests FY 2024 revised expenditures of \$3.8 million from all sources, including \$0.5 million from general revenues for various cancer screening related programs. This is \$0.5 million more than enacted, of which \$0.3 million is from general revenues to bring total funding to \$0.4 million for the Rhode Island Cancer Registry Program. Pursuant to current law, an annual appropriation of \$0.4 million for the program is required. It appears that \$0.4 million was provided through FY 2004 as part of community service grants and was reduced in subsequent budgets and eventually eliminated. The Department was able to use other sources, which it indicates have been depleted and program costs have increased. The Department contracts with the Hospital Association of Rhode Island, which maintains the state's cancer registry, a statewide surveillance database related to cancer patient population.

The request adds \$22,406 from federal funds and partial authorization to fund a full-time equivalent position to support the Women Cancer Screening Program, which provides resources to 2,600 income-eligible women annually, to receive breast and cervical cancer screening services. All remaining expenses are \$131,863 more than enacted, of which \$100,871 is provided to various community-based organizations for screening services. *The Governor recommends staffing as requested, and \$0.2 million less from all sources; all but \$4,892 is from general revenues. He includes \$218,423 for the cancer registry program to support two staff members.*

Healthy Eating and Active Living (2.0 FTE). In September 2023, the Department was awarded a new five-year grant from the Centers for Disease Control and Prevention to support a Physical Activity and Nutrition Program, including safe and accessible physical activity, promoting healthy food choices, and breastfeeding support. The request includes an annual grant award of \$0.9 million, including \$0.3 million for salaries and benefits of 3.4 full-time equivalent positions, 2.0 are new. The Department notes one position each will be dedicated to coordinating physical activities and nutrition. Remaining funds will be used to provide support to community-based organizations, including Health Equity Zones, evaluation services and campaign initiatives. *The Governor recommends funding only 1.0 new full-time equivalent position. Total funding is essentially as requested, which reflects a shift from salaries and benefits to unspecified expenses.*

Other Expenses. The revised request includes \$2.5 million more than enacted, including \$2.4 million from federal funds that the Department utilizes to support prevention programs. It includes funding for several chronic disease prevention and control grants as well as suicide and rape prevention, tobacco cessation and wellness programs. Of the requested increase, \$1.0 million is budgeted as grants to entities and community-based organizations for screening and other services. Salary and benefit expenses are \$0.4 million less, reflecting updated staffing costs and allocations. It also includes \$0.3 million for media campaigns, and contractor support for program administration. *The Governor concurs and adds \$36,512 from all sources, including \$1,351 from general revenues for increased employee health benefit rates.*

Environmental Health

Food Protection Program. The request includes \$0.6 million less from all sources, including \$0.2 million less from general revenues for the food protection program, which is responsible for licensing and regulating more than 7,200 "farm-to-table" food establishments, including restaurants, caterers, food markets, bakeries, food processors, dairy producers, bottlers, and bottle beverage plants. The request

includes \$4.3 million to support 38.4 full-time equivalent positions. This is \$0.6 million less than enacted from all sources, including \$0.4 million from general revenues; however, \$0.3 million from general revenue savings was shifted to operating expenses, for a net reduction of \$0.3 million, including additional turnover savings of \$0.1 million and \$0.2 million less for 2.3 fewer positions. Salary and benefit expenses were shifted to operating expenses, as the Department did not have staffing authorization to allocate these expenses to. All remaining expenses are \$218,240 less from all sources, of which \$179,740 is from federal funds to align expenses with FY 2023 spending. *The Governor concurs and adds \$26,302 from all sources, including \$22,048 from general revenues for increased employee health benefit rates.*

Water Quality Protection Programs. The FY 2024 revised request includes \$2.1 million more than enacted from all sources, including \$0.1 million less from general revenues and \$2.2 million more from federal funds for 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. Salary and benefit expenses are \$0.1 million less, reflecting medical benefit selections. The 2023 Assembly provided \$0.8 million to fund 8.0 new full-time equivalent positions, including engineers and environmental scientists to work on contaminants, including lead. The Department notes that all but two of the positions have been filled.

The request includes \$2.3 million more for operating expenses, including \$1.2 million for environmental and engineering services. The Department notes that the Infrastructure Bank has arranged for engineering firms to provide it with assistance to review perfluoroalkyl and polyfluoroalkyl, or PFAS contaminants-related projects, and to provide technical assistance to small public water systems. The request also adds \$0.8 million for indirect cost charges. *The Governor concurs and adds \$15,197 from all sources, including \$1,344 from general revenues for increased employee health benefit rates.*

Other Expenses. All remaining expenses in the division are \$0.4 million less than enacted from all sources, including \$23,183 less from general revenues. This includes \$0.2 million less for salaries and benefits, reflecting updated staffing costs and allocations. It also includes \$0.1 million less for operating expenses. This includes \$0.2 million less for lead poisoning prevention-related expenses, of which \$0.1 million is for the lead database migration project, based on project completion.

The Governor concurs and adds \$57,533 from all sources, including \$3,137 from general revenues. It includes \$17,533 for increased employee health benefit rates. It also includes \$40,000 from restricted receipts from the Executive Climate Change Coordinating Council for the Department to develop tools to examine chemical contamination, flooding and other risks. The total project cost is \$80,000, with \$40,000 recommended for FY 2025.

Health Laboratories and Medical Examiners

Office of State Medical Examiners. The revised request includes \$0.4 million more from all sources than enacted, including \$0.3 million more from general revenues for the Office of State Medical Examiners. Salary and benefit expenses of \$2.2 million are \$0.3 million more, including \$0.2 million to fund 1.2 full-time equivalent positions, including a case manager position and partial authorization for an associate director to oversee operations of the Office. The Department notes that federal stimulus funds for the latter position have been exhausted. In March 2023, the Department of Administration held a public hearing to increase the wage for assistant medical examiners and at a subsequent hearing in August, the salary for the chief medical examiner was increased from \$295,000 to \$375,000. The request funds the wage increases and includes funding equivalent to four months for the chief medical examiner.

Operating expenses are \$68,321 more than enacted, including \$49,000 less for contracted services, such as livery, x-ray and histology services, reflecting FY 2023 spending. This is offset by additional expenses for furniture and waste disposal for the new medical examiner facility in Cumberland. It includes the enacted

amount of \$1.0 million for contracted medical examiners; through December 11, expenses totaled \$457,800, leaving \$503,836 for the remainder of the year. *The Governor concurs and adds \$10,047 from general revenues, primarily for increased employee health benefit rates.*

Capital - Health Lab and Medical Examiners Equipment. Consistent with the capital budget request, the revised request delays annual funding of \$0.4 million from Rhode Island Capital Plan funds from FY 2024 to FY 2025 to replace obsolete medical equipment. The Department notes that it needs equipment for the new health laboratory facility; however, it does not have sufficient space to store the equipment. It is working on a Memorandum of Understanding with the Rhode Island Emergency Management Agency to store some of the instruments; however, it appears that the Agency's facility is almost full. *The Governor recommends funding essentially as requested. A detailed description of the project is included in the Capital Budget Section of this publication.*

Other Expenses. The revised request includes \$0.2 million less from all sources than enacted, including \$9,889 more from general revenues for all remaining expenses in the Health Laboratories program. It includes \$0.6 million less for salaries and benefits, of which \$0.4 million is from general revenues, and 2.4 fewer full-time equivalent positions than enacted. The 2023 Assembly provided \$0.1 million from general revenues to fund a new forensic scientist to ensure that DNA samples are collected efficiently at the courthouse, immediately after a conviction; the position was filled in October. The revised request reflects the removal of expired federal funds and updated staffing costs and allocations. It includes \$0.4 million more for operating expenses; it adds \$0.3 million for medical supplies for total expenses of \$1.6 million, consistent with FY 2023 spending. It also adds \$0.1 million for maintenance of medical equipment. *The Governor concurs and adds \$34,404 from all sources, including \$27,566 from general revenues primarily for increased employee health benefit rates.*

Customer Services

Opioid Stewardship and Abatement Settlement Funds. Based on project delays, the revised request includes \$3.2 million more from restricted receipts than enacted for various opioid overdose prevention expenses. Of this amount, \$3.0 million is from FY 2023 unspent funds provided to expand street outreach services, data analysis and infrastructure costs for newborns exposed to controlled substances. *The Governor concurs and adds \$3,209 for increased employee health benefit rates.*

Other Expenses. The revised request is \$132,401 more than enacted, including \$46,318 from general revenues for all remaining expenses in the Division of Customer Services, including the Centers of Vital Records, Health Facilities Regulation, and Health Professional Boards and Licensing, which is responsible for certifying, licensing, and disciplining health care professionals, as well as identifying professional standards to ensure the highest quality health care in the state.

The request includes new expenses of \$155,174 from general revenues to obtain contracted services to comply with the Nursing Home Staffing and Quality Care Act, which requires that 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. Salary and benefit expenses are \$0.4 million more than enacted; however, a like of amount was reduced from unspecified operating expenses to fund positions that the Department deemed critical. *The Governor concurs and adds \$59,689 from all sources, including \$27,159 from general revenues, primarily for increased employee health benefit rates.*

Policy, Information and Communications

Health Professional Loan Repayment. The revised request includes \$2.4 million for the health professional loan repayment program, which pays a portion of an eligible health care professional's student loans if the participant agrees to work for two years in a health professional shortage area. The request is

\$1.5 million more than enacted, including \$0.6 million from FY 2023 unspent funds. The Department noted that there was an unexpected volatility among loan lenders and that it had to verify who to make checks out to, and many loans were switched between loan servicers, causing a delay in payment. The request includes increases of \$0.5 million from federal funds and \$1.0 million from restricted receipts, which were used to provide the 50.0 percent minimum match for the federal grant. The federal program was amended and effective October 1, 2022, a state match is no longer required. State match has been covered by donated funds. Through the first quarter, \$1.1 million has been spent. *The Governor concurs with the requested expenses and adds \$256 for increased employee health benefit rates.*

All-Payer Claims Database (HealthFacts RI). The revised request includes \$0.4 million more than enacted from restricted receipts for the All-Payer Claims Database, also known as the HealthFacts RI project, which is used to examine the use, quality, and cost of healthcare in the state. Funds will be used for maintenance and technical support. This project is jointly managed by the Executive Office of Health and Human Services, Department of Health, Office of the Health Insurance Commissioner, and HealthSource RI. *The Governor recommends funding as requested.*

Other Expenses. The revised request includes \$0.7 million more than enacted from all sources for all remaining expenses in the division, including Centers for Public Health Communications, Health Data Analysis, which manages health datasets and systems, and the Office of the Associate Director, which provides policy redirection and operational oversight and coordination. The request includes \$0.6 million more from federal funds, of which \$0.2 million is for the annual survey that measures changes in the health of people in the state as part of the Behavioral Risk Surveillance System, and \$0.4 million is for opioid overdose prevention activities. It also includes \$0.1 million more from restricted receipts to review proposed hospital conversions. The Department is required to monitor, evaluate, and assess compliance with condition(s) of approved hospital conversions for five years. *The Governor concurs and adds \$164,503 from all sources, of which \$2,931 is from general revenues. This includes \$13,696 for increased employee health benefit rates and \$150,807 from restricted receipts for updated staffing expenses.*

Department of Human Services

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Central Management	\$ 12,860,879	\$ 17,315,063	\$ 18,603,940	\$ 18,609,682
Child Support Enforcement	16,506,883	18,191,037	18,115,250	17,601,116
Individual and Family Support	187,284,359	185,902,347	197,719,481	202,459,508
Office of Veterans Services	41,572,890	49,855,837	49,023,091	48,037,123
Health Care Eligibility	15,690,015	27,645,904	33,078,155	32,710,210
Supplemental Security Income	16,565,007	17,095,200	17,095,200	16,613,000
Rhode Island Works	84,321,751	98,142,400	98,142,400	93,966,964
Other Programs	469,727,135	381,151,667	373,590,919	373,524,583
Office of Healthy Aging	30,924,238	38,696,911	35,744,807	35,521,967
Total	\$ 875,453,157	\$ 833,996,366	\$ 841,113,243	\$ 839,044,153
Expenditures by Category				
Salaries and Benefits	\$ 105,955,424	\$ 127,532,384	\$ 120,411,732	\$ 121,057,951
Contracted Services	38,460,299	41,548,859	57,197,030	54,659,892
Subtotal	\$ 144,415,723	\$ 169,081,243	\$ 177,608,762	\$ 175,717,843
Other State Operations	35,263,285	41,222,371	45,437,147	43,980,143
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	691,772,356	618,431,953	611,794,117	612,945,238
Capital	606,270	2,181,326	2,996,942	2,998,530
Capital Debt Service	-	-	-	-
Operating Transfers	3,395,523	3,079,473	3,276,275	3,402,399
Total	\$ 875,453,157	\$ 833,996,366	\$ 841,113,243	\$ 839,044,153
Sources of Funds				
General Revenue	\$ 121,569,819	\$ 155,552,694	\$ 155,894,506	\$ 152,106,751
Federal Aid	744,491,889	666,947,828	673,535,211	673,679,194
Restricted Receipts	4,450,885	5,933,660	6,020,474	7,433,917
Other	4,940,564	5,562,184	5,663,052	5,824,291
Total	\$ 875,453,157	\$ 833,996,366	\$ 841,113,243	\$ 839,044,153
FTE Authorization				
Department of Human Services	773.0	770.0	770.0	770.0
Office of Veterans Services	263.0	267.0	267.0	267.0
Office of Healthy Aging	31.0	33.0	33.0	33.0
Total Authorized Positions	1,067.0	1,070.0	1,070.0	1,070.0
FTE Average	889.3			

FY 2024 Revised Request. The Department of Human Services, including the Office of Veterans Services and Office of Healthy Aging, requests \$7.1 million more from all sources for FY 2024. This includes \$6.6 million more from federal funds, \$0.3 million more from general revenues, and \$0.1 million more from both restricted receipts and other sources. *The Governor recommends \$2.1 million less than requested, including \$3.8 million less from general revenues.*

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 2024 guidelines are as follows.

Family Size	Percent of Federal Poverty Level Based on Annual Income								
	100%	138%	150%	180%	185%	200%	225%	250%	300%
1	\$ 15,060	\$ 20,783	\$ 22,590	\$ 27,108	\$ 27,861	\$ 30,120	\$ 33,885	\$ 37,650	\$ 45,180
2	20,440	28,207	30,660	36,792	37,814	40,880	45,990	51,100	61,320
3	25,820	35,632	38,730	46,476	47,767	51,640	58,095	64,550	77,460
4	31,200	43,056	46,800	56,160	57,720	62,400	70,200	78,000	93,600
5	36,580	50,480	54,870	65,844	67,673	73,160	82,305	91,450	109,740
6	41,960	57,905	62,940	75,528	77,626	83,920	94,410	104,900	125,880
7	47,340	65,329	71,010	85,212	87,579	94,680	106,515	118,350	142,020
8	52,720	72,754	79,080	94,896	97,532	105,440	118,620	131,800	158,160

For families with more than 8 members, add \$5,380 for each additional member for the 100 percent calculation.

Staffing. The Department requests the enacted authorization of 1,070.0 full-time equivalent positions and \$120.4 million in FY 2024. The revised request is \$7.1 million less than enacted, and \$14.5 million more than spent in FY 2023, and would provide funding for 990.1 positions. As of the mid-November, the Department has 906.0 filled positions and has averaged 900.2 filled so far in FY 2024. The Department averaged 889.3 filled positions in FY 2023, 870.4 in FY 2022, 921.3 in FY 2021, and 939.9 in FY 2020. Historical staffing patterns are shown in the following table.

Fiscal Year	Average Filled Positions			
	DHS	OVS	OHA	Total
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

The 2022 Assembly provided authorization for 20.0 new positions to support increased eligibility redetermination activity as the public health emergency ends and required the Department to submit a report every 60 days on its progress in recruiting and retaining staff. 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. The reports the Department has filed as of November 16, 2023, indicate that almost 300 positions have been filled over 18 months since the reporting requirement began. However, roughly half of these were internal candidates, which causes new vacancies, and there continues to be other attrition. In this same time period, the number of filled positions, excluding those associated with Veterans Services and Healthy Aging, has increased by only 13. *The Governor recommends staffing at the authorized level.*

Centralized Services. The Department requests \$6,831 more than enacted for its share of centralized services, including Veterans Services and Healthy Aging, provided by the Department of Administration and brings the requested total to \$14.5 million; FY 2023 spending was \$11.5 million. The changes relate to billings paid by the Department for its share of Unified Health Infrastructure Project expenses. *The Governor recommends \$1.0 million less than requested, including \$0.8 million less from general revenues, to account for statewide utility savings.*

Indirect Cost Recovery. The enacted budget includes \$0.3 million from restricted receipts but does not identify a use of those indirect cost recovery funds. A portion of the Department’s federal grants allow a percent cost recovery charge on the actual amount expended and collections total about \$0.3 million each year. The Department did not spend any funds in FY 2021 through FY 2023 allowing a balance of \$1.1 million to accumulate. The Department’s request includes three initiatives which will exhaust the balance: increasing staff at the call center, purchasing two new vehicles and replacing lost Supplemental Nutrition Assistance benefits; each is discussed separately in the analysis. *The Governor recommends funding as requested.*

Cash Assistance Programs

The Caseload Estimating Conference estimate includes \$109.4 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 \$7.7 million less than enacted, including \$0.5 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 2022 and FY 2023, adopted by the caseload estimators in November 2023, enacted by the 2023 Assembly and recommended by the Governor. Each program is discussed separately. *The Governor recommends total caseload expenditures of \$112.4 million, which is \$3.0 million more from federal funds than the November caseload estimate for child care, which appears to be inadvertently added.*

Cash Assistance	FY 2022 Actual	FY 2023 Actual	FY 2024 Enacted	FY 2024 Nov. CEC	FY 2024 Gov. Rev.
Rhode Island Works					
Persons	6,413	8,245	8,518	8,520	8,520
Monthly Cost per Person	\$ 234.51	\$ 230.00	\$ 232.00	\$ 233.00	\$ 233.00
Total Costs/Federal Funds	\$ 19.5	\$ 24.7	\$ 26.0	\$ 25.9	\$ 25.9
Child Care					
Subsidies	5,404	5,605	6,776	6,050	6,050
Annual Cost per Subsidy	\$ 10,104	\$ 10,639	\$ 10,650	\$ 10,750	\$ 10,750
General Revenue	\$ 8.1	\$ 9.1	\$ 10.2	\$ 10.2	\$ 10.2
Federal Funds	46.5	50.5	62.0	54.9	57.9
Total Costs	\$ 54.6	\$ 59.6	\$ 72.2	\$ 65.0	\$ 68.0
SSI					
Persons	32,695	31,630	31,900	31,000	31,000
Monthly Cost per Person	\$ 44.25	\$ 44.00	\$ 44.51	\$ 44.50	\$ 44.50
Total Costs/General Revenues	\$ 17.4	\$ 16.6	\$ 17.1	\$ 16.6	\$ 16.6
SSI Transition/Bridge					
Persons	114	352	558	578	578
Monthly Cost per Person	\$ 184.88	\$ 154.00	\$ 186.00	\$ 170.00	\$ 170.00
Total Costs/General Revenues	\$ 0.8	\$ 1.2	\$ 1.8	\$ 1.8	\$ 1.8
General Revenue	\$ 26.3	\$ 26.9	\$ 29.1	\$ 28.6	\$ 28.6
Federal Funds	66.0	75.2	88.0	80.8	83.8
Total Cash Assistance	\$ 92.3	\$ 102.1	\$ 117.1	\$ 109.4	\$ 112.4

\$ in millions

Rhode Island Works. The November Caseload Estimating Conference estimate includes program expenditures for Rhode Island Works of \$25.9 million, entirely from federal funds. The estimate increased the monthly caseload to 8,520 cases and monthly cost per person by \$1.00 to \$233.00. Total estimated

expenditures are \$0.1 million less than enacted, reflecting the increased caseload as well as adjustments for clothing and other supportive services. The revised request is consistent with the enacted budget as it was submitted prior to the November Caseload Estimating Conference. *The Governor recommends funding consistent with the caseload estimate.*

Child Care. The November Caseload Estimating Conference estimate includes child care expenditures of \$65.0 million, of which \$10.2 million is from general revenues. This is \$7.1 million less than enacted from federal funds. The estimate reduces child care subsidies by 726 for an average of 6,050 subsidies and increases the annual cost by \$100 to \$10,750. The FY 2024 enacted budget appropriated \$4.0 million to establish a one-year pilot program which extends child care benefits to eligible childcare educators and staff. The pilot exempts participants from copayments and allows them to choose their preferred childcare facility. The estimate includes \$3.0 million of this in FY 2024 and \$1.0 million in FY 2025 based on federal rules requiring a 12-month continuous enrollment.

The Department requests the enacted level of funding, which does not reflect the November adopted estimate as the request predates the conference. A family is eligible for child care assistance either through the Rhode Island Works program (if they qualify for Works they are automatically eligible for child care assistance) or if they qualify as low income, which is at or below 200 percent of federal poverty. However, families meeting that criteria initially remain eligible until the family income exceeds 300 percent of poverty. Eligibility has also been permanently expanded to families enrolled in a degree program at a Rhode Island institution of higher education. *The Governor's recommendation inadvertently adds \$3.0 million; however, the intent is to be consistent with the caseload estimate.*

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 \$0.5 million less than enacted. The caseload decreases by 990 persons to a monthly level of 31,000 and the monthly cost per person to \$44.50. The estimate also includes the enacted amount of \$59,000 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 recommends funding consistent with the caseload estimate.*

Assisted Living State Supplemental Payments. The Department requests \$106,707 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. This is \$51,296 less than enacted and caseload testimony suggests total payment expenditures may be \$93,730 based on to an average of 40 individuals. *The Governor recommends funding consistent with the caseload estimate.*

Supplemental Security Income Transition/Bridge Program. The November Caseload Estimating Conference estimates revised expenditures for the supplemental security income transition/bridge program to \$1.8 million entirely from general revenues, which is \$0.1 million less than enacted. The estimate includes \$1.2 million for cash payments and \$0.6 million for burials. Monthly, the estimate assumes 578 persons, or 20 more than the enacted budget, and increases the payment by \$16 to \$170. The Department requests 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 recommends funding consistent with the caseload estimate.*

Hardship Payments. The Department requests the enacted amount of \$90,000 from general revenues for hardship contingency payments, which provide temporary support to individuals who do not qualify for the supplemental security income or Rhode Island Works programs. Payments have been declining annually and declined by over 90 percent in the five-year period from FY 2018 through FY 2022; FY 2023 expenses were \$357. The Department has indicated that the rules and criteria for the program are strict and applicants

often do not want to fill out the paperwork for the \$100 payment, especially since the applicants must reapply each month in which they request the payment. *The Governor recommends funding as requested.*

Other Programs

Program Eligibility Administration. The Department requests \$8.9 million more than enacted from all sources, including \$0.9 million more 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 RI Bridges, also known as the Unified Health Infrastructure Project. *The Governor recommends \$0.4 million more than requested, including \$0.2 million more from general revenues.*

Staff and Other Expenses	General Revenues			All Sources		
	Eligibility			Eligibility		
	UHIP	Admin.	Total	UHIP	Admin.	Total
FY 2024 Enacted	\$ 13.0	\$ 34.9	\$ 47.9	\$ 31.1	\$ 77.4	\$ 108.5
Revised Request	14.2	34.6	48.8	34.1	83.3	117.4
Revised Change to Enacted	\$ 1.1	\$ (0.3)	\$ 0.9	\$ 3.0	\$ 5.9	\$ 8.9
FY 2025 Request	14.1	34.4	48.6	31.2	82.1	113.2
Request Change to Enacted	\$ 1.1	\$ (0.4)	\$ 0.7	\$ 0.1	\$ 4.7	\$ 4.8

\$ in millions; excludes centralized services

Staffing. The Department requests \$4.2 million less than enacted, including \$2.3 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; funding for portions of 284 eligibility staff and operating costs; are included as Unified Health Infrastructure Project expenses in order to 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 \$0.9 million from available restricted receipts for non-merit call center staff. *The Governor recommends \$0.4 million more than requested, including \$0.2 million more from general revenues to account for increased employee health benefit rates.*

Rent for Satellite Offices. The Department requests \$4.0 million from all sources for office space rent, which is \$0.1 million more than enacted, to bring costs closer to expected levels. This includes a one-year lease for the Holden Street location at \$476,000 plus utilities and \$579,250 for the Reservoir Avenue location, which is on a month-to-month basis. The Assembly authorized five-year lease terms for both locations to address field office occupancy issues in Providence.

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 Department of Administration on Smith Street. The Fountain Street location serves clients and staff were also moved to other field offices, including Pawtucket and to the Pastore Campus in Cranston. *The Governor recommends funding as requested.*

Other Expenses. Excluding centralized services, the Department requests \$13.0 million more than enacted, including \$3.2 million more from general revenues, for all other expenses for the administration of eligibility programs. It includes adjustments to contracted information technology expenses based on the most recent maintenance contract projected to be \$24.2 million, which is \$6.5 million more than enacted, including \$1.7 million more from general revenues. The revised request also includes planned grant

expenses, specifically the Temporary Assistance to Needy Families block grant, including \$3.0 million more for work and training programs for family and adult services, as well as increased expenses for the administration of the Supplemental Nutrition Assistance Program, reflecting an overall increase of program participants. *The Governor recommends funding essentially as requested.*

ARPA - Child Care Support. The Assembly authorized a total of \$42.0 million from State Fiscal Recovery funds, primarily for payments to child care workers. This began with 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 multi-year plan included \$12.6 million for FY 2022, \$21.3 million for FY 2023, \$1.2 million for FY 2024, and \$0.5 million for FY 2025. The Department spent \$12.6 million in FY 2022 and \$9.8 million in FY 2023. The remaining funds will be spent in FY 2024 and FY 2025, which totals \$41.1 million, or \$0.9 million less than approved. *The Governor recommends \$19.5 million for FY 2024 for total funding of \$42.0 million consistent with the authorization.*

Enacted Child Care Support Initiatives	FY 2022	FY 2023	FY 2024	FY 2025	Total
Retention Bonus - \$3,000	\$ 12.5	\$ 12.1	\$ 12.9	\$ -	\$ 37.4
Family-Based Provider Support	0.2	0.4	-	-	0.6
Workforce Registry & Quality Improvements	-	0.1	1.9	-	2.0
TEACH Program	-	0.1	1.9	-	2.0
Total Authorized	\$ 12.6	\$ 12.7	\$ 16.7	\$ -	\$ 42.0
<i>FY 2024 Revised/FY 2025 Request</i>	<i>\$ 12.6</i>	<i>\$ 9.8</i>	<i>\$ 15.3</i>	<i>\$ 3.4</i>	<i>\$ 41.1</i>
Change to Authorized Plan	\$ -	\$ (2.9)	\$ (1.4)	\$ 3.4	\$ (0.9)
<i>FY 2024 Gov. Revised/FY 2025 Governor</i>	<i>\$ 12.6</i>	<i>\$ 9.8</i>	<i>\$ 19.5</i>	<i>\$ -</i>	<i>\$ 42.0</i>
Change to Authorized Plan	\$ -	\$ (2.9)	\$ 2.9	\$ -	\$ -

\$ in millions

Child Care Quality Improvements. The Department requests \$2.4 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 revised request reflects available funding not spent in FY 2023. Funds have been used to provide technical assistance and professional development to child care providers, including a cohort-based model at the Community College and regulatory changes. *The Governor recommends funding as requested.*

Child Care Stabilization Grants. The Department requests total funding of \$0.8 million from federal child care stabilization and development block grant funds authorized under the American Rescue Plan Act, Consolidated Appropriations Act of 2021, and Coronavirus Aid, Relief, and Economic Security Act to provide grants to child care providers with operating expenses during the pandemic. The state was awarded \$57.3 million from child care stabilization grants, the funds have been spent. *The Governor recommends funding as requested.*

Child Support Enforcement Lien Network. The Department requests \$210,000 more than enacted from restricted receipts to support the Lien Network operated by the Child Support Enforcement program. The enacted budget includes \$3.6 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 revised request includes increased expenditures for unplanned activities needed to migrate to a new platform. *The Governor recommends funding as requested.*

Child Support Enforcement Program. The Department requests \$0.3 million less than enacted from all sources, including \$30,104 less from general revenues, for expenditures related to child support enforcement. This primarily reflects a decrease of \$0.5 million for expenses related to the existing RIKidsBridge system, offset by \$0.3 million more for constables and security services. *The Governor recommends \$0.5 million less than requested, including \$0.2 million less from general revenues, further decreasing expenses needed for the RIKidsBridge system.*

Supplemental Nutrition Assistance Program - Benefits. The Department requests \$10.1 million less than enacted from federal funds for direct benefit payments and ongoing pandemic-related enhancements for the Supplemental Nutrition Assistance Program. This includes \$2.5 million more for direct benefits and \$12.9 million less for the pandemic electronic benefits transfer card program, which was a special benefit granted by the United States Department of Agriculture's Food and Nutrition Service to further assist eligible families during the public health emergency. Enhanced benefits were available through the end of federal FY 2023, with the last official issuance given in the summer of 2023.

Total projected payments of \$358.9 million are \$108.3 million less than the FY 2023 experience. The Department was approved to provide pandemic-related benefits for elementary and secondary education students eligible for free and reduced-price lunch. During the school year, benefits are only provided if schools close for five or more days. Participating households have been receiving supplemental benefit payments since the start of the pandemic that equal the difference between their current benefit amount and the maximum amount for their household size or \$95, whichever is higher. These extra benefits are only available during the declaration of a public health emergency, which expired on January 11, 2023; the enacted budget overestimated expenses in the final year. *The Governor recommends funding as requested.*

Supplemental Nutrition Assistance Program - Supportive Programs. The Department requests \$0.5 million less than enacted to reflect available federal funds for employment and training and nutrition education programs to support 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 Governor recommends funding as requested.*

Supplemental Nutrition Assistance Program - Healthy Incentives Pilot Reappropriation. The Department requests \$10.9 million from general revenues to execute the Rhode Island Healthy Incentive Pilot program. The 2022 Assembly created a retail Supplemental Nutrition Assistance 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 and provided \$11.5 million from general revenues for the program, including information technology upgrades. The legislation calls for the pilot to begin on January 1, 2023, and operate until funds are expended.

The 2023 Assembly shifted \$10.0 million to FY 2024, based on a delay in implementation, leaving \$1.5 million for FY 2023. The Department spent \$0.6 million in FY 2023, leaving \$0.9 million reappropriated to FY 2024 and the revised request includes this. The Department reports that requirements and design discussions are currently underway for the project, and that meetings have taken place with the electronic benefits transfer processor and the eligibility system vendor to determine requirements. The project started in January 2024. *The Governor recommends funding as requested.*

Supplemental Nutrition Assistance Program - Fraud Replacement. The Department requests \$100,000 from indirect cost recovery restricted receipts to repay Supplement Nutrition Assistance Program benefits to individuals who have had theirs stolen or skimmed. FY 2023 expenses totaled \$181,245 from these receipts. It should be noted the state has a federally approved plan that allows the benefit to be paid for using federal funds with a state match for administrative expenses. The plan was implemented on October 1, 2023, and the FY 2025 request includes a new proposal to use state and federal funds for the replacement.

There are strict requirements to receive the federal funds, so for the revised request the Department assumes only use of restricted receipts. *The Governor recommends funding as requested.*

LIHEAP, Water and Weatherization Assistance Programs. The Department requests \$4.7 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 primarily reflects carryforward funds. This includes \$34.9 million for energy assistance and \$1.0 million from one-time water assistance funding authorized in response to the public health emergency. *The Governor recommends \$3,952 more than requested for increased employee health benefit rates.*

Office of Rehabilitation Services. The Department requests \$0.2 million less than enacted, including \$0.1 million less from general revenues, for the Office of Rehabilitation Services. The Office helps individuals with disabilities to obtain and maintain employment, economic self-sufficiency, independence and full integration into society. The Office provides resources and services through three program areas: vocation rehabilitation services, services for the blind and visually impaired, and disability determination services. The revised request reduces salary and benefit expenditures by \$0.1 million to adjust for turnover savings, equivalent to about one position. It increases expenditures by \$0.3 million for contracted medical and counseling services for clients and assistance with eligibility determinations, and federal client database management. *The Governor recommends \$81,320 more than recommended, including \$13,394 more from general revenues, for increased employee health benefit rates.*

Domestic Violence Prevention Activities. The Department requests \$0.1 million more than enacted from federal funds for domestic violence prevention activities, specifically family violence prevention and services. This reflects additional funding from federal Family Violence Prevention and Services Act program funds; the grant is 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 RI Coalition Against Domestic Violence to distribute funding to domestic violence shelters in the state. *The Governor recommends funding as requested.*

Day One. The Department requests \$100,000 more than enacted from federal funds for total funding of \$450,000 to assist Day One with the transition to remote service provisions; these funds were unspent in FY 2023. The American Rescue Plan Act authorized one-time funding to the Family Violence Prevention and Services Act program for grants to ensure access and continuity of domestic violence crisis centers, programs, support services, and assistance to survivors during the public health emergency. The FY 2023 budget included \$350,000 but only \$32,526 was spent. FY 2025 also includes some of the unspent funds. *The Governor recommends funding as requested.*

Community Services Block Grant. The Department requests \$0.2 million more from federal funds for total funding of \$4.6 million from expenses related to the community services block grant, primarily reflecting carryforward funds. Nearly all funding is used to support local community agencies and programs. *The Governor recommends funding as requested.*

Refugee Assistance. The Department requests \$3.4 million more than enacted from federal funds for refugee assistance programs. This includes \$2.5 million more for social service programs, reflecting increased grant awards. This also reflects \$1.6 million more for cash assistance program benefits; FY 2023 expenses totaled \$0.6 million. *The Governor recommends funding as requested.*

Preschool Development Grant. The Department requests \$1.3 million more than enacted from federal preschool development funds to reflect unspent funds from FY 2023. The enacted budget includes \$1.7 million along with \$1.2 million in FY 2023 to be 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. Funds will also be used to implement a wage supplement pilot program intended to retain staff and incentivize providers to improve their education credentials and quality rating. Federal funds support development, planning, and coordination of the state's early childhood system, specifically from birth to age five. Other projects included a facilities study and family needs assessment. *The Governor recommends funding as requested.*

New Vehicles. The Department requests \$88,880 from indirect cost recovery restricted receipts for two new vehicles for the Long Term Services and Supports Unit; this is also requested in the capital budget. *The Governor recommends funding as requested.*

Capital - Blind Vending Facilities. The Department requests \$265,868, or \$100,868 more than enacted, from Rhode Island Capital Plan funds for the ongoing construction and renovation of statewide vending facilities. The request includes funds not spent in FY 2023 and is not consistent with the Department's capital budget submission. *The Governor recommends \$1,588 more than requested for anticipated project costs. A detailed description of the project is included the Capital Budget section of this publication.*

Other Operations. The Department requests \$0.1 million more than enacted, primarily from general revenues, for all other operating expenses in the central management, and individual and family support programs. This includes \$184,820 from general revenues for its portion of the state's grants management system; however, it is uncertain it is needed since this expense is usually paid for through the Department's federal grants. *The Governor recommends \$60,934 less than requested, primarily from general revenues for all other expenses; he includes funding for the grants management system.*

Office of Veterans Services

Veterans' Home Fee Reimbursement. In FY 2020, the Office of Veterans Services was notified by the federal Veterans Administration that it was erroneously collecting maintenance fees from residents with a 70 percent or greater service related disability. The Home receives an enhanced federal per diem for those residents in lieu of collecting such fees. The Office entered into a corrective action plan with the federal government to repay 53 current and former residents a total of \$5.0 million collected from February 2013 through June 2020. The FY 2020 closing recognized the total amount of payments. In January 2022, the Office was notified that it would have to reimburse collections dating back to October 2010. It estimated total costs to be \$0.8 million for the October 2010 through January 2013 period, which affects 17 current and former residents and the 2023 Assembly added \$770,140 from general revenues for this expense. The revised request includes the enacted amount of \$10,000 from restricted receipts to provide legal services for probate of refunds for resident veterans with no next of kin available. As of the December 15, 2023 report, the Office has four remaining refunds to distribute. *The Governor recommends funding as requested.*

Veterans' Home. The Office requests \$0.8 million less than enacted from all sources, including \$0.4 million more from general revenues, for expenses at the Veterans' Home. The request reduces personnel expenses by \$1.3 million largely due to the inability to hire full-time workers as a result of the national healthcare staff shortage. *The Governor recommends \$0.4 million less from all funds, including \$2.2 million less from general revenues, for updated expenses at the home.*

Burial Equity for Guards and Reserves. The enacted budget includes \$550,000 from general revenues to implement the Burial Equity for Guards and Reserves Act, which allows qualifying non-resident veterans, national guard members and reservists, and their families and dependents to be eligible to be buried in state veterans' cemeteries, as long as their service was not terminated under dishonorable conditions. This includes \$202,600 to convert six seasonal cemetery positions to four full-time gardener positions and \$344,340 for operating expenses in anticipation of an increase in burials. This federal change is effective as of January 1, 2024. The revised request includes the enacted level for operating expenses

but excludes \$48,368 for benefit expenses for the cemetery positions. *The Governor fully funds the positions and decreases operating expenses by \$115,972 based on projected expenses.*

Digitalization Project. The Office requests the enacted amount of \$250,000 from general revenues for a new digitalization project to scan, digitize, and store physical documents of military service records and discharge paperwork in a searchable database. The Office has over 60,000 of these records stored in filing cabinets. This initiative would preserve these documents and facilitate the fulfillment of requests for records by veterans, family members, or other state agencies. The database would be for authorized personnel use only. As of early January, no funds have been spent on the project. *The Governor recommends funding as requested.*

Other Operations. The Office requests \$0.3 million less than enacted from general revenues, for all other updated salary and benefits expenses. All other expenses are requested at the enacted amount, which is \$0.4 million more than FY 2023 experience. *The Governor recommends \$55,400 more than requested, including \$60,572 less from general revenues primarily for increased employee health benefit rates.*

Capital Projects. The Office requests \$295,000 more than enacted from all sources for projects at the Rhode Island Veterans' Memorial Cemetery in Exeter. Consistent with the capital budget request, this reflects an increase to asset protection projects. The request adds \$100,000 from donations for the Veterans' Home Construction Project and \$50,000 from federal funds for unidentified miscellaneous expenses for the Veteran's Home Renovation project. *The Governor recommends funding as requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Office of Healthy Aging

Home and Community Care Services. The Office requests \$5.0 million less than enacted, including \$2.1 million less from general revenues, for home care and adult day care services, based on updated utilization which is not nearly as high as the enacted budget assumes. The revised request is \$0.8 million more than FY 2023 spending. The FY 2024 budget assumes a faster recovery to pre-pandemic levels. *The Governor recommends \$0.4 million less than requested, including \$0.2 million less from general revenues for updated utilization projections.*

Paratransit Services for the Elderly. The revised request is \$0.8 million more than enacted from general revenues for total funding of \$8.6 million for paratransit services. This is \$0.3 million more than FY 2023 expenses, including \$0.9 million from general revenues, to reflect projected utilization. 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 Governor recommends \$0.2 million more than requested from available gas tax proceeds.*

Elderly Nutrition Programs. The Office requests \$0.3 million more than enacted from federal funds for elderly nutrition programs, including home delivered and congregate meals. This represents adjustments made to the supplemental grant authorized under the American Rescue Plan Act and updated awards for the remaining grants. For FY 2024, the Office requests total funding of \$5.7 million, including the enacted level of \$0.7 million from general revenues. *The Governor recommends funding as requested.*

Supportive Services. The Office requests \$0.5 million less than enacted from federal funds, including \$0.2 million less from grants authorized in response to the coronavirus emergency for supportive services for older and disabled individuals. The request includes \$0.1 million for contracted person-centered option counseling services. Total requested funding for supportive services is \$2.6 million for FY 2024. The Department reports that this decrease is intended to align with projected award spending and FY 2023 expenditures. 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, response activities, and in-home services, among others. *The Governor recommends funding as requested.*

Elder Abuse Prevention. The Office requests \$0.9 million more than enacted for total funding of \$1.6 million from federal funds authorized in response to the coronavirus emergency for elderly abuse prevention activities. This represents carryforward of supplemental grants for adult protective services authorized in response to the public health emergency. The increase includes \$0.4 million for Wellsky to operate the Office's case management system and its abuse reporting function. *The Governor recommends funding as requested.*

Case Management Services. The Office's revised request includes \$200,000 from new federal Social Services Block Grant funds it received from the Department of Human Services to provide for case management services through West Bay, East Bay and Tri-Town Community Action Programs and Child and Family Services. The one-year \$250,000 grant ends September 30, 2024, with the remaining \$50,000 to be spent in FY 2025. Services are provided to individuals who are not eligible for case management benefits through Medicaid. *The Governor recommends funding as requested.*

Other Operations. The Office requests \$0.3 million more than enacted, including \$0.1 million less from general revenues, for all other operations. The revised request is \$0.1 million less for salaries and benefits, primarily from general revenues, and includes increased turnover savings equivalent to about three positions, and position upgrades. It funds 30 of the 33 authorized positions; as of December 2, 2023, there are 27 positions filled. The Assembly provided 2.0 new positions to support the adult protective services division, including a customer service specialist to assist with call screenings and a protective service specialist to assist with investigations; those positions have been filled. It also includes \$0.3 million for a new federal grant and \$0.1 million more for all other operating expenses. *The Governor recommends \$16,563 more than requested, including \$9,370 more from general revenues for increased employee health benefit rates.*

Dept. of Behavioral Healthcare, Developmental Disabilities & Hospitals

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Services for the Dev. Disabled Hospital & Comm. Rehab. Services	\$ 392,934,858	\$ 469,110,006	\$ 479,719,204	\$ 497,408,095
Rhode Island Psychiatric Hospital	119,071,592	114,613,069	117,323,022	112,559,855
Behavioral Healthcare Services	21,170,729	35,216,359	35,216,359	35,266,607
Central Management	38,848,679	48,955,103	61,839,838	62,490,312
Hosp. & Comm. System Support	3,958,916	3,179,538	4,363,408	4,604,340
	1,262,534	1,774,606	1,755,272	1,752,948
Total	\$ 577,247,308	\$ 672,848,681	\$ 700,217,103	\$ 714,082,157
Expenditures by Category				
Salaries and Benefits	130,993,974	127,886,380	56,565,368	44,406,212
Contracted Services	14,105,427	13,329,017	15,260,524	15,156,789
Subtotal	\$ 145,099,401	\$ 141,215,397	\$ 71,825,892	\$ 59,563,001
Other State Operations	(58,422,024)	56,744,367	25,725,786	25,629,319
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	490,162,651	473,201,421	602,060,483	628,186,999
Capital	407,280	1,687,496	604,942	702,838
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 577,247,308	\$ 672,848,681	\$ 700,217,103	\$ 714,082,157
Sources of Funds				
General Revenue	\$ 272,282,948	\$ 310,886,337	\$ 316,060,741	\$ 322,704,470
Federal Aid	301,265,938	349,233,547	368,326,828	375,846,199
Restricted Receipts	3,224,894	12,328,797	15,157,740	15,061,944
Other	473,528	400,000	671,794	469,544
Total	\$ 577,247,308	\$ 672,848,681	\$ 700,217,103	\$ 714,082,157
FTE Authorization	1,200.4	1,202.4	1,202.4	1,204.4
FTE Average	976.1			

FY 2024 Revised Request. The Department requests \$27.4 million more than enacted, including \$19.1 million more from federal funds, \$5.2 million more from general revenues, \$2.8 million more from restricted receipts and \$0.3 million more from Rhode Island Capital Plan funds. It has also proposed a significant change to account for staffing and related expenses at the 24-hour operations that bill Medicaid for a portion of the services delivered. This makes certain comparisons difficult.

The Governor recommends \$41.2 million more than enacted, including \$11.8 million more from general revenues, \$26.6 million more from federal funds, \$2.7 million more from restricted receipts and \$0.1 million more from Rhode Island Capital Plan funds. This is \$13.9 million more than requested, including \$6.6 million more from general revenues, \$7.5 million more from federal funds, \$0.2 million less from other funds and \$0.1 million less from restricted receipts. He adds 2.0 full-time positions for management and oversight of group homes and residential facilities.

By category, the Governor’s revised budget reclassifies \$118.2 million of expenses, mostly staffing, to grants as part of a proposed change to the way Medicaid billings for Eleanor Slater Hospital and the state-run system for adults with developmental disabilities are budgeted. This is similar to the changes included in the FY 2025 request.

Cost Allocation Plan. 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 \$248,310, including \$100,740 from general revenues to pay for the cost allocation plan. The revised request reduces the total payment by \$11,378, assuming federal funds are not available and adds \$136,192 from general revenues to backfill the loss. *The Governor recommends funding as requested.*

Security Services. The Department requests \$0.5 million more than enacted for total funding of \$3.5 million for security services based on updated projections. Consistent with the enacted budget, expenses are entirely funded from general revenues. This is \$1.4 million less than expenses for FY 2023. The primary changes are \$0.8 million more for Eleanor Slater and \$0.3 million less for the psychiatric hospital for projected expenses. *The Governor recommends funding as requested.*

Security Services						
Division	FY 2023 Actual	FY 2024 Enacted	FY 2024 Revised	Revised to Enacted	FY 2024 Gov. Rev.	Gov. Rev. to Rev. Req.
Eleanor Slater Hospital	\$ 2,851,366	\$ 1,007,029	1,760,730	\$ 753,701	1,760,730	-
State Psychiatric Facility	2,073,306	1,993,505	1,717,505	(276,000)	1,717,505	-
Hospital and Community Support	9,885	26,538	16,276	(10,262)	16,276	-
Developmental Disabilities	13,837	-	42,000	42,000	42,000	-
Behavioral Healthcare Services	5,888	-	5,888	5,888	5,888	-
Central Management	7,012	16,843	1,488	(15,355)	1,488	-
Total - All Funds	\$ 4,961,294	\$ 3,043,915	\$ 3,543,887	\$ 499,972	\$ 3,543,887	\$ -
<i>General Revenues</i>	<i>\$ 4,957,142</i>	<i>\$ 3,043,915</i>	<i>\$ 3,543,887</i>	<i>\$ 499,972</i>	<i>\$ 3,543,887</i>	<i>\$ -</i>

Centralized Services. The Department requests \$27.7 million from all sources, including \$21.2 million from general revenues, for centralized services provided by the Department of Administration. The revised request reduces funding by \$5,956 and shifts general revenue expenses to restricted receipts. Both changes occur in the Division of Behavioral Healthcare Services and appear to be in error; details by division are shown in the following table.

Centralized Services by Division						
Division	FY 2023 Actual	FY 2024 Enacted	FY 2024 Revised	Revised to Enacted	FY 2024 Gov. Rev.	Gov. Rev. to Rev. Req.
Eleanor Slater Hospital	\$ 12,874,069	\$ 19,040,864	\$ 19,040,864	\$ -	\$ 13,465,521	\$ (5,575,343)
State Psychiatric Facility	1,669,626	3,319,168	3,319,168	-	3,281,314	(37,854)
Developmental Disabilities	2,719,026	2,565,857	2,565,857	-	2,378,244	(187,613)
Behavioral Healthcare Services	500,120	830,141	824,185	(5,956)	785,283	(38,902)
Hospital and Community Support	225,400	635,197	635,197	-	562,637	(72,560)
Central Management	1,613,714	1,355,721	1,355,721	-	1,205,033	(150,688)
Total - All Funds	\$ 19,601,955	\$ 27,746,948	\$ 27,740,992	\$ (5,956)	\$ 21,678,032	\$ (6,062,960)
<i>General Revenues</i>	<i>\$ 18,950,969</i>	<i>\$ 21,571,003</i>	<i>\$ 21,171,003</i>	<i>\$ (400,000)</i>	<i>\$ 20,863,277</i>	<i>\$ (307,726)</i>

The following table shows expenses by type of centralized service, and includes \$20.5 million for facilities management, more than half the request. The Department’s billings for all charges through the first quarter total \$5.7 million, including \$2.6 million from general revenues and \$3.1 million from federal funds. Annualized, the total would be \$22.9 million from all sources, including \$10.6 million from general revenues and \$12.4 million from federal funds.

The Governor recommends \$6.1 million less than enacted to account for statewide utility savings. Annualizing second quarter billings total \$22.3 million, or \$0.6 million less than recommendation. The second quarter report also assumes about a third of the expenses are Medicaid eligible.

Centralized Services by Service						
Service	FY 2023 Actual	FY 2024 Enacted	FY 2024 Revised	Revised to Enacted	FY 2024 Gov. Rev.	Gov. Rev. to Rev. Req.
Facilities Management	\$ 13,360,920	\$ 20,468,357	\$ 20,468,357	\$ -	\$ 14,405,397	\$ (6,062,960)
Human Resources	1,933,002	2,182,704	2,182,704	-	2,182,704	-
Information Technology	4,308,015	5,095,887	5,089,931	(5,956)	5,089,931	-
Total - All Funds	\$ 19,601,937	\$ 27,746,948	\$ 27,740,992	\$ (5,956)	\$ 21,678,032	\$ (6,068,916)
<i>General Revenues</i>	<i>\$ 18,950,969</i>	<i>\$ 21,571,003</i>	<i>\$ 21,171,003</i>	<i>\$ (400,000)</i>	<i>\$ 20,863,277</i>	<i>\$ (307,726)</i>

Group Home Oversight and Maintenance (2.0 FTE). The Department’s revised request does not directly fund positions dedicated to the oversight and maintenance of group homes and residential facilities that house the Department’s clients. *The Governor includes \$66,008 from general revenues for two new positions to oversee facilities in the Divisions of Developmental Disabilities and/or Behavioral Healthcare Services.*

He also includes several sections of Article 2 of 2024-H 7225 to create the Group Home Facility Improvement Fund and transfers into the fund proceeds from the sale of state-owned group homes, or community residences, that are licensed by the Department and rents collected from agencies providing services in those homes. The proceeds will be used for the ongoing upkeep and maintenance of state-owned facilities at the discretion of the Department and exempts it from indirect cost recovery. Currently all revenues from property sales are directed to the information technology fund.

Capital Projects. The Department requests \$0.7 million from Rhode Island Capital Plan funds which includes \$0.5 million to purchase hospital equipment and \$0.2 million for residential development in the Division of Developmental Disabilities. This is \$0.3 million more than enacted and consistent with the FY 2025 through FY 2029 capital request. *The Governor recommends \$0.1 million more than enacted and \$0.2 million less than requested. 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 or medical services to support adults with developmental disabilities. As of October 2023, there are 4,372 individuals receiving services through either the state-run system or through community-based providers. This includes 3,831 individuals receiving direct residential, employment and community-based programs, as well as family supports, including respite.

The Department’s revised request includes \$479.7 million, of which \$211.8 million is from general revenues, for programs to support adults with developmental disabilities. This is \$10.6 million more than enacted from all sources, including \$5.6 million more from general revenues, \$5.0 million more from federal funds, \$0.1 million less from restricted receipts and \$0.1 million more from Rhode Island Capital Plan funds. The request includes \$446.0 million for the community-based system and \$30.9 million for the state-run one. The request is consistent with the enacted budget for programs subject to the caseload estimating conference.

The revised request includes \$8.2 million, including \$4.9 million from general revenues, for the transformation and technology funds for community-based providers to comply with the Action Plan for the consent decree. This is a portion of the statutorily required reappropriation of unspent funds from FY 2023 to be used for the same purpose.

The Governor recommends \$497.4 million, which is \$28.4 million more than enacted, including \$13.7 million from general revenues, and includes the changes made at the November Caseload Estimating Conference.

Privately Operated Community Programs. The Caseload Estimating Conference met on November 7, 2023 and based on current law, revised the FY 2024 expenditures for private community developmentally disabled services to \$442.8 million, including \$196.3 million from general revenues, which is \$23.3 million more than enacted from all sources and \$10.4 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 enacted budget, adopted by the caseload estimators in November 2023, and recommended by the Governor. Each category is discussed separately. *The Governor recommends funding consistent with the caseload estimate.*

Private Community Developmentally Disabled	FY 2024 Enacted	FY 2024 Nov. CEC	FY 2024 Gov. Rec.
Residential Rehabilitation	\$ 265.1	\$ 284.7	\$ 284.7
Day Program	91.3	98.1	98.1
Employment	9.5	8.5	8.5
Transportation	12.4	14.1	14.1
Case Management and Other Support Services	10.9	10.0	10.0
Support Services Expansion	-	2.0	2.0
L9 Supplemental Funding	30.1	25.1	25.1
Non Medicaid Funded	0.3	0.3	0.3
Total	\$ 419.5	\$ 442.8	\$ 442.8
Federal Funds	233.6	246.6	245.6
General Revenues	185.9	196.3	197.3

\$ in millions

Residential Rehabilitation. The November Caseload Estimating Conference estimate includes FY 2024 expenditures of \$284.7 million, including \$126.0 million from general revenues for the residential rehabilitation program. Services are provided in a variety of 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 is \$19.6 million more than enacted, including \$8.7 million from general revenues, based on updated utilization. This category includes an estimate for the Shared Living Arrangement item, now referred to as Whole Life SLA, in the amount of \$15.1 million. The Department’s revised request does not reflect the adopted estimate. *The Governor recommends funding consistent with the caseload estimate.*

Day Program. The November Caseload Estimating Conference estimate includes FY 2024 expenditures of \$98.1 million, of which \$43.4 million is from general revenues, for day program services. This is \$6.8 million more than enacted, including \$3.0 million more from general revenues, to reflect greater participation than assumed in the prior estimate.

Day Program expenses capture services offered at a center-based day program, a community-based day program or home-based day program, including the provision of education, training, and opportunities to acquire the skills and experience needed to participate in the community. The Department’s revised request does not reflect the adopted estimate. *The Governor recommends funding consistent with the caseload estimate.*

Employment. The November Caseload Estimating Conference estimate includes FY 2024 expenditures of \$8.5 million, of which \$3.8 million is from general revenues, for employment services. The estimate is \$1.0 million less than enacted, including \$0.4 million less from general revenues, based on updated utilization. Employment captures services such as job assessment and development, job coaching, job retention, and prevocational training for adults with developmental disabilities. The Department's revised request does not reflect the adopted estimate. *The Governor recommends funding consistent with the caseload estimate.*

Transportation. The November Caseload Estimating Conference estimate includes FY 2024 expenditures of \$14.1 million, of which \$6.4 million is from general revenues, for transportation expenses. The estimate is \$1.7 million more than enacted, including \$0.8 million more from general revenues based on updated utilization. In addition to the expenses for transportation day activity, the Conference estimate includes \$2.1 million for transportation services provided by the Rhode Island Public Transit Authority (RIPTA).

An individual is provided transportation from, or in the immediate vicinity to their residence in order to participate in employment/day activities. The Department's revised request does not reflect the adopted estimate. *The Governor recommends funding consistent with the caseload estimate.*

Case Management and Other Support. The November Caseload Estimating Conference estimate includes FY 2024 expenditures of \$10.0 million, including \$4.4 million from general revenues, for case management and other support services. The estimate is \$0.9 million less than enacted, including \$0.4 million more from general revenues based on updated utilization. An individual can receive these assorted services which include, but are not limited to, attendant care, home modifications, assistive technology, and support facilitation. The Department's revised request does not reflect the adopted estimate. *The Governor recommends funding consistent with the caseload estimate.*

Support Services Expansion. The November Caseload Estimating Conference estimate includes FY 2024 expenditures of \$2.0 million, including \$0.9 million from general revenues, to expand support services. The new services include remote supports, companion room and board, vehicle modifications, personal care in the workplace, peer support and family to family training. The estimate assumes six months of services and is annualized to \$4.0 million for FY 2025. *The Governor recommends funding consistent with the caseload estimate.*

L9 Supplemental Funding. The November Caseload Estimating Conference estimate includes \$25.1 million, including \$11.1 million from general revenues for L9 supplemental funding provided in addition to the annual authorizations. The estimate is \$5.0 million less than enacted, including \$2.2 million from general revenues. The enacted budget assumes an increase in the use of the supplemental services that has not occurred at the rate predicted. The Department's revised request does not reflect the adopted estimate. *The Governor recommends funding consistent with the caseload estimate.*

Non-Medicaid Funded. The November Caseload Estimating Conference estimate includes general revenue expenditures of \$310,000 for one individual in an out-of-state placement and \$31,000 for the monthly payments to family caregivers of individuals who formerly resided at the Ladd Center. This is \$11,000 more than enacted to account for updated payment information. *The Governor recommends funding consistent with the caseload estimate.*

Transformation and Technology Fund. The Assembly provided \$9.9 million, including \$5.6 million from general revenues, in FY 2023 to be spent on 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. The Department spent \$0.7 million, of which \$0.3 million is general revenues, leaving a balance of \$9.2 million, including \$5.2 million from general revenues. Any balance from these funds are automatically reappropriated. The Department's request includes \$8.2 million, of which \$4.9

million is from general revenues, which is \$1.0 million less than the available balance. *The Governor's recommendation includes \$3.6 million more than enacted, of which \$2.6 million is from general revenues from the balance.*

Transformation and Technology Funds	FY 2023 Final	FY 2023 Preliminary	Reappropriated Balance	FY 2024 Rev. Req.	Difference	FY 2024 Gov. Rev.
General Revenues	\$5,574,593	\$ 336,077	\$ 5,238,516	\$4,870,624	\$ (367,892)	\$2,649,325
Federal Funds	4,319,219	336,077	3,983,142	3,369,863	(613,279)	908,120
Total	\$9,893,812	\$ 672,154	\$ 9,221,658	\$8,240,487	\$ (981,171)	\$3,557,445

Consent Decree Activities - Contracted Services. The Department requests \$2.6 million more from all sources, including \$1.4 million from general revenues, to account for three changes to contracted services related to workforce development consent decree compliance.

First, the revised request adds \$1.7 million, including \$0.9 million from general revenues to extend its contract with the Sherlock Center for services such as employment and activity surveys, technology training for program staff, and technical assistance to providers, for a total of \$2.7 million. This increase funds work with Direct Support Workforce Solutions through the University of Minnesota's Institute for Community Integration through December 31, 2025. The work will include: a statewide marketing campaign and recruitment, data collection and reporting, training and professional development, selection and retention, and technical assistance.

The second item is \$0.6 million, of which \$0.4 million is from general revenues, for an extension to the Sage Squirrel contract to identify practices to hire recruiters, recruitment, training initiatives and align the coordination of the Transformation Fund with the various entities engaged in workforce improvements.

The final piece is \$60,000, of which \$30,000 is from general revenues, to hire a contractor to assist with employment, community and self-directed services, including assistance to providers on using new rates and the Transformation Fund. The contractor will also help with creating policies and practices for the self-directed service model, implementation of conflict free case management, accessing new support services, and with data collection and analysis. It is unclear how this work is different from the task already assigned to permanent staff and other contractors. *The Governor recommends funding as requested.*

Conflict Free Case Management. The Department requests \$1.1 million more than enacted, including \$0.2 million from general revenues, for conflict free case management software for a total of \$3.9 million, including \$0.6 million from general revenues. The enacted budget includes \$1.7 million, of which \$0.2 million is from general revenues, for the Department's portion of the Wellsky contract with the Executive Office of Health and Human Services to implement statewide conflict-free case management services. Activities covered under the contract include accepting applications, eligibility determinations, evaluations, and conflict-free case management. After repeated inquiries the Department acknowledged that only \$0.1 million is needed but did not explain why.

The Governor recommends \$0.8 million less than requested, including \$0.1 million less from general revenues. His recommendation is \$0.4 million more than enacted, including \$0.1 million more from general revenues, for expenses not related to Wellsky but that support other department specific functions for this population.

Staffing and Other Operations. The Department requests \$1.4 million less from all sources, nearly all from general revenues, for all other expenses related to the Division, excluding the state-run group homes. This includes \$1.7 million less for staffing costs for the 61 positions assigned to this function. The Department attributes the change to the cost allocation plan but the request still exceeds FY 2023 spending by \$2.1 million. The revisions also include \$0.4 million for a new contract for staff training. *The Governor*

recommends \$111,055 more than requested, of which \$33,867 is from general revenues. primarily to account for increased employee health benefit rates.

Rhode Island Community Living and Supports Program (RICLAS). There are 21 state-run group homes and apartments that provide overnight care that have the capacity to provide residential services to 116 clients. As of October 2023, there were 105 clients in these facilities. The Department requests \$12,986 more than enacted and shifts \$0.6 million to general revenues to adjust the Medicaid match rate. The revised request is also \$3.0 million more than spent in FY 2023.

As shown in the following table, the revised request effectively increases the assumed annual cost per person from FY 2023 by \$32,188 or 11.7 percent more; this is essentially consistent with the enacted budget at an annual cost per person of \$308,022.

RICLAS	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	Revised to FY 2023	FY 2024 Gov. Rev.	Gov. Rev. to FY 2023
Expenses	\$29,867,946	\$32,379,149	\$32,342,329	\$2,474,383	\$32,436,949	\$2,569,003
Average # of Persons*	107	105	105	(2)	105	(2)
Annual Cost Per Person	\$ 279,140	\$ 308,373	\$ 308,022	\$ 28,882	\$ 308,923	\$ 29,784

*FY 2024 enacted and revised based on October 2023 census

The Governor recommends \$0.1 million more than requested, including \$0.6 million less from general revenues, for an annual cost per person totaling \$308,923. The change accounts for increased employee health benefit rates and adjustments for the Medicaid rate. As noted, the revised budget shifts expenses between categories as part of a proposed change to how expenses are budgeted.

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 requests \$0.5 million more than enacted from federal mental health and substance abuse block grant funds, as well as enhanced federal resources available through recent legislation for total funding of \$18.2 million. This is based on a revised spending plan. The Department has identified near term uses of the funds including its regular annual support for Regional Task Forces, Student Assistance, BH Link along with enhanced funding to existing programs from time-limited grants. The following table shows the separate federal grants included in the enacted budget, revised request and Governor’s recommendation. *The Governor recommends funding as requested.*

Block Grant	FY 2024			
	Enacted	Revised Request	Governor	Change to Enacted
Substance Abuse	\$ 7.5	\$ 7.7	\$ 7.7	\$ 0.1
ARP: Substance Abuse	2.7	2.7	2.7	0.0
CAA: Substance Abuse	1.8	1.1	1.1	(0.8)
Mental Health	2.7	3.4	3.4	0.7
ARP: Mental Health	2.3	2.3	2.3	-
CAA: Mental Health	0.6	1.1	1.1	0.5
Total	\$ 17.7	\$ 18.2	\$ 18.2	\$ 0.5

\$ in millions

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 that totaled \$0.6 million and FY 2024 includes the remaining \$1.7 million that must be obligated by December 31, 2024 and spent by December 31, 2026. The Department's revised request includes \$0.8 million, or \$0.9 million less than enacted, and includes \$0.6 million for FY 2025. The Pandemic Recovery Office reports spending of \$152,150 in FY 2023 suggesting the request understates available funds by \$0.7 million. *The Governor recommends the full authorization of \$2.2 million, which assumes no spending occurred in FY 2023.*

ARPA - 988 Hotline. The Department requests \$2.3 million more from State Fiscal Recovery funds for the 988 hotline to maintain compliance with the National Suicide Hotline Designation Act of 2020 and Federal Communications Commission rules and regulations. The hotline is operated by Horizon Health Partners, which used its BH Link program to provide the necessary staffing and operations to meet the federal requirements.

The Assembly provided \$3.5 million for FY 2023 and FY 2024 for the hotline. FY 2023 expenses were \$0.2 million and \$1.6 million was available to be carried forward for FY 2024. The Department's revised request of \$3.9 million brings the two-year total to \$4.1 million, or \$0.7 million more than the appropriation. *The Governor recommends \$1.6 million more than enacted for funding of \$3.5 million over two years, or \$0.7 million less than requested. He also includes \$1.9 million for FY 2025 for a three year total of \$5.3 million.*

988 Hotline Services Support - Federal Funds. The Department requests \$1.1 million from two federal grant awards, not included in the enacted budget, which support services provided by the 988 hotline. It is unclear why these grants were not included in the FY 2024 request. This includes \$0.8 million from a new \$1.0 million, three-year grant to expand services provided by the Lifeline Center.

It also includes \$0.2 million from Transformation Transfer Initiative funds to purchase dispatch software that will be used in the 988 call center. The centralized dispatch will allow the crisis teams to assist individuals in need of more intense community-based services primarily to be provided by the Community Mental Health Centers and the Certified Community Behavioral Health clinics. The request includes \$0.2 million for the software, \$0.1 million for contracted management services, and \$0.1 million for other expenses. *The Governor recommends \$0.1 million less than requested assuming federal funding will be available for three quarters in FY 2024.*

Trauma Services. The Department's revised request includes \$0.4 million from new federal Bipartisan Safer Community Act funds to provide mental health services on the scene of a traumatic event, especially for those with complex issues. *The Governor recommends funding as requested.*

Certified Community Behavioral Health Clinics. The Department includes \$1.0 million from newly awarded federal funds to support the state's Certified Community Behavioral Health Clinics. Funding is for planning for the next round of demonstration grants for the clinics. The application is due by March 20, 2024. Contracted staff from the Executive Office of Health and Human Services will manage the grant. *The Governor recommends funding as requested.*

Recovery Housing. The Department received \$1.0 million from federal grant funds through the Department of Housing and federal Department of Housing and Urban Development to provide stable, temporary housing for 24 months to low-income individuals with a substance use disorder. The four-year \$1.0 million grant was first awarded in 2021. The revised request includes \$0.9 million and \$0.1 million is requested in FY 2025. FY 2023 expenses totaled \$20,924. *The Governor recommends funding as requested.*

Opioid Funds. The Department includes \$4.7 million more than enacted from Opioid Stewardship, Statewide Abatement and McKinsey Opioid Settlement funds for total funding of \$11.8 million. Funding has supported \$1.5 million for investments in school- and community-based mental health services, \$0.8 million for recovery housing, \$0.8 million for medical services, and \$0.4 million for temporary contracted employment services.

The Governor recommends funding as requested. The following table shows the recommendation in the four agencies receiving the funds.

Governor's Recommendation					
Agency	Pre-FY 2023	FY 2023	FY 2024	FY 2025	5-Year Total
EOHHS	\$ -	\$ 3,296,603	\$ 15,075,410	\$ 25,238,667	\$ 40,314,077
BHDDH	1,803,172	2,124,235	11,750,778	6,282,507	19,836,457
Health	926,565	2,643,786	6,772,800	4,749,471	12,448,836
Corrections	2,053,595	1,699,177	1,976,587	1,331,555	5,361,737
Total	\$ 4,783,332	\$ 9,763,801	\$ 35,575,575	\$ 37,602,200	\$ 77,961,107

The next table shows FY 2023 spending and Governor's recommendations for FY 2024 and FY 2025 by category. Additional information is available at eohhs.ri.gov/Opioid-Settlement-Advisory-Committee.

Category	FY 2023	FY 2024	FY 2025
Treatment	\$ 2,131,587	\$ 6,436,499	\$ 5,374,698
Prevention	2,467,847	5,425,472	2,900,000
Social Determinants of Health	1,126,841	6,619,779	2,350,000
Harm Reduction and Rescue	2,442,190	9,298,976	4,589,318
Recovery	545,197	3,500,439	3,800,508
Racial Equity	-	300,000	500,000
Governance	505,982	2,840,808	2,676,695
Data	544,157	1,153,602	1,299,009
Not Yet Identified	-	-	14,111,972
Total	\$ 9,763,801	\$ 35,575,575	\$ 37,602,200

State Opioid Response Grant. The Department includes \$0.9 million more than enacted from the federal State Opioid Response grant for a total of \$8.6 million in its revised request. The Department has not provided further requested details on its plan beyond the stated allocation of \$6.4 million for community support activities and \$0.1 million for Narcan included in the enacted budget. *The Governor recommends funding as requested.*

Unallowable Grant Expenses. The Department requests \$250,000 more than enacted from asset forfeiture funds to pay for non-direct expenses that are not allowed under the State Opioid Response federal grant. It submitted its plan for use of the federal grant to the Substance Abuse and Mental Health Services Administration for approval of each provider's budget submission and a determination was made that only about \$750,000 of the \$950,000 in non-direct expenses was allowable. The Department is using the restricted receipts to make up the difference. *The Governor recommends funding as requested.*

Homelessness Services. The Department includes \$0.3 million from the Projects for Assistance in Transition from Homelessness federal funds awarded to the House of Hope. The program assists individuals who are homeless or at risk of homelessness and have serious mental illnesses. Services include: outreach and case management, screening and diagnostic treatment, housing, community mental

health and alcohol and drug treatment, and referrals for primary health care, job training and educational support.

The revised request also includes \$0.8 million from federal funds for a new initiative for outreach to those who are homeless, or at risk, along with assessments and connections to appropriate treatment. *The Governor recommends funding as requested.*

Partnership for Success. The Department requests \$1.0 million more than enacted for total funding of \$1.5 million from federal strategic prevention framework state incentive grant funds to support activities that deliver and sustain effective substance abuse and/or mental health services. This includes preventing the onset and reducing the progression of substance abuse, including childhood and underage drinking and reducing substance abuse-related problems in communities and building prevention capacity and infrastructure at the state and community levels. *The Governor recommends funding as requested.*

Rhode Island Early Diversion Program. The Department's revised request includes \$250,000 from new federal funds for the early diversion program that initiates a direct transfer approach for law enforcement to divert individuals affected by mental health or co-occurring substance use disorders from arrest to services. A law enforcement liaison will be contracted to work with police departments so that individuals can be transported to the Behavioral Health Link (BH Link) assessment and triage center or request on-site assistance. The center provides short-term crisis stabilization services and makes connections to treatment and recovery services. This is the fourth year of a five-year grant that totals \$1.7 million. It is unclear why this was not requested last year. *The Governor recommends funding as requested.*

Substance Abuse Prevention/Student Assistance. The Department requests \$101,000 more than enacted for student prevention and assistance programs, for total funding of \$161,000 from forfeiture funds. It appears the request was made in error and the funds are not available. *The Governor recommends funding as requested.*

Primary and Behavioral Healthcare Grant. The Department requests \$0.8 million less than enacted from federal funds for total funding of \$0.5 million from the federal Promoting Integration of Primary and Behavioral Healthcare grant. The request adjusts funding to reflect the remainder of the grant which expired on December 31, 2023. Funding has been awarded to Community Care Alliance and Gateway Healthcare to promote integration and collaboration in clinical practice between primary and behavioral healthcare. *The Governor recommends funding as requested.*

Other Staffing and Operations. The Department requests \$135,398 more than enacted, including \$106,776 less from general revenues, for all other staffing and operations of the Division. The staffing request is \$0.4 million more than enacted, including \$0.1 million less from general revenues, which appears to be based on the updated cost allocation plan. Other expenses are \$0.4 million less than enacted, including \$21,735 from general revenues. This adjusts for current year spending for the remaining federal grants supporting community-based activities and adjustments. The decrease to federal funds includes \$0.3 million for contracted training services and \$0.1 million for various operating expenses. *The Governor recommends \$42,057 more than requested, including \$24,267 more from general revenues, for increased employee health benefit rates.*

Eleanor Slater Hospital

The Department requests \$2.5 million more than enacted, including \$0.6 million less from general revenues for total hospital expenses of \$116.9 million at both the Cranston campus and Zambarano unit in Burrillville. Based on the October census of 148 patients, the annual cost for each would be about \$790,000 if it stays consistent throughout the fiscal year. The revised request lowers the enacted staffing allocation

from 661.0 to 610.0 to adjust for staffing needs between the two hospitals. *The Governor recommends \$0.8 million more than requested, which includes \$0.5 million for the hospital license fee.*

Sources. The enacted budget includes \$3.2 million from anticipated Medicare Part D payments and other third-party payments, consistent with the Department’s request and Governor’s recommendation. The revised request includes only \$1.0 million, or \$2.2 million less than enacted. The year to date collections through October are \$0.6 million, with a prior year balance of \$3.0 million from FY 2022 and FY 2023. This request appears to assume \$5.2 million more from federal Medicaid billing to offset the reductions in other sources. *The Governor recommends funding as requested.*

Medicaid Billings	FY 2023 Actuals	FY 2024 Enacted	FY 2024 Revised	FY 2024 Gov. Rec.	FY 2025 Request	FY 2025 Gov. Rec.
# patients	146	143	133	133	136	136
Daily Rate	\$ 1,920	\$ 1,732	\$ 1,900	\$ 2,145	\$ 1,932	\$ 1,949
Total	\$ 75,265,796	\$ 90,410,522	\$ 100,948,405	\$ 104,138,003	\$ 101,039,186	\$ 96,763,722
Medicaid	\$ 43,316,963	\$ 50,403,866	\$ 56,278,736	\$ 53,575,321	\$ 56,571,840	\$ 50,768,748

Uses. The Department requests \$2.5 million more than enacted, including \$0.6 million less from general revenues, for hospital operations. 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. Other than a shift of \$0.4 million in legal services from central management, it is unclear why the expenses are increasing compared to the enacted budget. The Department has not been able to explain the difference.

The Governor recommends \$0.8 million more than requested including \$0.5 million more for the hospital license fee based on updated revenues from 2022 and for increased employee health benefit rates. As noted, the revised budget shifts expenses from salaries and benefits to grants for the proposed changed to reflect Medicaid billings.

Hospital License Fee. The Department requests the enacted level of \$0.7 million from general revenues for the payment in FY 2024. *Based on updated information, the Governor’s budget assumes these payments to be \$1.2 million in FY 2024 and FY 2025, and adds \$0.5 million from general revenues in both years.*

Rhode Island State Psychiatric Facility

The Department includes \$3.4 million less than enacted from general revenues for salaries and benefits and \$4.3 million more for contracted medical services for the Psychiatric Facility. The requested staffing authorization is for 129.4 positions, which is 46.6 more than enacted. The revised request reflects updated staffing expenses and assumes keeping 20 positions vacant. As of late November, there are 108.3 positions filled. The Department requests \$4.3 million for contracted medical services expenses, the need for which is unclear. *The Governor recommends \$0.1 million more than requested to reflect an increase for employee health benefit rates.*

Staffing and Other Medical Services. The Department includes \$3.4 million less than enacted from general revenues for salaries and benefits and \$4.3 million more for contracted medical services for the Psychiatric Hospital. The requested authorization is for 129.4 positions, which is 46.6 more than enacted. The revised staffing request reflects updated staffing expenses and assumes keeping 20 positions vacant. As of the November 20, 2023, there are 108.3 positions filled. To offset the decrease in staffing expenses, the Department requests \$4.3 million in contracted medical services expenses. *The Governor recommends \$90,278 more than requested to reflect a statewide increase for employee health benefits.*

Out-of-State Facility. The Department requests the enacted amount of \$1.5 million from general revenues for a contract with a South Carolina facility to provide residential treatment services for up to five forensic patients on an as-needed basis. *The Governor recommends funding as requested.*

Security Services. As described earlier in this analysis, the Department requests \$0.3 million less than enacted from general revenues for total funding of \$1.7 million for security services at the Psychiatric Hospital. The revised request is \$0.4 million less than it spent for ten months in FY 2023. *The Governor recommends funding as requested.*

Other Operating Expenses. The Department requests \$0.6 million less than enacted from general revenues for a total of \$6.9 million for all other operating expenses. This includes \$0.4 million less for pharmaceuticals and medical supplies, \$0.1 million more for laundry supplies, and \$0.3 million less for various other expenses. *The Governor recommends \$2,176 less than requested to account for statewide utility savings.*

Other Administrative Programs

Legal Settlements. The state is currently in litigation related to current or former Department employees. *The Governor recommends \$470,000 from general revenues for current and pending payments.*

Other Staffing and Other Operations. The Department requests \$1.2 million more than enacted, including \$0.5 million more from general revenues, for staffing and other operations in the central management and hospital and community system support programs. This is \$0.5 million more than spent for FY 2023. The revised request includes \$1.4 million for salary and benefit expenses in central management that are impacted by the cost allocation plan. The request also shifts \$0.2 million in contracted legal expenses to Eleanor Slater Hospital, previously discussed. All other expenses total \$0.3 million, or \$40,259 less than enacted. *The Governor recommends \$74,152 less than requested, which is \$83,181 less from general revenues, for statewide health benefit rate increases and turnover savings from the vacant director's position.*

Office of the Child Advocate

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 1,116,755	\$ 1,479,339	\$ 1,476,002	\$ 1,421,327
Contracted Services	972	2,700	2,700	2,700.00
Subtotal	\$ 1,117,727	\$ 1,482,039	\$ 1,478,702	\$ 1,424,027
Other State Operations	145,181	165,875	169,212	211,904
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	8,603	2,000	2,000	2,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,271,511	\$ 1,649,914	\$ 1,649,914	\$ 1,637,931
Sources of Funds				
General Revenue	\$ 1,259,569	\$ 1,649,914	1,649,914	\$ 1,625,931
Federal Aid	11,942	-	-	12,000
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,271,511	\$ 1,649,914	\$ 1,649,914	\$ 1,637,931
FTE Authorization	10.0	10.0	10.0	10.0
FTE Average	8.0			

FY 2024 Revised Request. The Office of the Child Advocate requests \$1.6 million from general revenues, consistent with the enacted budget. *The Governor recommends \$11,983 less than requested, including \$23,983 less from general revenues.*

Operations. The request includes the enacted amount of \$1.6 million from general revenues. It includes \$3,337 less for salaries and benefits, largely reflecting revised benefit cost expectations. The enacted budget fully funds all 10.0 of the Office’s full-time equivalent positions, which is maintained in the revised request. As of the end of September, the Office has maintained 2.0 vacant positions, indicating turnover savings are available. The vacant positions are the Child Advocate position, for which a search is ongoing, as well as the Education Advocate position that was reclassified in the enacted budget.

The request also adds \$3,337, mostly for additional expenses to travel out of state to visit youth in the care of the Department of Children, Youth and Families. The Office is statutorily required to provide oversight for youth in out-of-state facilities and the number of those placements has grown. FY 2023 spending was \$2,222.

The Governor recommends \$11,983 less than requested, which includes \$12,000 more from available federal funds offset by \$23,983 less from general revenues. General revenue changes include \$62,910 from additional turnover savings and \$2,206 less from general revenues to account for statewide utility savings and increased employee health benefit rates. He also recommends \$53,232 from general revenues to correct a negative balance created from charging expenses to federal crime victim assistance grant funds that were not available.

Commission on the Deaf and Hard of Hearing

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 398,289	\$ 537,179	\$ 558,529	\$ 561,773
Contracted Services	323,513	201,200	201,200	201,200
Subtotal	\$ 721,802	\$ 738,379	\$ 759,729	\$ 762,973
Other State Operations	147,467	130,296	137,796	130,249
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 869,269	\$ 868,675	\$ 897,525	\$ 893,222
Sources of Funds				
General Revenue	\$ 733,233	\$ 764,208	\$ 793,058	\$ 766,497
Federal Aid	-	-	-	-
Restricted Receipts	136,036	104,467	104,467	126,725
Other	-	-	-	-
Total	\$ 869,269	\$ 868,675	\$ 897,525	\$ 893,222
FTE Authorization	4.0	4.0	4.0	4.0
FTE Average	3.3			

FY 2024 Revised Request. The Commission on the Deaf and Hard of Hearing requests \$28,850 more than enacted from general revenues for its FY 2024 revised expenses. *The Governor recommends \$4,303 less from all sources than requested. This includes \$26,651 less from general revenues and \$22,258 more from restricted receipts.*

Staffing and Operations. The Commission requests \$28,850 more than enacted from general revenues for its staffing and operations expenses. This includes \$21,350 for its staffing, primarily from filling its executive director position at a higher level than the enacted budget assumed. All other expenses are \$7,500 more for training. It should be noted that the request includes the enacted level of spending for centralized services, which is \$10,134 less than FY 2023 spending.

The Governor recommends \$4,303 less from all sources than requested. Salaries and benefits are \$3,244 more than requested, reflecting increased statewide medical benefits rates. It allocates \$22,258 for the executive director's salary to restricted receipts. All other spending is \$7,547 less than requested to exclude the training expenses and statewide rebate savings.

Governor’s Commission on Disabilities

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 468,752	\$ 564,470	\$ 516,019	\$ 537,450
Contracted Services	123,090	129,792	189,406	135,997
Subtotal	\$ 591,842	\$ 694,262	\$ 705,425	\$ 673,447
Other State Operations	80,302	116,543	101,419	97,314
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	835,828	1,172,915	1,764,304	1,793,838
Capital	6,317	-	6,864	6,864
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,514,289	\$ 1,983,720	\$ 2,578,012	\$ 2,571,463
Sources of Funds				
General Revenue	\$ 1,153,698	\$ 1,542,951	\$ 2,188,701	\$ 2,148,870
Federal Aid	320,336	378,638	348,403	377,937
Restricted Receipts	40,255	62,131	40,908	44,656
Other	-	-	-	-
Total	\$ 1,514,289	\$ 1,983,720	\$ 2,578,012	\$ 2,571,463
FTE Authorization	5.0	5.0	5.0	5.0
FTE Average	4.4			

FY 2024 Revised Request. The revised request is \$594,292 more from all sources than enacted, and includes a general revenues reappropriation of \$645,750, of which \$555,750 is required for the Livable Home Modification Grant Program. *The Governor recommends \$6,549 less from all sources than requested, including \$39,831 less from general revenues.*

Reappropriation - Livable Home Modification Grant Program. The revised request includes the required reappropriation of \$555,750 for grants 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 FY 2023 final budget includes \$1.1 million and in March 2023 the cap for the grant was increased from \$4,000 to \$4,500. The Commission notes that some people might have delayed their decisions to do projects in order to get the increased amount. The program is administered by the Commission in consultation with the Executive Office of Health and Human Services. *The Governor concurs.*

Reappropriation - Outreach Services. The revised request includes \$90,000 from FY 2023 unspent general revenues for the Commission to conduct outreach services. Of this amount, \$77,580 will be awarded to seven 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 remaining \$12,420 will be used for partial funding for a contracted public education coordinator to work with the organizations receiving the grants. The position will also provide training and technical assistance to the organizations on the Commission’s various programs. *The Governor recommends funding as requested.*

Turnover Savings. The revised request includes turnover savings of \$48,451 from general revenues; the FY 2024 enacted budget fully funds the Commission's 5.0 full-time equivalent positions. The Commission currently has an assistant Americans with Disabilities Act coordinator position vacant, which it anticipates filling in February 2024. The revised request also includes savings from filling the executive secretary position at a lower step. *The Governor recommends \$21,431 more than requested, including \$18,256 to restore turnover savings; all positions are currently filled. It also adds \$3,175 to account for statewide increased employee health benefit rates.*

Centralized Services. The revised request includes \$16,634 less than enacted from all sources, including a savings of \$17,175 from general revenues for the Commission's share of centralized information technology services and human resources support, provided by the Department of Administration. Expenditures through the first quarter total \$12,765, and are projected to be \$51,059. The revised request is \$1,723 more than projected expenses. *The Governor recommends funding as requested.*

Other Expenses. The revised request includes \$13,627 more from all sources for all remaining expenses. This includes \$51,999 less from federal funds and restricted receipts, offset by \$65,626 more from general revenues, from repurposed turnover and other savings. It includes new one-time expenses of \$44,685 for a contractor to update several databases, which the Commission notes should also be connected. Additionally, it plans to create an online portal to receive inquiries and requests for assistance. The request also includes \$16,430 to convert the contracted construction school design plan review specialist to a building official position who is also capable of reviewing blueprints. Based on recent experience, the request includes \$30,409 less from federal funds for habilitative services. *The Governor recommends \$27,980 less from all sources than requested, including \$61,262 less from general revenues, to essentially include funding at the enacted level. The recommendation does not include the requested reduction for habilitative services.*

Office of the Mental Health Advocate

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 690,657	\$ 863,170	\$ 859,338	\$ 810,580
Contracted Services	-	2,700	2,700	2,700
Subtotal	\$ 690,657	\$ 865,870	\$ 862,038	\$ 813,280
Other State Operations	139,059	109,208	109,208	106,837
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	2,461	1,000	1,000	1,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 832,177	\$ 976,078	\$ 972,246	\$ 921,117
Sources of Funds				
General Revenue	\$ 832,177	\$ 976,078	\$ 972,246	\$ 921,117
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 832,177	\$ 976,078	\$ 972,246	\$ 921,117
FTE Authorization	6.0	6.0	6.0	6.0
FTE Average	4.6			

FY 2024 Revised Request. The Office of the Mental Health Advocate requests \$3,832 less than enacted from general revenues. *The Governor recommends \$51,129 less than requested.*

Operations. The Office of the Mental Health Advocate requests \$3,832 less than enacted from general revenues to fully fund its 6.0 positions based on updated projections. As of October, the social worker position for the Mental Health Treatment Court remains vacant; additional savings are likely available. *The Governor's recommendation is \$51,129 less than requested mostly vacancy savings; it includes \$2,544 more from general revenues primarily to account for statewide utility savings and increased employee health benefit rates.*

Department of Elementary and Secondary Education

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
State Aid	\$ 1,270,849,707	\$ 1,342,743,202	\$ 1,405,190,840	\$ 1,404,665,539
School Housing Aid	138,536,507	104,162,946	104,162,946	104,162,946
Teachers' Retirement	127,014,082	132,744,129	132,744,129	132,744,129
RI School for the Deaf	9,159,643	9,826,949	9,858,411	10,020,716
Central Falls School District	48,960,963	60,283,149	59,553,797	59,553,797
Davies Career & Technical School	22,951,328	33,325,330	36,360,103	35,573,064
Met. Career & Tech. School	9,955,222	15,318,792	12,610,928	13,245,868
Administration	307,703,067	323,942,325	369,825,166	369,701,227
Total	\$ 1,935,130,519	\$ 2,022,346,822	\$ 2,130,306,320	\$ 2,129,667,286
Expenditures by Category				
Salaries and Benefits	\$ 46,470,487	\$ 51,681,607	\$ 52,304,591	\$ 51,721,471
Contracted Services	68,506,880	85,646,256	91,768,252	91,008,332
Subtotal	\$ 114,977,367	\$ 137,327,863	\$ 144,072,843	\$ 142,729,803
Other State Operations	13,807,315	10,792,857	14,503,019	14,476,822
Aid to Local Units of Government	1,766,980,813	1,803,056,113	1,903,522,724	1,902,995,990
Assistance, Grants, and Benefits	37,500,089	56,379,155	53,388,963	53,893,436
Capital	985,761	13,575,885	13,624,035	14,376,499
Capital Debt Service	-	-	-	-
Operating Transfers	879,174	1,214,949	1,194,736	1,194,736
Total	\$ 1,935,130,519	\$ 2,022,346,822	\$ 2,130,306,320	\$ 2,129,667,286
Sources of Funds				
General Revenue	\$ 1,436,250,969	\$ 1,496,382,952	\$ 1,498,315,749	\$ 1,496,737,695
Federal Aid	450,895,025	464,842,075	568,008,798	567,802,963
Restricted Receipts	47,257,831	47,345,545	50,205,523	50,597,914
Other	726,694	13,776,250	13,776,250	14,528,714
Total	\$ 1,935,130,519	\$ 2,022,346,822	\$ 2,130,306,320	\$ 2,129,667,286
FTE Authorization				
Administration	143.1	150.1	150.1	150.1
Davies	123.0	123.0	123.0	123.0
School for the Deaf	60.0	61.0	61.0	61.0
Total Authorized Positions	326.1	334.1	334.1	334.1

FY 2024 Revised Request. The Council on Elementary and Secondary Education requests \$108.0 million more spending for FY 2024, including \$1.9 million more from general revenues, \$103.2 million more from federal funds, and \$2.9 million more from restricted receipts. The general revenue changes reflect \$0.2 million more for education aid and \$1.7 million more for Davies Career and Technical School. It also requests 334.1 full-time equivalent positions, consistent with the enacted level. As of late November, the Department has 11.1 positions vacant, including nine at Davies and one at the School for the Deaf. *The Governor recommends \$107.3 million more than enacted, which is \$0.6 million less than requested. General revenues are \$0.4 million more than enacted and \$1.6 million less than requested.*

Education Aid. The Council requests \$0.2 million more than enacted from general revenues for education aid. The 2023 Assembly created a new category of aid that provides funding to help districts transition changes in state aid related to changes in wealth when the foundation formula aid produces less than the prior year and the decrease in state share ratio is more than 2.0 percent. The FY 2024 enacted budget includes \$5.5 million for this fund which understated the total produced by the formula by \$230,353, which is the amount requested by the Council. The enacted budget also includes \$500,000 for the state’s recovery high school which closed as of August 1, 2023. The Council’s budget request does not remove this funding. *The Governor concurs and also removes the \$0.5 million of funding for the recovery high school for FY 2024 only.*

Textbook Reimbursement. The Council requests the enacted level of \$240,000 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 the areas of English/language arts and history/social studies in kindergarten through 12th grade. In FY 2023, final program expenditures were \$31,585. *The Governor recommends \$179,734 less than requested based on actual program expenses.*

Group Home Aid. The Council requests \$1.8 million to fund beds for communities hosting group homes, consistent with the enacted budget. The legislation uses the count of beds that are open as of December 31 for the budget year’s aid. The request assumes a bed count of 212, consistent with the enacted budget. The funding formula deducts the impact of group home beds from the data which results in a decrease in funding. The reduction is shown in the group home aid rather than the formula aid total. *The Governor recommends \$153,000 more than requested for nine new beds in FY 2024, including one in East Providence, one in Warwick, and seven in Providence.*

Education Stabilization Funds

In response to the coronavirus emergency, Congress authorized a total of \$190.3 billion for emergency relief to elementary and secondary schools through three separate acts. All funds were awarded to states in proportion to the distribution of Title I-A formula grants, of which at least 90 percent must be distributed to local education agencies, including charter and state schools. The state first received \$46.4 million through the CARES Act, of which \$41.7 million was distributed through the funding formula in FY 2020. The state was subsequently awarded \$184.8 million and \$415.1 million through the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act, respectively.

Elementary & Secondary School Emergency Relief Funds					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
	Spent	Spent	Revised	Gov.	
Aid to Districts	\$ 88.5	\$ 174.5	\$ 231.3	\$ 42.5	\$ 536.8
<i>State Schools</i>	<i>0.1</i>	<i>3.1</i>	<i>5.0</i>	<i>0.5</i>	<i>8.7</i>
<i>Central Falls</i>	<i>0.0</i>	<i>6.6</i>	<i>10.1</i>	<i>5.2</i>	<i>21.9</i>
<i>All Other Districts</i>	<i>88.4</i>	<i>164.8</i>	<i>216.2</i>	<i>36.8</i>	<i>506.2</i>
Discretionary Funds	6.2	16.6	49.8	12.4	85.0
Total	\$ 94.7	\$ 191.1	\$ 281.1	\$ 54.9	\$ 621.8
Total Available					\$ 599.9
<i>Amount Overstated</i>					<i>\$ (21.9)</i>

\$ in millions; excludes CARES Act funding

The above table shows education stabilization funding including the final FY 2022 actual expenditures, the FY 2023 preliminary expenditures, and Governor’s FY 2024 and FY 2025 recommendations. It should be noted that the request inadvertently overstates the availability of actual resources; if FY 2024 expenses are consistent with the revised request, actual funding available for FY 2025 would be less than requested. The Department subsequently noted that its FY 2024 request for discretionary funds is overstated by \$20.0

million and its FY 2025 request should show \$5.7 million less for discretionary funds and \$5.2 million more for district funds. Funding for Central Falls and the state schools are included in the table, but discussed separately in this analysis. *The Governor recommended funding consistent with the original request which maintains the overstatement of funds.*

Education Stabilization - District Funds. The Council requests authorization to spend \$57.4 million more from federal Elementary and Secondary School Emergency Relief funds. The increase reflects anticipated expenditures at the local level, excluding Central Falls and the state schools, discussed separately. The revised request includes expenditures of \$216.2 million and the FY 2025 request includes \$36.8 million. The Department subsequently noted \$5.2 million should be added to the FY 2025 request. *The Governor recommends funding as initially requested, retaining the error.*

Education Stabilization - Discretionary Funds. The Council requests authorization to spend \$28.6 million more from Elementary and Secondary School Emergency Relief funds set aside to be used and/or distributed by the Department. Of the state’s total award, the 10.0 percent may be reserved by the Department but only 0.5 percent of that share may be used for administrative expenses. Of the Department’s share, at least 20.0 percent must be used to address learning loss. The following table shows the planned use of discretionary funds. The majority of the requested funds will be used for match grants to support low-performing schools. The revised request includes expenditures of \$49.2 million and the FY 2025 request includes \$11.8 million. Combined with actual FY 2022 and FY 2023 expenses of \$22.8 million, the request overstates available resources by \$24.4 million. The Department subsequently noted that this should be reduced by \$20.0 million for FY 2024 revised and \$5.7 million for FY 2025. *The Governor recommends funding as initially requested, retaining the error.*

Initiative	Amount
Supporting Low Performing Schools	\$ 23.9
Strengthen Core Instruction	6.9
Personalized Student Supports	2.5
Community Engagement & Supports	1.1
Expand Learning Time	9.4
Educator Pipeline & Supports	1.4
Early Childhood	0.1
Secondary Schools	0.8
Department Administration & IT	4.2
Total	\$ 50.2

\$ in millions

Central Falls School District. The Council requests \$0.7 million less than enacted from federal funds for the Central Falls School District. The revised request reflects the plan to use education stabilization funds, authorized under the American Rescue Plan Act, over the course of multiple fiscal years with \$10.1 million for FY 2024. The FY 2025 request includes \$5.2 million for the school district. Combined, the district requests \$15.3 million over two years, which represents the final amount of the education stabilization funds which must be spent by September 30, 2024. *The Governor recommends funding as requested.*

Metropolitan Career and Technical School. The Council requests \$1.1 million less than enacted from federal education stabilization funds, authorized under the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act. The request reflects spent prior year funds and programs the remaining \$1.7 million for FY 2024. It should be noted that these must be spent by the end of January 2025. The Department notes that any unspent FY 2024 funds will be carried forward into FY 2025.

The Governor recommends \$0.6 million more than requested from Rhode Island Capital Plan funds, which is consistent with the approved plan. A detailed description of the project is included in the Capital Budget section of this publication.

[Staff Note: The revised request inadvertently shifted the school’s education stabilization funds to the state aid program, which is reflected in the summary table, which the Governor’s recommendation maintained. The school will still receive its original allocation of these funds.]

Statewide Student Transportation. The Council requests \$3.3 million more than enacted from restricted receipts collected from districts for the statewide student transportation system. The request reflects anticipated utilization by local education agencies for out-of-district transportation for students attending non-public schools, charter schools, vocational schools, and special education programs. The revised request for \$38.9 million represents contract increases equivalent to 8.5 percent compared to the FY 2024 enacted budget. The Department notes that this amount is an estimate as it is finalizing bids for a new contract at the beginning of FY 2024. The FY 2025 request also includes an increase of 8.0 percent from the FY 2024 revised amount. *The Governor recommends funding as requested.*

Education Telecommunications Access Fund. The Council requests total funding of \$1.1 million from all sources for the education telecommunications access fund, \$0.2 million less than enacted from restricted receipts based on anticipated contract expenses for the program. The telecommunications education 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 and supplemented with \$0.4 million from general revenues. The federal rate is based on the percent of students that are eligible for free and reduced-price lunches and determined through a calculation and paid directly to the vendor and not reflected in the Department’s budget. *The Governor recommends \$515 more than requested from restricted receipts to account for increased employee health benefit rates.*

School Housing Aid. The Council requests the enacted level of \$104.2 million from general revenues for school housing aid. Compared to the enacted budget, the request shifts \$2.7 million from the traditional program to the School Building Authority Capital Fund, which reflects actual distributions under the traditional program. The Department reports that this funding will be used to support its recent Wellness in Education Leads to Learning Initiative, which facilitates the development of wellness rooms or enhances the capacity of existing spaces. The initiative will provide up to \$150,000 to local education agencies that will be used to purchase pre-approved wellness furniture to create or enhance “wellness spaces.” The intent is to provide students and staff quiet spaces to decompress. The Department initially noted that \$3.0 million was available, including \$1.5 million from ESSER II funds, \$0.9 million from School Building Authority Capital funds, and \$0.6 million from Opioid Stewardship funds. The original deadline for local education agencies was May 26, 2023. The additional funds would go toward expanding this initiative. *The Governor recommends funding as requested.*

Providence Public School District Oversight. The Council’s request does not include funding for oversight of the Providence Public School District. In May 2019, the Commissioner of Elementary and Secondary Education first announced the state’s intent to temporarily invoke its authority over the school district under the Paul W. Crowley Rhode Island Student Investment Initiative, also referred to as the Crowley Act. This was finalized in October 2019. While the city remains financially responsible for the school district, the Department continues to support the implementation of the district’s Turnaround Action Plan. It previously reported that no staff are assigned specifically to this effort and it has not incurred related expenses. Rather, leadership and staff from various program areas support the district when needed. *The Governor recommends funding as requested.*

Special Education Grants. The Council requests authorization to spend \$6.5 million more than enacted from federal special education funds, reflecting award adjustments 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 recommends funding as requested.*

Title I Grants. The Council requests authorization to spend \$1.1 million more than enacted from federal Title I funds, 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 through four distinct formulas based upon different levels of poverty; however, funds are allocated to districts as one amount. *The Governor recommends funding as requested.*

Homeless Youth. The Council requests authorization to spend \$0.1 million more than enacted from federal funds to support students experiencing homelessness. The American Rescue Plan Act includes \$800.0 million to identify homeless children, provide wraparound services, and provide assistance enabling them to attend school and participate fully in school activities. Rhode Island was awarded a total of \$2.7 million. The Council spent \$0.2 million of these funds in FY 2022 and \$0.4 million in FY 2023. The Council's request includes \$1.1 million for FY 2024 and \$1.0 million for FY 2025. *The Governor recommends funding as requested.*

Vocational Education Grants. The Council requests authorization to spend \$2.2 million less than enacted from federal vocational education grants. These funds are used to improve vocational education programs statewide. The revised request reflects updated grant awards and spending plans. The FY 2025 request includes funding mostly consistent with the enacted budget. *The Governor recommends funding as requested.*

Adult Education Grants. The Council requests authorization to spend \$0.2 million more than enacted from federal adult education grants. Funds are used to support adults in gaining skills and credentials for employment, citizenship, and community leadership. These services are provided by nonprofit agencies across the state and include General Educational Development classes, language services, and workforce readiness. *The Governor recommends funding as requested.*

ARPA - Adult Education Providers. The 2022 Assembly provided an allocation from State Fiscal Recovery funds for adult education providers totaling \$5.0 million. This includes \$2.0 million for FY 2023 and \$1.5 million for both FY 2024 and FY 2025. The FY 2024 enacted budget consolidated the future funding into FY 2024. The Council requests authority to spend \$5.2 million from State Fiscal Recovery funds, which overstates the amount available by \$0.2 million. This is \$2.1 million more than enacted for FY 2024 for a total of \$5.1 million in FY 2024. The request includes \$4.2 million in grants to providers, \$0.8 million for marketing and evaluation of the program, and \$0.1 million for administrative support. Grants are used to fund local adult and civics education programs and workplace, family, and English literacy services.

The Governor recommends \$255,027 less than requested from State Fiscal Recovery funds. This corrects the overstatement and provides \$4.8 million for grants in FY 2024 and assumes use of \$0.1 million in both FY 2024 and FY 2025 for Department staff administration.

Nutrition Grants. The Council requests authorization to spend \$7.6 million less than enacted from federal nutrition program funds, reflecting anticipated program participation and federal reimbursements based on prior year expenses. *The Governor recommends funding as requested.*

Early Childhood Education Grants. The Council requests authorization to spend \$245,125 more from federal early childhood education funds, primarily reflecting carryforward of available Preschool Development Grant - Birth to 5 Planning Grant funds. The funds are used to support the state's prekindergarten program, in addition to general revenue support. *The Governor recommends funding as requested.*

School Mental Health Grants. The Council requests authorization to spend \$10.0 million more than enacted from seven federal grants designated to address adolescent and youth mental health. This includes a \$3.6 million carryforward from unspent previous year funds and \$6.4 million for new grants, which expand mental health awareness and support in schools. *The Governor recommends funding as requested.*

21st Century Community Learning Centers. The Council requests authorization to spend \$0.6 million more than enacted from federal 21st Century Community Learning Centers funds, reflecting the carryforward of unspent prior year funds. 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 recommends funding as requested.*

Literacy Development Grant. The Council requests authorization to spend \$4.1 million more than enacted from federal funds to strengthen literacy programs. The increase represents carryforward of unspent prior year funds. The Department received a five-year, \$20 million Comprehensive Literacy State Development grant. Funding primarily supports communities and local education agencies in strengthening literacy development and instruction for children from birth through grade 12. Most funding is being distributed as grants for districts to develop and implement comprehensive literacy instruction, including professional development. *The Governor recommends funding as requested.*

ServeRI. The Council requests \$2.0 million less than enacted from federal funds for the ServeRI program based on current activity. The revised request total of \$2.2 million is still higher than FY 2023 spending of \$1.7 million. In 2018, the Rhode Island Service Alliance transferred the program to the Department. The program was established by the 1994 Assembly to administer the federally funded AmeriCorps program, including AmeriCorps Vista and City Year. The enacted budget includes funding for one full-time equivalent position to coordinate the program and operating costs, as well as grants to participating member sites. *The Governor recommends funding essentially as requested.*

Teacher Quality Grants. The Council requests authorization to spend \$1.8 million more than enacted from federal funds to support effective instruction. The increase reflects carryforward from prior years and estimated awards. 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. *The Governor recommends funding as requested.*

Language Acquisition Grants. The Council requests authorization to spend \$0.7 million more than enacted from federal funds to help English learner students meet state academic content and student academic achievement standards. The increase reflects updated eligibility for the formula-based federal grants. *The Governor recommends funding as requested.*

Other Salaries and Benefits. The Council requests \$0.1 million more than enacted, primarily from federal funds, for all other salaries and benefits for the Department's remaining 149.1 full-time equivalent positions. The increase reflects additional staff costs for administration of specific programs, including school mental health and nutrition programs and the elimination of turnover savings. As of early December, the administrative program had no vacancies. *The Governor recommends \$131,845 more than requested*

from all sources, including \$81,100 more from general revenues to account for increased employee health benefit rates.

Other Grant and Programming Revisions. The Council requests \$1.4 million more than enacted, including \$1.5 million more from federal funds and \$0.1 million less from restricted receipts. This includes adjustments to various grants, primarily reflecting carryforward of unspent funding. *The Governor recommends \$1,447 less than requested from general revenues to account for statewide utility savings.*

Davies Career and Technical School

Operations. The Council requests \$3.0 million more than enacted from all sources, including \$1.7 million more from general revenues for Davies Career and Technical School operations. General revenues reflect \$1.2 million for increased transportation expenses and \$0.4 million more to reflect planned staffing costs for FY 2024 and eliminate most of the budgeted turnover savings. The funding formula made Davies financially responsible for all district transportation once fully phased in as of FY 2021. A separate agreement to share the cost of transporting students from Pawtucket with the school had ended and Davies now bears the full cost of transporting those students and is currently utilizing the statewide transportation system to do so. The request also includes \$1.3 million more from federal funds for unspent education stabilization funds and special education grants.

The Governor recommends \$0.8 million less than requested. This includes \$1.2 million less from general revenues and \$0.4 million more from available local share of education restricted receipts. He recommends funding the increased transportation expenses as requested and assumes additional turnover savings equal to about two positions, based on current vacancies. The Governor also includes \$56,051 more for increased employee health benefit rates and \$29,337 less for statewide utility savings.

Rhode Island School for the Deaf

Restricted Receipts. The Council's revised request includes a total of \$0.6 million from restricted receipts for the School for the Deaf, including \$77,500 collected from school breakfast and lunch and \$473,169 from tuition applicable to some students. The revised request is \$7,000 more than enacted from school meal collections and \$57,593 less than enacted for tuition. The School collects tuition for all out-of-state students and those in-state students receiving services beyond the first four levels of service. As of November, enrollment totaled 76 students, with two new students in the process of enrolling. *The Governor recommends funding as requested.*

Operations. The Council requests \$0.1 million more than enacted from all sources for remaining expenses at the School for the Deaf, including \$157 less from general revenues. The changes include \$0.3 million more for both direct and contracted student supportive services such as speech, occupational, and physical therapy, offset by \$0.3 million of turnover savings, which includes less overtime and seasonal staff use. As of late November, the school had 1.0 vacancy of its 61.0 full-time equivalent positions. *The Governor recommends \$44,781 more than requested from general revenues primarily to account for increased employee health benefit rates.*

Capital. The Council requests the enacted level of \$331,000 from Rhode Island Capital Plan funds for asset protection projects at the Rhode Island School for the Deaf, including upgrading its security system, replacing backboards in the gym, and heating, ventilation, and air conditioning maintenance. The request omits \$51,952 in carryforward funds for the School's security system upgrades. *The Governor recommends \$117,524 more than requested, reflecting unspent FY 2023 funds consistent with the recommended Capital Budget. A detailed description of the projects is included in the Capital Budget section of this publication.*

Public Higher Education

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Office of Postsecondary Comm.	\$ 43,532,343	\$ 65,553,323	\$ 65,651,677	\$ 62,687,737
University of Rhode Island	906,846,062	993,235,954	1,005,890,384	968,863,531
Rhode Island College	179,367,158	208,467,982	212,148,816	214,931,905
Community College of RI	178,085,355	182,398,397	179,884,030	181,653,336
Total	\$ 1,307,830,918	\$ 1,449,655,656	\$ 1,463,574,907	\$ 1,428,136,509
Expenditures by Category				
Salaries and Benefits	\$ 572,492,481	\$ 608,096,577	\$ 607,300,478	\$ 607,781,165
Contracted Services	37,771,316	48,434,577	51,362,375	51,362,375
Subtotal	\$ 610,263,797	\$ 656,531,154	\$ 658,662,853	\$ 659,143,540
Other State Operations	266,530,652	250,262,385	249,564,857	249,788,950
Aid to Local Units of Government	-	-	853,405	-
Assistance, Grants, and Benefits	325,599,057	338,109,735	346,181,393	343,540,733
Capital	38,051,993	136,565,306	133,831,861	91,826,237
Capital Debt Service	65,290,872	75,187,076	72,480,538	72,868,808
Operating Transfers	2,094,547	(7,000,000)	2,000,000	10,968,241
Total	\$ 1,307,830,918	\$ 1,449,655,656	\$ 1,463,574,907	\$ 1,428,136,509
Sources of Funds				
General Revenue	\$ 264,356,298	\$ 304,808,336	\$ 304,786,714	\$ 311,116,918
Federal Aid	10,881,439	43,456,833	43,430,310	23,435,115
Restricted Receipts	7,484,696	6,732,644	6,743,611	6,743,784
Other	1,025,108,485	1,094,657,843	1,108,614,272	1,086,840,692
Total	\$ 1,307,830,918	\$ 1,449,655,656	\$ 1,463,574,907	\$ 1,428,136,509
Uses of Funds				
Unrestricted Use Funds	\$ 791,634,176	\$ 861,589,193	\$ 855,646,674	\$ 862,184,812
Restricted Use Funds	516,196,742	588,066,463	607,928,233	565,951,697
Total	\$ 1,307,830,918	\$ 1,449,655,656	\$ 1,463,574,907	\$ 1,428,136,509
FTE Authorization	3,863.5	3,874.5	3,874.5	3,874.5
<i>Limited to Third Party Funds</i>	<i>523.8</i>	<i>519.8</i>	<i>519.8</i>	<i>519.8</i>
Total Authorized Positions	4,387.3	4,394.3	4,394.3	4,394.3
FTE Average	3,834.5			

FY 2024 Revised Request. The 2019 Assembly created a 17-member Board of Trustees for the University of Rhode Island, effective February 1, 2020. Authority for a variety of functions transferred from the Council on Postsecondary Education to the new Board, and the University was removed from the authority of the Commissioner of Postsecondary Education. 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 \$13.9 million more than enacted, including \$21,622 less from general revenues. It also includes \$6.0 million less from tuition and fee revenues, \$0.1 million more from other unrestricted sources, and \$19.9 million more from restricted sources.

The Governor recommends \$21.5 million less than enacted from all sources, which is \$35.4 million less than requested. General revenues are \$6.3 million more than enacted and requested.

Unrestricted Source Expenditures

The unrestricted budget consists of those funds that can be used for any legitimate purpose. Those purposes fall within the education and general operations of the institutions. They include state general revenue appropriations, tuition and general fees, and sponsored research overhead. The unrestricted budget is similar to the general revenue budget of other agencies and departments. The FY 2024 unrestricted revised budget includes spending of \$855.6 million. This is \$5.9 million less than enacted and includes \$21,622 less from general revenues. *The Governor recommends \$862.2 million from unrestricted sources, which is \$0.6 million more than enacted and \$6.5 million more than requested.*

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. Other non-mandatory fees are not covered by this program. Originally created as a pilot program, it was made permanent in 2021. The 2022 Assembly excluded College Crusade scholarships as financial aid from Promise award determination. The Office’s revised request is consistent with the enacted budget, but based upon the November Promise report, it is overfunded by \$1.0 million. *The Governor recommends \$7.6 million in total, consistent with the November report.*

Hope Scholarship. The 2023 Assembly provided \$4.0 million from general revenues for the first year of a new Hope Scholarship. Similar to the Promise Scholarship at the Community College, it will provide 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 graduating in 2024, 2025, and 2026. To be eligible for the scholarship, a student must be a first time, in-state student, meet minimum GPA requirements, have accumulated sufficient credits towards their major field of study in their freshman and sophomore years to assure they can stay on track to graduate, and have not received an award from the Rhode Island Promise Scholarship Program. The goal of the pilot program is to incentivize and support students on their path to graduation.

The Office’s revised request is consistent with the enacted budget, but based upon the November Hope Scholarship report, it is overfunded by \$1.6 million. *The Governor recommends \$2.4 million in total, consistent with the November report.*

Nursing Education Center Operations. 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 requests \$0.1 million more for staffing expenses at the Center to reflect funding for a new position. As of early December, the Center had 5.0 vacancies. *The Governor concurs and adds \$6,770 to account for increased employee health benefit rates.*

Shepard Building. The Shepard Building’s primary use is as the Providence Campus of the University of Rhode Island. It also houses the Department of Elementary and Secondary Education. Prior to FY 2006, support for the Shepard Building was shown in the Department of Administration’s budget. The 2005

Assembly transferred support for the Shepard Building to the Office of Higher Education and the Department of Elementary and Secondary Education. The Office's request includes the enacted amount of \$2.2 million from general revenues to pay for parking and operating expenses. *The Governor recommends allocating maintenance and parking costs to the agencies that are tenants in the building. His recommended budget assumes that the Office of Postsecondary Commissioner and the Department of Housing both move into the Shepard building and includes \$1.4 million for the Office's share, which is \$0.6 million less than enacted. He also recommends adding \$300,000 from general revenues for moving expenses.*

Centralized Services. The Office requests the enacted level of \$116,480 from general revenues for centralized facilities management and information technology services. *The Governor recommends \$69,578 less to account for statewide utility savings.*

Office of Postsecondary Commissioner Other Operations. The Office requests \$21,622 less than enacted from general revenues to correct certain benefit rates partially offset by salary increases for several positions. *The Governor recommends \$8,550 less than requested from general revenues primarily to reflect a reduction in software maintenance agreements based on an analysis of recent and current expenditures.*

University of Rhode Island. The University requests \$1.9 million less from unrestricted sources than enacted. The enacted budget assumes about \$9.8 million more from unrestricted sources than the University had estimated. This would have required the identification of additional revenues or expenditure reductions or both. The revised request removes the unidentified revenues, adjusts other sources and lowers spending by \$1.9 million. Changes include \$0.8 million or 0.8 percent more than enacted from tuition and fees based on higher out-of-state enrollment, \$4.1 million from prior year balances, the enacted level from general revenues, and \$3.0 million more from other University sources. The enacted budget assumes enrollment of 14,645 with 6,804 in-state students and 7,841 out-of-state students. The revised request includes enrollment of 14,673 or 28 more than enacted with 7 fewer in-state and 35 more out-of-state. *The Governor recommends \$5.9 million more than requested. This reflects an additional \$0.1 million for debt service on general obligation bonds and \$5.8 million to account for the University's portion of a multi-year statewide shortfall in the Health Benefits Fund.*

Rhode Island College. The College requests \$3.5 million or 2.4 percent less than enacted from unrestricted sources. This includes \$0.3 million or 0.6 percent more from tuition and fees to reflect higher enrollment than assumed in the enacted budget, the enacted amount from general revenues, and \$3.8 million less from other unrestricted sources, nearly all of which is unidentified revenues that the College needs to meet its expenditure projections. Turnover savings, delayed purchases and a reduction in unidentified operating expenses were able to reduce the gap between expected revenues and expenditures. The College's revised budget still relies on \$1.8 million in unidentified revenue or further spending reductions. The request includes \$0.4 million less than enacted for salaries and benefits, \$0.1 million more for contracted services, \$0.1 million more in student aid, \$0.7 million less for debt service, and \$2.6 million less for other operating expenses to reflect projected revenues. *The Governor recommends \$1.9 million more than requested. This reflects an additional \$0.1 million for debt service and \$1.6 million to account for the College's portion of a multi-year statewide shortfall in the Health Benefits Fund. It also includes \$0.2 million for increased employee health benefit rates, offset by a like reduction in miscellaneous operating expenses.*

Community College of Rhode Island. The Community College requests \$0.6 million or 0.5 percent less than enacted from unrestricted sources. This includes \$1.6 million or 2.7 percent less than enacted from tuition and fees and \$0.9 million more from other unrestricted sources. Tuition and fees were overstated by \$2.5 million in the enacted budget compared to the \$54.9 million projected for the estimated 7,815 students. The revised request includes 7,698 full-time equivalent students, which is 117 less than enacted. However, a change in total students enrolled yielded more tuition per full-time equivalent student than original projections, which covers some of the overstatement.

The expenditure reduction includes \$0.9 million less for salaries and benefits, \$1.7 million more for contracted services, \$0.4 million more for capital improvements, \$2.5 million less for student aid, and \$0.7 million more for other operating expenses. *The Governor recommends \$1.7 million more than requested. This reflects an additional \$0.1 million for debt service and \$1.5 million to account for the Community College's portion of a multi-year statewide shortfall in the Health Benefits Fund.*

Restricted Source Expenditures

The restricted budget is composed of what are generally thought of as restricted receipt funds or enterprise funds. They include residence hall funds, dining funds and any other funds whose sources are limited to use for certain purposes. Federal funds are considered restricted use.

ARPA - Rhode Island Reconnect. The revised request includes the enacted 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 on direct supports, such as targeted coaching and wraparound supports, 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. The Office is currently in the process of establishing agreements with partners. Any unused funds from FY 2024 will be reappropriated. *The Governor recommends funding as requested.*

ARPA - Cybersecurity Center. The revised request includes the enacted amount 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 is budgeted in the Office of Postsecondary Commissioner and will support three years of program development and operating costs. The FY 2025 request removes this one-time funding; however, any unused funds from FY 2024 will be reappropriated. The Office is currently waiting on the College to review the application to submit to the Pandemic Recovery Office for approval. The College launched the Center in November. *The Governor recommends funding as requested.*

ARPA - Fresh Start Scholarship. The revised request includes the enacted amount 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, with a focus 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. The FY 2025 request removes this one-time funding; however, any unused funds from FY 2024 will be reappropriated. According to the Office, it is working on finalizing the sub-agreement with the Community College which has begun marketing the program and working toward identifying potential students.

As of the first quarter of FY 2024, no funding has been expended but the Pandemic Recovery Office approved the project on September 7, 2023. *The Governor recommends funding as requested.*

ARPA - PFAS Water Treatment. The enacted budget includes \$20.0 million from State Fiscal Recovery funds for the University to implement a permanent water filtration solution to reduce PFAS concentrations. The 2022 Assembly passed H-7233, Substitute A, that mandates all public water supply systems to not exceed PFAS contamination levels of twenty parts per trillion by July 1, 2023. The University reports that its three wells exceed the legal limit and that a water filtration system is needed to be compliant. The request is consistent with the enacted budget.

The Governor recommends providing \$20.0 million from Rhode Island Capital Plan funds in lieu of State Fiscal Recovery funds, based on an updated timeline for completion.

Capital Improvements. The revised budget includes a \$4.9 million increase from Rhode Island Capital Plan funds for restricted source capital expenditures. *The Governor recommends \$22.0 million less than requested. 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 \$0.1 million, which reflects revisions to multiple debt service schedules. *The Governor recommends funding essentially as requested.*

University of Rhode Island Other Operations. The University includes a \$14.6 million increase from restricted sources for all other operations. This includes \$6.9 million more in restricted student aid and \$5.9 million more for the University's auxiliary enterprises, mostly dining services, and \$1.8 million more from private and other restricted sources. *The Governor recommends funding as requested.*

Rhode Island College Other Operations. The College includes a \$2.6 million decrease from restricted sources for all other operations. This reflects a \$3.2 million decrease to restricted student aid offset by a \$0.2 million increase for the residence halls, dining facilities and student union, and \$0.4 million more from sponsored research. *The Governor concurs and adds \$63,438 to account for increased employee health benefit rates.*

Community College of Rhode Island Other Operations. The Community College includes a \$3.1 million increase from restricted sources for all other operations. This includes \$1.8 million more for restricted student aid, \$33,556 less for the driver's education program, \$0.5 million more for the bookstore, \$0.1 million more from private grants, and \$0.7 million more for sponsored research. *The Governor recommends funding as requested.*

Office of Postsecondary Commissioner Other Operations. The Office includes an \$18,000 increase from federal funds to correct certain benefit rates. *The Governor concurs and adds \$4,978 to account for statewide utility savings and increased employee health benefit rates.*

Rhode Island State Council on the Arts

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 1,164,963	\$ 1,315,830	\$ 1,324,297	\$ 1,325,591
Contracted Services	203,496	83,000	83,000	83,000
Subtotal	\$ 1,368,459	\$ 1,398,830	\$ 1,407,297	\$ 1,408,591
Other State Operations	175,292	169,922	167,883	167,753
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,759,671	1,766,006	1,766,006	1,766,006
Capital	96,195	535,000	535,000	535,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,399,617	\$ 3,869,758	\$ 3,876,186	\$ 3,877,350
Sources of Funds				
General Revenue	\$ 2,129,664	\$ 2,292,758	\$ 2,303,790	\$ 2,303,238
Federal Aid	1,082,806	987,000	984,435	986,151
Restricted Receipts	33,164	5,000	2,961	2,961
Other	153,983	585,000	585,000	585,000
Total	\$ 3,399,617	\$ 3,869,758	\$ 3,876,186	\$ 3,877,350
FTE Authorization	9.6	10.0	10.0	10.0
FTE Average	9.3			

FY 2024 Revised Request. The Rhode Island State Council on the Arts requests \$6,428 more from all sources than enacted, including \$11,032 more from general revenues, \$2,565 less from federal funds, and \$2,039 less from restricted receipts. *The Governor recommends \$1,164 more, including \$552 less from general revenues and \$1,716 more from federal funds.*

National Endowment for the Arts Grants. The Council requests the enacted amount from federal National Endowment for the Arts funds for grants to individuals and organizations to help support the arts and encourage artists to continue to make the arts visible in the community. The Council spent \$0.6 million in FY 2023, which is \$0.5 million less than the FY 2023 final budget. *The Governor recommends funding as requested.*

Other Staffing and Operations. The Council requests \$6,428 more from all sources for all other operations and the Council's 10.0 full-time equivalent positions, including \$11,032 more from general revenues, \$2,565 less from federal funds, and \$2,039 less from restricted receipts. The increase represents changes to medical benefit selections, remaining Rhode Island Foundation restricted grant funds, and revisions that more closely reflect FY 2023 spending. Subsequent to the request, in October 2023, one of the Council's program specialists was upgraded to the position of deputy director at an estimated cost of \$47,623. *The Governor recommends \$1,164 more than requested, including \$552 less from general revenues and \$1,716 more from federal funds. The recommendation funds the upgrade and accounts for increased employee health benefit rates and assumes those are almost entirely offset by additional turnover savings equivalent to an average of 0.4 vacant positions.*

Rhode Island Atomic Energy Commission

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 1,108,428	\$ 1,259,774	\$ 1,256,374	\$ 1,258,911
Contracted Services	-	-	-	-
Subtotal	\$ 1,108,428	\$ 1,259,774	\$ 1,256,374	\$ 1,258,911
Other State Operations	425,489	240,934	244,334	249,880
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	23,844	78,036	78,036	78,036
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,557,761	\$ 1,578,744	\$ 1,578,744	\$ 1,586,827
Sources of Funds				
General Revenue	\$ 1,035,831	\$ 1,158,737	\$ 1,171,144	\$ 1,173,765
Federal Aid	206,885	-	-	-
Restricted Receipts	7,735	25,036	25,036	25,036
Other	307,310	394,971	382,564	388,026
Total	\$ 1,557,761	\$ 1,578,744	\$ 1,578,744	\$ 1,586,827
FTE Authorization	8.6	8.6	8.6	8.6
FTE Average	8.1			

FY 2024 Revised Request. The Rhode Island Atomic Energy Commission requests total funding consistent with the enacted budget. The request includes \$12,407 more from general revenues, offset by a like amount of University funds. *The Governor recommends \$8,083 more than enacted, including \$15,028 more from general revenues.*

Operations. The Commission's revised request includes total funding consistent with the enacted budget. The request includes \$12,407 more from general revenues, offset by a like amount of University funds. This includes \$3,400 less than enacted from all sources for staffing costs, but shifts \$9,856 to general revenues. This reflects the correct allocation of staff expenses attributable to University funds for FY 2024. The staffing request also includes updated benefits and a position reclassification. The enacted budget fully funds all staff, which is maintained in the revised request. Through the final pay period of September, the Commission has maintained all of its positions.

The request increases operating expenses, including \$2,551 from general revenues and \$849 from University funds, to reflect additional expenses for meetings and conferences attended by staff each year.

The Governor adds \$14,000 for property insurance and \$2,537 for increased employee health benefit rates offset by \$8,454 less to account for statewide utility savings and other minor changes to operating expenses.

Historical Preservation and Heritage Commission

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 1,431,342	\$ 2,288,739	\$ 2,246,582	\$ 2,257,942
Contracted Services	8,679	8,000	10,000	10,000
Subtotal	\$ 1,440,021	\$ 2,296,739	\$ 2,256,582	\$ 2,267,942
Other State Operations	271,101	373,973	373,973	316,318
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	71,130	555,619	585,619	585,619
Capital	-	355,500	355,500	355,500
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,782,252	\$ 3,581,831	\$ 3,571,674	\$ 3,525,379
Sources of Funds				
General Revenue	\$ 1,040,745	\$ 1,905,557	\$ 1,784,711	\$ 1,735,012
Federal Aid	636,938	1,143,147	1,220,330	1,223,734
Restricted Receipts	12	422,800	422,800	422,800
Other	104,557	110,327	143,833	143,833
Total	\$ 1,782,252	\$ 3,581,831	\$ 3,571,674	\$ 3,525,379
FTE Authorization	15.6	15.6	15.6	15.6
FTE Average	10.2			

FY 2024 Revised Request. The Historical Preservation and Heritage Commission requests \$10,157 less than enacted from all sources, including \$120,846 less from general revenues, \$77,183 more from federal funds, and \$33,506 more from Department of Transportation reimbursements. *The Governor recommends \$46,295 less than requested, including \$49,699 less from general revenues and \$3,404 more from federal funds.*

Salaries and Benefits. The Commission requests \$42,157 less from all sources for salaries and benefits for the Commission's 15.6 full-time equivalent positions, including \$152,846 less from general revenues, \$77,183 more from federal funds, and \$33,506 more from Department of Transportation reimbursements. The enacted budget fully funds all positions. The requested decrease reflects turnover equivalent to 0.3 positions; as of November, the Commission has averaged 5.0 vacancies. The enacted budget includes \$145,637 from general revenues for position adjustments approved in March 2023. Some of the affected positions are funded from federal funds and Department of Transportation reimbursements. It was uncertain if the cost of upgrades for these positions would be reimbursed; the request reflects that this will occur and shifts expenses to federal and department funds accordingly. *The Governor recommends \$11,360 more than requested, including \$7,956 more from general revenues and \$3,404 more from federal funds, to account for increased employee health benefit rates.*

Fort Adams Trust. The Commission requests \$30,000 more than enacted from general revenues to support the Fort Adams Trust restoration. The Commission did not issue FY 2023 grant funds before the end of the year and those funds lapsed to surplus; its revised request doubles funding for FY 2024 to correct the oversight. *The Governor recommends funding as requested.*

Capital. The Commission requests the enacted amount of \$0.4 million from federal funds for capital projects. It should be noted that the Department of Administration's budget contains \$1.0 million from Rhode Island Capital Plan funds as matching funds for the federal grant. The Commission's capital budget request includes \$0.6 million for these projects in FY 2024. It indicates the request is in error and its capital budget request should supersede. *The Governor recommends funding as requested, retaining the error. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Commission requests \$2,000 more from general revenues than enacted for all other expenses, which represents additional funding for interpreters, fire safety, and security costs based on updated estimates. *The Governor recommends \$57,655 less from general revenues to account for statewide utility savings.*

Office of the Attorney General

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Criminal	\$ 22,182,413	\$ 25,237,630	\$ 25,960,795	\$ 26,036,975
Civil	6,691,625	9,729,424	9,503,116	9,542,490
Bureau of Criminal Identification	3,612,755	3,441,808	4,281,372	4,286,781
General	4,526,211	4,818,933	6,739,152	6,754,150
Total	\$ 37,013,004	\$ 43,227,795	\$ 46,484,435	\$ 46,620,396
Expenditures by Category				
Salaries and Benefits	\$ 31,555,405	\$ 36,307,305	\$ 35,998,466	\$ 36,125,011
Contracted Services	1,614,565	2,368,208	3,187,850	3,187,850
Subtotal	\$ 33,169,970	\$ 38,675,513	\$ 39,186,316	\$ 39,312,861
Other State Operations	3,544,757	4,218,404	4,579,706	4,589,122
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	200	-	-	-
Capital	298,077	333,878	2,718,413	2,718,413
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 37,013,004	\$ 43,227,795	\$ 46,484,435	\$ 46,620,396
Sources of Funds				
General Revenue	\$ 32,228,836	\$ 34,862,891	\$ 35,273,947	\$ 35,381,472
Federal Aid	2,406,895	2,909,219	3,203,376	3,213,191
Restricted Receipts	2,332,042	5,305,685	5,967,112	5,985,733
Other	45,231	150,000	2,040,000	2,040,000
Total	\$ 37,013,004	\$ 43,227,795	\$ 46,484,435	\$ 46,620,396
FTE Authorization	249.1	264.1	264.1	264.1
FTE Average	240.0			

FY 2024 Revised Request. The Office of the Attorney General requests \$3.3 million more than enacted from all sources, including \$0.4 million more from general revenues which includes the Governor’s \$0.4 million reappropriation, \$0.3 million more from federal funds, \$0.7 million more from restricted receipts, and \$1.9 million more from Rhode Island Capital Plan funds. *The Governor recommends \$135,961 more than requested from all sources, including \$107,525 more from general revenues primarily to account for statewide utility projections and increased employee health benefit rates.*

Reappropriation - Computer System and Technology Upgrades. The Governor reappropriated \$310,310 of unspent general revenues included in the FY 2023 final budget to replace computers, storage, and services used to operate servers across nine locations. These expenses were not completed during FY 2023 as the Office had to reissue the request for proposals. The Office is requesting an additional \$24,225 for a total of \$334,535 based on its estimates to complete the project. *The Governor’s budget includes the reappropriation and additional funding as requested.*

Reappropriation - Space Reconfiguration Project. The Governor reappropriated \$87,900 of unspent general revenues included in the FY 2023 final budget to create new office spaces. The expenses were not completed in FY 2023 due to delays in purchasing and permitting. The Office's request includes the \$87,900. *The Governor's budget includes the reappropriation.*

Public Utilities Commission Regulatory Unit. The Office requests \$0.2 million less from restricted receipts for the Public Utilities Regulatory Unit within the Civil Division. Although the Public Utilities Commission has historically funded 4.0 full-time equivalent positions, there are currently two staff in this program and the Office notes it has slowly phased the positions from working on the Public Utilities Commission to other energy-related matters. The request is consistent with FY 2023 spending and keeps the 2.0 full-time equivalent positions within the Office. The FY 2025 request includes funding for 1.6 positions and shifts funding for the others to general revenues. The Public Utilities Commission's FY 2025 budget request includes 2.0 full-time, dedicated regulatory staff to replace the positions that the Attorney General has previously provided. It appears that FY 2021 was the last year spending reflected the value of four staff. *The Governor recommends \$1,557 more than requested to account for increased employee health benefit rates.*

Office of Energy Advocate. The enacted budget authorizes funds from restricted receipts for a staff attorney within the Civil Division and the Public Protection Bureau who will serve as the Energy Advocate. The request is \$6,060 less, reflecting turnover savings. As of late November, the Office filled the position. *The Governor recommends \$1,063 more than requested to account for increased employee health benefit rates.*

Government Litigation. The enacted budget authorizes funds from restricted receipts for 5.0 full-time equivalent positions within the Civil Division to work on government litigation. The request is \$30,350 less reflecting turnover. As of late November, the Office filled 2.0 of the 5.0 new positions and is actively hiring for the others, indicating additional turnover savings are available. *The Governor recommends \$5,324 more than requested to account for increased employee health benefit rates.*

Office of the Healthcare Advocate. The enacted budget authorizes funds from restricted receipts for 2.0 full-time equivalent positions within the Civil Division to be assigned to the Office of the Healthcare Advocate. The request is \$10,000 less reflecting turnover savings. As of late November, both positions are filled. *The Governor recommends \$1,754 more than requested to account for increased employee health benefit rates.*

Public Protection Bureau. The enacted budget authorizes funds from restricted receipts for a full-time equivalent attorney added by the 2023 Assembly within the Civil Division to be assigned to the Public Protection Bureau. The request is \$6,060 less reflecting turnover savings. As of late November, the Office filled the position. *The Governor recommends \$1,063 more than requested to account for increased employee health benefit rates.*

Cold Case Unit. The enacted budget authorizes funds from restricted receipts for 2.5 full-time equivalent positions to create a Cold Case Unit within the Criminal Division. The Office's FY 2024 request included 3.5 positions to create this unit and the 2023 Assembly created the unit and provided 2.5 full-time equivalent positions. The request is \$13,192 less reflecting turnover savings. Funding will support a full-time attorney, one full-time investigator, and a part-time investigator. The positions assigned to the unit were filled by the Office in early October 2023. *The Governor recommends \$2,314 more than requested to account for increased employee health benefit rates.*

Body-Worn Camera Staff. The Office requests \$0.1 million from new restricted receipts for a full-time paralegal within the Criminal Division's General Trial Unit to manage the intake of police body-worn camera videos. The request is \$3,940 less reflecting turnover savings. As of late November 2023, the

Office had filled the position. *The Governor recommends \$691 more than requested to account for increased employee health benefit rates.*

Narcotics and Organized Crime Unit. The enacted budget authorizes funds from new restricted receipts for 2.5 full-time equivalent positions within the Criminal Division for the Narcotics and Organized Crime Unit, specifically the Urban Violent Crime Initiative. The request is \$14,032 less reflecting turnover savings and includes two full-time attorneys and a part-time paralegal which were added by the 2023 Assembly. As of late November, the Office filled the positions. *The Governor recommends \$2,461 more than requested to account for increased employee health benefit rates.*

Other Salaries and Benefits. The Office requests \$5,738 more from all sources for salaries and benefits for its remaining 249.1 positions. This includes \$11,379 less from general revenues, \$22,879 less from federal funds, and \$39,996 more from restricted receipts. Excluding the new positions, the request is essentially consistent with the FY 2024 enacted budget which funded 244.5 full-time equivalent positions and assumes the Office holding 4.6 full-time equivalent positions vacant. Excluding the new positions, the Office had 15.9 positions vacant as of late November, indicating additional turnover savings are available. *The Governor recommends \$110,318 more than requested, including \$103,618 more from general revenues for increased employee health benefit rates.*

Equitable Sharing - Forfeitures. The Office requests \$40,186 more than enacted from its share of Federal Equitable Sharing funds for architectural and janitorial services, building maintenance, and parking expenses based on projected expenditures. *The Governor recommends \$5,509 more than requested, reflecting higher utility costs based on FY 2023 spending.*

Fingerprint Checks. The Office requests \$0.7 million more from restricted receipts for a total of \$2.0 million. The increase is primarily to update the hardware and software of the automated fingerprint identification system and also includes \$36,598 more for price increases of running the background checks paid to the Federal Bureau of Investigation. These expenses represent payments for the first of two milestones for the update project, with the remainder to be administered in FY 2025. The Office originally planned for most of the project to be done in FY 2025, but the upgrade was critically necessary so it accelerated the timeline. The Office's request shows a balance of \$1.2 million from FY 2023 and projects usage of \$2.0 million including \$0.8 million in new receipts. *The Governor recommends funding as requested.*

Consumer Education. The Office requests \$0.1 million more than enacted from National Association of Attorneys General consumer education restricted receipts available from consumer protection settlements. It primarily uses these funds for work related to protecting consumers against scams and specialized consultants for more complicated cases. The increases include \$40,000 for new furniture and cubicles, \$21,216 for specialized case tracking software, \$20,000 to replace laptops, \$3,800 for anticipated travel expenses, and \$4,000 for parking costs. The increase is a result of additional expenses needed to support new full-time equivalent positions in the Public Protection Bureau and Office of Energy Advocate. The request notes an opening FY 2024 balance of \$1.4 million. *The Governor recommends funding as requested.*

Forfeiture of Property. The Office requests \$0.1 million more than enacted from Forfeiture of Property restricted receipts. The request notes an opening FY 2024 balance of \$1.9 million. The increase includes \$55,000 for internal trainings, \$20,000 to replace laptops, \$15,000 for new property insurance, and \$12,000 more for parking spaces to align with actual FY 2023 expenses. *The Governor recommends funding as requested.*

Capital. The Office requests \$2.0 million more than enacted to support capital improvement projects. This includes \$1.9 million more than enacted from Rhode Island Capital Plan funds reappropriated from FY

2023 for a roof replacement project and \$0.1 million more from Federal Equitable Sharing - Forfeitures funds to purchase electric vehicles. *The Governor recommends funding as requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Office requests \$156,850 more than enacted from federal funds for all other expenses. This reflects \$98,254 more from the National Criminal History Improvement Program grant for contracted services to build a statewide domestic violence database, \$53,621 more from the United States Department of Justice Innovative Prosecution Solutions grant for licenses in its criminal division, and \$4,975 more from State Medicaid Fraud Control Unit funds reflecting anticipated travel expenses. *The Governor recommends \$3,907 more from general revenues than requested for higher utility costs based on FY 2023 spending.*

Department of Corrections

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Central Management	\$ 20,052,679	\$ 23,382,719	\$ 24,415,284	\$ 24,379,636
Parole Board	1,315,399	1,382,965	1,524,938	1,530,804
Custody and Security	170,694,925	161,629,068	168,275,063	174,953,065
Institutional Support	35,874,845	33,851,849	49,386,145	41,002,007
Institutional Based Rehab/Pop	11,242,861	15,039,065	16,229,879	15,435,557
Healthcare Services	32,166,231	32,067,185	35,607,816	37,322,865
Community Corrections	20,146,004	21,410,973	23,219,594	21,991,551
	\$ 291,492,944	\$ 288,763,824	\$ 318,658,719	\$ 316,615,485
Expenditures by Category				
Salaries and Benefits	\$ 226,768,873	\$ 222,547,631	\$ 231,412,760	\$ 231,973,291
Contracted Services	14,628,750	17,676,587	19,072,134	18,920,812
Subtotal	\$ 241,397,623	\$ 240,224,218	\$ 250,484,894	\$ 250,894,103
Other State Operations	45,586,779	41,533,263	46,697,433	48,538,409
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,741,310	1,969,405	2,116,445	2,116,445
Capital	2,767,232	5,036,938	19,359,947	15,066,528
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 291,492,944	\$ 288,763,824	\$ 318,658,719	\$ 316,615,485
Sources of Funds				
General Revenue	\$ 284,260,556	\$ 281,010,856	\$ 297,321,504	\$ 277,361,279
Federal Aid	2,374,701	2,219,859	2,099,099	23,417,738
Restricted Receipts	1,753,196	1,433,109	2,031,875	2,031,875
Other	3,104,491	4,100,000	17,206,241	13,804,593
Total	\$ 291,492,944	\$ 288,763,824	\$ 318,658,719	\$ 316,615,485
FTE Authorization	1,427.0	1,460.0	1,463.0	1,461.0
FTE Average	1,346.5			
Prison Population	2,298	2,278	2,396	2,396

FY 2024 Revised Request. The Department requests \$29.9 million more than enacted from all sources, including \$16.3 million from general revenues, \$0.6 million from restricted receipts, and \$13.1 million from Rhode Island Capital Plan funds, partially offset by \$0.1 million less from federal funds. The Department's FY 2024 revised request is based on a population of 2,396, which is 118 more inmates than assumed in the enacted budget.

The Governor recommends \$27.9 million more than enacted and \$2.0 million less than requested. General revenues are \$3.6 million less than enacted and \$20.0 million less than requested, primarily reflecting use of one-time State Fiscal Recovery funds to address the current year deficit. He also recommends 1.0 new position.

Reappropriation. The Department’s request includes the Governor’s reappropriation of \$1.8 million from general revenues. This includes \$1.1 million for the radio system replacement which was completed in September 2023, \$638,840 for enhancements to assist with the hiring of healthcare staff, \$13,000 for contracted services related to the Justice Reinvestment initiative and \$51,222 for retroactive payments related to the new Rhode Island Brotherhood of Correctional Officers contract. *The Governor recommends funding as requested.*

Staffing. The Department requests \$8.9 million more than enacted from all sources for 1,463.0 full-time equivalent positions, 3.0 more than the enacted budget. In total, this includes 2.0 fewer positions within institutional corrections, offset by 5.0 more in central management. The request provides for an average of 1,348.5 positions or 114.5 vacancies. Through late October, the Department averaged 1,339.8 positions filled per pay period or 8.7 less than assumed in the request. By fund source, the request includes \$8.9 million more from general revenues and \$0.1 million less from federal funds. *The Governor recommends \$0.6 million more than requested including \$20.8 million less from general revenues. The recommendation includes \$1.7 million for the recently settled nursing contract and \$0.9 million for increased employee health benefit rates offset by additional turnover savings. It also reflects the use of \$20.0 million of one-time State Fiscal Recovery funds to address the current year deficit. He recommends 1.0 new chief inspector position.*

Population. The FY 2024 revised request is based on a population 2,396 which is 118 more inmates than assumed in the enacted budget. The Department contracts with a firm to prepare population estimates which revised the population upward to 2,396. The House Fiscal Staff uses a simple model using trend data and the population through the end of October, which suggests the Department is on track for a population of 2,379 or 17 less 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 Department has used excess capacity to spread inmates out in response to the pandemic starting in March 2020. This practice was supposed to be discontinued beginning in late FY 2023. 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 3,989, updated for current facilities.

The following table depicts the recent history of budgeted and actual prison population from FY 2016 through the FY 2024 revised request. *The Governor’s assumptions are consistent with the request.*

History	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<i>Request</i>	3,292	3,260	3,059	2,865	2,762	2,671	2,387	2,357	2,278
Governor	3,292	3,200	3,059	2,865	2,691	2,549	2,354	2,357	2,278
Enacted	3,292	3,200	3,000	2,849	2,671	2,267	2,354	2,357	2,278
Revised Request	3,206	3,058	2,853	2,760	2,671	2,267	2,181	2,357	2,396
Governor Revised	3,182	2,999	2,853	2,730	2,671	2,267	2,181	2,251	2,396
Final	3,183	2,958	2,837	2,730	2,633	2,155	2,115	2,297	-
<i>Actual</i>	3,068	2,958	2,784	2,665	2,544	2,144	2,132	2,298	-

Population: Per Diem Expenditures. The Department requests \$1.8 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 request assumes expenses of \$7,909 per inmate or \$645 more than the enacted budget assumption of \$7,264. The request is \$286 less per inmate than FY 2023 actual expenses of \$8,195 largely due to inpatient and outpatient services and pharmaceutical costs, which can fluctuate because of a small number of high costs cases. Pharmaceutical

costs are also \$190 less per inmate reflecting increased usage of the 340B program for medication purchasing. *The Governor recommends funding as requested.*

Investigators (1.0 FTE). The Department requests authorization and \$0.2 million from general revenues for one new position for its office of internal affairs. The Department of Administration had a human resources staff member accept a transfer to the Department to assist within the unit which has seen increased caseloads. This position is currently in an acting capacity as an inspector; however, the Department is requesting to convert this to a permanent position. It is worth noting that at the time of the request the Department has approximately 125 vacancies and has the option to repurpose a vacant position to this position. The Department is also requesting seven additional investigators for FY 2025. *The Governor recommends staffing and funding as requested.*

State Criminal Alien Assistance Program. The Department requests \$44,777 less than enacted from federal funds, offset by a like amount of general revenues, from the State Criminal Alien Assistance Program. The revised request reflects the most recent award received by the Department as of its budget submission. 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 request is for \$44,504 less than spent in FY 2023. *The Governor recommends \$1.3 million less from general revenues offset by a like amount of federal State Criminal Alien Assistance Program funds to reflect receipt of additional funds representing prior year amounts that had been delayed at the federal level. These are one time and not available for FY 2025.*

Nursing Services. The Department requests \$2.0 million more than enacted from general revenues for nursing services. This includes \$1.0 million more for contracted nursing pools, which are used to cover necessary shifts when state employees refuse overtime and \$1.0 million more for staff expenses from filling positions assumed to be vacant in the enacted budget. As of the time of the request, the Department has 3.0 vacant certified nursing assistant positions which were approved in the FY 2023 enacted budget. The request assumes filling the three certified nursing assistant positions in the third quarter. The Department is using an emergency procurement process and its usual nursing pool contracts to cover shifts when necessary. In FY 2023, the Department spent \$1.1 million on nursing pools, as it had to pay enhanced rates to nursing staff to compete with other organizations who use nurses and expects this to continue through FY 2024. *The Governor concurs and recommends adding \$1.7 million from general revenues to reflect the recently settled contract with nursing staff.*

Reappropriation - Healthcare Enhancements. The request includes \$638,840 from reappropriated general revenues for healthcare staff enhancements. The Governor reappropriated these funds in the first quarter of FY 2024. 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 early November, 15.0 of the 103.0 positions within the Healthcare Services program are vacant. *The Governor recommends funding as requested.*

Inmate Module Densities. The enacted budget assumes \$7.3 million in overtime savings from the population returning to pre-pandemic inmate module densities during the fourth quarter of FY 2023; however, this did not occur. The revised request restores these savings. The Department indicates that its population increases are anticipated to continue preventing closing of these modules. Different reasons were provided during FY 2023, including the need to keep certain inmates segregated from others. The FY 2023 population was 2,297 and is expected to increase to 2,396 and 2,470 in FY 2024 and FY 2025, respectively. The ten-year projected estimated population for FY 2034 is 2,932. *The Governor recommends funding as requested from State Fiscal Recovery funds in lieu of general revenues. This is part of his recommendation to use \$20.0 million from one-time State Fiscal Recovery funds to cover the Department's operating shortfall.*

Other Salaries and Benefits. The Department requests \$1.6 million less than enacted from general revenues for all other institutional corrections staffing expenses. The request includes \$7.1 million more for overtime expenses, offset by turnover savings.

In FY 2023, the Department spent \$45.7 million on overtime which includes retroactive payments related to the new Rhode Island Brotherhood of Correctional Officers contract; the Department could not differentiate the impact of the contract from its general overtime expenses. In total, the request funds approximately 1,115 of the 1,223.0 requested positions. Through early November, the Department has averaged 1,112.1 positions filled. The Department's request does assume filling an additional 63.0 correctional officer positions during FY 2024.

The revised request funds three correctional officer classes, consistent with the enacted budget, two of which are expected to begin work in FY 2024 and the third in July 2025. Class 88 is expected to graduate 13 recruits in November 2023. Classes 89 and 90 are expected to graduate 50 recruits each in February and July 2024, respectively. The Department assumes overtime savings of \$182,011 in the current year from graduating the first class and no additional savings for the second or third largely because these positions will fill existing vacant positions and anticipating correctional officers who are retiring. As of the time of the request, the Department has 89.0 vacant correctional officer positions.

The Governor recommends \$0.1 million less than requested including \$12.7 million less from general revenues. The general revenue savings reflect the Governor's recommendation to use \$20.0 million from one-time State Fiscal Recovery funds to cover the Department's operating shortfall. The recommendation includes \$0.7 million for increased employee health benefit rates offset by an additional \$0.8 million of turnover savings equivalent to around five positions.

Discharge Planning. The Department's request is \$0.2 million more than enacted from general revenues for discharge planning services to reflect currently filled positions. Discharge planning services seek to prevent recidivism through assistance with residence, employment or qualifying for entitlement programs. They were provided by a single vendor beginning in FY 2019 who 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 10.0 of the transitional services unit positions are filled at the time of the request and the request fully funds those positions while the enacted budget assumed 2.0 vacancies. It is worth noting that while Department staff delivers 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. In the FY 2025 request, the Department requests three new positions to bring some of those specialized services in-house because of vendor issues. They are being handled by existing and contracted temporary staff during FY 2024. *The Governor adds \$3,742 from general revenues to account for increased employee health benefit rates.*

Medication Assisted Treatment. The Department requests \$514,987 more than enacted, including \$231,004 less from general revenues, offset by \$135,989 more from federal funds and \$610,002 more from Opioid Stewardship funds for its medication-assisted treatment program for opioid users, reflecting updated contract costs, a new federal grant, and available unspent Opioid funds from previous years. In FY 2023, the Department spent \$2.5 million of the \$3.9 million provided in the final budget; the revised request is \$1.7 million more than spent in FY 2023. The Department indicates that prior year usage was affected by providers being unable to meet the level of service delivery required under the contract; as of the time of the request, the Department is working with the provider to address this issue. *The Governor recommends funding as requested.*

Mental Health Services. The Department requests \$0.1 million less than enacted from general revenues for mental health services for inmates, reflecting updated costs for its substance abuse contract. Mental

health services are largely delivered in the correctional facilities by vendors, primarily Lifespan, by therapists, clinicians and other mental health professionals. The Department also provides counseling to individuals with a history of substance abuse. This program is up to six months where offenders learn how to manage triggers and develop healthy coping mechanisms as opposed to turning to harmful substances. *The Governor recommends funding as requested.*

Behavioral Management Unit. Consistent with the enacted budget, the Department's request includes funding to conduct a pilot program, including \$3.5 million for 32.0 staff authorized in the enacted budget, at the High Security facility which is expected to begin in November 2023. The Department is a defendant in several pending federal lawsuits challenging the housing of seriously and persistently mentally ill individuals in a restrictive housing setting. Restrictive housing refers to placement of an individual in a cell for 22 hours a day or more. The Department's capital budget request includes \$10.6 million from Rhode Island Capital Plan funds to construct this unit, including \$3.2 million for FY 2025 and \$7.4 million for FY 2026. *The Governor recommends funding as requested.*

Temporary Staff. The Department requests \$189,597 more from general revenues for temporary staff to offset vacancies in institutional corrections until positions can be filled. There were also two vendors who cancelled their contracts for healthcare discharge services because of staffing issues; the Department is planning to use temporary staff to assist with this role. The Department spent \$176,922 on temporary services in FY 2023, or \$138,321 less than requested. *The Governor recommends funding as requested.*

Correctional Industries Equipment. Consistent with the previous year request, but not approved, the Department requests \$500,000 from general revenues for new equipment for the correctional industries program pending the outcome of a review for potential reforms. If the review recommends program changes based on market need, the Department wants funding to purchase necessary equipment. Since the end of FY 2016, program expenses have exceeded revenues. Beginning in the FY 2023 enacted budget, the Assembly included language requiring the Department to report on its attempts to reform the program every 90 days beginning September 1, 2022. For FY 2023, the program had \$3.7 million in revenue and \$3.8 million in expenses, ending with a deficit of \$115,143. *The Governor does not recommend funding.*

Pell Grant Initiative (2.0 FTE). The Department requests \$0.3 million from general revenues for a new Pell grant initiative to expand education services to inmates. The Pell grant initiative is the largest federal grant program offered to undergraduates who demonstrate need through the Free Application for Federal Student Aid (FAFSA). The Department will assist inmates with applications to be eligible for these classes which has been approved by the federal Department of Education. In order to access the program, the Department must hire a teacher and a librarian and includes \$92,557 for half a year of funding for these positions. The request also includes \$73,490 for additional classes and a JStor digital library system, similar to the ones used at colleges, and \$157,900 for equipment such as speakers and laptops with charging stations. The initiative reportedly began in September with existing staff to assist with the program. *The Governor does not recommend funding.*

Inmate Education and Professional Development. The Department requests \$0.1 million less from all sources, including \$33,007 more than enacted from general revenues, for education and development services for inmates. General revenues are for classes provided through the Community College for inmates who demonstrate good behavior. The revised request for federal funds is \$133,181 less than enacted and \$255,181 more than spent in FY 2023 during which the Department experienced staff shortages for teachers and correctional officers which are required to monitor these courses. The request is based on updated information on award amounts and the expectation that it will solve staffing issues. Through the first quarter of FY 2024, approximately 60 percent of planned courses have been cancelled. *The Governor recommends funding as requested.*

Property Maintenance. The Department includes \$1.3 million more than enacted from general revenues for property maintenance, reflecting updated information and expected repairs. The request is \$0.2 million less than FY 2023 expenses. 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. In FY 2022, the Department spent \$3.8 million from general revenues for these expenses, which increased by \$1.4 million to \$5.2 million in FY 2023. *The Governor recommends funding as requested.*

Rented Equipment. The Department requests \$213,039 more than provided in the enacted budget for rented equipment. The request includes \$138,947 to rent vehicles with plows for the winter and \$74,092 for copier leases to replace outdated copier equipment. The Department maintains snow removal for its facilities. The Department spent approximately \$75,000 on snow removal expenses during FY 2023. *The Governor recommends funding as requested.*

Inmate Payroll. The Department requests \$40,183 more from general revenues for inmate payroll expenses to reflect FY 2023 expenses, adjusted for a higher population. 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 recommends funding as requested.*

Correctional Officer Uniforms. The Department requests \$0.3 million more than enacted from general revenues for correctional officer uniforms. The amount of these costs are determined based on inventory and the number of new correctional officers. During FY 2023, the Department spent \$0.4 million on these expenses which is \$47,859 less than requested. These expenses tend to fluctuate annually; for FY 2021 expenses were \$0.1 million and for FY 2022 expenses were \$0.2 million. *The Governor recommends funding as requested.*

Centralized Services. The Department requests the enacted amount of \$21.0 million from general revenues for centralized services provided through the Department of Administration. This includes \$12.2 million for facilities management, \$3.0 million for human resources, and \$5.8 million for information technology services. *The Governor recommends \$1.9 million more than enacted and requested for facilities management based on Budget Office estimates.*

Other Institutional Corrections Operations. The Department requests \$0.3 million more than enacted for all other institutional corrections expenses, mostly from general revenues. This reflects increases for office equipment replacement, such as desks and chairs, fuel, and fire safety expenses. Most expenses were adjusted to be more consistent with the FY 2023 experience. *The Governor recommends \$0.2 million less than requested from general revenues for vehicles.*

Other Programs

Medical Professional Recruitment. The Department requests \$77,832 from general revenues for a new contract to assist with the recruitment of a medical director and physician positions. These positions have been posted numerous times and the Department has not found any qualified candidates. As of the time of the request, of the three physician II positions authorized, the Department has two vacancies. These funds will be used for a recruitment contract to assist with filling these positions. The request is based on services used by the Department of Behavioral Healthcare, Development Disabilities and Hospitals. *The Governor does not recommend funding.*

Training Unit. The Department requests \$1.0 million less than enacted from general revenues for costs related to training the three correctional officer classes authorized in the enacted budget. The enacted

budget assumed three classes of 50 recruits each would be held during FY 2024; however, the first class expected to graduate in November has 13 recruits, resulting in savings. The remaining two classes, classes 89 and 90, are expected to graduate 50 recruits each, consistent with enacted budget assumptions. *The Governor recommends \$10,733 more than requested to reflect increased employee health benefit rates.*

Cognitive Behavioral Therapy. The Department requests \$0.2 million more than enacted from general revenues for its cognitive behavioral therapy program, to more correctly align personnel expenses for the program. The Department indicates that in previous years personnel expenses that should have been included in this initiative have been budgeted to other programs; the revised request corrects this. It also includes \$30,531 less than approved for a new contract which was signed at the start of FY 2024. At the time of the request, all five of the positions associated with this program are filled. *The Governor recommends \$4,638 more than requested to reflect increased employee health benefit rates.*

Domestic Abuse Grant. The Department requests \$1,588 less than enacted from a federal grant received from the Department of Justice to develop innovative ways to address domestic violence, including evaluating how the criminal justice system responds to domestic violence. The Department spent \$153,341 and \$350,400 in FY 2022 and FY 2023, respectively. It includes \$123,929 in its FY 2024 revised request, and \$30,639 for FY 2025 which inadvertently overestimates the grant award by \$2,661 which should be decreased in FY 2024. It is assumed that any unspent funding will be carried forward into future years. *The Governor recommends funding as requested.*

Other Salaries and Benefits. The Department requests \$1.9 million more than enacted from all sources, including \$2.0 million more from general revenues and \$25,817 less from restricted receipts, for all other staffing expenses, primarily to restore turnover savings. The revised request adds funding for the central management and community corrections programs, as the Department filled positions assumed to be vacant in the enacted budget. The enacted budget assumed approximately 17 vacant positions. The request would fund approximately 206 positions. As of early November, the Department had 200 positions filled and averaged 198.7 filled for the fiscal year. *The Governor recommends \$1.2 million less than requested to reflect \$0.2 million more for increased employee health benefit rates offset by \$1.4 million in additional turnover savings equivalent to eight vacancies.*

Reappropriation: Radio Replacement. The Department's request includes a reappropriation of \$1.1 million for the replacement of its radio system which was completed in September 2023. The Department indicates that the walkthrough of the buildings by the vendor showed some issues with making sure radio waves could successfully pass through all the structures; this issue was resolved during the third quarter of FY 2023. The remainder of the delay was establishing the system throughout the Department taking longer than anticipated and the system was fully in place in September 2023. Of the total \$2.7 million provided in the final budget, \$1.6 million was spent in FY 2023. *The Governor's budget includes the reappropriation.*

Temporary Staff. The Department requests \$32,889 more than enacted from general revenues for temporary services to offset vacancies in non-institutional corrections until positions can be filled. Notably, the request assumes filling more of these vacancies than the enacted budget. The Department has used these positions at a greater rate than anticipated in the enacted budget, which it expects to continue through FY 2024. FY 2023 expenses were \$60,381. *The Governor recommends funding as requested.*

Rented Property. The Department requests \$50,094 more than enacted from general revenues for costs associated with its rented property, more closely reflecting FY 2023 expenses. The Department typically budgets based on the previous year expenses, adjusted for changes such as occupying additional or new space, or cost increases that are identified by the Department. It is unclear why these projections are not based on known lease expenses. *The Governor recommends funding as requested.*

Technology. The Department requests \$0.2 million more than enacted from general revenues for technology purchases based on updated scheduling for repairs and replacements and for contracted database maintenance costs. The Department has 897 computers and plans to replace approximately 50 annually. It spent \$1.2 million in FY 2023 which is \$0.4 million less than requested. The Department indicates the relative increase is largely because of anticipated increases for a number of its systems, including server upgrades and additional maintenance and support costs. The request also includes an additional \$20,000 to purchase an industrial scanner to assist the Office of Inspectors and Special Investigations unit in maintaining records of its cases. *The Governor recommends funding as requested.*

Victim Services. The Department requests \$45,836 less than enacted from all sources, including \$4,189 more from general revenues and \$50,025 less from federal funds, to support existing victim services programs. There was a decrease in the Victims of Crime Act funds at the federal level and the state received \$3.5 million less which resulted in the Department not anticipating receiving any funds for the current year, consistent with the FY 2023 experience. These formula-driven grants are awarded by the Department of Justice and given to states to provide direct services to crime victims. *The Governor recommends funding as requested.*

Home Confinement. The Department requests \$46,210 more than enacted from general revenues for its home confinement unit. Subsequently, the Department indicated the increase was requested in error. 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 recommends funding as requested.*

Capital Projects. The Department requests \$13.1 million more than enacted from Rhode Island Capital Plan funds for its capital projects, including \$6.9 million to begin to replace the heating, ventilation and cooling systems. The request is consistent with the Department's capital budget request. *The Governor recommends \$3.4 million less than requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Department requests \$0.1 million more than enacted largely from general revenues for all other expenses, largely reflecting FY 2023 spending and approximately \$25,000 to use the correctional program checklist which is a tool designed for criminal justice agencies to learn how they compare to what research supports as effective programming. These assessments are done by the University of Cincinnati's Corrections Institute. The conclusion includes a formal report that incorporates a summary of the evaluation, references to the research standards and recommendations for growth. *The Governor recommends \$1,733 less than requested, almost entirely from general revenues to account for statewide utility savings.*

Judicial Department

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Supreme Court	\$ 40,959,717	\$ 44,689,156	\$ 45,729,585	\$ 45,837,200
Defense of Indigent Persons	5,618,276	5,075,432	6,075,432	6,075,432
Commission on Judicial Tenure & Discipline	153,552	174,733	174,738	175,121
Superior Court	25,663,574	28,287,764	28,147,425	28,240,973
Family Court	27,667,694	30,275,384	30,121,502	30,225,418
District Court	15,813,110	17,200,976	17,028,103	17,085,245
Traffic Tribunal	9,827,287	11,185,670	10,648,059	10,681,057
Workers' Compensation Court	9,002,187	10,008,315	9,861,089	9,886,562
Total	\$ 134,705,397	\$ 146,897,430	\$ 147,785,933	\$ 148,207,008
Expenditures by Category				
Salaries and Benefits	\$ 100,885,115	\$ 110,333,585	\$ 109,075,504	\$ 109,499,718
Contracted Services	2,113,594	2,467,179	2,435,134	2,435,134
Subtotal	\$ 102,998,709	\$ 112,800,764	\$ 111,510,638	\$ 111,934,852
Other State Operations	14,206,381	15,503,623	16,480,991	16,478,866
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	11,110,120	11,107,982	11,855,107	11,855,107
Capital	6,390,187	7,485,061	7,939,197	7,938,183
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 134,705,397	\$ 146,897,430	\$ 147,785,933	\$ 148,207,008
Sources of Funds				
General Revenue	\$ 113,993,550	\$ 121,387,370	\$ 122,387,370	\$ 122,770,901
Federal Aid	3,528,241	4,972,193	4,628,249	4,637,314
Restricted Receipts	12,323,496	14,912,867	14,743,178	14,772,671
Other	4,860,110	5,625,000	6,027,136	6,026,122
Total	\$ 134,705,397	\$ 146,897,430	\$ 147,785,933	\$ 148,207,008
FTE Authorization	739.3	743.3	743.3	743.3
FTE Average	691.1			

FY 2024 Revised Request. The Judiciary requests \$0.9 million more than enacted for FY 2024. This includes increases of \$1.0 million from general revenues and \$0.4 million from Rhode Island Capital Plan funds, offset by reductions of \$0.3 million from federal funds and \$0.2 million from restricted receipts. The Governor reappropriated \$2.0 million of unspent general revenues from FY 2023, which the Judiciary requested for indigent defense expenses; only half appears in the revised request. *The Governor recommends \$0.4 million more than requested from all sources, primarily general revenues for the authorized staffing level.*

Staffing. The Judiciary requests \$1.3 million less from all sources for salaries and benefits for 743.3 full-time equivalent positions to reflect its current staffing. The enacted budget includes \$2.7 million of turnover

savings equivalent to 29.8 vacant positions based on an FY 2024 average salary of \$90,407. The Judiciary's revised request reduces turnover savings by \$0.9 million, funding 9.6 more positions. As of early December, the Judiciary had averaged 37.5 vacant positions. *The Governor recommends \$0.4 million more than requested, primarily from general revenues to account for increased employee health benefit rates.*

Pay-Go Judges Pensions. The Judiciary requests \$0.3 million less than enacted from general revenues for retirement costs for judges hired before 1990 who are not part of the state employees' retirement system, reflecting current retirements and beneficiaries, which changed during FY 2023 but were not accounted for in the enacted budget. The annual appropriation supports pension costs on a pay-as-you-go basis rather than the retirement trust fund. There are currently four active judges whose pensions will be paid this way, all of whom are eligible to retire. *The Governor recommends funding as requested.*

Indigent Defense Services. The Judiciary requests \$1.0 million more from general revenues than enacted for indigent defense services, totaling \$6.0 million. This reflects half of the unspent FY 2023 funding reappropriated to FY 2024. This program assigns private attorneys to clients that the Office of the Public Defender is unable to provide legal representation services to because of conflicts of interest. Prior to the pandemic, these expenditures were growing annually with FY 2017 and FY 2018 increasing nearly three percent each year and FY 2019 increasing nine percent to \$4.5 million. FY 2020 and FY 2021 spending declined, recovering somewhat in FY 2022 to \$4.4 million or about 98 percent of FY 2019 spending, the last full pre-pandemic year. FY 2023 spending totaled \$5.5 million, nearly 24 percent higher than FY 2019; the FY 2024 revised request is 8.3 percent higher than FY 2023. *The Governor concurs.*

Technology Infrastructure and Improvement. The Judiciary requests \$837,380 more than enacted from all sources for court computer technology expenses, including its case management system and a wireless infrastructure improvement project for which the Judiciary is a subgrantee of the Department of Public Safety. The request includes increases of \$811,635 from general revenues and \$25,746 from federal funds. The federal funds increase reflects carryforward for a wireless bandwidth project to improve service and network capacity for all courthouses, which was extended due to supply chain issues. The general revenue increase includes a one-time expense to modernize the Judiciary's websites to a more secure platform and address Americans with Disabilities Act compliance issues. *The Governor recommends \$118 less than requested from general revenues to account for statewide rebate savings.*

New Vehicle Purchase. The Judiciary requests \$52,000 more than enacted from general revenues to purchase a new vehicle. The 2023 Assembly added \$20,000, as requested by the Judiciary, for a total of \$52,000 in the enacted budget for the purchase of a new vehicle; the revised request totals \$104,000. The Judiciary reports that prior to the pandemic, its goal was to annually replace two state-issued vehicles, but it essentially paused that practice during the pandemic. The revised request doubles the enacted amount to purchase a second vehicle to restore its vehicle replacement plan to two annually. *The Governor concurs.*

Facilities and Operations. The Judiciary requests \$0.3 million less from general revenues than enacted for judicial complex facilities operations and utilities. The request adds \$0.3 million for increased building maintenance contract costs, including waste disposal, which is offset by \$0.6 million less for electricity expenses. For the FY 2023 final and FY 2024 enacted budgets, the Judiciary requested \$0.8 million more, including \$0.7 million from general revenues, for projected gas and electricity costs; the 2023 Assembly concurred. FY 2023 spending was \$1.1 million less than appropriated, most of which was general revenues. The Judiciary reported the savings resulted from the state's reverse electricity bid, which lowered costs. The request for all utilities expenses is \$0.3 million more than FY 2023 spending, suggesting that savings may be available. *The Governor includes \$354 less than requested from general revenues to account for statewide rebate savings.*

Insurance. The Judiciary requests \$324,926 more than enacted for its insurance expenses. This includes increases of \$287,041 from general revenues and \$37,885 from restricted receipts. The Judiciary reports

insurance costs have nearly doubled and that restricted sources were underbudgeted in the enacted budget. The revised request totals \$691,212. *The Governor recommends funding as requested.*

Mental Health Treatment Grants. The Judiciary requests \$106,725 more than enacted from the two federal grants that support the operations of the District Court mental health treatment calendar. This adds \$70,875 for technology expenses, \$19,500 for clinical services, and \$16,350 for travel. The request totals \$369,956, including \$273,050 for clinical services and \$96,906 for all other operations. Spending for the first year of the calendar totaled \$164,699. *The Governor recommends funding as requested.*

Veterans Treatment Court Grants. The Judiciary requests \$25,234 more from two federal grants that support the operations of the veterans' treatment court calendar; including \$4,875 from a new SSG Fox Suicide Prevention grant, of which the Judiciary received a subaward from the Department of Health. This adds \$12,299 for testing supplies and calibration services, \$4,332 for travel expenses, \$2,415 for training, and \$6,188 for all other operating supplies. The request totals \$296,961, including \$153,208 for clinical services. Grant spending for FY 2023 totaled \$146,680, including \$100,303 for clinical services. *The Governor recommends funding as requested.*

Temporary Restraining Order Unit. The Judiciary requests \$49,241 less than enacted from general revenues for the staffing expenses of the Family Court Temporary Restraining Order Unit to reflect turnover savings from positions being filled later than the enacted budget's assumptions.

The 2023 Assembly provided \$399,454 and 4.0 full-time equivalent positions to form a one-stop Temporary Restraining Order Unit within the Family Court to solve multiple issues users faced as requested by the Judiciary. The request was to centralize the requisite advocate's office, temporary restraining order office and courtroom on a single floor and increase staffing to keep the unit open to the public until Family Court closes at 4 p.m. *The Governor recommends \$1,272 more than requested from general revenues to account for increased employee health benefit rates.*

Other Salaries and Benefits. The Judiciary requests \$1.2 million less from all sources for salaries and benefits of the remaining 739.3 full-time equivalent positions. This includes reductions of \$0.6 million from general revenues, \$0.4 million from federal funds, and \$0.2 million from restricted receipts to reflect its current staffing level. *The Governor recommends \$0.4 million more than requested, primarily from general revenues to account for increased employee health benefit rates.*

Capital Projects. The Judiciary requests \$0.4 million more than enacted from Rhode Island Capital Plan funds for its five current capital projects for FY 2024. This is essentially consistent with the approved plan, and reflects the reappropriation of unspent FY 2023 funding to FY 2024, consistent with current law. *The Governor recommends funding consistent with the approved plan, and excludes \$1,014 for a project completed during FY 2023. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Judiciary requests \$29,175 less from all funds for all other spending. This includes \$50,000 more from general revenues, offset by reductions of \$68,250 from federal funds and \$10,925 from restricted receipts. The general revenue increase reflects more for interpreter services, totaling \$337,000, which is \$45,144 more than FY 2023 spending. Federal funds are \$68,250 less to reflect an exhausted \$35,000 grant for the Supreme Court, and \$33,250 less for revisions to Family Court grants. Restricted receipts are \$10,925 less than enacted, including \$12,575 more for a new Rhode Island Foundation grant to restore and rebind some library texts, offset by \$23,500 less from workers' compensation proceeds, composed of \$16,500 more for building maintenance and occupancy costs and \$40,000 less for security services. *The Governor includes \$1,653 less than requested from general revenues to account for statewide rebate savings.*

Military Staff

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 9,259,357	\$ 9,966,133	\$ 10,616,487	\$ 10,330,982
Contracted Services	2,451,818	2,079,197	2,222,183	2,222,183
Subtotal	\$ 11,711,175	\$ 12,045,330	\$ 12,838,670	\$ 12,553,165
Other State Operations	8,743,286	27,300,383	21,127,833	20,966,718
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	241,572	312,300	372,673	312,300
Capital	6,193,477	34,475,173	18,898,556	19,903,547
Capital Debt Service	-	-	-	-
Operating Transfers	261,040	1,774,119	1,004,991	-
Total	\$ 27,150,550	\$ 75,907,305	\$ 54,242,723	\$ 53,735,730
Sources of Funds				
General Revenue	\$ 2,913,982	\$ 3,650,802	\$ 3,635,459	\$ 3,574,619
Federal Aid	23,366,639	64,747,657	46,669,982	46,284,202
Restricted Receipts	27,022	55,000	115,373	55,000
Other	842,907	7,453,846	3,821,909	3,821,909
Total	\$ 27,150,550	\$ 75,907,305	\$ 54,242,723	\$ 53,735,730
FTE Authorization	93.0	93.0	93.0	93.0
FTE Average	81.8			

FY 2024 Revised Request. The Military Staff requests \$21.7 million less from all sources than enacted for FY 2024. The request includes \$15,343 less from general revenues, \$18.1 million less from federal funds, \$60,373 more from Military Family Relief Fund restricted receipts, and \$3.6 million less from Rhode Island Capital Plan funds. *The Governor recommends \$0.5 million less than requested, including \$0.1 million from general revenues, \$0.4 million from federal funds, and \$0.1 million from restricted receipts.*

Firefighters. The Military Staff requests \$161,517 more than enacted, including \$41,164 less from general revenues for the firefighter program. Firefighter costs are paid from federal funds except for those on injured on duty status, in which case the state is responsible. The request represents sufficient funding for an average of 2.4 full-time equivalent positions on injured on duty status, or 0.4 positions fewer than enacted. As of December, two firefighters are on injured on duty status. Consistent with the enacted budget, the request assumes 29.0 of 30.0 authorized firefighter positions are filled. As of late November, 28.0 positions were filled. The Military Staff indicates that its request is in error; it intended to request \$0.1 million less or \$0.1 million more than enacted, including general revenues sufficient for an average of 2.8 positions on injured on duty status and turnover savings equivalent to 2.0 vacancies.

The Governor's recommendation is \$64,849 less, including \$55,587 more from general revenues. It corrects the error and contains funding sufficient for an average of 2.3 positions on injured on duty status and turnover savings equivalent to 0.7 vacancies. The recommendation includes \$11,728 more, including \$1,055 from general revenues, for increased employee health benefit rates.

Other Salaries and Benefits. The Military Staff requests \$0.5 million more than enacted, including \$0.3 million more from general revenues, for its remaining 63.0 full-time equivalent positions, consistent with the distribution of staffing costs attributable to federal funds as agreed upon with the Department of Defense. The increase reflects removing all turnover savings. The enacted budget includes turnover savings equivalent to 5.3 positions. As of late November, there were 5.0 vacancies. The Military Staff indicates that its request is in error; it intended to request \$0.3 million less or \$0.2 million more than enacted, including turnover savings equivalent to 3.6 vacancies. *The Governor's recommendation is \$0.2 million less, including \$0.1 million less from general revenues. It corrects the error and contains turnover savings equivalent to 1.5 vacancies. The recommendation includes \$22,650 more, including \$3,163 from general revenues, for increased employee health benefit rates.*

Utilities. The Military Staff requests \$1.7 million less than enacted, including \$0.4 million from general revenues and \$1.4 million from federal funds, for utilities expenses which are shared with the federal National Guard. The decrease is almost entirely attributed to lower electricity costs associated with energy saving programs and solar energy credits. Cost sharing depends on actual usage which varies from 100 percent federally funded, to 75 percent or 50 percent. *The Governor recommends \$0.2 million less, including \$37,853 less from general revenues, primarily to account for statewide utility savings.*

Security Services. The Military Staff requests \$0.1 million more than enacted from federal funds for security services. The agency indicates that it is renegotiating its contract with its security provider and expects a 15.0 percent increase. Federal regulations require levels of security, including protection from active shooters. *The Governor recommends funding as requested.*

Building Maintenance and Repairs. The Military Staff requests \$0.9 million less than enacted, primarily from federal funds, for building maintenance and repairs to reflect updated project timelines and FY 2023 experience. The federal government pays for maintenance and repairs that it deems needed or caused by federal mandate; work deemed ineligible is paid from general revenues. *The Governor recommends funding as requested.*

Counter Drug Training Facility. The Military Staff requests \$5.2 million from federal funds, \$48,746 less than enacted, to construct a new counter drug facility at Camp Fogarty in East Greenwich. The request is inconsistent with the agency's capital request, which includes a total of \$8.3 million for this project, including no funding for FY 2024, \$7.3 million for FY 2025, and \$1.0 million for FY 2026. The Military Staff indicates that it intended to exclude funding for FY 2024, consistent with its capital request. *The Governor's budget includes \$48,746, retaining the error and inconsistent with his capital recommendation. A detailed description of the project is included in the Capital Budget section of this publication.*

Other Capital Projects. The Military Staff requests \$19.7 million less than enacted for other capital projects, including \$16.0 million less from federal funds and \$3.6 million less from Rhode Island Capital Plan funds. *The Governor recommends funding as requested. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Military Staff requests \$26,888 less than enacted for all other expenses. The request includes \$41,088 more from general revenues, \$128,349 less from federal funds, and \$60,373 more from Military Family Relief Fund restricted receipts. The Military Staff indicates that its request is in error and it intended to request the enacted amount from restricted receipts. Other changes include additional funding for accounting contracts and onetime lawn equipment purchases offset by reductions to more closely reflect FY 2023 spending, primarily associated with snowplowing services. *The Governor recommends \$61,206 less from all sources, including \$950 less from general revenues, to correct for overstated restricted receipts and reflect updated centralized services estimates.*

Rhode Island Emergency Management Agency

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 4,309,361	\$ 5,062,225	\$ 5,071,058	\$ 5,089,537
Contracted Services	973,198	2,307,701	1,819,557	1,819,557
Subtotal	\$ 5,282,559	\$ 7,369,926	\$ 6,890,615	\$ 6,909,094
Other State Operations	7,473,297	16,089,370	14,894,101	14,517,940
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	53,268,249	21,826,642	15,651,146	15,651,146
Capital	261,120	4,974,774	7,128,863	6,433,813
Capital Debt Service	1,994,400	-	-	-
Operating Transfers	8,511,183	-	-	-
Total	\$ 76,790,808	\$ 50,260,712	\$ 44,564,725	\$ 43,511,993
Sources of Funds				
General Revenue	\$ 5,615,000	\$ 6,632,962	\$ 6,665,243	\$ 6,838,583
Federal Aid	68,626,239	38,504,601	31,763,120	30,536,190
Restricted Receipts	158,386	406,774	407,664	408,572
Other	2,391,183	4,716,375	5,728,698	5,728,648
Total	\$ 76,790,808	\$ 50,260,712	\$ 44,564,725	\$ 43,511,993
FTE Authorization	35.0	37.0	37.0	37.0
FTE Average	30.1			

FY 2024 Revised Request. The Rhode Island Emergency Management Agency requests \$5.7 million less than enacted, including \$32,281 more from general revenues, \$6.7 million less from federal funds, \$890 more from restricted receipts, and \$1.0 million more from Rhode Island Capital Plan funds. *The Governor recommends \$1.1 million less than requested, including \$0.2 million more from general revenues and \$1.2 million less from federal funds.*

Salaries and Benefits. The Agency requests \$8,833 more than enacted from all sources, including \$32,281 more from general revenues, \$24,338 less from federal funds, and \$890 more from restricted receipts for its 37.0 authorized positions. The shift from federal funds to general revenues reflects less federally reimbursable work done. The request includes funding for all positions for FY 2024. As of early November, the Agency has four vacancies and has averaged 33.6 positions filled, indicating additional turnover savings are likely available. The Assembly provided 2.0 new positions in the enacted budget which were at different stages of the hiring process at the time of the request. *The Governor recommends \$18,479 more than requested, including \$5,658 more from general revenues, reflecting increased employee health benefit rates.*

Statewide Communications Network. The Agency requests 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. *The Governor recommends funding essentially as requested.*

Centralized Services. The Agency requests \$0.2 million more from all sources, including \$0.1 million more from general revenues and \$0.1 million more from federal funds, for centralized services provided through the Department of Administration, most of which is for information technology. The request shifts general revenues provided as match to this specific expense to align the budget more closely to FY 2023 experience. *The Governor recommends funding as requested.*

ARPA - Public Health Response Warehouse Support. The FY 2024 enacted budget includes \$1.4 million from State Fiscal Recovery funds in the Department of Administration's budget for lease expenses for the Emergency Management Agency operated warehouse. The Agency requests \$1.2 million from State Fiscal Recovery funds for operating expenses and one-time purchases for its public health response warehouse. Expenses include \$395,000 for a 200-kilowatt generator, \$300,000 for a hook and lift truck used to transport materials to sites around the state, \$281,843 for general warehouse supplies such as pallets and racking, \$250,000 to close out the Lincoln warehouse and dispose of its equipment, and \$12,000 for clothing for the warehouse staff to comply with the Occupational Safety and Health Administration. The Agency indicates that once these federal funds are spent, warehouse expenses will be funded solely from general revenues. Its request duplicates funding for FY 2024 and FY 2025 because of uncertainty as to when purchases will occur caused by supply chain issues for specialized equipment. *The Governor does not recommend funding and maintains the State Fiscal Recovery funds in the Department of Administration's budget.*

Emergency Operations and Performance Grants. The Agency requests \$2.3 million less than enacted from federal emergency operations and performance grants provided by the Federal Emergency Management Agency to reflect updated grant award information. The funding, which is primarily passed through to local emergency management agencies, is used to support local emergency management efforts, including personnel, emergency operations centers, communications, and capability enhancement. *The Governor recommends funding as requested.*

Glocester Emergency Operations Center Grant. The Agency requests \$1.0 million to reflect a new federal grant provided through the Emergency Operations Center Grant Program to be passed through to Glocester to build a new emergency operations center. This program provides funding for construction or renovation of a state, local, or tribal government's principal emergency operations center. The whole grant will go to the town as expenses are incurred; the Agency intends to carry the remaining balance forward annually until expended. However, its FY 2025 request also budgets the full value. *The Governor recommends funding as requested.*

RIEMA Emergency Operations Center Grant. The Agency requests \$0.5 million to reflect a new federal grant provided through the Emergency Operations Center Grant Program to renovate its emergency operations center. This program provides funding for construction or renovation of a state, local, or tribal government's principal emergency operations center. The funds will supplement the Agency's ongoing capital project to upgrade its emergency operations center. The Agency also includes the full value of this grant in its FY 2025 request. *The Governor recommends funding as requested. A detailed description of the project is included in the Capital Budget section of this publication.*

Hazard Mitigation Grants. The Agency requests \$6.2 million less from Federal Emergency Management Agency Hazard Mitigation funds that support local emergency management agencies for hazard mitigation, reflecting updated grant information and anticipated usage in the current year. Localities must apply through the state to receive these funds. These projects must be designed to 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 recommends funding as requested.*

Homeland Security Grants. The Agency requests \$250,234 less than enacted from federal funds for homeland security related upgrades throughout the state. The request is \$5.4 million more than FY 2023 spending and reflects updated award information for grants provided by the Federal Emergency Management Agency. The enacted budget was an estimate based on previous experience. *The Governor recommends funding as requested.*

Natural Disaster Relief. The Agency requests \$3.9 million less than enacted from federal funds for reimbursements to entities in the state that have applied for federal disaster relief. These grants are often pending review by the Federal Emergency Management Agency, and take several years to close out. The change reflects actual reimbursements for snow removal and related expenses to entities affected by Winter Storm Kenan, which occurred in January 2022 as well as the closing out of multiple Pre-Disaster Mitigation Grants. *The Governor recommends funding as requested.*

Non-Profit Security Grants. The Agency requests \$1.1 million more 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. These changes reflect actual requests for reimbursement based on 17 new awards to organizations from the FY 2023 grant. *The Governor recommends funding as requested.*

Cybersecurity Grants. The Agency requests \$2.2 million from a new grant made available through the Infrastructure Investment and Jobs Act from federal FY 2022 through FY 2025 to combat cyber threats and enhance cybersecurity grant programs. 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 Agency's request reflects the FY 2022 allocation for Rhode Island which is also eligible for \$4.5 million from the FY 2023 awards. *The Governor recommends funding as requested.*

Other Federal Grants. The Agency requests \$119,220 less than enacted from other federal funds to reflect revised grant awards. The request includes changes to multiple grants to reflect funds carried forward from previous years, as well as updated expenditure plans with the largest changes being the closure of port security and hazardous materials preparedness grants. *The Governor recommends funding as requested.*

Capital Projects. The Agency requests use of \$1.0 million in unspent FY 2023 Rhode Island Capital Plan funds for FY 2024 for the still pending feasibility study of its headquarters in Cranston and its warehouse facility for use as a State Emergency Operations Center and delayed infrastructure upgrades of the Rhode Island Statewide Communications Network. *The Governor recommends \$50 less than requested, consistent with the Capital Budget. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Agency requests \$0.2 million less for all other expenses, including \$0.1 million less from general revenues. The FY 2024 budget included \$0.9 million for unspecified purposes as a general revenues match for American Rescue Plan Act grants. In its revised request the Agency identifies more specific uses for these funds, including \$0.5 million for vehicles, \$0.3 million for technology costs, and \$60,000 for general supplies and equipment. It also shifts \$0.1 million to centralized services expenditures to cover additional costs discussed previously. The Agency also requests less from federal funds for state fleet costs. *The Governor recommends \$167,686 more than requested from general revenues, primarily for a state match to secure federal funds to provide individual assistance to those affected by flooding and tornados during September 2023. This also includes \$37 less to account for statewide utility savings.*

Department of Public Safety

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Central Management	\$ 8,863,312	\$ 33,342,024	\$ 45,095,451	\$ 50,353,794
E-911	7,252,509	9,269,543	7,844,085	7,873,641
Capitol Police	5,432,549	6,063,135	5,950,679	5,974,236
Sheriffs	19,876,736	24,230,176	23,518,784	23,329,508
Municipal Police Training Academy	525,562	689,461	832,787	833,362
State Police	95,688,660	116,109,997	113,037,957	113,149,860
Total	\$ 137,639,328	\$ 189,704,336	\$ 196,279,743	\$ 201,514,401
Expenditures by Category				
Salaries and Benefits	\$ 106,337,576	\$ 119,719,088	\$ 113,445,112	\$ 113,512,526
Contracted Services	1,552,854	1,814,016	2,085,196	1,835,196
Subtotal	\$ 107,890,430	\$ 121,533,104	\$ 115,530,308	\$ 115,347,722
Other State Operations	16,646,133	20,775,916	23,284,478	23,206,428
Aid to Local Units of Government	328,489	-	90,000	-
Assistance, Grants, and Benefits	5,931,241	30,676,304	42,011,996	47,601,996
Capital	6,678,530	16,719,012	15,362,961	15,358,255
Capital Debt Service	-	-	-	-
Operating Transfers	164,505	-	-	-
Total	\$ 137,639,328	\$ 189,704,336	\$ 196,279,743	\$ 201,514,401
Sources of Funds				
General Revenue	\$ 111,485,599	\$ 137,013,201	\$ 136,650,365	\$ 136,595,944
Federal Aid	11,947,226	24,157,221	38,281,518	43,543,813
Restricted Receipts	8,910,242	10,350,524	9,232,057	9,262,884
Other	5,296,261	18,183,390	12,115,803	12,111,760
Total	\$ 137,639,328	\$ 189,704,336	\$ 196,279,743	\$ 201,514,401
FTE Authorization	632.2	632.2	632.0	632.0
FTE Average	528.2			

FY 2024 Revised Request. The Department's revised request includes \$6.6 million more than enacted from all sources. This includes \$14.1 million more from federal funds, offset by \$0.4 million less from general revenues, \$1.1 million less from restricted receipts, and \$6.1 million less from other funds. *The Governor recommends \$11.8 million more than enacted, including \$0.4 million less from general revenues, for 632.0 positions, 0.2 fewer than the enacted authorization.*

Staffing. The Department requests \$6.3 million less than enacted from all sources for staffing expenses, including \$5.4 million less from general revenues, \$0.6 million more from federal funds, \$1.3 million less from restricted receipts, and \$0.2 million less from all other sources. The enacted budget funds 607.4 full-time equivalent positions and includes turnover equivalent to 24.8 positions, approximately \$4.1 million in savings. The revised request includes sheriff work week upgrades, offset by additional turnover savings. The request appears to leave an additional 32.6 positions vacant. As of early October, the Department has 106.2 vacant positions. *The Governor recommends \$67,414 more than requested, including \$19,980 more*

from general revenues, primarily to account for statewide increased employee health benefit rates offset by the exclusion of sheriff work week upgrades.

Reappropriation. The Department requests \$1.4 million from general revenues reappropriated from FY 2023. The Governor reappropriated \$506,236 for computers, munitions, radio dispatch hardware, and vehicle lighting packages within the Division of State Police, and \$358,467 for a transport bus, software licenses, and equipment within the Division of Sheriffs. Both divisions experienced purchasing delays. The request also includes the required reappropriation of \$531,946 for body-worn cameras. *The Governor recommends funding as requested.*

Body-Worn Camera Statewide Project. The Department requests \$0.8 million more than enacted for the body-worn camera project, including \$0.5 million reappropriated from general revenues and \$0.3 million from unexpended federal funds. The federal funds represent an award from the United States Department of Justice primarily used to reimburse municipalities for the purchase of body-worn cameras. The request also includes \$25,140 from these funds to supplement staffing expenses related to the initiative.

The enacted budget provides \$13.5 million from general revenues to purchase body-worn cameras for the State Police and municipalities and states that any unspent balances as of June 30, 2023, will be reappropriated to FY 2024. Consistent with the enacted budget, the Department's request includes unexpended general revenues from FY 2023. *The Governor recommends \$336 more than requested from federal funds to account for statewide increased employee health benefit rates.*

Judiciary Lease Payments. The Department requests \$0.1 million more than enacted from general revenues for courtroom lease payments, primarily for the Division of Sheriffs. The Department is responsible for paying the Judiciary based on its occupancy of courtrooms throughout the state. The increase in the request reflects updated costs of the billings, which are adjusted annually. *The Governor recommends funding as requested.*

Central Management

COVID Related Expenses. The Department requests \$1.6 million more from unexpended federal Coronavirus Emergency Supplemental funds from the Department of Justice to provide awards to government and local law enforcement agencies to support a broad range of activities to prevent, prepare for, and respond to the coronavirus. Identified grantees include the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, the Department of Children, Youth, and Families, the Office of the Attorney General, the Department of Corrections, and the Judiciary. *The Governor recommends \$506 more than requested to account for statewide increased employee health benefit rates.*

ARPA - Support for Survivors of Domestic Violence. 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, after which federal grants are expected to return to historic levels. Funding will supplement the federal Victims of Crime Act funding the Department of Public Safety receives, which has decreased in recent years due to changes in federal settlement agreements. The revised request is \$1.7 million less than enacted and reflects an updated schedule for award payments with \$5.3 million for FY 2024 and \$5.1 million for FY 2025. No funding was spent in FY 2023. *The Governor recommends the entire \$10.5 million for FY 2024.*

Other Federal Funds. The Department requests \$11.1 million more from other federal grants to award to local organizations and municipalities. The request reflects updated awards, including \$3.2 million more for Crime Victim Assistance, \$3.0 million more for the Community-Based Violence Intervention and Prevention Program, \$2.6 million more for the Edward Bryne Memorial Justice Assistance Grant Program,

\$0.9 million more for Violence Against Women Formula Grants, and \$0.6 million more for all other grants. *The Governor recommends \$4,159 more than requested to reflect increased employee health benefit rates.*

Other Personnel and Operations. The Department requests \$37,992 more than enacted from all sources, including \$72,669 less from general revenues and \$110,661 more from restricted receipts for all other Central Management expenses. The increase primarily reflects salaries and benefits associated with the hiring of a staff attorney, which was vacant at the time of the FY 2024 request, offset by current service adjustments. As of early October, the Office had 13 positions filled and one vacant. *The Governor recommends \$6,492 more than requested, including \$5,221 more from general revenues, to account for statewide utility savings and increased employee health benefit rates.*

E-911

Salaries and Benefits. The Department requests \$1.5 million less than enacted from restricted receipts for 56.0 full-time equivalent positions. The enacted budget funds 55.7 positions. The revised request assumes additional turnover savings equivalent to approximately 11 positions. As of early October, the program has 41.0 filled positions and has averaged 40.8 filled in FY 2024 thus far. *The Governor recommends \$30,055 more than requested to account for statewide increased employee health benefit rates.*

Other Operations. The Department requests \$69,027 more than enacted from restricted receipts for all other operations. This primarily reflects \$40,680 to upgrade Emergency Medical Dispatch software. The remainder is for building maintenance and repairs and all other expenses. *The Governor recommends \$499 less than requested to account for statewide utility savings.*

Sheriffs

Sheriff Work Week - 40 Hours. The Department requests \$0.3 million more from general revenues to transition all sheriffs to a 40-hour work week from 37.5 hours. The Department believes that this will increase security and reduce overtime by approximately three percent. The request does not reflect the estimated overtime savings. The Division currently has two staggered shifts. The Department believes transitioning to a 40-hour work week would address high turnover, low recruitment, and demands from the Judiciary to increase safety in the courtroom. At the time of the request, there were 45 sheriffs on the 37.5-hour work week. The FY 2025 request also includes \$280,579 for this purpose. The Department requested to shift to a 40-hour work week in its FY 2023 revised request and its FY 2024 request, but it was not funded. The Division has, however, experienced significant turnover savings sufficient to cover the cost. *The Governor does not recommend the funding.*

Other Salaries and Benefits. The Department requests \$1.8 million less than enacted from general revenues for 180.0 authorized full-time equivalent positions to reflect additional turnover savings. The enacted budget fully funds the Division of Sheriffs, and the revised request includes turnover savings equal to approximately 15 positions. As of early October, the Division has 141.0 positions filled. It reports that the goal is to fill twenty vacancies in March 2024 with academy graduates. *The Governor recommends \$89,062 more than requested from general revenues primarily to account for statewide increased employee health benefit rates.*

Reappropriation - Bus, Software Licenses, and Equipment. The Department requests \$358,467 for the Division of Sheriffs for a transport bus, software licenses, and equipment, consistent with the Governor's reappropriation of unspent funds for this purpose from FY 2023. *The Governor recommends funding as requested.*

Motor Vehicles. The Department requests \$0.3 million more from general revenues for motor vehicles. This is based on estimated costs for the purchase of seven vehicles for the Division of Sheriffs in FY 2024.

The Department reports that the intention is to utilize personnel savings within the Division to purchase the vehicles in FY 2024 rather than utilize the State Fleet Replacement Revolving Loan Fund, which requires a three-year payback. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$23,184 more than enacted from general revenues for all other expenses. This includes updated costs for radio advertising, equipment maintenance, uniforms, and office supplies. *The Governor recommends \$2,228 less than requested from general revenues to account for statewide utility savings.*

Capitol Police

Salaries and Benefits. The Department requests \$0.1 million less than enacted from general revenues for its 40.0 full-time equivalent Capitol Police positions not allocated to internal service funds. Expenses for the 12.0 full-time equivalent positions allocated to internal service funds appear as operating costs in the agencies billed. The enacted budget fully funds the 40.0 positions and assumes four vacant positions allocated to internal service funds. The revised request assumes turnover savings equivalent to approximately one position. As of early October, the Department has a total of 49.0 filled positions and has averaged 3.5 vacancies thus far. *The Governor recommends \$23,582 more than requested from general revenues primarily to account for statewide increased employee health benefit rates.*

Other Operations. Consistent with the enacted budget, the Department requests \$0.7 million for all other expenses. Larger expenditures include \$0.5 million for centralized services provided through the Department of Administration, \$0.2 million for supplies and equipment, and \$57,425 for state fleet expenses. *The Governor recommends \$25 less than requested to account for statewide utility savings.*

Municipal Police Training Academy

Personnel and Operations. The Department requests \$0.1 million more than enacted from all sources for Municipal Police Training Academy expenses. The increase is primarily from federal funds to reflect updated awards, including new funds from the National Priority Safety Program, which encourages states to address national highway safety priorities to reduce the number of deaths and injuries. *The Governor recommends \$575 more than requested from general revenues to account for statewide utility savings and increased employee health benefit rates.*

State Police

Salaries and Benefits. The Department requests \$3.1 million less than enacted from all sources for salaries and benefits for the remaining authorized 328.0 full-time equivalent positions, mostly reflecting increased turnover. This includes \$3.7 million less from general revenues, \$0.6 million more from federal funds, \$0.1 million more from restricted receipts, and \$0.2 million less from reimbursements for road construction and airport details, and the enforcement and inspection of oversized vehicles. The enacted budget funds approximately 310 positions and the revised request assumes approximately 285. As of early October, the Department had 280.0 filled positions. *The Governor recommends \$188,634 more than requested, including \$177,527 more from general revenues, primarily to account for statewide increased employee health benefit rates.*

Reappropriation - Computers, Supplies, and Vehicle Equipment. The Department requests \$506,236 for the Division of State Police to purchase computers, munitions, radio dispatch hardware, and vehicle lighting packages, consistent with the Governor's reappropriation of unspent funds for this purpose from FY 2023. *The Governor recommends funding as requested.*

Motor Vehicles. The Department requests \$3.4 million more than enacted from all sources, including \$3.0 million more from general revenues, \$0.4 million more from federal funds, and \$45,000 more from other funds, primarily from road construction reimbursements, for motor vehicles and maintenance. This reflects the estimated cost to purchase 51 vehicles in FY 2024. The enacted budget includes \$0.6 million to purchase 9 motor vehicles outright and acquire 64 vehicles in FY 2024 utilizing the State Fleet Repayment Replacement Loan Fund, for which annual repayments would be \$1.2 million from FY 2025 through FY 2027. It appears that the Department intends to repurpose personnel savings within the Division to purchase the vehicles rather than utilize the fund, as the Division includes \$3.1 million in turnover savings in its revised request. *The Governor recommends funding as requested.*

Capital Projects. The Department requests \$5.9 million less from Rhode Island Capital Plan funds than enacted for its capital projects. This reflects \$6.5 million less for the Southern Barracks and \$47,539 less for the Portsmouth Barracks, offset by increases for other projects. It should be noted the total capital request for the Southern Barracks is \$7.7 million more than the approved plan. The request inadvertently includes \$4,706 more for the Rhode Island Statewide Communications Network microwave system replacement; the remaining projects are consistent with the capital budget submission.

The Governor recommends \$4,706 less than requested for the microwave system replacement. A detailed description of the projects is included in the Capital Budget section of this publication.

Other Federal Funds. The Department requests \$1.8 million more than enacted from all other federal grants to reflect updated awards for FY 2024. The increase largely reflects updates to awards that improve the quality, timeliness, and immediate accessibility of criminal history records. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$0.2 million more than enacted, largely from general revenues, for all other expenses. The increase reflects updated costs for the inspection and maintenance of communication towers, heating, ventilation, and air conditioning repairs, and insurance premiums. *The Governor recommends \$72,025 less than requested from general revenues for statewide utilities savings and updated projections for facilities management centralized services.*

Office of the Public Defender

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 12,357,509	\$ 14,093,179	\$ 13,900,782	\$ 13,636,334
Contracted Services	116,397	259,440	260,440	260,440
Subtotal	\$ 12,473,906	\$ 14,352,619	\$ 14,161,222	\$ 13,896,774
Other State Operations	1,219,136	1,297,666	1,301,455	1,298,455
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	23,443	70,000	105,000	105,000
Capital	57,499	74,500	45,000	45,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 13,773,984	\$ 15,794,785	\$ 15,612,677	\$ 15,345,229
Sources of Funds				
General Revenue	\$ 13,750,531	\$ 15,694,120	\$ 15,507,642	\$ 15,240,194
Federal Aid	23,453	100,665	105,035	105,035
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 13,773,984	\$ 15,794,785	\$ 15,612,677	\$ 15,345,229
FTE Authorization	100.0	104.0	104.0	104.0
FTE Average	95.7			

FY 2024 Revised Request. The Office of the Public Defender requests \$182,108 less than enacted from all sources, including \$186,478 less from general revenues, and \$4,370 more from federal funds. *The Governor recommends \$267,448 less from general revenues than requested.*

Staffing. The Office requests \$192,397 less from general revenues for staffing expenses, reflecting additional turnover savings equating to 1.4 full-time equivalent positions. The enacted budget assumes savings from only about half a position. The Office has averaged 4.2 vacancies for FY 2024 through late October, indicating additional turnover savings are likely available. *The Governor recommends \$264,448 less from general revenues than requested, reflecting additional turnover savings equating to 2.0 positions and increased employee health benefit rates.*

Contracted Legal Support. The Office requests \$30,595 more than enacted from general revenues for additional paralegal services for its adult trial division bringing the total to \$102,258. FY 2023 expenses were only \$40,886, which the Office attributes to staffing shortages. As it hires staff it anticipates requiring additional paralegal support. *The Governor recommends funding as requested.*

Student Loan Forgiveness. The Office's revised request includes \$35,000 more than enacted from federal John J. 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. A borrower's requirement to repay a loan was suspended during the pandemic so there was no need to make payments on behalf of its staff. The request splits unspent funding from previous years between FY 2024 and FY 2025. *The Governor recommends funding as requested.*

Other Operations. The Office requests \$55,306 less from all sources for all other operations, including \$24,676 less from general revenues. The request includes \$30,630 less from federal funds from the closing of a federal grant previously used to fund a part-time contracted social worker or other various smaller roles. General revenue changes largely involve a shifting of funds to more accurately reflect recent spending levels. The request includes \$16,000 more for payments to the Judiciary for office space in courthouses. *The Governor recommends \$3,000 less than requested from general revenues primarily to account for statewide utility savings.*

Department of Environmental Management

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditure by Program				
Office of the Director	\$ 41,284,815	\$ 13,730,953	\$ 14,323,723	\$ 14,455,219
Bureau of Natural Resources	62,150,842	79,481,204	84,731,505	83,748,153
Bureau of Environmental Protection	30,111,592	34,597,918	38,777,919	38,811,308
Subtotal	\$ 133,547,249	\$ 127,810,075	\$ 137,833,147	\$ 137,014,680
Expenditures by Category				
Salaries and Benefits	\$ 56,379,989	\$ 62,449,278	\$ 62,212,445	\$ 62,400,721
Contracted Services	9,288,758	9,641,177	15,376,121	14,926,121
Subtotal	\$ 65,668,747	\$ 72,090,455	\$ 77,588,566	\$ 77,326,842
Other State Operations	19,556,281	20,961,187	21,904,840	21,810,176
Aid to Local Units of Government	100,000	-	-	-
Assistance, Grants, and Benefits	8,641,474	9,381,858	10,343,447	10,403,447
Capital	11,080,747	25,376,575	27,996,294	27,474,215
Capital Debt Service	-	-	-	-
Operating Transfers	28,500,000	-	-	-
Total	\$ 133,547,249	\$ 127,810,075	\$ 137,833,147	\$ 137,014,680
Sources of Funds				
General Revenue	\$ 81,631,427	\$ 58,678,560	\$ 58,292,560	\$ 57,925,657
Federal Aid	28,034,600	31,088,283	38,377,854	38,313,152
Restricted Receipts	14,180,503	17,806,478	20,930,206	21,065,302
Other	9,700,719	20,236,754	20,232,527	19,710,569
Total	\$ 133,547,249	\$ 127,810,075	\$ 137,833,147	\$ 137,014,680
FTE Authorization	417.0	425.0	425.0	425.0
FTE Average	394.9			

FY 2024 Revised Request. The Department of Environmental Management’s revised request is \$10.0 million more than enacted from all sources including \$0.4 million less from general revenues. *The Governor recommends \$137.0 million, including \$57.9 million from general revenues. This is \$0.8 million less than requested, including \$0.4 million less from general revenues.*

Staffing. The Department requests \$0.2 million less than enacted from all sources, including \$0.3 million less than enacted from general revenues, for 425.0 full-time equivalent positions. The request appears to shift three Bureau of Natural Resources positions, including two to the Office of the Director and one to the Bureau of Environmental Protection. The enacted budget includes \$1.6 million of turnover savings, equivalent to approximately eleven positions; the revised request appears to leave another two positions vacant. As of early October, the Department has 27.0 positions vacant.

The Governor recommends \$188,276 more than requested, including \$160,396 more from general revenues, primarily to account for statewide increased employee health benefit rates. Compared to the

enacted budget, the recommendation shifts four positions from the Bureau of Natural Resources to the Bureau of Environmental Protection.

Centralized Services. The Department requests \$45,000 less from federal funds for centralized information technology, facilities management, and human resources services provided through the Department of Administration. This reflects updated federal funds for facilities management that are consistent with FY 2023 spending. *The Governor recommends funding as requested.*

Office of the Director

Salaries and Benefits. The Department requests \$0.1 million more than enacted from all sources for salaries and benefits in the Office of the Director, including \$3,152 more from general revenues and \$117,230 more from restricted receipts. The request appears to shift two full-time equivalent positions from the Bureau of Natural Resources to the Office for a total of 43.0 positions. As of early October, the Office has 42.0 filled positions, one more than assumed in the enacted budget. *The Governor recommends \$22,102 more than requested, including \$12,691 more from general revenues for statewide increased employee health benefit rates offset by turnover savings of \$9,738.*

Regional Greenhouse Gas Initiative. The Department requests \$0.5 million from restricted receipts to administer the Regional Greenhouse Gas Initiative. Pursuant to Rhode Island General Law, receipts from the Regional Greenhouse Gas 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. The request is \$4,800 more than enacted for utilities and other costs. Any funds not spent remain in the account and are available to be used as needed in subsequent years. *The Governor recommends \$110,000 more than requested for related Executive Climate Change Coordinating Council projects.*

Abandoned Vessel Removal. The Department requests \$0.4 million more than enacted from restricted receipts for abandoned vessel removal. The final FY 2022 appropriation included \$450,000 and the final FY 2023 appropriation included \$50,000 from these restricted receipts, however no expenses occurred in either year. The Department reports that the project was delayed and anticipated to begin in the current fiscal year. It was pursuing federal funding for the removal but did not receive any, reflecting the increase in the request. Funding comes from a derelict and abandoned vessel and obstruction removal fee that is assessed biennially with vessel registration fees. Fees range from \$2 to \$20 based on the overall vessel length. *The Governor recommends funding as requested.*

Litter Removal Initiative. Consistent with the enacted budget, the Department requests \$100,000 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 would primarily be used to provide grants to municipalities and organizations to conduct litter clean-ups commencing April 2024. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$67,588 more than enacted from all sources for all other operating expenses for the Office of the Director. This includes \$6,652 more from general revenues and \$60,936 more from multiple restricted sources. Changes include adding \$33,000 for watershed restoration, \$12,584 to account for grant management changes, and \$10,000 for an online permitting and licensing system. *The Governor recommends \$606 less than requested from general revenues, primarily to account for statewide utility savings.*

Bureau of Natural Resources

Salaries and Benefits. The Department requests \$0.6 million less than enacted from all sources for the salaries and benefits of the Bureau of Natural Resources. This includes \$0.2 million less from general

revenues. The revised request appears to assume additional turnover savings equivalent to approximately four positions. The enacted budget assumed approximately 200 filled positions. As of early October, the Bureau has eight vacancies. *The Governor recommends \$126,455 more than requested, including \$89,761 more from general revenues to account for statewide increased employee health benefit rates.*

Non-Native Plant Removal. Consistent with the enacted budget, the Department requests \$100,000 from general revenues for non-native plant removal. Funds will be used to inhibit the growth and spread of fanwort, variable milfoil, and Brazilian elodea, three invasive plant species documented at Hundred Acre Pond in South Kingstown. The Department will provide aquatic herbicide treatments to the pond to target these species. At the time of its request, the Office of Water Resources is developing the grant agreement for the treatment. *The Governor recommends funding as requested.*

Farmland Preservation. The Department requests \$986,000 less than enacted from general revenues for farmland acquisitions. The FY 2024 enacted budget includes a one-time appropriation \$2.5 million for the purchase of eligible farms as part of the Farmland Preservation Program. The Department reports that eligible farms have been identified but real estate transactions have delayed the project to FY 2025. *The Governor recommends funding as requested.*

Mosquito Abatement. The Department requests new general revenue funding of \$500,000 for emergency aerial spraying to address an active mosquito year. In September 2023, the Division of Agriculture detected Eastern Equine Encephalitis and West Nile virus in the state. Spraying was set to take place in the fall of 2023 before the first hard frost, but the Department subsequently reported funding is no longer needed, as the frost has eliminated the risk of human transmission. *The Governor does not recommend the funding.*

Marine Mammal Emergency Response. Consistent with the enacted budget, the Department requests \$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 data collection and analysis, regional whale injury reduction team activities, outreach, monitoring partnerships, and supplies and equipment to transport live or deceased animals. At the time of its request, the Department has two contracts in place for emergency response and marine mammal research. *The Governor recommends funding as requested.*

Parks and Recreation Operations. The Department requests \$0.3 million more than enacted from all sources for Parks and Recreation operating expenses. This includes \$0.2 million more from restricted receipts for Burlingame campground reservation fees and \$0.1 million more from general revenues for contracted services and maintenance and repairs, which is \$0.2 million less than FY 2023 expenses. *The Governor recommends \$19,617 less from general revenues to account for statewide utility savings.*

Capital Projects. The Department requests the enacted level of \$18.4 million from Rhode Island Capital Plan funds for ten capital projects. Its capital budget request is \$1.7 million less and reflects updated project schedules for repairs to state owned dams, improvements to the state's recreational facilities, and upgrades to Newport piers. The Department reports that the amounts reflected in the capital budget request are correct. *The Governor recommends funding essentially consistent with the capital request. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Federal Grants. The Department requests \$5.8 million more than the \$13.4 million of federal funds included in the enacted budget to reflect revisions to current and new federal funds. It should be noted that the Department typically requests most of its available funding only to significantly underspend the final appropriation. In FY 2023, the Bureau spent \$12.6 million from federal grants, \$3.5 million less than budgeted. *The Governor recommends \$41,081 less than requested to account for statewide utility savings.*

Other Operations. The Department requests \$0.3 million more than enacted from all sources for all other operating expenses in the Bureau of Natural Resources, including \$0.1 million more from general revenues

and \$0.2 million more from restricted receipts. This includes \$0.1 million more from the State Forestry Fund, which was established by Rhode Island General Law, Section 2-10-3 and is derived from fees collected for services provided by the Division of Forest Environment. *The Governor recommends \$27,030 less than requested, including \$4,289 less from general revenues, to account for statewide utility savings.*

Bureau of Environmental Protection

Salaries and Benefits. The Department requests \$0.3 million more than enacted from all sources for salaries and benefits of the Bureau of Environmental Protection, including \$0.2 million less from general revenues, \$0.4 million more from federal funds, \$4,230 less from restricted receipts, and \$4,227 less from all other sources. The revised request appears to shift one position from the Bureau of Natural Resources and funds approximately 176 positions, two more than the enacted budget. As of early October, the Bureau has 162 positions filled. *The Governor recommends \$39,719 more than requested, including \$67,682 more from general revenues to account for statewide increased employee health benefit rates.*

Municipal Firefighting Foam. The Department requests \$0.2 million more than enacted from general revenues to dispose of municipal fire departments' firefighting foam that contains perfluorinated and polyfluorinated substances. This includes \$0.1 million from delayed FY 2023 expenses, and \$0.1 million of new funds that will be used to remove empty containers that have been contaminated by these toxic substances. This project is done in collaboration with the Department of Business Regulation. The FY 2025 request includes \$150,000 for this purpose. *The Governor recommends funding as requested.*

Environmental Response Fund. The Department requests \$1.2 million more than enacted from Environmental Response Fund restricted receipts. The Fund is generally supported by hazardous waste transport violation fees, as well as any settlements or penalties allowed under state law. The state recently settled lawsuits against Coastal Corporation and British Petroleum over soil and groundwater contamination from the gasoline additive methyl tertiary-butyl ether (MTBE), which was banned in 2007. The revised request reflects a preliminary plan for 24 contaminated sites, which will also be supported by Underground Storage Tank Fund restricted receipts. *The Governor recommends funding as requested.*

Underground Storage Tank. The Department requests \$0.7 million more than enacted from restricted receipts assessed to environmental protection regulatory fees collected on every one cent per gallon of motor fuel sold to owners of underground storage tanks. Pursuant to Rhode Island General Law, the fund shall reimburse parties for eligible costs incurred as a result of releases of certain petroleum from underground storage tanks and/or systems. The request reflects a preliminary plan for approximately 24 contaminated sites, also funded through Environmental Response fund restricted receipts. The plan will extend over multiple years and is subject to procurement and vendor ability. Final expenditures for FY 2023 were \$0.8 million, the same as enacted for FY 2024. *The Governor recommends funding as requested. His budget also includes a proposal to transfer \$2.0 million from fund reserves to state general revenues by June 30, 2024.*

Other Federal Grants. The Department requests \$1.7 million more than enacted from its remaining federal funds to reflect current and new awards. The Department typically requests most of its available funding only to underspend. The FY 2023 final budget included \$6.1 million and the Department spent \$4.2 million. The enacted budget includes \$4.9 million for these programs. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$55,075 more than enacted from general revenues for all other expenditures, most of which is to support the operations of the Office of Water Resources, consistent with FY 2023 spending. There also is \$9,100 for printing services within the Office of Compliance and Inspection. *The Governor recommends \$6,330 less than requested, including \$2,787 less from general revenues, to account for statewide utility savings.*

Coastal Resources Management Council

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Category				
Salaries and Benefits	\$ 3,768,962	\$ 4,493,649	\$ 4,739,960	\$ 4,563,865
Contracted Services	196,073	481,770	481,770	481,770
Subtotal	\$ 3,965,035	\$ 4,975,419	\$ 5,221,730	\$ 5,045,635
Other State Operations	270,411	346,150	341,023	341,023
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,368,712	521,200	1,372,450	1,372,450
Capital	46,992	68,000	4,731,500	208,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 6,651,150	\$ 5,910,769	\$ 11,666,703	\$ 6,967,108
Sources of Funds				
General Revenue	\$ 2,744,411	\$ 3,396,395	\$ 3,667,150	\$ 3,483,722
Federal Aid	1,776,739	2,264,374	3,126,053	3,133,386
Restricted Receipts	230,000	250,000	250,000	250,000
Other	1,900,000	-	4,623,500	100,000
Total	\$ 6,651,150	\$ 5,910,769	\$ 11,666,703	\$ 6,967,108
FTE Authorization	32.0	32.0	33.0	32.0
FTE Average	27.4			

FY 2024 Revised Request. The Coastal Resources Management Council requests \$5.8 million more than the enacted budget from all sources, including \$0.3 million more from general revenues, \$0.9 million more from federal funds, and \$4.6 million more from all other sources. The Council requests 33.0 full-time equivalent positions, one position more than the enacted level. *The Governor recommends \$1.1 million more than enacted, including \$0.1 million from general revenues, and the enacted level of 32.0 full-time equivalent positions. The recommendation is \$4.7 million less than requested, including \$0.2 million less from general revenues.*

Environmental Policy Analyst (1.0 FTE). The Council requests \$130,000 from general revenues and authorization for a new full-time equivalent environmental policy analyst to support the federal review requirements and timeframes for offshore wind farm projects. The request funds the position for the full year, but the Council anticipates a start date in July of 2024, suggesting the FY 2024 cost to be minimal. The position is also included in its FY 2025 request. *The Governor does not recommend the position.*

Other Salaries and Benefits. The Council requests \$116,311 more than enacted, including \$140,755 more from general revenues and \$24,444 less from federal funds for salary and benefit costs for the 32.0 authorized positions. This primarily reflects hiring a hearing officer at a cost higher than assumed in the enacted budget and no turnover savings. As of late November, the Council has three vacancies, indicating that turnover savings are likely. *The Governor recommends \$46,095 less than requested, primarily from general revenues, which accounts for statewide increased employee health benefit rates offset by additional turnover savings.*

Offshore Wind Farm Pilot. The Council requests \$0.3 million more from a federal grant from the Bureau of Safety and Environmental Enforcement related to wind farms. The Council will use these funds to gain insight into wind farm systems design and issues. This includes holding meetings with relevant stakeholders to advance offshore wind technologies and develop solutions to issues being experienced at wind farms. Federal resources indicate that these funds can be used to conduct technical research to satisfy information needs on energy development on the outer continental shelf and to support research to enhance understanding of marine energy sources with a specific focus on offshore wind, growing expertise and gathering information and data to develop a robust renewable energy program that protects worker safety, and marine and avian species. The revised request reflects an updated completion date of FY 2025. *The Governor recommends funding as requested.*

Shoreline Access Education Plan. The Council requests \$137,300 more from a federal grant from the National Oceanic and Atmospheric Administration to evaluate rights-of-way shoreline access. This reflects a six-month delay and the shifting of unspent funds from FY 2023. Funding will be used to gather information on issues with public access to the shore and use its findings to develop a five-year management plan to implement solutions to these issues. *The Governor recommends funding as requested.*

Infrastructure Investment and Jobs Act. The Council requests \$306,500 from a new federal grant from the National Oceanic and Atmospheric Administration for habitat restoration and conservation projects. Funding would support two positions at the Narragansett Bay National Estuarine Research Reserve, a project specialist and a project coordinator, that would help identify potential projects and develop proposals for initiatives within the Narragansett Bay watershed. The FY 2025 request also includes \$143,000 for this purpose. *The Governor recommends funding as requested.*

Other Federal Grants. The Council requests \$142,423 more than enacted from federal funds largely to reflect unspent funds from FY 2023. This includes additions of \$10,870 for its Block Island Wind Farm Monitoring project, \$35,000 for coastal resiliency projects, and \$96,553 for its aquatic invasive species response management grant. *The Governor recommends funding as requested.*

Capital Projects. The Council requests \$4.6 million from Rhode Island Capital Plan funds for two capital projects for which the enacted budget included no funding. This is \$25,000 less than its capital budget request and reflects the exclusion of one project the Council subsequently acknowledged is more appropriate for its operating budget request; the remaining four projects are consistent with the capital budget request. *The Governor recommends only the \$100,000 in the approved plan for the two projects, which shifts unexpended FY 2023 funds to FY 2024. A detailed description of the projects is included in the Capital Budget section of this publication.*

Department of Transportation

	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
Expenditures by Program				
Central Management	\$ 12,301,072	\$ 23,706,807	\$ 21,500,435	\$ 21,541,113
Management and Budget	2,994,525	4,210,497	5,649,707	5,670,160
Infrastructure Program	745,061,368	831,171,806	969,683,604	953,926,364
Total	\$ 760,356,965	\$ 859,089,110	\$ 996,833,746	\$ 981,137,637
Expenditures by Category				
Salaries and Benefits	\$ 78,823,499	\$ 102,369,149	\$ 108,046,396	\$ 106,555,259
Contracted Services	61,263,028	67,604,820	69,058,502	69,058,502
Subtotal	\$ 140,086,527	\$ 169,973,969	\$ 177,104,898	\$ 175,613,761
Other State Operations	55,554,036	36,587,301	42,006,110	42,006,110
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	9,468,110	38,999,701	37,092,516	37,092,516
Capital	340,183,184	310,861,472	441,389,567	566,424,606
Capital Debt Service	236,290	330,050	330,050	330,050
Operating Transfers	214,828,818	302,336,617	298,910,605	159,670,594
Total	\$ 760,356,965	\$ 859,089,110	\$ 996,833,746	\$ 981,137,637
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	495,535,842	460,859,663	449,711,680	450,470,057
Restricted Receipts	(2,749,665)	6,210,256	6,116,460	6,116,460
Other	267,570,788	392,019,191	541,005,606	524,551,120
Total	\$ 760,356,965	\$ 859,089,110	\$ 996,833,746	\$ 981,137,637
FTE Authorization	755.0	755.0	775.0	755.0
FTE Average	686.2			

FY 2024 Revised Request. The revised request includes \$137.7 million more from all sources than enacted, including decreases of \$11.1 million from federal funds and \$93,796 from restricted receipts. These are offset by \$149.0 million from other funds, of which \$113.0 million is the Highway Maintenance Account, and \$25.7 million is from gasoline tax proceeds. The request also includes 20.0 new full-time equivalent positions to implement a Statewide Anti-Litter Campaign. As of late October, the Department had 58 vacancies.

The Governor recommends \$15.7 million less from all sources than requested, including \$14.8 million less from gasoline tax, reflecting available resources. He includes staffing consistent with the authorized level.

The following table shows available gas tax proceeds, highway maintenance funds, and other non-federal funds included in the FY 2024 budget. Additional information regarding the sources of funds is included in the Special Reports section of this publication. The revised request assumes the enacted per penny yield of \$4.147 million, which was projected in May 2023 by the Office of Revenue Analysis. That was updated to \$4.307 million in November. This is \$159,650 more than enacted. *The Governor's revised budget uses the November 2023 per penny yield.*

Non Federal Sources	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised
<i>Gas Tax Yield per Cent</i>	4.324	4.147	4.147	4.307
<i>RIDOT Cents</i>	20.25	23.25	23.25	23.25
<i>RIPTA Cents</i>	9.75	9.75	9.75	9.75
<i>Turnpike and Bridge Authority Cents</i>	3.50	3.50	3.50	3.50
Transportation Revenues				
Balance Forward	\$ 137,615,911	\$ 43,421,650	\$ 156,710,245	\$ 153,426,043
Gas Tax	144,855,876	151,372,216	151,372,216	157,199,441
Motor Vehicles Fees, Surcharges & Transfer	109,128,475	107,442,942	107,442,942	103,918,592
Toll Revenue	5,349,489	-	-	-
Surplus Property & Outdoor Advertising	213,627	226,000	226,000	226,000
Restricted Receipts	(1,979,536)	1,730,283	9,146,832	9,146,832
Land Sales	1,412,145	3,400,000	3,400,000	3,400,000
Rhode Island Capital Plan Funds	62,022,419	149,904,118	164,307,473	183,883,266
Total Revenues	\$ 458,618,406	\$ 457,497,209	\$ 592,605,708	\$ 611,200,174
Transportation Expenses				
Winter Maintenance	\$ 12,421,918	\$ 15,000,881	\$ 18,000,000	\$ 18,000,000
Vehicles & Maintenance	6,515,320	8,406,082	15,573,387	15,575,375
General Maintenance	37,290,052	41,302,517	45,841,685	45,841,685
Pay-go/Capital & Other	126,613,916	227,526,824	352,815,014	343,268,843
GARVEE Bond Debt Service	8,628,521	8,294,368	8,294,368	8,613,668
G.O. Debt Service*	39,243,671	34,103,952	34,103,952	34,103,952
State Match - Gas Tax	314,312	411,298	397,285	397,285
Internal Service Funds Transparency*	1,127,569	1,559,164	1,559,164	1,045,701
Restricted Receipts	(2,749,665)	6,210,256	6,116,460	6,116,460
Interstate 195 Land Sales	-	1,500,000	-	-
Land Sales	3,202,194	8,023,299	5,375,614	5,375,614
Equipment Replacement	176,033	1,800,000	11,582,795	4,623,429
Facilities	6,229,462	14,697,818	18,069,355	15,853,537
RIPTA - Gas Tax	41,889,867	40,435,044	40,435,044	41,991,632
RIPTA - Highway Maintenance Account	9,209,887	10,105,916	10,105,915	9,936,133
Turnpike and Bridge Authority	15,079,306	14,515,144	14,515,144	15,073,919
Total Expenditures	\$ 305,192,363	\$ 433,892,563	\$ 582,785,182	\$ 565,817,233
Surplus/Deficit	\$ 153,426,043	\$ 23,604,646	\$ 9,820,526	\$ 45,382,941

*Shown in the Department of Administration's budget

Statewide Anti-Litter Campaign (20.0 FTE). The revised request includes new expenses of \$2.3 million from gas tax proceeds for a Statewide Anti-Litter Campaign, with the goals of reducing trash, expanding efforts to remove trash from state roads, and enhance local streets and public spaces. It includes \$1.5 million to fund 20.0 full-time equivalent groundskeeper positions, which the Department anticipates filling by December; however, no turnover savings were assumed. It includes one-time expenses of \$400,000 for short-term cleaning services as the positions are being filled, and \$300,000 for a media campaign, which the Department indicates will be coordinated with the Office of the Governor, and \$50,000 for materials, such as trash bags and safety vests. The FY 2025 request includes annual expenses of \$1.8 million. The Maintenance Division is responsible for litter control activities; however, the Department notes that very few of its 285 maintenance positions are dedicated to these activities. *The Governor does not recommend the positions in the current year; he includes the requested \$0.8 million for operating expenses.*

Student Internship Program. The request includes \$0.1 million more than enacted from gas tax proceeds for the student internship program, for which the enacted budget includes \$1.5 million. Expenditures were \$0.9 million in FY 2019, \$0.7 million in FY 2020, \$0.4 million for 48 interns in FY 2022, and \$0.3 million for 54 interns in FY 2023. The program was not offered in FY 2021. The request of \$1.5 million is \$1.2 million more than FY 2023 expenses. 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. *The Governor concurs.*

Other Salaries and Benefits. The Department requests \$4.1 million more from all sources than enacted for all other salary and benefit expenses. This includes decreases of \$9.1 million from federal funds and \$0.1 million from restricted receipts, offset by \$13.3 million more from gasoline tax proceeds. The Department notes that the shift in sources reflects its priority to fill more maintenance positions, that are generally supported entirely by gasoline tax proceeds as opposed to engineering and construction positions, that are supported with federal funds. Subsequently, it indicated that \$1.5 million of gas tax expenses should be supported with highway maintenance funds for time spent on drainage projects. The request includes an additional \$1.6 million for overtime, for total expenses of \$6.8 million. These expenses were \$6.4 million in FY 2023 and \$5.1 million in FY 2022. The request also includes \$2.4 million to restore turnover savings equivalent to 18 vacancies; the enacted budget assumes vacancies equivalent to 27.3 positions. As of late October, the Department had 58 vacancies. *The Governor concurs and includes \$0.1 million primarily for increased employee health benefit rates.*

Stimulus - Highway Infrastructure Funds. The Consolidated Appropriations Act of 2021 authorized additional funding for Highway Infrastructure Programs and allowable uses included preventative maintenance, operations, personnel, debt service payments, and coverage for revenue losses. The Department received \$54.3 million, of which \$50.0 million was spent through FY 2023 on preventative maintenance projects, in lieu of using highway maintenance funds. This allowed the Department to preserve these funds for use as state match. This leaves a balance of \$4.3 million; the enacted budget assumes the funds would have been exhausted in FY 2023. Subsequently, the Department indicated that the remaining funds were inadvertently omitted in its request and through November, it had incurred expenses of \$4.3 million. *The Governor's recommendation also omits the funds.*

GARVEE Debt Service. The Department includes \$74.1 million from all sources, including \$8.3 million from gas tax proceeds and \$65.8 million from federal funds, or \$4,750 less than enacted amount for debt issued through the Grant Anticipation Revenue Vehicles Program, which allows states to borrow funds that are repaid by the annual allocation of Federal Highway Administration construction funds. The 2019 Assembly adopted legislation authorizing \$200.0 million to fund construction costs for the Interstate 95 Northbound Providence Viaduct project; other debt was authorized in 2003 and refinanced in FY 2016. *The Governor includes \$0.3 million more than requested, based on an upward revision to the gas tax yield.*

RI Public Transit Authority - Bus Match. In August 2023, the Authority submitted its capital budget request, assuming that it had sufficient resources in FY 2024 to match federal funds for bus purchases. The approved plan includes use of \$4.7 million from the Department of Transportation's share of the Highway Maintenance Account for the Authority's match. The Department's revised request excluded the funding based on the Authority's instruction. Subsequently, the Authority notified the Department that it would not have the match in the current year. *The Governor recommends \$4.6 million, or \$0.1 million less than enacted, reflecting updated project costs.*

Capital - URI Mobility Hub. The revised request includes the enacted amount of \$250,000 from Rhode Island Capital Plan funds to match \$7.4 million from federal funds, which are passed through the Authority to construct a new bus hub at the University of Rhode Island Kingston Campus. The project will create a mobility hub for the campus that will allow for improved access within and around the campus by bus, bike, or foot. Reflecting a project delay, the \$1.1 million from Rhode Island Capital Plan funds and highway maintenance funds provided for FY 2023 were not expended and are omitted from the request. *The Governor includes the unspent \$0.6 million from Rhode Island Capital Plan funds. His capital budget assumes use of the \$0.5 million from highway maintenance funds in FY 2025; however, it does not appear to be included in the operating budget.*

RI Public Transit Authority. The revised request includes \$50.5 million, essentially as enacted for the Authority's share of gasoline tax proceeds and the Highway Maintenance Account, which is based on 5.0 percent of all fines and fees collected into the account. The 2019 Assembly adopted legislation to permanently provide the Authority with an additional \$5.0 million from highway maintenance funds. The request uses estimates adopted in May 2023, which were revised in November subsequent to the budget submission. *The Governor recommends \$1.4 million more than enacted, including \$0.2 million less from highway maintenance funds, reflecting an updated estimate and \$1.6 million more from the gasoline tax based on an upward revision to the yield.*

Capital - Highway Improvement Projects. The revised request includes \$117.9 million more than enacted from all sources for highway improvement projects included in the Department's ten-year plan for FY 2024. The Highway Improvement Program represents those highway and intermodal projects that utilize federal funds administered by the Federal Highway Administration. Expenditures supported by gasoline tax proceeds and federal funds are \$1.2 million less, offset by \$117.9 million from FY 2023 highway maintenance funds. The request also includes \$1.2 million from Rhode Island Capital Plan funds, which is \$28.9 million less than FY 2023 unspent funds.

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 \$1.2 trillion Infrastructure Investment and Jobs Act into law. It authorized the Federal-Aid Highway Program for federal FY 2022 through FY 2026, contained increased funding for surface transportation and established new grant programs. With the additional funds, the Department was able to accelerate many projects that were in the plan. *The Governor recommends \$1.8 million more than requested. It assumes use of the unspent Rhode Island Capital Plan funds in lieu of highway maintenance funds. A detailed description of the projects is included in the Capital Budget section of this publication.*

National Highway Safety Grants. The revised request includes \$1.9 million less than enacted from the National Highway Traffic Safety Administration for FY 2024, reflecting anticipated expenses. All but \$19,383 of the reduction is for grant funds that are used to encourage safety on highways and provide funding for risk reduction programs to lower instances of impaired driving, and to increase seatbelt use. Though the request is less than enacted, historically the Department overestimates its ability to spend these funds. The request of \$12.2 million is \$5.6 million more than FY 2023 expenses. *The Governor concurs.*

Real Estate Funded Projects. Excluding salaries and benefits, the revised request includes \$5.1 million, or \$4.0 million less than enacted for projects and expenses supported by land sales and rental of certain department-owned properties. These receipts can be used to purchase land and equipment, or to offset operating costs throughout the Department, including personnel and information technology expenses. At the end of FY 2023, the Department had \$17.3 million of available resources. Consistent with the enacted budget, the Department projects new receipts of \$3.4 million for FY 2024; however, collections total \$0.7 million through the end of October. The Department indicated that use of these funds requires approval from the Federal Highway Administration, which hindered its ability to spend them. Reported expenditures for FY 2023 were \$3.1 million or \$6.3 million less than budgeted. *The Governor concurs.*

Transit Projects and Operating Expenses. Excluding salaries and benefits, the revised request is for \$25.8 million from all sources for transit-related projects and operating expenses. It includes \$506,863 more from federal congestion mitigation air quality grant funds, which are used to pay insurance premiums, support transit operations, such as parking garages and train stations. This is offset by \$536,056 for fixed guideway infrastructure, including layover facilities, stations, and tracks, in a state of good repair. It includes the enacted amount of \$2.5 million for the Pawtucket/Central Falls Train Station; this project was completed in January 2023 and funds were included to close out the project in FY 2024. Through FY 2023,

\$1.4 million of these grant funds are available. It also includes \$487,227 more from gas tax proceeds, reflecting updated expenses for utilities and maintenance of several transit facilities. *The Governor concurs.*

ARPA - TBA Safety Barriers Study. The 2023 Assembly provided a total of \$1.8 million from State Fiscal Recovery funds, including \$1.0 million for FY 2023 and \$750,000 for FY 2024 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 cost of study for the four main bridges is now estimated at \$1.9 million, \$136,000 more than appropriated. The Authority will pay this from its sources and notes that the difference in cost is because all four main bridges were not originally part of the project scope. The study is underway; Mount Hope and Jamestown Bridges will be completed in April/May 2024 and Newport and Sakonnet bridges will be completed in January 2025. The revised request assumes the enacted amount, and FY 2023 expenses were \$865,192 below the final budget. *The Governor's recommendation includes the unspent funds; any unexpended funds will automatically be reappropriated.*

RI Turnpike and Bridge Authority. Consistent with the enacted budget, the revised request includes \$14.5 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 Governor recommends \$15.1 million, \$0.6 million more than requested, based on an upward revision to the gasoline tax yield.*

ARPA - Municipal Roads Grant Program. The Department includes the enacted amount of \$20.0 million from State Fiscal Recovery funds for FY 2024 for the Municipal Roads Grant Program. Funds will be made available for the construction and maintenance of roads, sidewalks and bridges. The 2023 Assembly required a 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 proportionally based on non-federal lane miles of roads in each community. Based on project costs and outlay from municipalities, expenses would be \$6.6 million for FY 2024, \$11.7 million for FY 2025 and \$1.6 million for FY 2026. The Department is also authorized to retain any funds that are not obligated by June 30, 2024, for statewide paving projects. *The Governor concurs. The FY 2025 recommended budget includes an additional \$5.0 million to be distributed equally, for a total of \$25.0 million; unspent funds will automatically be reappropriated.*

Winter Maintenance Operations. Excluding salaries and benefits, the Department requests \$15.1 million from gasoline tax proceeds for operating expenses related to the winter maintenance program for FY 2024. Funding is used to pay for vendor contracts, as well as to purchase salt, sand, and liquid de-icers. The request is \$2.2 million more than enacted, including \$1.0 million for materials and \$1.2 million for vendor contracts. It is also \$5.4 million more than FY 2023 expenditures and \$2.9 million more than the average annual cost for winter maintenance operations from FY 2019 through FY 2023. *The Governor concurs.*

Vehicles/Equipment and Maintenance. The revised request includes \$27.2 million from all sources, or \$16.9 million more than enacted, of which \$9.9 million is from FY 2023 unspent funds and adds \$7.0 million more from Rhode Island Capital Plan funds, reflecting increased costs for electric vehicles and equipment. Of the increase, \$15.5 million will be used to purchase heavy trucks, sweepers, loaders, backhoes, and tractors to replace the Maintenance Division's existing fleet. 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 from six months to two years. The request also includes \$1.4 million more for fleet maintenance to align expenses with FY 2023 spending. *The Governor concurs, with the exception of providing the additional Rhode Island Capital funds.*

Capital - Welcome Center. The revised request includes \$1.7 million more than enacted, or \$1.5 million more than FY 2023 unspent Rhode Island Capital Plan funds to renovate the Welcome Center in Richmond. This includes \$0.5 million for bathroom renovations and \$0.8 million to repair the parking lot. It also includes additional expenses for a camera surveillance system and a new filtration system. The Department reopened the facility in May 2016 with portable restrooms and several months later, it opened the indoor facilities. The building needs roof repairs and upgrades to the heating, ventilation and air conditioning system. *The Governor recommends \$1.5 million less than requested, consistent with approved funding.*

Capital - Facilities and Other Projects. The revised request includes \$2.7 million more than enacted, including \$1.7 million from Rhode Island Capital Plan funds for six facility renovation projects; two of these projects are under the purview of the Rhode Island Public Transit Authority. It also includes \$1.1 million more from gasoline 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. Of the increase, \$1.1 million is for engineering services, and \$0.1 million is for insurance. *The Governor recommends \$15.8 million less than requested; this includes \$1.5 million less from Rhode Island Capital Plan funds and \$10.6 million less from gas tax proceeds, reflecting available resources.*

Other Maintenance Division Expenses. The Department includes \$0.4 million more than enacted from gasoline tax proceeds, primarily for trash removal. Adjusting for budgeted one-time expenses, the revised request is \$2.5 million more than FY 2023 expenses, including \$0.8 million for electricity and \$1.4 million for maintenance projects. The request also retains the enacted amount of \$0.3 million for the 288 Allens Avenue lease expenses, which assumes the Department acquiring the property in December 2023. The sale occurred in August. *The Governor concurs.*

RhodeWorks Legal Services. Based on anticipated expenses, the revised request includes \$2.2 million, or \$1.2 million less than enacted, from gasoline tax proceeds for legal expenses relating to the tolling program. Through the first quarter, the Department has incurred \$0.3 million in expenses. In September 2022, the U.S. District Court ruled that the tolling program was unconstitutional and ordered that the Department stop collections; the state filed an appeal in October 2022. *The Governor concurs.*

Gantries - Maintenance and Operations. In 2017, 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 maintenance and operations. Through the U.S. District Court's ruling, 12 out of the 13 gantries were collecting tolls; thus, the operation and maintenance clause of the contract was not executed. The revised request retains the enacted amount of \$1.5 million for these expenses; however, none are anticipated for FY 2024. *The Governor recommends funding as requested.*

Software and Information Technology Support. The revised request includes \$0.6 million more than enacted from gasoline tax proceeds for contracted information technology support. The Department notes that the majority is for the project management system, which includes project dashboards and reporting, project scheduling at all phases, and procurement. The request also includes funding to support a contracted project manager and other staff to help with implementation of the Enterprise Resource Planning System. It does not appear that other agencies were asked to budget this expense; however, the Department indicates that because its financial system is separate from the state, it will need additional resources for data conversion. *The Governor recommends funding as requested.*

Other Expenses. The revised request includes \$234,660 more than enacted from gas tax proceeds for all remaining expenses in the Department. This includes \$85,140 for insurance, and \$85,544 for various contracted services, including appraisers, surveyors and security services. The revised request is \$158,672 more than spent in FY 2023. *The Governor recommends funding as requested.*

Section VI

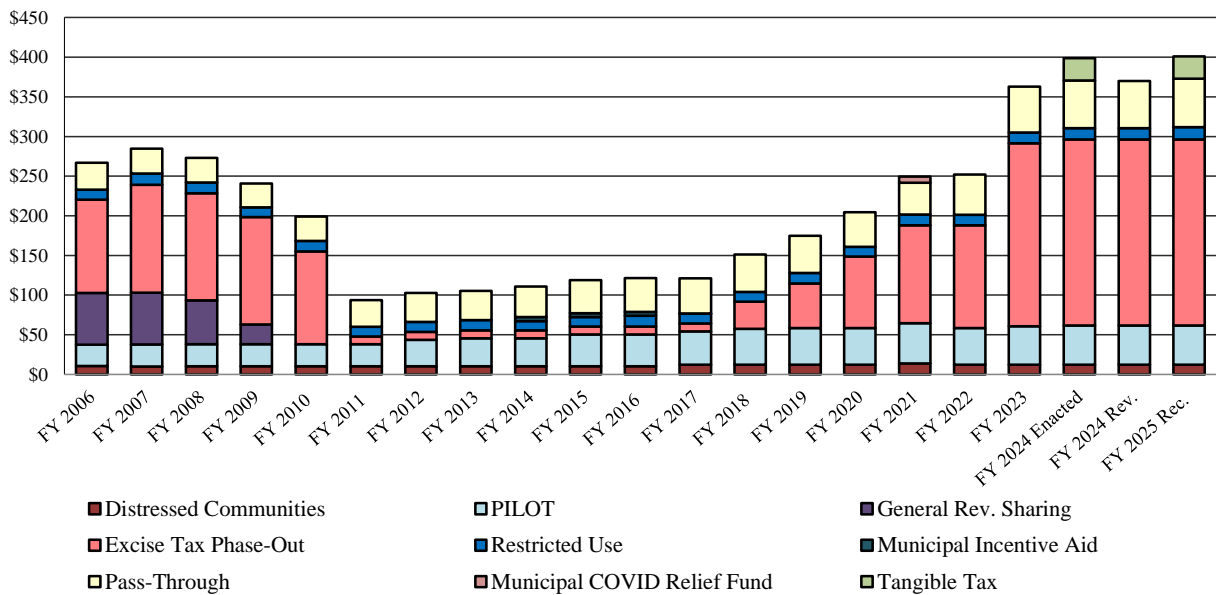
Special Reports

State Aid to Local Governments

Introduction

The Governor recommends state aid to cities and towns totaling \$310.6 million for FY 2024 and \$339.9 million for FY 2025. Funding for general aid programs is \$324.3 million for FY 2025, consistent with the enacted budget; for FY 2024, it is \$296.3 million which reflects shifting funding for tangible tax exemptions from the enacted budget to FY 2025, when the reimbursements will be paid. The recommendation for restricted use programs includes \$15.6 million for FY 2025, which is \$1.3 million more than enacted; FY 2024 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 \$59.5 million for FY 2024 and \$61.0 million for FY 2025. The FY 2024 enacted assumption was \$60.1 million.

The following graph shows historical funding data, in millions and includes the allocation by program from FY 2006 through the Governor’s recommendation for FY 2025.



The major changes included in the Governor’s 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 1.0 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 Governor’s recommendation for general state aid programs to local governments includes \$324.3 million for FY 2025, and the enacted level of \$296.3 million for FY 2024.

Fiscal Year	2010	2015	2020	2024 Enacted	2024 Gov. Rev.	Revised Change	2025 Governor	Governor Change
General Aid								
Distressed Communities	\$ 10.4	\$ 10.4	\$ 12.4	\$ 12.4	\$ 12.4	\$ -	\$ 12.4	\$ -
PILOT	27.6	40.1	46.1	49.2	49.2	-	49.2	-
Excise Tax Phase-Out	117.2	10.0	90.3	234.7	234.7	-	234.7	-
Tangible Tax Exemption	-	-	-	28.0	-	(28.0)	28.0	-
Municipal Incentive Aid	-	5.0	-	-	-	-	-	-
General Rev. Sharing	-	-	-	-	-	-	-	-
Subtotal	\$ 155.1	\$ 65.5	\$ 148.7	\$ 324.3	\$ 296.3	\$ (28.0)	\$ 324.3	\$ -
Restricted Use Aid								
Library Resource Aid	\$ 8.8	\$ 8.8	\$ 9.6	\$ 11.5	\$ 11.5	\$ -	\$ 11.5	\$ -
Library Const. Aid	2.6	2.3	1.9	1.9	1.9	-	2.2	0.3
Police & Fire Incentive	-	-	-	-	-	-	-	-
Prop. Val. Reimb.	1.6	0.7	0.6	0.9	0.9	-	1.9	1.0
Oversight Reimb.	-	0.1	0.1	-	-	-	-	-
Subtotal	\$ 13.0	\$ 11.9	\$ 12.2	\$ 14.3	\$ 14.3	\$ -	\$ 15.6	\$ 1.3
Total Appropriated Aid	\$ 168.2	\$ 77.4	\$ 160.9	\$ 338.6	\$ 310.6	\$ (28.0)	\$ 339.9	\$ 1.3
Other Aid - Pass-Through								
Public Service Corp.	\$ 10.2	\$ 14.3	\$ 13.2	\$ 13.1	\$ 14.5	\$ 1.4	\$ 14.5	\$ 1.4
Meals and Beverage Tax	19.0	23.9	26.2	40.2	38.5	(1.6)	40.0	(0.2)
Local Hotel Tax	1.7	3.4	4.3	6.9	6.4	(0.4)	6.6	(0.3)
Total Other Aid	\$ 30.9	\$ 41.6	\$ 43.6	\$ 60.1	\$ 59.5	\$ (0.7)	\$ 61.0	\$ 0.9

\$ in millions

- Distressed Communities Relief Fund.** For FY 2025, the Governor recommends the enacted level of \$12.4 million for the Distressed Communities Relief Fund. 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 the recommended total. No community is newly qualified for FY 2025.
- Payment in Lieu of Taxes Program.** The Governor recommends the enacted level of \$49.2 million for FY 2025 for the payment in lieu of taxes program that reimburses municipalities for property taxes that would have been due on real property exempted from taxation by state law, including 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. The FY 2024 enacted budget fully funds the program at 27.0 percent; the FY 2025 recommendation represents 26.7 percent and is \$0.6 million less than full funding.
- Motor Vehicle Excise Tax Phase-Out.** The Governor's budget funds the Motor Vehicle Excise Tax Phase-Out program at \$234.7 million for both years and assumes the same community distributions. This is consistent with the enacted budget and statutory assumption for FY 2025, as enacted by the 2017 Assembly. The 2022 Assembly accelerated the motor vehicle phase-out by one year by advancing the reimbursement amounts, effectively ending the tax collection as of each local government's FY 2024. Under current law, the second fiscal year following the phase-out, FY 2026, the distribution to local governments will be proportional to the sales tax revenue change compared to the prior year. The Governor's budget repeals that provision.

- **Tangible Tax Exemption.** The Governor recommends shifting the enacted \$28.0 million for a new general state aid program authorized by the 2023 Assembly to FY 2025, when the payments will be made. This program establishes 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 send its certified tax rolls to the Division of Municipal Finance by August 15 annually. The initial reimbursement will be September 30, 2024, with subsequent reimbursements annually thereafter. As the data is not yet available, the community distributions are not reflected, though the amount is included in the aid tables.

- **Library Resource Sharing Aid.** The Governor recommends the enacted amount of \$11.5 million for library aid for FY 2025. Current law allows 25.0 percent reimbursement of second prior year expenditures, subject to appropriation. The FY 2024 enacted budget fully funds state support of public libraries; the FY 2025 recommendation represents a 24.2 percent reimbursement.

- **Library Construction Aid.** The Governor recommends \$2.2 million to fully fund library construction aid requirements, this is \$0.3 million more than the enacted and revised amounts of \$1.9 million. 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 Governor recommends the current law level of \$0.9 million for FY 2024 and \$1.9 million for FY 2025 to reimburse communities conducting property valuation updates.

- **Oversight Reimbursement.** The recommended budget does not provide funding for oversight reimbursement to communities exiting state Fiscal Stability Act oversight as no communities are eligible.

- **Public Service Corporation Tax.** The FY 2025 budget assumes the state will collect and distribute \$14.5 million each year 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 Governor's budget assumes the state will collect and distribute an estimated \$38.5 million and \$40.0 million from local meals and beverage taxes for FY 2024 and FY 2025, respectively. This reflects the December 2023 revisions to the May 2023 Office of Revenue Analysis forecast.

- **Local Hotel Tax.** The Governor's budget assumes the state will collect and distribute an estimated \$6.4 million and \$6.6 million for FY 2024 and FY 2025, respectively, from the 1.0 percent local hotel tax. This reflects the December 2023 revisions to the May 2023 Office of Revenue Analysis forecast.

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 1.0 percent 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 Falls	Cranston	North Providence	Pawtucket	Providence	West Warwick	Woonsocket
FY 2022							
Levy/Full Value	4	7	5	6	2	1	3
Per Capita Income 2019	1	7	8	4	3	5	2
Personal Income/Full Value	1	13	5	3	14	4	2
Full Value Per Capita	1	8	6	3	5	4	2
Qualifying Rankings	4	3	4	4	3	4	4
FY 2023							
Levy/Full Value	3	10	5	11	2	1	8
Per Capita Income 2019 ¹	1	7	8	4	3	5	2
Personal Income/Full Value	1	11	4	3	9	5	2
Full Value Per Capita	1	7	6	3	4	5	2
Qualifying Rankings	4	2	4	3	3	4	4
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

¹ 2020 Census data were delayed; consistent with current law, the most recent data were used.

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 Governor recommends the enacted level of \$12.4 million for the Distressed Communities Relief program for FY 2025. Communities' aid distribution is based on updated qualifying tax levies and population data from 2022, 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 the first year it qualifies. 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. No community is newly qualified for FY 2025.

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 Governor recommends the enacted amount of \$49.2 million for FY 2025. The FY 2024 enacted budget fully funds the program at 27.0 percent; the FY 2025 recommendation represents 26.7 percent or \$0.6 million less than full funding.

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 complete, 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.

The Governor's budget funds the Motor Vehicle Excise Tax Phase-Out program at \$234.7 million for both years and assumes the same community distributions. This is consistent with the enacted budget and statutory assumption for FY 2025, as enacted by the 2017 Assembly. Under current law, the proportional distribution of sales tax revenue to local governments will begin as of FY 2026. The Governor's budget repeals that provision.

Tangible Tax Exemption. The Governor recommends shifting the enacted \$28.0 million for a new general state aid program authorized by the 2023 Assembly to FY 2025, when the payments will be made. The program establishes 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 will begin 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 have 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. It should be noted that 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.

The Governor recommends the enacted amount of \$11.5 million for library aid. Current law allows 25.0 percent reimbursement of second prior year expenditures, subject to appropriation. The FY 2024 enacted budget fully funds state support of public libraries; the FY 2025 recommendation represents a 24.2 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. In a case where the library is a component of local government, payments are made to the municipality. Payments are made directly to free public libraries.

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 Governor recommends \$2.2 million for FY 2025 based on expected reimbursements, which is \$0.3 million more than enacted.

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 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
2012	\$ 905,250	2019	\$ 1,023,245
2013	\$ 889,640	2020	\$ 585,632
2014	\$ 436,537	2021	\$ 853,931
2015	\$ 681,508	2022	\$ 665,795
2016	\$ 1,300,849	2023	\$ 466,059
2017	\$ 446,302	2024*	\$ 906,329
2018	\$ 732,812	2025*	\$ 1,887,448

**FY 2024 enacted/ revised and FY 2025 Governor*

The Governor recommends \$0.9 million for FY 2024 and \$1.9 million for FY 2025. The changes reflect current law adjustments and anticipated expenses for maximum allowable reimbursements for communities scheduled to complete revaluations. 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 2012, and the recommended amounts for FY 2024 and FY 2025.

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 recommended budget assumes the state will collect \$14.5 million of property taxes from public service corporations on behalf of municipalities and pass that back to them during FY 2025. This reflects the FY 2024 amount; a final figure will be calculated when updated data is available later in 2024. 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 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
2023	\$ 37,498,657
2022	\$ 32,516,283
2021	\$ 26,005,401
2020	\$ 26,153,929
2019	\$ 28,297,063

While not a direct appropriation, the Governor’s budget assumes these revenues will total \$38.5 million and \$40.0 million for FY 2024 and FY 2025, respectively, based on current estimates provided by the Office of Revenue Analysis updated in December 2023.

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. Collections for the last five fiscal years are shown in the following table.

Fiscal Year	Total Collections
2023	\$ 6,509,093
2022	\$ 5,856,253
2021	\$ 3,749,642
2020	\$ 4,299,317
2019	\$ 5,072,892

While not a direct appropriation, the Governor’s budget assumes these revenues will total \$6.4 million and \$6.6 million for FY 2024 and FY 2025, respectively from the 1.0 percent local hotel tax, based on current estimates provided by the Office of Revenue Analysis updated in December 2023.

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 2023</i>	<i>FY 2024 Enacted¹</i>	<i>FY 2024 Gov. Rev.²</i>	<i>Revised Difference</i>
Barrington	\$ 5,912,955	\$ 5,913,428	\$ 5,913,428	\$ -
Bristol	4,314,103	4,211,775	4,211,775	-
Burrillville	5,159,175	5,113,416	5,113,416	-
Central Falls	2,313,437	2,341,921	2,341,921	-
Charlestown	1,020,877	1,020,877	1,020,877	-
Coventry	5,872,396	5,872,396	5,872,396	-
Cranston	28,659,187	26,341,875	26,341,875	-
Cumberland	6,073,469	6,073,469	6,073,469	-
East Greenwich	3,191,464	3,221,763	3,221,763	-
East Providence	7,485,624	11,720,187	11,720,187	-
Exeter	2,241,381	2,241,381	2,241,381	-
Foster	1,652,251	1,652,251	1,652,251	-
Glocester	2,381,941	2,381,941	2,381,941	-
Hopkinton	1,629,259	1,629,259	1,629,259	-
Jamestown	622,793	622,793	622,793	-
Johnston	10,382,785	10,382,785	10,382,785	-
Lincoln	5,683,015	5,683,015	5,683,015	-
Little Compton	366,775	366,775	366,775	-
Middletown	1,976,448	1,976,448	1,976,448	-
Narragansett	1,831,251	1,831,251	1,831,251	-
Newport	3,912,632	3,963,337	3,963,337	-
New Shoreham	163,298	163,298	163,298	-
North Kingstown	5,379,966	5,378,867	5,378,867	-
North Providence	10,694,732	10,787,734	10,787,734	-
North Smithfield	4,398,531	4,398,531	4,398,531	-
Pawtucket	18,149,792	18,297,672	18,297,672	-
Portsmouth	2,414,242	2,414,242	2,414,242	-
Providence	76,075,289	78,715,534	78,715,534	-
Richmond	1,448,455	1,448,455	1,448,455	-
Scituate	1,977,127	1,977,127	1,977,127	-
Smithfield	8,009,651	8,268,735	8,268,735	-
South Kingstown	4,147,520	4,117,506	4,117,506	-
Tiverton	1,748,175	1,748,175	1,748,175	-
Warren	2,090,911	2,090,911	2,090,911	-
Warwick	26,824,689	26,824,689	26,824,689	-
Westerly	5,962,850	5,917,553	5,917,553	-
West Greenwich	1,331,725	1,331,725	1,331,725	-
West Warwick	6,737,346	6,841,233	6,841,233	-
Woonsocket	10,641,694	10,592,573	10,592,573	-
Subtotal	\$ 290,879,213	\$ 295,876,905	\$ 295,876,905	\$ -
MV Phase Out - Fire Districts	556,628	421,271	421,271	-
Tangible Tax		28,000,000	-	(28,000,000)
Total	\$ 291,435,841	\$ 324,298,176	\$ 296,298,176	\$ (28,000,000)

¹ Tangible Tax funding was provided in the enacted budget with the intent of reappropriating unspent funding to FY 2025 when payments are made.

² Distributional data will not be available until certified tax rolls are submitted by August 15.

General Aid Total

Includes Distressed Communities, PILOT, Motor Vehicle Excise Tax, & Tangible Tax

<i>City or Town</i>	<i>FY 2024 Enacted¹</i>	<i>FY 2025 Governor²</i>	<i>FY 2025 Gov. to Enacted</i>	<i>FY 2025 Gov. to FY 2024 Rev.</i>
Barrington	\$ 5,913,428	\$ 5,913,798	\$ 369	\$ 369
Bristol	4,211,775	4,230,755	18,980	18,980
Burrillville	5,113,416	5,114,670	1,254	1,254
Central Falls	2,341,921	2,346,110	4,189	4,189
Charlestown	1,020,877	1,020,877	-	-
Coventry	5,872,396	5,872,396	-	-
Cranston	26,341,875	26,349,428	7,553	7,553
Cumberland	6,073,469	6,073,469	-	-
East Greenwich	3,221,763	3,236,772	15,009	15,009
East Providence	11,720,187	11,730,446	10,260	10,260
Exeter	2,241,381	2,241,381	-	-
Foster	1,652,251	1,652,251	-	-
Glocester	2,381,941	2,381,941	-	-
Hopkinton	1,629,259	1,629,259	-	-
Jamestown	622,793	622,793	-	-
Johnston	10,382,785	10,382,785	-	-
Lincoln	5,683,015	5,683,015	-	-
Little Compton	366,775	366,775	-	-
Middletown	1,976,448	1,976,448	-	-
Narragansett	1,831,251	1,831,251	-	-
Newport	3,963,337	3,997,089	33,752	33,752
New Shoreham	163,298	163,298	-	-
North Kingstown	5,378,867	5,378,867	0	0
North Providence	10,787,734	10,760,062	(27,671)	(27,671)
North Smithfield	4,398,531	4,398,531	-	-
Pawtucket	18,297,672	18,307,125	9,454	9,454
Portsmouth	2,414,242	2,414,242	-	-
Providence	78,715,534	78,512,647	(202,887)	(202,887)
Richmond	1,448,455	1,448,455	-	-
Scituate	1,977,127	1,977,127	-	-
Smithfield	8,268,735	8,316,146	47,411	47,411
South Kingstown	4,117,506	4,116,797	(709)	(709)
Tiverton	1,748,175	1,748,175	-	-
Warren	2,090,911	2,090,911	-	-
Warwick	26,824,689	26,937,298	112,608	112,608
Westerly	5,917,553	5,916,549	(1,005)	(1,005)
West Greenwich	1,331,725	1,331,725	-	-
West Warwick	6,841,233	6,831,122	(10,112)	(10,112)
Woonsocket	10,592,573	10,574,118	(18,455)	(18,455)
Subtotal	\$ 295,876,905	\$ 295,876,905	\$ -	\$ -
MV Phase Out - Fire Districts	421,271	421,271	-	-
Tangible Tax	28,000,000	28,000,000	-	28,000,000
Total	\$ 324,298,176	\$ 324,298,176	\$ -	\$ 28,000,000

¹ Tangible Tax funding was provided in the enacted budget with the intent of reappropriating unspent funding to FY 2025 when payments are made.

² Distributional data will not be available until certified tax rolls are submitted by August 15.

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2023</i>	<i>FY 2024 Enacted</i>	<i>FY 2024 Gov. Rev.</i>	<i>Revised Difference</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-
Burrillville	-	-	-	-
Central Falls	235,462	263,947	263,947	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	1,342,778	-	-	-
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	-	-	-	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	-	-	-	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	1,075,446	1,168,448	1,168,448	-
North Smithfield	-	-	-	-
Pawtucket	1,651,225	1,799,105	1,799,105	-
Portsmouth	-	-	-	-
Providence	6,171,331	7,069,428	7,069,428	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	1,063,602	1,167,490	1,167,490	-
Woonsocket	844,614	916,041	916,041	-
Total	\$ 12,384,458	\$ 12,384,458	\$ 12,384,458	\$ -

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2024 Enacted</i>	<i>FY 2025 Governor</i>	<i>FY 2025 Gov. to Enacted</i>	<i>FY 2025 Gov. to FY 2024 Rev.</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-
Burrillville	-	-	-	-
Central Falls	263,947	268,136	4,189	4,189
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	-	-	-	-
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	-	-	-	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	-	-	-	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	1,168,448	1,140,776	(27,671)	(27,671)
North Smithfield	-	-	-	-
Pawtucket	1,799,105	1,808,532	9,427	9,427
Portsmouth	-	-	-	-
Providence	7,069,428	7,107,546	38,118	38,118
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	1,167,490	1,157,378	(10,112)	(10,112)
Woonsocket	916,041	902,090	(13,951)	(13,951)
Total	\$ 12,384,458	\$ 12,384,458	\$ -	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2023</i>	<i>FY 2024 Enacted</i>	<i>FY 2024 Gov. Rev.</i>	<i>Revised Difference</i>
Barrington	\$ 18,133	\$ 18,606	\$ 18,606	\$ -
Bristol	1,408,285	1,305,958	1,305,958	-
Burrillville	105,242	59,483	59,483	-
Central Falls	-	-	-	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	5,004,163	4,029,628	4,029,628	-
Cumberland	-	-	-	-
East Greenwich	774,131	804,431	804,431	-
East Providence	282,016	286,708	286,708	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	1,688,961	1,739,666	1,739,666	-
New Shoreham	-	-	-	-
North Kingstown	1,149	50	50	-
North Providence	-	-	-	-
North Smithfield	-	-	-	-
Pawtucket	3,061	3,061	3,061	-
Portsmouth	-	-	-	-
Providence	35,772,362	37,514,510	37,514,510	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	910,957	1,170,041	1,170,041	-
South Kingstown	217,065	187,050	187,050	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	1,578,435	1,578,435	1,578,435	-
Westerly	197,328	152,031	152,031	-
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	472,304	351,755	351,755	-
Total	\$ 48,433,591	\$ 49,201,412	\$ 49,201,412	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2024 Enacted</i>	<i>FY 2025 Governor</i>	<i>FY 2025 Gov. to Enacted</i>	<i>FY 2025 Gov. to FY 2024 Rev.</i>
Barrington	\$ 18,606	\$ 18,976	\$ 369	\$ 369
Bristol	1,305,958	1,324,937	18,980	18,980
Burrillville	59,483	60,737	1,254	1,254
Central Falls	-	-	-	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	4,029,628	4,037,181	7,553	7,553
Cumberland	-	-	-	-
East Greenwich	804,431	819,440	15,009	15,009
East Providence	286,708	296,967	10,260	10,260
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	1,739,666	1,773,418	33,752	33,752
New Shoreham	-	-	-	-
North Kingstown	50	50	-	-
North Providence	-	-	-	-
North Smithfield	-	-	-	-
Pawtucket	3,061	3,087	26	26
Portsmouth	-	-	-	-
Providence	37,514,510	37,273,505	(241,005)	(241,005)
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	1,170,041	1,217,452	47,411	47,411
South Kingstown	187,050	186,342	(709)	(709)
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	1,578,435	1,691,043	112,608	112,608
Westerly	152,031	151,026	(1,005)	(1,005)
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	351,755	347,251	(4,504)	(4,504)
Total	\$ 49,201,412	\$ 49,201,412	\$ -	\$ -

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2023</i>	<i>FY 2024 Enacted</i>	<i>FY 2024 Gov. Rev.</i>	<i>Revised Difference</i>
Barrington	\$ 5,894,822	\$ 5,894,822	\$ 5,894,822	\$ -
Bristol	2,905,818	2,905,818	2,905,818	-
Burrillville	5,053,933	5,053,933	5,053,933	-
Central Falls	2,077,974	2,077,974	2,077,974	-
Charlestown	1,020,877	1,020,877	1,020,877	-
Coventry	5,872,396	5,872,396	5,872,396	-
Cranston	22,312,247	22,312,247	22,312,247	-
Cumberland	6,073,469	6,073,469	6,073,469	-
East Greenwich	2,417,332	2,417,332	2,417,332	-
East Providence	7,203,608	11,433,479	11,433,479	-
Exeter	2,241,381	2,241,381	2,241,381	-
Foster	1,652,251	1,652,251	1,652,251	-
Glocester	2,381,941	2,381,941	2,381,941	-
Hopkinton	1,629,259	1,629,259	1,629,259	-
Jamestown	622,793	622,793	622,793	-
Johnston	10,382,785	10,382,785	10,382,785	-
Lincoln	5,683,015	5,683,015	5,683,015	-
Little Compton	366,775	366,775	366,775	-
Middletown	1,976,448	1,976,448	1,976,448	-
Narragansett	1,831,251	1,831,251	1,831,251	-
Newport	2,223,671	2,223,671	2,223,671	-
New Shoreham	163,298	163,298	163,298	-
North Kingstown	5,378,818	5,378,818	5,378,818	-
North Providence	9,619,286	9,619,286	9,619,286	-
North Smithfield	4,398,531	4,398,531	4,398,531	-
Pawtucket	16,495,506	16,495,506	16,495,506	-
Portsmouth	2,414,242	2,414,242	2,414,242	-
Providence	34,131,596	34,131,596	34,131,596	-
Richmond	1,448,455	1,448,455	1,448,455	-
Scituate	1,977,127	1,977,127	1,977,127	-
Smithfield	7,098,694	7,098,694	7,098,694	-
South Kingstown	3,930,455	3,930,455	3,930,455	-
Tiverton	1,748,175	1,748,175	1,748,175	-
Warren	2,090,911	2,090,911	2,090,911	-
Warwick	25,246,254	25,246,254	25,246,254	-
Westerly	5,765,523	5,765,523	5,765,523	-
West Greenwich	1,331,725	1,331,725	1,331,725	-
West Warwick	5,673,744	5,673,744	5,673,744	-
Woonsocket	9,324,776	9,324,776	9,324,776	-
Subtotal	\$ 230,061,164	\$ 234,291,035	\$ 234,291,035	\$ -
MV Phase Out - Fire Districts	556,628	421,271	421,271	-
Total	\$ 230,617,792	\$ 234,712,307	\$ 234,712,307	\$ -

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2024 Enacted</i>	<i>FY 2025 Governor</i>	<i>FY 2025 Gov. to Enacted</i>	<i>FY 2025 Gov. to FY 2024 Rev.</i>
Barrington	\$ 5,894,822	\$ 5,894,822	\$ -	\$ -
Bristol	2,905,818	2,905,818	-	-
Burrillville	5,053,933	5,053,933	-	-
Central Falls	2,077,974	2,077,974	-	-
Charlestown	1,020,877	1,020,877	-	-
Coventry	5,872,396	5,872,396	-	-
Cranston	22,312,247	22,312,247	-	-
Cumberland	6,073,469	6,073,469	-	-
East Greenwich	2,417,332	2,417,332	-	-
East Providence	11,433,479	11,433,479	-	-
Exeter	2,241,381	2,241,381	-	-
Foster	1,652,251	1,652,251	-	-
Glocester	2,381,941	2,381,941	-	-
Hopkinton	1,629,259	1,629,259	-	-
Jamestown	622,793	622,793	-	-
Johnston	10,382,785	10,382,785	-	-
Lincoln	5,683,015	5,683,015	-	-
Little Compton	366,775	366,775	-	-
Middletown	1,976,448	1,976,448	-	-
Narragansett	1,831,251	1,831,251	-	-
Newport	2,223,671	2,223,671	-	-
New Shoreham	163,298	163,298	-	-
North Kingstown	5,378,818	5,378,818	-	-
North Providence	9,619,286	9,619,286	-	-
North Smithfield	4,398,531	4,398,531	-	-
Pawtucket	16,495,506	16,495,506	-	-
Portsmouth	2,414,242	2,414,242	-	-
Providence	34,131,596	34,131,596	-	-
Richmond	1,448,455	1,448,455	-	-
Scituate	1,977,127	1,977,127	-	-
Smithfield	7,098,694	7,098,694	-	-
South Kingstown	3,930,455	3,930,455	-	-
Tiverton	1,748,175	1,748,175	-	-
Warren	2,090,911	2,090,911	-	-
Warwick	25,246,254	25,246,254	-	-
Westerly	5,765,523	5,765,523	-	-
West Greenwich	1,331,725	1,331,725	-	-
West Warwick	5,673,744	5,673,744	-	-
Woonsocket	9,324,776	9,324,776	-	-
Subtotal	\$ 234,291,035	\$ 234,291,035	\$ -	\$ -
MV Phase Out - Fire Districts	421,271	421,271	-	-
Total	\$ 234,712,307	\$ 234,712,307	\$ -	\$ -

Library Aid

<i>City or Town</i>	<i>FY 2023</i>	<i>FY 2024 Enacted</i>	<i>FY 2024 Gov. Rev.</i>	<i>Revised Difference</i>
Barrington	\$ 327,745	\$ 379,347	\$ 379,347	\$ -
Bristol	220,836	206,100	206,100	-
Burrillville	202,102	224,266	224,266	-
Central Falls	36,645	36,917	36,917	-
Charlestown	64,396	64,266	64,266	-
Coventry	224,402	251,550	251,550	-
Cranston	781,617	797,557	797,557	-
Cumberland	337,599	353,926	353,926	-
East Greenwich	135,464	149,839	149,839	-
East Providence	513,132	445,181	445,181	-
Exeter	57,313	56,782	56,782	-
Foster	39,461	41,835	41,835	-
Glocester	95,338	95,338	95,338	-
Hopkinton	42,139	44,300	44,300	-
Jamestown	128,801	120,781	120,781	-
Johnston	131,840	133,453	133,453	-
Lincoln	234,360	259,616	259,616	-
Little Compton	43,716	42,594	42,594	-
Middletown	168,217	180,903	180,903	-
Narragansett	100,000	210,276	210,276	-
Newport	486,280	486,394	486,394	-
New Shoreham	97,282	108,269	108,269	-
North Kingstown	345,378	353,799	353,799	-
North Providence	240,904	246,714	246,714	-
North Smithfield	95,323	95,325	95,325	-
Pawtucket	385,419	474,735	474,735	-
Portsmouth	132,188	134,841	134,841	-
Providence*	2,617,736	2,674,644	2,674,644	-
Richmond	31,429	32,206	32,206	-
Scituate	129,909	133,807	133,807	-
Smithfield	363,908	363,925	363,925	-
South Kingstown	262,022	258,400	258,400	-
Tiverton	146,250	147,750	147,750	-
Warren	76,680	73,963	73,963	-
Warwick	735,072	778,781	778,781	-
Westerly	411,306	441,250	441,250	-
West Greenwich	56,285	61,668	61,668	-
West Warwick	203,446	201,979	201,979	-
Woonsocket	226,504	240,870	240,870	-
Subtotal	\$ 10,928,440	\$ 11,404,142	\$ 11,404,142	\$ -
Institutional Libraries	62,609	71,172	71,172	-
Total	\$ 10,991,049	\$ 11,475,314	\$ 11,475,314	\$ -

*Includes the Statewide Reference Library Resource Grant.

Library Aid

<i>City or Town</i>	<i>FY 2024 Enacted</i>	<i>FY 2025 Governor</i>	<i>FY 2025 Gov. to Enacted</i>	<i>FY 2025 Gov. to FY 2024 Rev.</i>
Barrington	\$ 379,347	\$ 362,172	\$ (17,175)	\$ (17,175)
Bristol	206,100	211,491	5,391	5,391
Burrillville	224,266	229,627	5,361	5,361
Central Falls	36,917	36,071	(846)	(846)
Charlestown	64,266	65,942	1,676	1,676
Coventry	251,550	260,779	9,229	9,229
Cranston	797,557	775,345	(22,212)	(22,212)
Cumberland	353,926	350,311	(3,615)	(3,615)
East Greenwich	149,839	148,306	(1,533)	(1,533)
East Providence	445,181	442,208	(2,972)	(2,972)
Exeter	56,782	63,102	6,320	6,320
Foster	41,835	41,577	(258)	(258)
Glocester	95,338	95,764	425	425
Hopkinton	44,300	42,845	(1,455)	(1,455)
Jamestown	120,781	117,542	(3,240)	(3,240)
Johnston	133,453	126,016	(7,437)	(7,437)
Lincoln	259,616	264,981	5,365	5,365
Little Compton	42,594	43,095	501	501
Middletown	180,903	174,961	(5,942)	(5,942)
Narragansett	210,276	238,073	27,797	27,797
Newport	486,394	483,931	(2,463)	(2,463)
New Shoreham	108,269	114,693	6,424	6,424
North Kingstown	353,799	314,881	(38,918)	(38,918)
North Providence	246,714	235,168	(11,546)	(11,546)
North Smithfield	95,325	95,061	(264)	(264)
Pawtucket	474,735	496,695	21,960	21,960
Portsmouth	134,841	134,682	(158)	(158)
Providence*	2,674,644	2,601,194	(73,450)	(73,450)
Richmond	32,206	31,533	(673)	(673)
Scituate	133,807	133,165	(642)	(642)
Smithfield	363,925	363,357	(568)	(568)
South Kingstown	258,400	253,819	(4,581)	(4,581)
Tiverton	147,750	145,799	(1,951)	(1,951)
Warren	73,963	75,623	1,660	1,660
Warwick	778,781	895,063	116,282	116,282
Westerly	441,250	438,351	(2,899)	(2,899)
West Greenwich	61,668	69,063	7,395	7,395
West Warwick	201,979	203,898	1,920	1,920
Woonsocket	240,870	227,959	(12,910)	(12,910)
Subtotal	\$ 11,404,142	\$ 11,404,142	\$ -	\$ -
Institutional Libraries	71,172	71,172	-	-
Total	\$ 11,475,314	\$ 11,475,314	\$ -	\$ -

*Includes the Statewide Reference Library Resource Grant.

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2023</i>	<i>FY 2024 Enacted¹</i>	<i>FY 2024 Gov. Rev.¹</i>	<i>Revised Difference</i>
Barrington	\$ 199,439	\$ 199,439	\$ 227,971	\$ 28,531
Bristol	273,410	273,410	295,616	22,206
Burrillville	206,687	206,687	214,519	7,832
Central Falls	240,792	240,792	294,118	53,326
Charlestown	97,025	97,025	106,186	9,160
Coventry	430,457	430,457	468,983	38,526
Cranston	1,006,575	1,006,575	1,095,441	88,866
Cumberland	433,343	433,343	479,585	46,242
East Greenwich	162,262	162,262	185,149	22,887
East Providence	587,726	587,726	625,173	37,447
Exeter	83,138	83,138	90,891	7,753
Foster	58,498	58,498	59,706	1,209
Glocester	126,386	126,386	132,626	6,241
Hopkinton	100,469	100,469	111,474	11,005
Jamestown	68,061	68,061	73,304	5,243
Johnston	363,300	363,300	391,636	28,336
Lincoln	269,979	269,979	297,074	27,095
Little Compton	43,310	43,310	47,712	4,402
Middletown	197,990	197,990	225,081	27,091
Narragansett	191,412	191,412	195,606	4,194
Newport	305,954	305,954	335,601	29,647
New Shoreham	10,790	10,790	13,346	2,556
North Kingstown	325,676	325,676	367,064	41,388
North Providence	403,017	403,017	449,752	46,735
North Smithfield	154,581	154,581	166,157	11,576
Pawtucket	889,741	889,741	996,651	106,910
Portsmouth	214,714	214,714	235,936	21,222
Providence	2,223,355	2,223,355	2,502,389	279,034
Richmond	95,675	95,675	106,875	11,200
Scituate	132,171	132,171	138,140	5,969
Smithfield	269,260	269,260	289,652	20,392
South Kingstown	379,714	379,714	418,487	38,773
Tiverton	194,868	194,868	215,857	20,989
Warren	129,780	129,780	147,987	18,207
Warwick	1,003,986	1,003,986	1,095,600	91,614
Westerly	278,749	278,749	309,492	30,742
West Greenwich	78,009	78,009	86,147	8,137
West Warwick	358,481	358,481	408,508	50,027
Woonsocket	515,552	515,552	570,477	54,925
Total	\$ 13,104,333	\$ 13,104,333	\$ 14,471,968	\$ 1,367,635

¹ Enacted based on 2022 actual payments; Revised reflects actual 2023 payments.

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2024 Enacted¹</i>	<i>FY 2025 Governor²</i>	<i>FY 2025 Gov. to Enacted</i>	<i>FY 2025 Gov. to FY 2024 Rev.</i>
Barrington	\$ 199,439	\$ 227,971	\$ 28,531	\$ -
Bristol	273,410	295,616	22,206	-
Burrillville	206,687	214,519	7,832	-
Central Falls	240,792	294,118	53,326	-
Charlestown	97,025	106,186	9,160	-
Coventry	430,457	468,983	38,526	-
Cranston	1,006,575	1,095,441	88,866	-
Cumberland	433,343	479,585	46,242	-
East Greenwich	162,262	185,149	22,887	-
East Providence	587,726	625,173	37,447	-
Exeter	83,138	90,891	7,753	-
Foster	58,498	59,706	1,209	-
Glocester	126,386	132,626	6,241	-
Hopkinton	100,469	111,474	11,005	-
Jamestown	68,061	73,304	5,243	-
Johnston	363,300	391,636	28,336	-
Lincoln	269,979	297,074	27,095	-
Little Compton	43,310	47,712	4,402	-
Middletown	197,990	225,081	27,091	-
Narragansett	191,412	195,606	4,194	-
Newport	305,954	335,601	29,647	-
New Shoreham	10,790	13,346	2,556	-
North Kingstown	325,676	367,064	41,388	-
North Providence	403,017	449,752	46,735	-
North Smithfield	154,581	166,157	11,576	-
Pawtucket	889,741	996,651	106,910	-
Portsmouth	214,714	235,936	21,222	-
Providence	2,223,355	2,502,389	279,034	-
Richmond	95,675	106,875	11,200	-
Scituate	132,171	138,140	5,969	-
Smithfield	269,260	289,652	20,392	-
South Kingstown	379,714	418,487	38,773	-
Tiverton	194,868	215,857	20,989	-
Warren	129,780	147,987	18,207	-
Warwick	1,003,986	1,095,600	91,614	-
Westerly	278,749	309,492	30,742	-
West Greenwich	78,009	86,147	8,137	-
West Warwick	358,481	408,508	50,027	-
Woonsocket	515,552	570,477	54,925	-
Total	\$ 13,104,333	\$ 14,471,968	\$ 1,367,635	\$ -

¹ Enacted based on 2022 actual payments; Revised reflects actual 2023 payments.

² FY 2025 estimated based on 2023 payment; actuals not yet available.

Meals and Beverage Tax

<i>City or Town</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024*</i>	<i>FY 2025*</i>
Barrington	\$ 31,140	\$ 208,231	\$ 189,537	\$ 196,716
Bristol	590,782	688,838	682,903	708,768
Burrillville	221,419	242,125	269,016	279,205
Central Falls	221,276	249,793	223,255	231,710
Charlestown	187,929	210,220	224,049	232,535
Coventry	506,241	534,109	612,532	635,731
Cranston	2,221,497	2,636,740	2,753,980	2,858,284
Cumberland	623,172	645,745	711,776	738,734
East Greenwich	878,305	1,080,419	1,000,329	1,038,215
East Providence	1,075,238	1,356,423	1,422,371	1,476,242
Exeter	132,434	162,610	160,576	166,658
Foster	22,773	26,336	26,421	27,422
Glocester	91,894	108,909	112,215	116,465
Hopkinton	57,936	58,057	69,988	72,639
Jamestown	80,995	152,444	112,427	116,686
Johnston	892,690	991,264	1,028,804	1,067,769
Lincoln	798,570	953,065	981,729	1,018,912
Little Compton	47,837	48,651	64,033	66,458
Middletown	844,296	1,100,676	1,075,594	1,116,332
Narragansett	801,490	901,253	939,771	975,364
Newport	3,008,008	3,414,298	3,358,890	3,486,105
New Shoreham	511,516	537,580	560,381	581,605
North Kingstown	769,378	835,069	873,992	907,093
North Providence	523,939	624,707	627,864	651,644
North Smithfield	394,780	403,227	453,522	470,699
Pawtucket	1,123,138	1,175,628	1,340,146	1,390,903
Portsmouth	364,059	431,430	414,287	429,978
Providence	6,761,100	7,839,228	7,732,176	8,025,026
Richmond	165,834	192,249	205,377	213,156
Scituate	82,569	97,275	96,736	100,400
Smithfield	989,822	1,093,115	1,175,049	1,219,553
South Kingstown	981,754	1,182,444	1,256,632	1,304,226
Tiverton	366,104	416,158	429,267	445,525
Warren	438,503	533,600	493,492	512,182
Warwick	3,337,675	3,759,384	4,020,540	4,172,815
Westerly	1,119,560	1,203,418	1,298,323	1,347,496
West Greenwich	148,555	160,659	173,990	180,580
West Warwick	446,257	510,671	565,468	586,885
Woonsocket	655,816	732,610	805,266	835,765
Total	\$ 32,516,283	\$ 37,498,657	\$ 38,542,704	\$ 40,002,480

**Projections from Office of Revenue Analysis updated December 2023.*

Local Hotel Tax

<i>City or Town</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024*</i>	<i>FY 2025*</i>
Barrington	\$ 956	\$ 1,656	\$ 2,590	\$ 2,649
Bristol	39,734	42,417	41,783	42,511
Burrillville	35	115	128	131
Central Falls	93	529	405	415
Charlestown	78,806	79,663	80,730	82,520
Coventry	48,317	44,854	48,264	49,058
Cranston	13,342	15,753	21,847	22,225
Cumberland	365	721	476	487
East Greenwich	1,329	1,575	1,857	1,897
East Providence	27,904	24,557	36,958	37,588
Exeter	374	289	237	242
Foster	152	185	830	844
Glocester	1,329	955	1,753	1,783
Hopkinton	1,173	742	1,070	1,091
Jamestown	35,957	52,998	45,756	46,772
Johnston	5,947	8,051	6,600	6,710
Lincoln	75,846	106,945	78,001	79,272
Little Compton	23,786	26,304	29,093	29,713
Middletown	594,725	652,414	640,784	651,627
Narragansett	218,526	244,814	265,093	270,604
Newport	1,712,257	1,776,123	1,713,719	1,743,403
New Shoreham	420,852	444,767	524,427	534,869
North Kingstown	52,934	53,118	63,482	64,622
North Providence	1,612	1,529	1,952	1,996
North Smithfield	1,760	2,413	2,229	2,267
Pawtucket	40,143	41,378	49,562	50,389
Portsmouth	15,840	18,334	17,888	18,258
Providence	992,454	1,266,448	1,127,548	1,146,493
Richmond	26,722	36,277	20,717	21,137
Scituate	2,263	5,710	4,580	4,657
Smithfield	89,883	107,842	96,584	98,164
South Kingstown	162,175	177,887	158,025	160,916
Tiverton	5,185	4,392	9,792	9,989
Warren	1,294	1,983	1,262	1,290
Warwick	493,595	587,468	590,167	599,978
Westerly	536,537	530,461	588,257	598,505
West Greenwich	52,670	49,815	63,811	64,854
West Warwick	54,833	69,239	70,414	71,568
Woonsocket	24,548	28,370	31,441	31,964
Total	\$ 5,856,253	\$ 6,509,093	\$ 6,440,113	\$ 6,553,459

**Projections from Office of Revenue Analysis updated December 2023.*

Education Aid

Summary

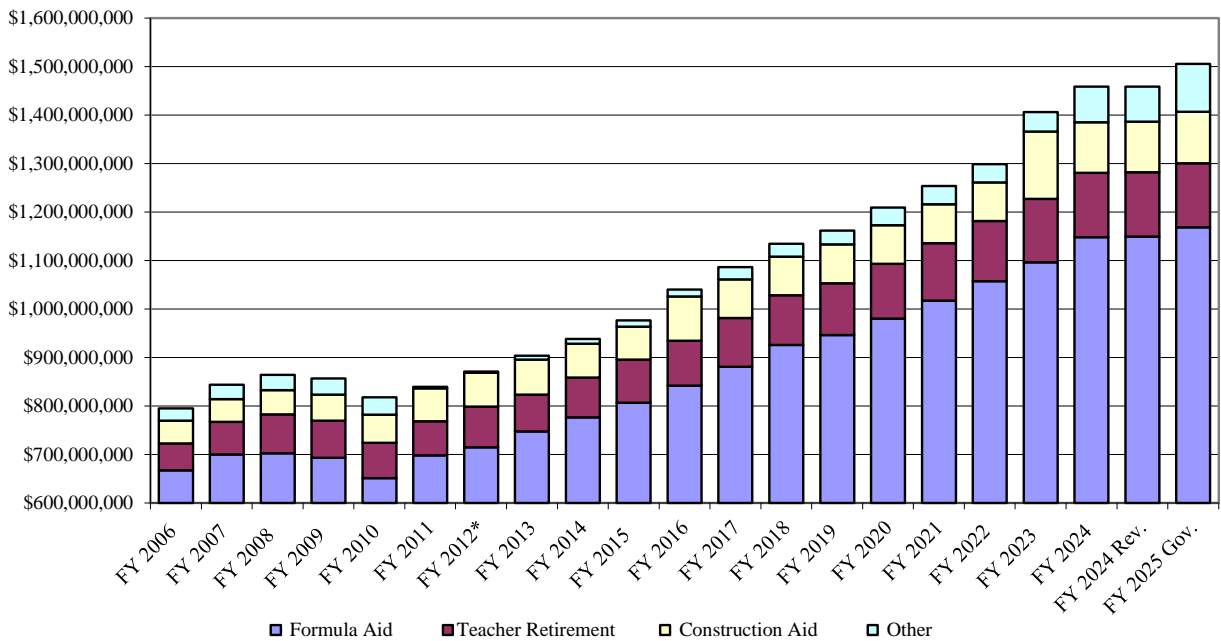
The Budget includes \$1,505.3 million for total FY 2025 aid for local school districts. This is \$46.8 million more than enacted for FY 2024. Funding includes \$1,168.2 million in direct distributions to local school districts, \$96.8 million in categorical funding, \$1.8 million in other aid for distribution by the Department of Elementary and Secondary Education, \$132.3 million for the state’s contribution to teacher retirement, and \$106.2 million for school construction costs.

The funding formula uses a core instruction amount that is calculated using average expenditure and enrollment data from Rhode Island, Massachusetts, Connecticut, and New Hampshire from the National Center for Education Statistics. The Governor’s budget includes a proposal to cap the increase in the per-pupil core instruction amount to the average five-year annual percentage change in the consumer price index. For FY 2025, this results in a 3.9 percent increase from the FY 2024 enacted amount of \$11,876. This change sets the core instruction amount to \$12,335 for the Governor’s recommended budget compared to \$12,617 under current law. Overall, this change produces \$26.0 million less in formula aid than current law would have produced.

The Governor also proposes to increase the categorical weight for English learners from 15 percent of the core instruction amount applied to students in the most intensive programs to 25 percent. The 2023 Assembly increased this amount from 10 percent to 15 percent and required full funding of the category. The Governor’s budget includes \$36.1 million total, or \$16.6 million more than enacted.

He also proposes to make federally reimbursable breakfast and lunch meals free to students from families that qualify for reduced-price meals. The FY 2025 recommended budget includes \$0.8 million based on approximately 6,500 students who qualify for reduced-price meals.

State Education Aid



*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 paid in addition to aid paid through the funding formula.

Recent Changes. Since its 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 only.

The 2022 Assembly also enacted similar hold-harmless legislation for FY 2023 only. For FY 2023, pandemic-related issues also depressed data used to calculate the share ratio because it 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 additional data issues in calculating funding formula aid, the enacted 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. It concurred with the Department and the Governor's proposal regarding 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 Assembly also allowed for an alternate 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 percent 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 Assembly change allows use of that value alone for districts with more than 50.0 percent poverty status, if it is greater.

And finally, the Assembly added new reporting elements for the Department to submit as part of its annual budget submission. Beginning with the FY 2025 budget, it must report on local contributions to education aid and report compliance to each city or town school committee and city or town council, as well as different data on English language learners. The Department's submitted FY 2022 data showed that Woonsocket, Pawtucket, Central Falls, and Providence did not cover core expenditures with their local appropriations in FY 2022. The Department's request also included English language learner data as directed by the Assembly.

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 then 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 certifications, that 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 Assembly adopted this proposal as recommended by the Department and the Governor but also required that beginning with the FY 2026 budget submission, it must reexamine options for changing the measure for identifying students in poverty using more available data options.

Trends. The FY 2025 recommended budget includes \$1,168.2 million for direct aid to local school districts, an average annual increase of 4.6 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 Law, 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. The Governor’s budget includes a proposal to cap the increase in the per-pupil core instruction amount to the average five-year annual percentage change in the consumer price index. For FY 2025, this is a 3.9 percent increase from the FY 2024 enacted amount of \$11,876. This change sets the core instruction amount to \$12,335 for the Governor’s recommended budget compared to \$12,617 under current law, a 6.2 percent increase.

Since FY 2012, the per pupil core instruction amount has increased by an annual rate of 3.7 percent. Aid per student during that same period has increased by 5.2 percent annually. The difference there can be attributed to more students in poverty.

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. The formula provides a 40.0 percent weight for each student determined in poverty status. The state share is a relative measure determined using the full value of local property, the median family income as determined by 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 2025 is 38.3 percent. When weighted for the number of students, the average state share ratio is 54.9 percent, somewhat higher than the 52.6 percent when the formula began. Table 2A at the end of this report shows the funding formula calculation by community for FY 2025.

	FY 2012	FY 2017	FY 2022	FY 2024 Enacted	FY 2025 Gov.	Chg. to FY 2012		% Avg. Annual Change
Per Pupil Core Amount	\$ 8,333	\$ 9,100	\$10,635	\$11,876	\$12,335	\$ 4,002	48.0%	3.7%
Student Enrollment	140,913	141,278	142,426	136,699	134,542	(6,371)	-4.5%	-0.3%
Students in Poverty	63,446	69,630	68,099	55,430	56,003	(7,443)	-11.7%	-0.9%
Highest State Share Ratio	92.6%	94.4%	95.4%	97.2%	97.1%	4.5%	4.9%	0.4%
Avg. State Share Ratio	38.7%	39.4%	38.1%	38.2%	38.3%	-0.4%	-1.0%	-0.1%
Avg. Weighted State Share Ratio	52.6%	55.5%	55.3%	54.6%	54.9%	2.3%	4.4%	0.2%
Aid Per Student	\$ 5,074	\$ 6,202	\$ 6,737	\$ 8,213	\$ 8,488	\$ 3,414	67.3%	5.2%

Education Aid by Component

The Governor recommends \$1,505.3 million for FY 2025 education aid for distribution to districts, including Central Falls, Davies Career and Technical Center, charter schools, and the Metropolitan Career and Technical School. This also includes teacher retirement and school housing aid as well as other formula aid for distribution by the Department. This is \$46.8 million more than enacted for FY 2024. The following table compares the FY 2025 recommended funding for the major components of education aid to the enacted FY 2024 budget. It is followed by an explanation of each of the items in the table.

Education Aid	FY 2024 Enacted	FY 2024 Governor	Change to Enacted	FY 2025 Governor	Change to Enacted
Operating Aid					
Local Districts	\$ 888,211,414	\$ 888,211,414	\$ -	\$ 889,757,298	\$ 1,545,884
Central Falls	48,762,048	48,762,048	-	46,691,524	(2,070,524)
Met School	10,610,928	10,610,928	-	10,741,033	130,105
Davies Career & Tech	15,721,293	16,247,204	525,911	17,562,853	1,841,560
Charter Schools	153,888,559	153,888,559	-	171,217,305	17,328,746
UCAP	1,840,097	1,840,097	-	1,897,226	57,129
Youth Build Academy	1,892,543	1,892,543	-	2,317,942	425,399
Group Home Funding	1,840,396	1,993,396	153,000	1,765,638	(74,758)
Subtotal	\$ 1,122,767,279	\$ 1,123,446,189	\$ 678,911	\$ 1,141,950,820	\$ 19,183,541
Other Adjustments					
Enrollment Transition	\$ 19,950,838	\$ 19,950,838	\$ -	\$ 25,043,140	\$ 5,092,302
Poverty Loss Stabilization*	5,498,796	5,729,149	230,353	1,220,238	(4,278,558)
Adjusted Subtotal	\$ 1,148,216,913	\$ 1,149,126,176	\$ 909,264	\$ 1,168,214,198	\$ 19,997,285
Categorical Funding					
High Cost Special Ed.	\$ 15,000,000	\$ 15,000,000	\$ -	\$ 15,000,000	\$ -
Career and Technical	4,500,000	4,500,000	-	4,500,000	-
Early Childhood	22,850,081	22,851,017	936	30,004,097	7,154,016
Non-Public Transportation	3,476,076	3,476,076	-	3,931,589	455,513
Regional District Transportation	7,154,527	7,154,527	-	7,295,110	140,583
English Language Learner	19,437,941	19,437,941	-	36,087,328	16,649,387
Subtotal	\$ 72,418,625	\$ 72,419,561	\$ 936	\$ 96,818,124	\$ 24,399,499
Set-Aside Funds					
Textbook Loans	\$ 240,000	\$ 60,266	\$ (179,734)	\$ 240,000	\$ -
School Breakfast	270,000	270,000	-	270,000	-
Reduced-Price Meal Subsidy	-	-	-	812,952	812,952
Recovery High School	500,000	-	(500,000)	500,000	-
Subtotal	\$ 1,010,000	\$ 330,266	\$ (679,734)	\$ 1,822,952	\$ 812,952
Total	\$ 1,221,645,538	\$ 1,221,876,003	\$ 230,466	\$ 1,266,855,274	\$ 45,209,736
Other Aid					
Teacher Retirement	\$ 132,744,129	\$ 132,744,129	\$ -	\$ 132,268,922	\$ (475,207)
Construction Aid	104,162,946	101,489,976	(2,672,970)	106,198,555	2,035,609
School Building Authority	-	2,672,970	2,672,970	-	-
Statewide Total	\$ 1,458,552,612	\$ 1,458,783,078	\$ 230,466	\$ 1,505,322,752	\$ 46,770,140

*FY 2024 Budget is understated by \$230,353.

Operating Aid

Local Districts. The Governor recommends \$889.8 million for formula aid to locally operated school districts. This is \$1.5 million more than enacted and reflects the core instruction amount increase from \$11,876 to \$12,335. Under current law this amount would be \$12,617.

Central Falls. The Governor recommends \$46.7 million for formula aid for the Central Falls School District. This is \$2.1 million less than FY 2024 enacted aid which reflects a decrease of 202 students. 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 recommended budget includes \$11.1 million, consistent with the enacted amount. Support also includes \$1.6 million from the enrollment loss transition fund described later in this report.

Metropolitan Career and Technical School. The Governor recommends \$10.7 million for formula aid for the Metropolitan Career and Technical School. This is \$0.1 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 \$2.1 million in stabilization funding for the Met School, consistent with the enacted amount. Table 5 at the end of this report includes estimated enrollment for FY 2025.

Davies Career and Technical School. The Governor recommends \$17.6 million from general revenues for formula aid to support the Davies Career and Technical School. This is \$1.8 million more than the FY 2024 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. This includes \$7.3 million from stabilization funding for Davies, \$0.9 million more than enacted for FY 2024, mostly for the school's increased costs of transportation.

Davies was fully state supported until FY 2012, but is now funded like other districts with the state share being that of the sending district for each student plus the local contribution being the local per pupil cost of each sending district, 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 2025.

Charter Schools. The Governor recommends \$171.2 million for formula aid to charter schools. This is \$17.3 million more than the FY 2024 enacted level based on the updated per pupil core instruction amount and projected growth for existing schools. Charter schools are funded pursuant to the education funding formula, like other districts. The state share is that of the sending district for each student and the local contribution is the local per pupil cost of each sending district, which it must pay to the school. Districts are billed quarterly for students attending charter and state schools.

State law requires a mid-year aid adjustment if a charter school's October enrollment data in the current fiscal year shows a 10 percent or greater change from the prior October. The enrollment at Apprenticeship Exploration School, formerly New England Laborers'/Cranston Public Schools Construction and Career Academy grew by 10.7 percent which would produce a mid-year adjustment for \$0.2 million. This was not included in the Governor's revised FY 2024 budget.

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 statewide 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. At least half of the 35 total charters are reserved for charter school applications designed to increase the educational opportunities for at-risk pupils. Mayoral academies are charter schools and are included in the total. In FY 2024, there are 25 charter schools in Rhode Island, serving 10.3 percent of public school students. Table 5 at the end of this report includes enrollment used to calculate aid for FY 2025.

Urban Collaborative Accelerated Program. The Governor recommends \$1.9 million for the Urban Collaborative Accelerated Program (UCAP) for FY 2025. The program which operates as an independent public school dedicated to reducing the dropout rates in Providence has been funded through the formula since FY 2014. Table 5 at the end of this report includes enrollment by sending district used to calculate aid for FY 2025.

Youth Build Preparatory Academy. The Governor recommends \$2.3 million for YouthBuild Preparatory Academy, which opened in the fall of 2022. 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 2025.

Group Homes. The Governor recommends \$1.8 million for group home aid, based on 221 beds, which is nine more than FY 2024. The current per bed amount is \$26,000 for the group home beds associated with Bradley Hospital’s residential CRAFT program and \$17,000 for all other group home beds. In FY 2025, 12 communities will be hosting group homes. The law requires that the number of group home beds be deducted from enrollment data for the purpose of determining average daily membership. Instead of showing the impact of group home beds on funding formula aid, the impact is shown in group home aid. Increases in beds prior to December 31 of each year are paid as part of the supplemental budget for that year. The revised recommendation adds \$153,000 for nine new beds in FY 2024, including one in East Providence, one in Warwick, and seven in Providence. Any decreases in group home beds during FY 2024 would not be reflected until FY 2025. Table 3 at the end of the report shows the distribution by district.

Other Adjustments

Enrollment Transition Fund. The Governor recommends \$25.0 million for a 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 \$5.1 million more than enacted and includes \$1.6 million for Central Falls. 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. The intent is that the 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. FY 2025 aid reflects two years of calculations, as will future budgets. The table below shows the total by year, including the FY 2026 impact of this year’s enrollment losses.

Enrollment Transition Fund			
	FY 2024	FY 2025	FY 2026
	Enacted	Governor	Projected
FY 2024: Year 1 - 40%	\$ 19,950,838	\$ -	\$ -
FY 2024: Year 2 - 25%	-	12,469,274	-
FY 2025: Year 1 - 40%	-	12,573,866	-
FY 2025: Year 2 - 25%	-	-	7,858,666
Total	\$ 19,950,838	\$ 25,043,140	\$ 7,858,666

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 Governor recommends \$1.2 million for FY 2025 based on updated data. This is \$4.3 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.

COVID-19 Relief

Rhode Island was awarded \$599.9 million from the last two major federal stimulus acts to support elementary and secondary education of which at least 90.0 percent is for local education agencies. Total FY 2022 spending was \$94.7 million, and FY 2023 spending was \$191.1 million. The Governor recommends \$281.1 million for FY 2024 and \$54.9 million for FY 2025, which overstates available resources by \$21.9 million. The distribution by district is shown in Table 11 at the end of the report. All funds must be obligated by September 30, 2024. The final spending deadline for these funds is January 28, 2025. In January 2024, the United States Department of Education released an extension application that would extend spending deadlines to March 28, 2026 at the latest. The Rhode Island Department of Elementary and Secondary Education must request any extensions for local education agencies by December 31, 2024 to secure an extension.

Elementary & Secondary School Emergency Relief Funds					
	FY 2022	FY 2023	FY 2024	FY 2025	
	Spent	Spent	Revised	Gov.	Total
Aid to Districts	\$ 88.5	\$ 174.5	\$ 231.3	\$ 42.5	\$ 536.8
<i>State Schools</i>	<i>0.1</i>	<i>3.1</i>	<i>5.0</i>	<i>0.5</i>	<i>8.7</i>
<i>Central Falls</i>	<i>0.0</i>	<i>6.6</i>	<i>10.1</i>	<i>5.2</i>	<i>21.9</i>
<i>All Other Districts</i>	<i>88.4</i>	<i>164.8</i>	<i>216.2</i>	<i>36.8</i>	<i>506.2</i>
Discretionary Funds	6.2	16.6	49.8	12.4	85.0
Total	\$ 94.7	\$ 191.1	\$ 281.1	\$ 54.9	\$ 621.8
Total Available					\$ 599.9
<i>Amount Overstated</i>					<i>\$ (21.9)</i>

\$ in millions; excludes CARES Act funding

Categorical Funding

For most categories of aid, the law allows for prorating of funds available for distribution among those eligible school districts if the total approved costs for which districts are seeking 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 Governor's out-year estimates assume these costs will remain constant for all categories, except for English Language learner aid, which is anticipated to increase to \$40.8 million by FY 2029, at the same rate as the funding formula.

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 district's combined per pupil core instruction amount and student success factor amount. The 2023 Assembly lowered the threshold for reimbursement from five times. The Governor recommends \$15.0 million for FY 2025, consistent with the enacted budget. This funds 68.1 percent of allowable expenses, down from 71.9 percent in FY 2024. Aid previously remained flat at \$4.5 million for FY 2017 through FY 2023.

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 the purpose of allocating funds provided by the Assembly each year. The Governor recommends \$4.5 million for FY 2025, the same amount as provided from FY 2017 through FY 2024. 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. The Governor's out-year estimates assume these costs will remain constant. 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 prekindergarten programs. Funds are distributed through a request for proposals process and are paid directly to early education programs. The recommendation includes \$30.0 million from general revenues for FY 2025, \$7.2 million more than the FY 2024 enacted budget. All early childhood categorical funds were used as a match for a federal grant from FY 2016 through FY 2019, which allowed the Department to expand the number of prekindergarten classrooms from 17 in FY 2015 to 60 in FY 2018. This was first funded in FY 2013 at \$1.5 million. These funds are not shown in the distribution tables at the end of this report.

Beginning in FY 2020, the Department piloted a new "braided" formula model, whereby new classrooms were opened with some seats funded by federal Head Start grants and others by state funds. By leveraging Head Start funds, the program expanded to a total of 78 classrooms and 1,420 students in FY 2020. This is an increase of 340 seats over FY 2019, 223 of which were funded completely from general revenues and the remainder were funded from both state and federal sources. With the addition of new federal preschool development funds and federal funds authorized in response to the public health emergency, the program supported 2,370 students in 128 classrooms in FY 2023. This was an increase of 516 seats and 27 classrooms over FY 2021. Federal funds were available through FY 2023. The FY 2024 enacted budget maintained the number of seats, but added \$6.7 million from general revenues to replace expiring federal funds, and included \$1.3 million to prepare additional classrooms for FY 2025.

The 2022 Assembly required the Department to develop an expansion plan for the state prekindergarten program, including annual participation growth and associated costs, 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 seats goal. The Department will oversee and administer the funding, in partnership with the Department of Human Services, to support quality investments.

The Governor's recommendation includes \$30.0 million, which is \$7.2 million more than enacted, to open 35 additional classrooms in FY 2025, consistent with the plan. This will add 633 seats and expand the program to include 2,997 children. The out-year estimates included with the Governor's recommended budget assumes no growth after FY 2025 despite the goal to increase enrollment by 2,000 by FY 2028.

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 Governor recommends \$3.9 million for FY 2025, \$0.5 million more than the enacted level to fully fund this aid, 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 \$7.3 million for FY 2025, \$0.1 million more than enacted to fully fund this aid. FY 2012 funding for this component of the original transportation fund was \$0.5 million.

English Language Learner Aid. The Governor recommends \$36.1 million to support English language learners that are in the most intensive programs, \$16.6 million more than enacted. The funding is used on

evidence-based programs proven to increase outcomes and are monitored by the Department of Elementary and Secondary Education. This reflects the Governor's proposal to increase the weight from 15.0 percent of the core instruction amount to 25.0 percent. The FY 2024 enacted budget increased that calculation to 15.0 percent from 10.0 percent and removed the allowance for a ratable reduction, requiring full funding. Funding for this category was first provided in FY 2017 for one year only; it was made permanent a year later.

Set-Aside Funds

Textbook Loans. The Governor recommends the enacted level of \$240,000 for the textbook loan program. 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 recommended FY 2024 revised budget includes \$60,266 based on actual expenses.

School Breakfast. The Governor recommends \$270,000 for FY 2025 for the administrative cost reimbursement to districts for the school breakfast program, which is consistent with the FY 2024 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 Governor recommends \$0.8 million for FY 2025 for the costs of a new proposal that would make school breakfasts and lunches free for students whose families qualify for reduced-price meals. The proposal requires the state to provide funds to public schools 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. Those students will not be charged. The recommendation for FY 2025 is based on approximately 6,500 students eligible for reduced-price meals.

Recovery High School. The 2016 Assembly enacted legislation to provide \$500,000 for FY 2017 only to support the state's recovery high school. Recovery high schools are specifically designed for students recovering from a substance abuse disorder. The legislation also removed districts from the enrollment process and changed the local tuition payment from the local per pupil expenditures to the core instruction amount. The 2017 Assembly removed the one-year funding limitation. The Governor recommends \$500,000 for FY 2025, consistent with prior years but excludes the funding for FY 2024 as the previous recipient of the funding is no longer operating the school.

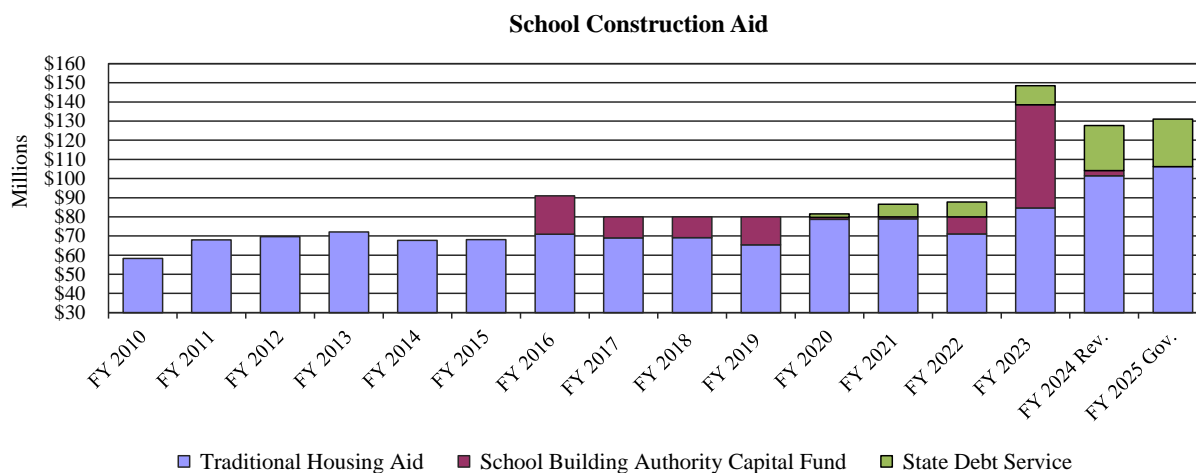
Other Aid

Teacher Retirement. The Governor recommends \$132.3 million to fund the state's 40.0 percent share of the employer contribution for teacher retirement, \$0.5 million less than the FY 2024 enacted budget based on the Department's updated projections. Prior to changes enacted in 2011, teachers had 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 Governor recommends \$106.2 million for construction aid to local districts, or \$2.0 million more than the FY 2024 enacted budget. This includes funding for the traditional school housing aid program only, which reimburses school districts for a share of completed projects. The

Governor’s FY 2024 revised budget shifts \$2.7 million of to the School Building Authority Capital Fund, which provides support for smaller projects that do not require both the full rehabilitation of a school and voter approval. This is consistent with Rhode Island General Laws §48-38.2-2 which requires the difference between annual housing aid appropriations and commitments be transferred to the fund.

The 2011 Assembly instituted a three-year moratorium on the approval of new projects except for projects necessitated by health and safety reasons, effective July 1, 2011 through July 1, 2014. The 2014 Assembly extended the moratorium to May 1, 2015. During the moratorium, the Council on Elementary and Secondary Education approved \$162.0 million of health and safety projects.



The graph above shows school construction aid appropriations from FY 2010 through FY 2023 and the Governor’s recommended FY 2024 revised and FY 2025 budgets. Funding for the program more than doubled over ten years through FY 2002. It doubled again in the next ten-year period through FY 2012 with an average growth rate of 7.8 percent. From FY 2013 through FY 2023, the Council on Elementary and Secondary Education approved \$3,456.4 million of projects through the traditional school housing aid program. Additionally, it has approved 502 projects totaling \$130.0 million through the School Building Authority Capital Fund since FY 2016.

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 have been extended twice to account for pandemic delays. Districts are eligible for share ratio increases of up to 20.0 percent for projects through the following incentives.

Temporary Incentive	Original Expiration	Current 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, which would allow minimum share communities the potential to earn an additional 2.5 percent.

Projects approved between May 1, 2015 and January 1, 2018 are 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 are 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 projects, which are intended to control project costs, ensure building systems operate correctly, and ensure that projects are executed properly from design through construction. Owners 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. While this does not appear to be available on the Department's website, the information is available through the Department of Administration's Division of Purchases.

Debt Financing. The capital plan includes \$500.0 million of general obligation bonds, which were approved by the voters on the November 2018 and November 2022 ballots to provide funding to local education agencies on a pay-as-you-go basis for school construction projects. The Governor's recommended capital budget assumes issuance of \$52.0 million for FY 2024, \$68.0 million for FY 2025, \$90.0 million for FY 2026, \$37.5 million for FY 2027, and \$2.5 million for FY 2028 from the November 2022 bond. The original bond is programmed at \$210.0 million in prior spending, and \$40.0 million for FY 2024. The recommended budget includes \$18.0 million for the debt service on the \$302.0 million issued through FY 2024 and the \$68.0 million expected to be issued in FY 2025.

The Governor's recommended budget also includes \$6.9 million for the second 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. The Governor's budget also includes \$0.3 million in revenues from Central Falls to reimburse the state for its share of the debt service for FY 2025.

Approvals. Between FY 2019 and FY 2021, the Council on Elementary and Secondary Education approved \$1,156.1 million for projects in 17 districts. The Council approved \$864.0 million in 2022 and \$586.4 in FY 2023, with \$1,666.4 million in projects expected to be approved during FY 2024, including \$1,036.4 million approved in December 2023. The projected application surge was anticipated as a result of the pending expiration of the temporary incentives.

The following table includes projects approved from FY 2015 through December 2023, as well as preliminary approvals projected for May 2024. A further ten districts have also indicated intent to seek approval for projects in various stages of other approvals. This reflects the state share of the total project

costs as presented to 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.

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
December 2023			
Bristol-Warren	\$ 157,368,562	\$ 99,142,195	\$ 18,409,095
Burrillville	6,285,682	2,979,413	389,754
Coventry	25,000,000	12,000,000	2,237,768
Cumberland	71,454,347	28,081,558	4,790,695
Jamestown	1,414,476	495,067	64,737
Lincoln	30,000,000	10,500,000	1,853,569
Pawtucket	326,187,328	261,928,424	48,665,170
Providence	235,000,000	188,470,000	34,996,734
RI Nurses Institute	21,739,625	6,521,888	1,211,009
South Kingstown	150,000,000	52,500,000	9,748,398
Tiverton	11,995,600	4,198,460	549,004
May 2024*			
Barrington	250,000,000	87,500,000	-
Cranston	40,000,000	21,560,000	-
East Greenwich	150,000,000	52,500,000	-
Middletown	190,000,000	66,500,000	-
<i>FY 2024 Projected</i>	<i>\$ 1,666,445,620</i>	<i>\$ 894,877,005</i>	<i>\$ 122,915,933</i>
Total FY 2019- FY 2024	\$ 4,272,938,196	\$ 2,826,899,208	\$ 400,394,827

\$ in millions; excludes value of potential incentive points.

* Likely to change

The out-year estimates included with the Governor's recommended budget are based on December 2023 projections by the School Building Authority; however, the underlying project assumptions appear to exclude any growth for FY 2029. 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 table below combines those values for a more complete picture.

	Out-Year Estimates				
<i>Traditional School Construction</i>	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
FY 2024 Enacted	\$ 98.7	\$ 106.0	\$ 111.0	\$ 116.0	\$ -
FY 2025 Governor	106.2	130.6	145.9	154.9	154.9
<i>School Construction Bond</i>	<i>18.0</i>	<i>26.2</i>	<i>32.1</i>	<i>34.2</i>	<i>34.4</i>
<i>Central Falls</i>	<i>6.9</i>	<i>10.5</i>	<i>11.0</i>	<i>11.0</i>	<i>11.0</i>
Adjusted Governor Total	\$ 131.1	\$ 167.3	\$ 189.0	\$ 200.1	\$ 200.3

\$ in millions

Calculation and Distribution Tables

The 13 tables on the following pages include the calculation and distribution of the FY 2025 Governor's recommended education aid to districts, charter and state schools. Tables 1A and 1B show the total funding and Tables 2A/B through 9 illustrate different components of the funding formula. Table 10 has education aid to districts for FY 2019 through FY 2023 for comparison purposes. Table 11 shows the distribution of federal stimulus funds authorized under the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act.

Table 1A: Total Education Aid for Districts for FY 2025

Table 1B: Total Education Aid for Charter and State Schools for FY 2025

Table 2A: Calculation of Governor's Proposed Funding Formula for FY 2025

Table 2B: Proposed Changes to Current Law for FY 2025

Table 3: Group Home Aid for FY 2025

Table 4: Calculation of State Share Ratio

Table 5: FY 2025 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 2025

Table 8: Enrollment Transition Fund for FY 2025

Table 9: Poverty Stabilization Fund for FY 2025

Table 10: Education Aid for FY 2019-FY 2023

Table 11: Education Federal Stimulus Funds

Table 1A: Total Education Aid for Districts for FY 2025

A. Column **A** is the Governor's FY 2025 recommended formula aid for districts. It is based on October 2023 student enrollment data adjusted for charter school growth. It uses a core instruction amount of \$12,335, reflecting the Governor's proposal to cap the increase in the amount to the average five-year annual percentage change in the consumer price index, or 3.87 percent for FY 2025. Aid amounts are subject to final student enrollment data collected in March 2024.

B. Column **B** shows the amount of group home aid for FY 2025. Group home aid is paid through the funding formula pursuant to current law. The calculation is described 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 described 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 described in Table 9.

F. Column **F** shows the Governor's total FY 2025 recommended aid.

G. Column **G** shows the total FY 2024 enacted aid.

H. Column **H** is the difference between the Governor's FY 2025 recommended budget shown in column **F** and the FY 2024 enacted budget showed in column **G**.

Table 1A: Total Education Aid for Districts for FY 2025

<i>District</i>	<i>A</i> <i>FY 2025</i> <i>Recommended</i> <i>Formula Aid</i> <i>(Table 2A)</i>	<i>B</i> <i>Group Home Aid</i> <i>(Table 3)</i>	<i>C</i> <i>Categoricals</i> <i>(Table 7)</i>	<i>D</i> <i>Enrollment</i> <i>Transition Fund</i> <i>(Table 8)</i>
Barrington	\$ 11,115,774	\$ -	\$ 560,491	\$ 154,164
Burrillville	12,991,396	-	362,172	336,714
Charlestown	1,473,583	-	-	35,546
Coventry	25,962,875	72,272	625,068	558,694
Cranston	73,886,762	-	2,943,763	958,854
Cumberland	25,490,974	-	385,659	-
East Greenwich	6,069,612	-	756,448	53,172
East Providence	36,976,288	456,376	1,145,501	-
Foster	1,145,143	-	84,055	18,524
Glocester	2,800,852	-	145,559	61,557
Hopkinton	6,588,837	-	4,161	72,383
Jamestown	290,065	-	349,570	12,664
Johnston	22,455,207	-	1,543,482	82,269
Lincoln	18,193,550	79,450	287,630	-
Little Compton	317,586	-	-	17,214
Middletown	6,477,829	-	323,939	192,178
Narragansett	1,770,095	-	195,391	101,263
Newport	14,008,574	73,873	528,173	632,466
New Shoreham	72,323	-	1,675	4,009
North Kingstown	12,905,918	-	195,710	212,171
North Providence	28,619,623	112,107	1,229,333	23,480
North Smithfield	7,780,885	-	140,745	46,957
Pawtucket	100,421,635	45,090	4,730,521	3,248,733
Portsmouth	2,762,225	273,470	368,721	92,792
Providence	251,628,562	128,830	19,422,115	11,387,904
Richmond	6,037,652	-	7,973	153,495
Scituate	3,284,889	-	136,429	83,520
Smithfield	9,521,294	70,325	195,599	74,677
South Kingstown	4,863,688	-	686,274	298,767
Tiverton	5,242,524	-	194,352	159,850
Warwick	43,331,517	253,481	1,745,270	1,049,386
Westerly	7,673,531	-	391,350	402,060
West Warwick	38,534,519	-	427,556	298,198
Woonsocket	77,981,917	-	2,986,626	1,954,010
Bristol-Warren	10,303,413	97,735	3,376,457	418,072
Chariho	-	-	3,432,252	-
Exeter-West Greenwich	5,260,331	102,629	1,990,128	88,127
Foster-Glocester	5,515,848	-	948,351	123,361
Central Falls*	46,691,524	-	3,653,055	1,635,908
Total	\$ 936,448,822	\$ 1,765,638	\$ 56,501,554	\$ 25,043,140
<i>Adjusted Chariho</i>	<i>14,100,073</i>	<i>-</i>	<i>3,444,386</i>	<i>261,424</i>

*Includes an \$11.1 million stabilization fund payment in FY 2024 & FY 2025

Table 1A: Total Education Aid for Districts for FY 2025

<i>District</i>	<i>E</i> <i>Poverty Loss Stabilization Fund (Table 9)</i>	<i>F</i> <i>FY 2025 Total Recommended Aid</i>	<i>G</i> <i>FY 2024 Total Enacted Aid</i>	<i>H</i> <i>FY 2025 Recommended Change to Enacted</i>
Barrington	\$ -	\$ 11,830,429	\$ 11,101,246	\$ 729,182
Burrillville	-	13,690,282	14,124,620	(434,338)
Charlestown	-	1,509,129	1,372,841	136,289
Coventry	-	27,218,909	26,376,051	842,859
Cranston	-	77,789,379	74,422,252	3,367,127
Cumberland	-	25,876,633	24,359,167	1,517,465
East Greenwich	-	6,879,232	6,085,014	794,217
East Providence	-	38,578,165	39,186,558	(608,393)
Foster	22,333	1,270,055	1,222,365	47,690
Glocester	-	3,007,968	2,890,505	117,464
Hopkinton	-	6,665,381	6,343,316	322,065
Jamestown	16,322	668,621	794,918	(126,297)
Johnston	-	24,080,958	22,428,734	1,652,223
Lincoln	-	18,560,630	17,721,522	839,107
Little Compton	-	334,800	362,326	(27,526)
Middletown	284,579	7,278,525	7,897,253	(618,728)
Narragansett	125,723	2,192,472	2,256,135	(63,663)
Newport	-	15,243,086	15,212,110	30,976
New Shoreham	11,419	89,426	151,991	(62,566)
North Kingstown	-	13,313,799	11,921,360	1,392,440
North Providence	-	29,984,543	29,046,056	938,487
North Smithfield	-	7,968,587	7,606,634	361,953
Pawtucket	-	108,445,979	107,174,138	1,271,841
Portsmouth	-	3,497,208	3,593,688	(96,480)
Providence	-	282,567,411	282,866,333	(298,922)
Richmond	-	6,199,120	5,774,871	424,250
Scituate	109,096	3,613,934	3,717,597	(103,663)
Smithfield	-	9,861,895	8,926,874	935,022
South Kingstown	-	5,848,729	5,923,005	(74,277)
Tiverton	106,520	5,703,246	6,961,353	(1,258,107)
Warwick	-	46,379,654	45,898,470	481,185
Westerly	80,244	8,547,185	8,781,097	(233,912)
West Warwick	-	39,260,273	37,983,651	1,276,622
Woonsocket	-	82,922,553	82,872,750	49,803
Bristol-Warren	355,425	14,551,102	14,619,452	(68,350)
Chariho	-	3,432,252	3,178,096	254,156
Exeter-West Greenwich	75,189	7,516,404	7,269,662	246,742
Foster-Glocester	33,388	6,620,948	6,659,257	(38,309)
Central Falls*	-	51,980,487	51,643,349	337,138
Total	\$ 1,220,238	\$ 1,020,979,391	\$ 1,006,726,619	\$ 14,252,775
<i>Adjusted Chariho</i>	-	<i>17,805,883</i>	<i>16,669,123</i>	<i>1,136,760</i>

*Includes an \$11.1 million stabilization fund payment in FY 2024 & FY 2025

Table 1B: Total Education Aid for Charter and State Schools for FY 2025

A. Column **A** is the FY 2024 formula aid enacted by the 2023 Assembly. It is based on March 15, 2023 student enrollment data adjusted for charter school growth.

B. Column **B** is the Governor's FY 2025 recommended formula aid. It uses October 2023 enrollment and lottery data. It uses a core instruction amount of \$12,335, reflecting the Governor's proposal to cap the increase in the amount to the average five-year annual percentage change in the consumer price index, or 3.87 percent for FY 2025. Aid amounts are subject to final student enrollment data collected in March 2024.

C. Column **C** shows the changes in formula aid per district from the recommended core instruction amount and updating student enrollment based on October data.

D. The funding formula provides support for English language learners that are in the most intensive programs. The enacted budget increased the calculation from 10.0 to 15.0 percent of the core instruction amount, applied to students in the most intensive English learner programs and required full funding. The Governor recommends increasing the calculation to 25.0 percent. The distribution is shown in column **D**.

E. Column **E** 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 district's combined per pupil core instruction and student success factor amounts.

F. Column **F** shows the total general revenue education aid recommended for FY 2025.

G. Column **G** shows the total general revenue education aid enacted for FY 2024.

H. Column **H** is the difference between the FY 2025 recommended aid shown in column **F** and the FY 2024 total enacted aid shown in column **G**.

I. Column **I** is the difference between the FY 2025 recommended formula aid shown in column **F** and the FY 2025 current law formula aid.

Table 1B: Total Education Aid for Charter and State Schools for FY 2025

<i>School</i>	<i>A</i> <i>FY 2024</i> <i>Enacted</i> <i>Formula Aid*</i>	<i>B</i> <i>FY 2025</i> <i>Recommended</i> <i>Formula Aid*</i>	<i>C</i> <i>Change to</i> <i>Enacted</i>	<i>D</i> <i>ELL</i> <i>Categorical</i>
Achievement First	\$ 35,689,659	\$ 41,099,946	\$ 5,410,287	\$ 1,449,904
Apprenticeship Exploration (New England Laborers)	1,509,044	1,814,167	305,123	46,744
Beacon	4,213,494	4,560,550	347,056	40,316
Blackstone	4,473,015	4,593,159	120,144	88,755
Charette	2,256,822	2,440,494	183,672	63,171
Compass	722,594	813,187	90,593	-
Excel Academy	2,690,484	4,398,268	1,707,784	54,091
Greene School	1,590,857	1,607,519	16,662	7,391
Highlander	7,218,745	7,510,952	292,207	284,287
Hope Academy	4,044,778	4,276,853	232,075	172,024
International	4,002,278	4,075,887	73,609	254,293
Kingston Hill	1,065,446	1,120,771	55,325	834
Learning Community	7,964,296	8,273,864	309,568	643,226
Nowell	2,021,740	2,192,416	170,676	127,406
Nuestro Mundo	3,420,807	5,127,774	1,706,967	181,616
Nurses Institute	5,593,497	6,460,877	867,380	148,025
Paul Cuffee	10,475,053	10,884,306	409,253	300,061
Providence Preparatory	3,511,064	3,123,579	(387,485)	52,642
RI Mayoral Academies				
Blackstone Prep.	24,590,996	25,958,109	1,367,113	679,366
RISE Mayoral Academy	5,593,727	7,607,621	2,013,894	61,097
Segue Institute	5,103,707	6,776,586	1,672,879	269,489
Southside Elementary	1,928,320	1,901,437	(26,883)	39,482
Times2 Academy	8,805,305	8,960,127	154,822	207,937
Trinity	2,677,613	2,781,194	103,581	86,860
Village Green	2,725,217	2,857,660	132,443	50,073
Charter Schools Subtotal	\$ 153,888,559	\$ 171,217,305	\$ 17,328,744	\$ 5,309,090
Davies Career and Tech	15,721,292	17,562,853	1,841,561	67,777
Met School	10,610,928	10,741,033	130,105	178,651
Urban Collaborative	1,840,097	1,897,226	57,129	86,860
Youth Build Academy	1,892,543	2,317,942	425,399	26,321
Total	\$ 183,953,419	\$ 203,736,359	\$ 19,782,938	\$ 5,668,699

*Includes state schools stabilization payments of \$6.5 million & \$7.3 million to Davies and \$2.1 million to Met for FY 2024 & FY 2025.

Table 1B: Total Education Aid for Charter and State Schools for FY 2025

<i>School</i>	<i>E</i> <i>High Cost</i> <i>Special Ed.</i> <i>Categorical</i>	<i>F</i> <i>FY 2025 Gov.</i> <i>Recommended</i> <i>Total Aid*</i>	<i>G</i> <i>FY 2024 Enacted</i> <i>Total Aid*</i>	<i>H</i> <i>Change to</i> <i>Enacted</i>	<i>I</i> <i>Change to</i> <i>Current Law</i>
Achievement First	\$ 11,581	\$ 42,561,431	\$ 36,357,731	\$ 6,203,700	\$ (377,979)
Apprenticeship Exploration (New England Laborers)	-	1,860,911	1,532,159	328,752	(23,419)
Beacon	-	4,600,866	4,235,274	365,592	(88,688)
Blackstone	-	4,681,914	4,520,601	161,313	(70,724)
Charette	-	2,503,665	2,285,796	217,869	(31,391)
Compass	-	813,187	722,594	90,593	(18,591)
Excel Academy	-	4,452,359	2,690,484	1,761,875	(79,658)
Greene School	9,035	1,623,945	1,597,564	26,381	(33,314)
Highlander	-	7,795,239	7,386,125	409,114	(61,898)
Hope Academy	3,252	4,452,129	4,131,197	320,932	(30,386)
International	-	4,330,180	4,165,037	165,143	5,047
Kingston Hill	-	1,121,605	1,065,720	55,885	(25,303)
Learning Community	-	8,917,090	8,384,590	532,500	59,313
Nowell	-	2,319,822	2,080,171	239,651	(908)
Nuestro Mundo	-	5,309,390	3,484,855	1,824,535	(47,074)
Nurses Institute	-	6,608,902	5,641,954	966,948	(90,528)
Paul Cuffee	71,575	11,255,942	10,649,839	606,103	(132,797)
Providence Preparatory	-	3,176,221	3,530,888	(354,667)	(51,076)
RI Mayoral Academies					
Blackstone Prep.	48,331	26,685,806	25,010,765	1,675,041	(324,348)
RISE Mayoral Academy	-	7,668,718	5,623,651	2,045,067	(150,323)
Segue Institute	-	7,046,075	5,205,867	1,840,208	(50,826)
Southside Elementary	-	1,940,919	1,945,095	(4,176)	(28,219)
Times2 Academy	-	9,168,064	8,902,902	265,162	(124,522)
Trinity	-	2,868,054	2,714,212	153,842	(30,030)
Village Green	-	2,907,733	2,743,504	164,229	(45,989)
Charter Schools Subtotal	\$ 143,774	\$176,670,167	\$ 156,608,572	\$ 20,061,595	\$ (1,853,632)
Davies Career and Tech	-	17,630,630	15,740,409	1,890,221	(218,592)
Met School	-	10,919,684	10,682,968	236,716	(129,677)
Urban Collaborative	-	1,984,086	1,864,702	119,384	(9,821)
Youth Build Academy	-	2,344,263	1,892,543	451,720	(42,826)
Total	\$ 143,774	\$209,548,830	\$ 186,789,194	\$ 22,759,636	\$ (2,254,548)

*Includes state schools stabilization payments of \$6.5 million & \$7.3 million to Davies and \$2.1 million to Met for FY 2024 & FY 2025.

Table 2A: Calculation of Governor’s Proposed Funding Formula for FY 2025

A. The FY 2025 student counts are shown in column **A** based on the resident average daily membership as of October 2023, adjusted for expanding charter schools. Average daily membership calculates an average of the number of days all students are formally members of a district and/or a school per year.

B. Column **B** includes the number of students in prekindergarten through 12th grade that 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 Governor’s recommended 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.

C. Column **C** includes the percent of students that are in poverty status. This is column **B** divided by column **A**.

D. Column **D** is the core instruction funding, which is the student count in column **A** times the core instruction per pupil amount of \$12,335. This reflects the Governor’s proposal to cap the increase in the per-pupil core instruction amount to the average five-year annual percentage change in the consumer price index, or 3.87 percent which produces \$12,335 for the core instruction amount compared to \$12,617 under current law, or growth of 6.2 percent. 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 is not comparative 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.

E. Column **E** includes the student success factor funding, which is a single poverty weight as a proxy for student supports and is 40.0 percent times the number of students in prekindergarten through 12th grade that are in poverty status in column **C** times the core instruction amount.

F. The total foundation amount in column **F** is the sum of the core instruction amount in column **D** plus the student success factor funding in column **E**.

G. Column **G** is the state share ratio; the calculation is described in Table 4.

H. Column **H** includes the state formula aid under the funding formula. It is the total foundation amount in column **F** times the state share ratio in column **G**.

I. Column **I** is the FY 2024 enacted formula aid.

J. Column **J** is the difference between the FY 2025 recommended formula aid shown in column **H** and the FY 2024 enacted amount of formula aid in column **I**.

K. Column **K** is the difference between the FY 2025 recommended formula aid shown in column **H** and the FY 2025 current law formula aid.

Table 2A: Calculation of Governor’s Proposed Funding Formula for FY 2025

<i>District</i>	<i>A FY 2025 PK-12 RADM</i>	<i>B FY 2025 Poverty Status</i>	<i>C % Poverty Status</i>	<i>D Core Instruction Funding</i>	<i>E Student Success Factor Funding</i>	<i>F Total Foundation</i>
Barrington	3,286	194	5.9%	\$ 40,532,810	\$ 955,222	\$ 41,488,032
Burrillville	2,020	526	26.1%	24,916,700	2,597,258	27,513,958
Charlestown	684	134	19.6%	8,437,140	663,130	9,100,270
Coventry	4,168	987	23.7%	51,412,280	4,870,845	56,283,125
Cranston	9,737	3,333	34.2%	120,105,895	16,444,035	136,549,930
Cumberland	4,743	781	16.5%	58,504,905	3,852,467	62,357,372
East Greenwich	2,504	165	6.6%	30,886,840	813,123	31,699,963
East Providence	5,075	1,981	39.0%	62,600,125	9,773,267	72,373,392
Foster	220	48	21.8%	2,713,700	236,832	2,950,532
Glocester	546	61	11.1%	6,734,910	299,987	7,034,897
Hopkinton	1,093	237	21.7%	13,482,155	1,168,371	14,650,526
Jamestown	570	34	5.9%	7,030,950	165,782	7,196,732
Johnston	3,257	1,074	33.0%	40,175,095	5,297,142	45,472,237
Lincoln	3,275	821	25.1%	40,397,125	4,049,827	44,446,952
Little Compton	277	42	15.0%	3,416,795	205,254	3,622,049
Middletown	1,966	499	25.4%	24,250,610	2,463,053	26,713,663
Narragansett	1,011	171	16.9%	12,470,685	844,701	13,315,386
Newport	1,791	1,099	61.4%	22,091,985	5,423,453	27,515,438
New Shoreham	127	6	5.0%	1,566,545	31,578	1,598,123
North Kingstown	3,513	842	24.0%	43,332,855	4,152,454	47,485,309
North Providence	3,500	1,274	36.4%	43,172,500	6,283,942	49,456,442
North Smithfield	1,660	272	16.4%	20,476,100	1,342,048	21,818,148
Pawtucket	7,679	4,832	62.9%	94,720,465	23,841,088	118,561,553
Portsmouth	2,031	272	13.4%	25,052,385	1,342,048	26,394,433
Providence	18,465	13,587	73.6%	227,765,775	67,039,245	294,805,020
Richmond	1,052	210	19.9%	12,976,420	1,034,166	14,010,586
Scituate	1,163	150	12.9%	14,345,605	742,074	15,087,679
Smithfield	2,397	320	13.4%	29,566,995	1,578,880	31,145,875
South Kingstown	2,415	477	19.7%	29,789,025	2,352,531	32,141,556
Tiverton	1,599	306	19.1%	19,723,665	1,507,830	21,231,495
Warwick	7,927	2,288	28.9%	97,779,545	11,288,992	109,068,537
Westerly	2,257	642	28.4%	27,840,095	3,165,654	31,005,749
West Warwick	3,557	1,821	51.2%	43,875,595	8,983,827	52,859,422
Woonsocket	5,425	4,256	78.5%	66,917,375	20,999,104	87,916,479
Bristol-Warren	2,806	654		34,612,010	3,228,810	37,840,820
Chariho	-	-		-	-	-
Exeter-West Greenwich	1,530	208	see table below	18,872,550	1,026,272	19,898,822
Foster-Glocester	1,072	150		13,223,120	742,074	13,965,194
Central Falls	2,339	1,576	67.4%	28,851,565	7,775,984	36,627,549
Total	118,737	46,328		\$ 1,464,620,895	\$ 228,582,352	\$ 1,693,203,247
<i>Bristol</i>	<i>1,734</i>	<i>318</i>	<i>18.4%</i>	<i>21,388,890</i>	<i>1,570,986</i>	<i>22,959,876</i>
<i>Warren</i>	<i>1,072</i>	<i>336</i>	<i>31.3%</i>	<i>13,223,120</i>	<i>1,657,824</i>	<i>14,880,944</i>
<i>Exeter</i>	<i>744</i>	<i>118</i>	<i>15.9%</i>	<i>9,177,240</i>	<i>584,186</i>	<i>9,761,426</i>
<i>West Greenwich</i>	<i>786</i>	<i>90</i>	<i>11.4%</i>	<i>9,695,310</i>	<i>442,086</i>	<i>10,137,396</i>
<i>Foster</i>	<i>332</i>	<i>64</i>	<i>19.3%</i>	<i>4,095,220</i>	<i>315,776</i>	<i>4,410,996</i>
<i>Glocester</i>	<i>740</i>	<i>86</i>	<i>11.7%</i>	<i>9,127,900</i>	<i>426,298</i>	<i>9,554,198</i>
<i>Adjusted Chariho</i>	<i>2,829</i>	<i>581</i>	<i>-</i>	<i>34,895,715</i>	<i>2,865,667</i>	<i>37,761,382</i>

*This excludes an \$11.1 million stabilization fund payment to Central Falls in FY 2024 & FY 2025.

Table 2A: Calculation of Governor’s Proposed Funding Formula for FY 2025

<i>District</i>	<i>G State Share Ratio (Table 4)</i>	<i>H FY 2025 Recommended Formula Aid</i>	<i>I FY 2024 Enacted Formula Aid</i>	<i>J Difference from Enacted</i>	<i>K Difference from Current Law</i>
Barrington	26.8%	\$ 11,115,774	\$ 10,346,999	\$ 768,774	\$ (254,126)
Burrillville	47.2%	12,991,396	12,904,573	86,823	(297,006)
Charlestown	16.2%	1,473,583	1,347,679	125,905	(33,689)
Coventry	46.1%	25,962,875	25,200,762	762,113	(593,557)
Cranston	54.1%	73,886,762	71,840,320	2,046,442	(1,689,183)
Cumberland	40.9%	25,490,974	24,039,982	1,450,991	(582,769)
East Greenwich	19.1%	6,069,612	5,386,895	682,717	(138,762)
East Providence	51.1%	36,976,288	35,844,734	1,131,554	(845,344)
Foster	38.8%	1,145,143	1,127,337	17,806	(26,180)
Glocester	39.8%	2,800,852	2,859,443	(58,590)	(64,032)
Hopkinton	45.0%	6,588,837	6,263,725	325,112	(150,633)
Jamestown	4.0%	290,065	319,561	(29,496)	(6,631)
Johnston	49.4%	22,455,207	21,291,119	1,164,087	(513,366)
Lincoln	40.9%	18,193,550	16,694,774	1,498,776	(415,937)
Little Compton	8.8%	317,586	279,472	38,114	(7,261)
Middletown	24.2%	6,477,829	6,842,405	(364,575)	(148,095)
Narragansett	13.3%	1,770,095	1,983,316	(213,220)	(40,468)
Newport	50.9%	14,008,574	14,077,237	(68,664)	(320,261)
New Shoreham	4.5%	72,323	94,704	(22,381)	(1,653)
North Kingstown	27.2%	12,905,918	11,142,827	1,763,091	(295,052)
North Providence	57.9%	28,619,623	27,354,244	1,265,380	(654,295)
North Smithfield	35.7%	7,780,885	7,343,688	437,198	(177,885)
Pawtucket	84.7%	100,421,635	101,240,632	(818,996)	(2,295,817)
Portsmouth	10.5%	2,762,225	2,597,715	164,510	(63,149)
Providence	85.4%	251,628,562	262,261,735	(10,633,173)	(5,752,676)
Richmond	43.1%	6,037,652	5,664,511	373,141	(138,031)
Scituate	21.8%	3,284,889	3,410,780	(125,891)	(75,098)
Smithfield	30.6%	9,521,294	8,703,479	817,816	(217,674)
South Kingstown	15.1%	4,863,688	5,063,712	(200,024)	(111,193)
Tiverton	24.7%	5,242,524	5,469,710	(227,186)	(119,853)
Warwick	39.7%	43,331,517	42,784,774	546,743	(990,635)
Westerly	24.7%	7,673,531	7,847,731	(174,200)	(175,431)
West Warwick	72.9%	38,534,519	37,221,502	1,313,017	(880,968)
Woonsocket	88.7%	77,981,917	80,001,773	(2,019,856)	(1,782,805)
Bristol-Warren		10,303,413	11,040,792	(737,378)	(235,554)
Chariho		-	-	-	-
Exeter-West Greenwich	see table below	5,260,331	4,853,740	406,591	(120,261)
Foster-Glocester		5,515,848	5,463,033	52,815	(126,102)
Central Falls	97.1%	35,565,350	37,635,874	(2,070,524)	(813,087)
Total		\$ 925,322,648	\$ 925,847,288	\$ (524,639)	\$ (21,154,519)
<i>Bristol</i>	<i>17.8%</i>	<i>4,076,267</i>	<i>4,804,103</i>	<i>(727,836)</i>	<i>(93,191)</i>
<i>Warren</i>	<i>41.8%</i>	<i>6,227,146</i>	<i>6,236,689</i>	<i>(9,543)</i>	<i>(142,364)</i>
<i>Exeter</i>	<i>32.4%</i>	<i>3,163,666</i>	<i>2,659,671</i>	<i>503,995</i>	<i>(72,327)</i>
<i>West Greenwich</i>	<i>20.7%</i>	<i>2,096,665</i>	<i>2,194,069</i>	<i>(97,404)</i>	<i>(47,933)</i>
<i>Foster</i>	<i>38.8%</i>	<i>1,711,969</i>	<i>1,796,076</i>	<i>(84,107)</i>	<i>(39,139)</i>
<i>Glocester</i>	<i>39.8%</i>	<i>3,803,879</i>	<i>3,666,957</i>	<i>136,922</i>	<i>(86,963)</i>
<i>Adjusted Chariho</i>		<i>14,100,073</i>	<i>13,275,915</i>	<i>824,158</i>	<i>(322,353)</i>

*This excludes an \$11.1 million stabilization fund payment to Central Falls in FY 2024 & FY 2025.

Table 2B: Proposed Changes to Current Law for FY 2025

- A.** Column **A** shows the difference between the Governor's recommended formula aid (Table 2A column **H**) with a core instruction amount of \$12,335 and use of the current law core instruction amount of \$12,617.
- B.** Column **B** shows the effect of the core instruction amount change on the enrollment transition fund calculation.
- C.** Column **C** shows the effect of the core instruction amount change on the poverty loss calculation.
- D.** Column **D** shows the difference between the Governor's recommended English Language Learner categorical funding which changes the weight to 25.0 percent using the revised core instruction amount and current law with a weight of 15.0 and a core instruction amount of \$12,617.
- E.** Column **E** shows the redistribution of high-cost special education categorical funds that comes with a different core instruction amount.
- F.** The combined total impact of the Governor's proposed changes to current law is shown in column **F**. This is the sum of column **A** through column **E**.

Table 2B: Proposed Changes to Current Law for FY 2025

<i>Sending District</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>
	<i>Core Instruction Growth Cap</i>	<i>Enrollment Transition Impact</i>	<i>Poverty Loss Impact</i>	<i>ELL Change</i>	<i>Other Categorical</i>	<i>Total Education Aid Change</i>
Barrington	\$ (254,126)	\$ (2,877)	\$ -	\$ 13,404	\$ 1,090	\$ (242,509)
Burrillville	(297,006)	(2,176)	-	6,187	(1,334)	(294,329)
Charlestown	(33,689)	(453)	-	-	-	(34,142)
Coventry	(593,557)	(3,475)	-	7,693	(7,157)	(596,496)
Cranston	(1,689,183)	(14,156)	-	524,668	2,512	(1,176,159)
Cumberland	(582,769)	-	-	75,477	5,452	(501,840)
East Greenwich	(138,762)	(864)	-	5,474	3,782	(130,371)
East Providence	(845,344)	-	-	107,722	15,771	(721,851)
Foster	(26,180)	-	(13,601)	925	337	(38,519)
Glocester	(64,032)	(1,407)	-	-	(2,606)	(68,046)
Hopkinton	(150,633)	(551)	-	1,608	-	(149,576)
Jamestown	(6,631)	(74)	(3,689)	48	(10,254)	(20,601)
Johnston	(513,366)	-	-	121,178	(4,927)	(397,115)
Lincoln	(415,937)	-	-	31,206	(3,693)	(388,423)
Little Compton	(7,261)	-	-	-	-	(7,261)
Middletown	(148,095)	(844)	(80,553)	28,885	4,692	(195,914)
Narragansett	(40,468)	(400)	(23,108)	317	2,389	(61,270)
Newport	(320,261)	(3,862)	-	181,332	635	(142,157)
New Shoreham	(1,653)	(26)	(1,088)	647	-	(2,120)
North Kingstown	(295,052)	(1,411)	-	21,691	5,050	(269,722)
North Providence	(654,295)	-	-	218,517	(8,551)	(444,330)
North Smithfield	(177,885)	-	-	5,947	698	(171,240)
Pawtucket	(2,295,817)	(27,984)	-	1,298,514	(54,357)	(1,079,644)
Portsmouth	(63,149)	(547)	-	1,745	(4,906)	(66,857)
Providence	(5,752,676)	(144,557)	-	6,764,368	50,756	917,892
Richmond	(138,031)	(1,994)	-	3,080	-	(136,946)
Scituate	(75,098)	(439)	(40,043)	519	1,916	(113,146)
Smithfield	(217,674)	(1,707)	-	8,375	(1,801)	(212,807)
South Kingstown	(111,193)	(3,039)	-	7,210	(13,847)	(120,869)
Tiverton	(119,853)	(1,769)	(62,362)	2,354	(3,192)	(184,823)
Warwick	(990,635)	(8,498)	-	67,674	21,795	(909,664)
Westerly	(175,431)	(2,705)	(89,550)	12,677	(898)	(255,907)
West Warwick	(880,968)	-	-	85,970	3,034	(791,964)
Woonsocket	(1,782,805)	(28,131)	-	833,653	6,939	(970,343)
Bristol-Warren	(235,554)	(3,650)	(54,721)	14,698	(15,727)	(294,954)
Chariho	-	-	-	-	(6,477)	(6,477)
Exeter-West Greenwich	(120,261)	(268)	(25,686)	3,515	(1,406)	(144,105)
Foster-Glocester	(126,102)	(1,507)	(20,333)	937	4,402	(142,603)
Central Falls	(813,087)	(28,088)	-	1,291,984	(10)	450,799
Subtotal	\$ (21,154,519)	\$ (287,461)	\$ (414,733)	\$11,750,197	\$ (9,893)	\$(10,116,408)
Charters & State Schools	(4,454,158)	-	-	2,189,721	9,893	(2,254,544)
Total	\$ (25,608,677)	\$ (287,461)	\$ (414,733)	\$13,939,919	\$ -	\$(12,370,953)
<i>Adjusted Chariho</i>	<i>(322,353)</i>	<i>(2,999)</i>	<i>-</i>	<i>4,687</i>	<i>(6,477)</i>	<i>(327,141)</i>

Table 3: Group Home Aid for FY 2025

The distribution of group home aid includes \$17,000 per bed with the exception of \$26,000 per bed for the group home beds associated with Bradley Hospital's residential CRAFT program. The district's total enrollment is then reduced by the number of group home beds. The total amount of funding is reduced by the value of that district's state share of core instruction and student success factor amounts times the number of group home beds. The impact is shown as a reduction to group home aid.

A. Column **A** is the number of beds eligible for group home aid. The Department of Children, Youth and Families identified 221 beds eligible for aid as of December 31, 2023.

B. Column **B** is the total cost of beds identified in column **A**. It reflects \$17,000 per bed with the exception of \$26,000 per CRAFT bed.

C. Column **C** shows the cost of beds in column **B** reduced by the value of districts' state share of core instruction and student success factor amounts times the number of group home beds.

D. Column **D** shows the Governor's recommendation for FY 2025 group home aid.

E. Column **E** shows the FY 2024 enacted group home aid.

F. Column **F** shows the difference in group home aid from the Governor's recommendation for FY 2025 shown in column **D** and the FY 2024 enacted aid shown in column **E**.

Table 3: Group Home Aid for FY 2025

<i>District</i>	<i>A</i> <i>Beds as of</i> <i>Dec. 31, 2023</i>	<i>B</i> <i>Total</i> <i>Cost of Beds</i>	<i>C</i> <i>Funding</i> <i>Formula</i> <i>Reduction</i>	<i>D</i> <i>FY 2025</i> <i>Governor</i>	<i>E</i> <i>FY 2024</i> <i>Enacted</i>	<i>F</i> <i>Change to</i> <i>Enacted</i>
Barrington	-	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	-	-	-	-	-	-
Charlestown	-	-	-	-	-	-
Coventry	8	136,000	(63,728)	72,272	74,889	(2,617)
Cranston	-	-	-	-	-	-
Cumberland	-	-	-	-	-	-
East Greenwich	-	-	-	-	-	-
East Providence	36	774,000	(317,625)	456,375	458,072	(1,697)
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	-	-	-	-	-	-
Lincoln	8	136,000	(56,550)	79,450	83,789	(4,339)
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	9	153,000	(79,127)	73,873	76,500	(2,627)
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-
North Providence	16	272,000	(159,893)	112,107	119,386	(7,279)
North Smithfield	-	-	-	-	-	-
Pawtucket	19	323,000	(277,910)	45,090	79,743	(34,653)
Portsmouth	18	306,000	(32,530)	273,470	275,950	(2,480)
Providence	57	969,000	(840,170)	128,830	138,359	(9,529)
Richmond	-	-	-	-	-	-
Scituate	-	-	-	-	-	-
Smithfield	6	102,000	(31,675)	70,325	73,562	(3,237)
South Kingstown	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-
Warwick	25	425,000	(171,519)	253,481	248,975	4,506
Westerly	-	-	-	-	-	-
West Warwick	-	-	-	-	-	-
Woonsocket	-	-	-	-	-	-
Bristol-Warren	10	170,000	(72,265)	97,735	100,921	(3,186)
Chariho	-	-	-	-	-	-
Exeter-West Greenwich	9	153,000	(50,372)	102,628	110,250	(7,622)
Foster-Glocester	-	-	-	-	-	-
Central Falls	-	-	-	-	-	-
Total	221	\$ 3,919,000	\$ (2,153,364)	\$ 1,765,638	\$ 1,840,396	\$ (74,760)

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. 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, 2020 value is used for FY 2025 calculations. This is certified annually by the Department of Revenue’s Division of Municipal Finance, based on local sales data and appraisals. This is shown in column **A**.

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 2025 student counts are shown in column **C** based on the resident average daily membership as of June 30, 2023. This represents the average of the number of days all students are formally members of a district and/or a school per 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 6th grade as of June 2023. 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.

$$\text{State Share Ratio (SSR)} = \sqrt{\frac{SSRC^2 + \%PKDirect Cert^2}{2}}$$

G. Column **G** shows the final state share ratio. The 2023 Assembly adopted a change to maximize 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 2024 enacted budget. It uses property valuations as of December 31, 2019 and student counts as of June 30, 2022.

I. Column **I** shows the difference between the share ratio calculated for FY 2025 and the FY 2024 enacted share ratio.

J. Column **J** is the percent change between the share ratio calculated for FY 2025 and the FY 2024 enacted share ratio and is used to determine eligibility for the poverty loss stabilization fund. That calculation is shown in Table 9.

Table 4: Calculation of State Share Ratio

<i>District</i>	<i>A</i> <i>Assessed Value</i> <i>12/31/20</i>	<i>B</i> <i>Adjusted EWAV</i> <i>12/31/20</i>	<i>C</i> <i>June 2023</i> <i>Student Count</i>	<i>D</i> <i>Property</i> <i>Share Ratio</i>	<i>E</i> <i>June 2023 %</i> <i>Students in</i> <i>Poverty</i>
Barrington	\$ 3,588,991,799	\$ 4,835,039,813	3,376	37.1%	7.7%
Bristol	3,338,100,527	3,727,795,359	1,812	9.6%	23.1%
Burrillville	2,002,189,710	1,993,217,943	2,151	59.3%	30.7%
Charlestown	2,907,010,672	2,850,213,091	731	0.0%	22.9%
Coventry	4,174,859,146	3,961,209,183	4,321	59.7%	26.3%
Cranston	9,597,154,583	8,240,151,343	10,522	65.6%	39.4%
Cumberland	4,796,586,127	5,329,960,296	5,151	54.6%	19.0%
East Greenwich	2,862,395,620	4,315,929,255	2,557	25.9%	7.9%
East Providence	5,018,937,953	4,859,731,387	5,293	59.7%	40.7%
Exeter	1,049,203,373	999,828,968	768	42.8%	16.4%
Foster	672,419,002	668,093,411	563	47.9%	26.8%
Glocester	1,336,368,818	1,362,094,035	1,326	54.9%	12.5%
Hopkinton	1,122,680,771	1,071,302,457	1,120	58.0%	26.1%
Jamestown	2,700,302,322	4,305,925,210	599	0.0%	5.7%
Johnston	3,330,914,144	3,199,436,931	3,344	58.0%	38.9%
Lincoln	3,379,755,681	3,880,866,784	3,488	51.1%	27.2%
Little Compton	2,206,234,810	2,762,922,350	278	0.0%	12.4%
Middletown	3,788,847,242	3,674,083,568	2,011	19.8%	28.0%
Narragansett	6,341,161,065	6,820,532,746	1,047	0.0%	18.8%
Newport	7,934,714,532	8,410,285,140	1,864	0.0%	72.0%
New Shoreham	1,716,739,601	1,593,536,930	132	0.0%	6.4%
North Kingstown	5,056,565,395	6,199,181,520	3,674	25.9%	28.4%
North Providence	3,225,292,083	2,492,450,839	3,773	71.0%	40.7%
North Smithfield	1,915,043,287	2,029,763,460	1,648	45.9%	20.9%
Pawtucket	5,634,180,881	3,593,036,213	10,323	84.7%	68.8%
Portsmouth	3,962,013,456	5,091,101,352	2,095	0.0%	14.8%
Providence	14,270,157,602	9,634,947,382	27,275	84.5%	86.2%
Richmond	1,069,503,463	1,096,863,979	1,123	57.1%	21.3%
Scituate	1,769,537,866	1,974,338,773	1,187	27.0%	14.8%
Smithfield	3,225,872,295	3,305,101,528	2,470	41.2%	13.1%
South Kingstown	5,446,259,847	6,395,423,946	2,699	0.0%	21.4%
Tiverton	2,950,331,107	2,726,978,773	1,662	27.9%	21.0%
Warren	1,474,988,793	1,392,298,078	1,126	45.7%	37.6%
Warwick	11,069,847,289	10,449,245,023	8,271	44.5%	34.3%
West Greenwich	1,130,237,699	1,352,380,423	806	26.3%	12.8%
Westerly	6,711,144,594	7,684,830,298	2,376	0.0%	35.0%
West Warwick	2,665,693,775	2,198,957,548	3,565	72.9%	57.7%
Woonsocket	2,308,743,962	1,614,025,555	6,275	88.7%	88.7%
Central Falls	633,027,410	290,927,414	4,390	97.1%	74.4%
Total	\$ 148,384,008,302	\$ 148,384,008,302	137,192		

Table 4: Calculation of State Share Ratio

<i>District</i>	<i>F</i> <i>FY 2025 State</i> <i>Share Ratio -</i> <i>Two-Factor</i>	<i>G</i> <i>FY 2025 State</i> <i>Share Ratio -</i> <i>Maximized</i>	<i>H</i> <i>FY 2024 Enacted</i> <i>State Share Ratio</i>	<i>I</i> <i>Change to</i> <i>FY 2024</i>	<i>J</i> <i>% Change to</i> <i>FY 2024</i>
Barrington	26.8%	26.8%	25.2%	1.6%	6.5%
Bristol	17.7%	17.7%	20.8%	-3.2%	-15.2%
Burrillville	47.2%	47.2%	48.1%	-0.8%	-1.7%
Charlestown	16.2%	16.2%	15.0%	1.2%	8.0%
Coventry	46.2%	46.2%	45.9%	0.3%	0.7%
Cranston	54.1%	54.1%	53.5%	0.6%	1.1%
Cumberland	40.8%	40.8%	40.5%	0.3%	0.8%
East Greenwich	19.1%	19.1%	17.3%	1.8%	10.3%
East Providence	51.1%	51.1%	51.4%	-0.4%	-0.7%
Exeter	32.4%	32.4%	28.5%	3.9%	13.7%
Foster	38.8%	38.8%	40.3%	-1.5%	-3.8%
Glocester	39.8%	39.8%	39.6%	0.2%	0.4%
Hopkinton	45.0%	45.0%	44.1%	0.9%	1.9%
Jamestown	4.0%	4.0%	4.5%	-0.5%	-10.3%
Johnston	49.4%	49.4%	48.7%	0.7%	1.4%
Lincoln	41.0%	41.0%	39.3%	1.7%	4.2%
Little Compton	8.8%	8.8%	8.0%	0.7%	9.3%
Middletown	24.2%	24.2%	26.4%	-2.2%	-8.3%
Narragansett	13.3%	13.3%	15.2%	-1.9%	-12.4%
Newport	50.9%	50.9%	51.2%	-0.3%	-0.6%
New Shoreham	4.5%	4.5%	6.0%	-1.4%	-23.9%
North Kingstown	27.2%	27.2%	24.1%	3.1%	12.9%
North Providence	57.9%	57.9%	57.4%	0.5%	0.9%
North Smithfield	35.7%	35.7%	36.2%	-0.6%	-1.6%
Pawtucket	77.2%	84.7%	84.9%	-0.2%	-0.3%
Portsmouth	10.4%	10.4%	10.0%	0.4%	4.4%
Providence	85.3%	85.3%	85.6%	-0.3%	-0.3%
Richmond	43.1%	43.1%	40.7%	2.4%	6.0%
Scituate	21.7%	21.7%	23.2%	-1.4%	-6.2%
Smithfield	30.6%	30.6%	28.5%	2.1%	7.4%
South Kingstown	15.1%	15.1%	15.3%	-0.2%	-1.3%
Tiverton	24.7%	24.7%	25.7%	-1.0%	-3.9%
Warren	41.9%	41.9%	41.6%	0.3%	0.7%
Warwick	39.8%	39.8%	39.8%	-0.1%	-0.2%
West Greenwich	20.7%	20.7%	22.2%	-1.6%	-7.0%
Westerly	24.7%	24.7%	25.3%	-0.5%	-2.2%
West Warwick	65.7%	72.9%	74.2%	-1.3%	-1.8%
Woonsocket	88.7%	88.7%	89.3%	-0.6%	-0.7%
Central Falls	86.5%	97.1%	97.2%	-0.1%	-0.1%
Total					

Table 5: FY 2025 Estimated Charter and State School Enrollment by Sending District

<i>Sending District</i>	<i>Achievement First</i>	<i>Apprenticeship Exploration (N.E. Laborers)</i>	<i>Beacon</i>	<i>Blackstone Academy</i>	<i>Charette</i>	<i>Compass</i>
Barrington	-	-	-	-	-	-
Burrillville	-	1	16	-	-	-
Charlestown	-	-	-	-	-	12
Coventry	-	-	-	-	-	9
Cranston	306	86	3	-	-	5
Cumberland	-	-	15	-	-	-
East Greenwich	-	-	-	-	-	-
East Providence	1	1	-	-	-	1
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	10
Jamestown	-	-	-	-	-	1
Johnston	-	7	3	-	-	-
Lincoln	-	2	6	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	8
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	32
North Providence	126	3	6	1	-	1
North Smithfield	-	-	8	-	-	-
Pawtucket	2	19	29	173	-	-
Portsmouth	-	-	-	-	-	-
Providence	2,734	35	19	52	171	2
Richmond	-	-	-	-	-	19
Scituate	-	-	-	-	-	1
Smithfield	-	-	1	1	-	-
South Kingstown	-	-	-	-	-	56
Tiverton	-	-	-	-	-	-
Warwick	69	6	2	-	-	16
Westerly	1	-	-	-	-	17
West Warwick	2	4	3	-	-	4
Woonsocket	-	2	249	-	-	-
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	-	1	-	-	23
Foster-Glocester	-	-	-	-	-	-
Central Falls	-	10	4	117	-	-
Total	3,241	176	365	344	171	217
<i>Adjusted Chariho</i>	-	-	-	-	-	41

Table 5: FY 2025 Estimated Charter and State School Enrollment by Sending District

<i>Sending District</i>	<i>Excel</i>	<i>Greene School</i>	<i>Highlander</i>	<i>Hope Academy</i>	<i>International</i>	<i>Kingston Hill</i>
Barrington	-	1	1	-	6	-
Burrillville	-	1	-	-	-	-
Charlestown	-	3	-	-	-	4
Coventry	-	31	2	-	-	15
Cranston	-	11	40	-	14	12
Cumberland	-	3	-	-	1	-
East Greenwich	-	6	-	-	1	6
East Providence	-	1	9	-	28	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	2	-	-	-	8
Jamestown	-	-	-	-	-	-
Johnston	-	3	10	-	11	2
Lincoln	-	-	-	-	5	2
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	1
Narragansett	-	1	-	-	-	2
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	5	-	-	-	63
North Providence	32	2	15	14	15	-
North Smithfield	-	1	-	-	-	-
Pawtucket	-	22	74	-	171	3
Portsmouth	-	-	-	-	-	2
Providence	253	25	415	306	104	7
Richmond	-	3	-	-	-	11
Scituate	-	1	-	-	1	-
Smithfield	-	1	-	-	-	-
South Kingstown	-	7	-	-	-	62
Tiverton	-	-	2	-	-	-
Warwick	-	21	9	1	2	30
Westerly	1	4	-	-	-	6
West Warwick	-	19	5	-	3	9
Woonsocket	-	-	8	-	5	2
Bristol-Warren	-	1	12	-	1	-
Exeter-West Greenwich	-	15	-	-	-	13
Foster-Glocester	-	1	-	-	-	-
Central Falls	32	10	6	-	10	-
Total	318	201	608	321	378	260
<i>Adjusted Chariho</i>	-	8	-	-	-	23

Table 5: FY 2025 Estimated Charter and State School Enrollment by Sending District

<i>Sending District</i>	<i>Learning Community</i>	<i>Nowell Academy</i>	<i>Nuestro Mundo</i>	<i>Nurses Institute</i>	<i>Paul Cuffee</i>	<i>Providence Prep</i>
Barrington	-	-	-	-	-	-
Burrillville	-	-	-	-	-	-
Charlestown	-	-	-	-	-	-
Coventry	-	-	-	1	-	-
Cranston	-	3	-	34	-	-
Cumberland	-	-	-	1	-	-
East Greenwich	-	-	-	-	-	-
East Providence	2	-	-	4	-	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	1	4	-	5	-	-
Lincoln	-	2	-	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-
North Providence	-	4	-	8	-	-
North Smithfield	-	-	-	-	-	-
Pawtucket	137	47	-	86	-	-
Portsmouth	-	-	-	-	-	-
Providence	109	90	368	303	813	225
Richmond	-	-	-	-	-	-
Scituate	-	-	-	-	-	-
Smithfield	-	-	-	1	-	-
South Kingstown	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-
Warwick	-	-	-	7	-	-
Westerly	-	-	-	-	-	-
West Warwick	-	2	-	1	-	-
Woonsocket	-	5	-	20	-	-
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-	-
Foster-Glocester	-	-	-	-	-	-
Central Falls	328	3	-	29	-	-
Total	577	160	368	500	813	225
<i>Adjusted Chariho</i>	-	-	-	-	-	-

Table 5: FY 2025 Estimated Charter and State School Enrollment by Sending District

<i>Sending District</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>	<i>Trinity</i>
Barrington	-	-	-	-	-	-
Burrillville	-	81	-	-	-	-
Charlestown	-	-	-	-	-	-
Coventry	-	-	-	-	-	-
Cranston	2	1	-	-	-	-
Cumberland	430	-	-	-	-	-
East Greenwich	-	-	-	-	-	-
East Providence	4	-	1	-	-	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	1	1	-	-	-	-
Lincoln	170	-	-	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-
North Providence	7	2	-	-	-	-
North Smithfield	-	37	-	-	-	-
Pawtucket	991	2	-	-	-	-
Portsmouth	-	-	-	-	-	-
Providence	7	-	4	139	684	204
Richmond	-	-	-	-	-	-
Scituate	-	-	1	-	-	-
Smithfield	1	-	-	-	-	-
South Kingstown	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-
Warwick	-	-	-	-	-	-
Westerly	-	-	-	-	-	-
West Warwick	1	-	-	-	-	-
Woonsocket	3	486	-	-	-	-
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-	-
Foster-Glocester	-	-	-	-	-	-
Central Falls	674	-	454	-	-	-
Total	2,291	610	460	139	684	204
<i>Adjusted Chariho</i>	-	-	-	-	-	-

Table 5: FY 2025 Estimated Charter and State School Enrollment by Sending District

<i>Sending District</i>	<i>Village Green</i>	<i>Urban Collaborative</i>	<i>Youth Build Academy</i>	<i>Davies Career & Tech. Center</i>	<i>Metropolitan Career & Tech. Center</i>	<i>Total</i>
Barrington	-	-	-	2	4	14
Burrillville	-	-	-	5	-	104
Charlestown	-	-	-	-	5	24
Coventry	2	-	-	1	9	70
Cranston	7	-	-	8	42	574
Cumberland	3	-	-	24	5	482
East Greenwich	-	-	-	-	5	18
East Providence	-	-	-	5	18	75
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	1	21
Jamestown	-	-	-	-	12	13
Johnston	4	-	-	21	11	84
Lincoln	1	-	-	39	3	230
Little Compton	-	-	-	-	2	2
Middletown	-	-	-	-	17	18
Narragansett	-	-	-	-	4	15
Newport	-	-	-	-	29	29
New Shoreham	-	-	-	-	-	-
North Kingstown	1	-	-	-	10	111
North Providence	3	-	-	44	12	295
North Smithfield	-	-	-	7	-	53
Pawtucket	26	-	-	499	65	2,346
Portsmouth	-	-	-	-	10	12
Providence	146	129	160	81	410	7,995
Richmond	-	-	-	-	4	37
Scituate	-	-	-	-	1	5
Smithfield	-	-	-	17	2	24
South Kingstown	-	-	-	-	9	134
Tiverton	-	-	-	-	9	11
Warwick	2	-	-	3	12	180
Westerly	-	-	-	-	-	29
West Warwick	4	-	-	-	6	63
Woonsocket	5	-	-	10	12	807
Bristol-Warren	-	-	-	1	12	27
Exeter-West Greenwich	-	-	-	-	4	56
Foster-Glocester	-	-	-	-	1	2
Central Falls	5	-	-	122	41	1,845
Total	209	129	160	889	787	15,805
<i>Adjusted Chariho</i>	-	-	-	-	10	82

Table 6: Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Achievement First</i>	<i>Apprenticeship Exploration (N.E. Laborers)</i>	<i>Beacon</i>	<i>Blackstone Academy</i>	<i>Charette</i>	<i>Compass</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	-	5,824	104,371	-	-	-
Charlestown	-	-	-	-	-	27,803
Coventry	-	-	-	-	-	54,852
Cranston	2,439,638	710,694	20,023	-	-	33,372
Cumberland	-	-	82,090	-	-	-
East Greenwich	-	-	-	-	-	-
East Providence	6,302	10,335	-	-	-	6,302
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	55,475
Jamestown	-	-	-	-	-	497
Johnston	-	50,436	26,071	-	-	-
Lincoln	-	13,330	33,526	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	14,168
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	118,008
North Providence	1,036,446	25,983	42,828	7,138	-	7,138
North Smithfield	-	-	40,822	-	-	-
Pawtucket	20,895	238,626	349,791	2,101,668	-	-
Portsmouth	-	-	-	-	-	-
Providence	37,187,309	483,045	247,208	749,625	2,440,493	21,057
Richmond	-	-	-	-	-	100,996
Scituate	-	-	-	-	-	4,404
Smithfield	-	-	3,771	3,771	-	-
South Kingstown	-	-	-	-	-	105,721
Tiverton	-	-	-	-	-	-
Warwick	388,318	35,676	9,801	-	-	84,681
Westerly	3,053	-	-	-	-	55,804
West Warwick	17,984	53,234	32,732	-	-	35,969
Woonsocket	-	28,885	3,515,609	-	-	-
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-	86,939
Foster-Glocester	-	-	-	-	-	-
Central Falls	-	158,100	47,909	1,730,957	-	-
Total	\$41,099,946	\$ 1,814,167	\$4,556,550	\$4,593,160	\$2,440,493	\$ 813,187

Table 6: Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Excel</i>	<i>Greene School</i>	<i>Highlander</i>	<i>Hope Academy</i>	<i>International</i>	<i>Kingston Hill</i>
Barrington	\$ -	\$ 3,305	\$ 3,305	\$ -	\$ 19,829	\$ -
Burrillville	-	5,824	-	-	-	-
Charlestown	-	5,992	-	-	-	7,990
Coventry	-	201,882	11,380	-	-	88,992
Cranston	-	90,505	305,422	-	106,257	80,093
Cumberland	-	18,354	-	-	5,042	-
East Greenwich	-	14,171	-	-	2,362	14,171
East Providence	-	6,302	72,852	-	180,491	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	11,095	-	-	-	47,930
Jamestown	-	-	-	-	-	-
Johnston	-	18,274	84,304	-	74,801	12,183
Lincoln	-	-	-	-	25,246	10,098
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	4,905
Narragansett	-	1,640	-	-	-	3,280
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	16,763	-	-	-	228,372
North Providence	264,965	14,276	152,754	113,638	125,344	-
North Smithfield	-	4,399	-	-	-	-
Pawtucket	-	269,970	980,416	-	2,067,400	31,343
Portsmouth	-	-	-	-	-	2,582
Providence	3,607,045	323,855	5,487,846	4,158,314	1,222,984	73,699
Richmond	-	15,947	-	-	-	65,275
Scituate	-	2,686	-	-	2,686	-
Smithfield	-	3,771	-	-	-	-
South Kingstown	-	14,260	-	-	-	116,920
Tiverton	-	-	6,092	-	-	-
Warwick	-	115,457	53,514	4,901	9,801	159,561
Westerly	5,007	16,119	-	-	-	20,270
West Warwick	-	188,117	50,716	-	26,977	80,930
Woonsocket	-	-	136,545	-	61,708	28,885
Bristol-Warren	-	5,162	70,944	-	2,190	-
Exeter-West Greenwich	-	53,510	-	-	-	43,291
Foster-Glocester	-	4,787	-	-	-	-
Central Falls	521,251	181,097	94,860	-	142,769	-
Total	\$ 4,398,268	\$1,607,519	\$ 7,510,952	\$ 4,276,853	\$ 4,075,887	\$ 1,120,771

Table 6: Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Learning Community</i>	<i>Nowell Academy</i>	<i>Nuestro Mundo</i>	<i>Nurses Institute</i>	<i>Paul Cuffee</i>	<i>Providence Prep</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	-	-	-	-	-	-
Charlestown	-	-	-	-	-	-
Coventry	-	-	-	5,690	-	-
Cranston	-	20,023	-	295,277	-	-
Cumberland	-	-	-	5,042	-	-
East Greenwich	-	-	-	-	-	-
East Providence	12,604	-	-	29,242	-	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	-	28,264	-	30,456	-	-
Lincoln	-	16,561	-	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-
North Providence	-	46,826	-	75,378	-	-
North Smithfield	6,091	-	-	-	-	-
Pawtucket	1,886,027	691,641	-	1,139,222	-	-
Portsmouth	-	-	-	-	-	-
Providence	1,444,081	1,257,517	5,127,774	4,086,300	10,884,306	3,123,579
Richmond	-	-	-	-	-	-
Scituate	-	-	-	-	-	-
Smithfield	-	-	-	3,771	-	-
South Kingstown	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-
Warwick	-	12,937	-	40,576	-	-
Westerly	-	-	-	-	-	-
West Warwick	-	-	-	14,747	-	-
Woonsocket	-	82,715	-	295,849	-	-
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-	-
Foster-Glocester	-	-	-	-	-	-
Central Falls	4,925,060	35,932	-	439,327	-	-
Total	\$ 8,273,863	\$ 2,192,416	\$ 5,127,774	\$ 6,460,877	\$ 10,884,306	\$ 3,123,579

Table 6: Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>RI Mayoral Academies</i>		<i>RISE</i>	<i>Segue</i>	<i>Southside</i>	<i>Times2</i>	<i>Trinity</i>
	<i>Blackstone Valley</i>	<i>Prep</i>	<i>Mayoral Academy</i>	<i>Institute</i>	<i>Elementary</i>		
Barrington	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	-	-	527,679	-	-	-	-
Charlestown	-	-	-	-	-	-	-
Coventry	-	-	-	-	-	-	-
Cranston	17,621	-	6,674	-	-	-	-
Cumberland	2,445,768	-	-	-	-	-	-
East Greenwich	-	-	-	-	-	-	-
East Providence	29,242	-	-	6,302	-	-	-
Foster	-	-	-	-	-	-	-
Glocester	-	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-	-
Johnston	9,990	-	6,091	-	-	-	-
Lincoln	961,754	-	-	-	-	-	-
Little Compton	-	-	-	-	-	-	-
Middletown	-	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-	-
Newport	-	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-	-
North Providence	49,966	-	14,276	-	-	-	-
North Smithfield	-	-	188,100	-	-	-	-
Pawtucket	12,254,697	-	20,895	-	-	-	-
Portsmouth	-	-	-	-	-	-	-
Providence	80,437	-	-	42,114	1,901,437	8,960,127	2,781,194
Richmond	-	-	-	-	-	-	-
Scituate	-	-	-	2,686	-	-	-
Smithfield	3,771	-	-	-	-	-	-
South Kingstown	-	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-	-
Warwick	-	-	-	-	-	-	-
Westerly	-	-	-	-	-	-	-
West Warwick	8,992	-	-	-	-	-	-
Woonsocket	39,826	-	6,843,905	-	-	-	-
Bristol-Warren	-	-	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-	-	-
Foster-Glocester	-	-	-	-	-	-	-
Central Falls	10,058,045	-	-	6,725,485	-	-	-
Total	\$ 25,960,109	\$ 7,607,621	\$ 6,776,587	\$ 1,901,437	\$ 8,960,127	\$ 2,781,194	

Table 6: Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Village Green</i>	<i>Urban Collaborative</i>	<i>Youth Build Academy</i>	<i>Davies Career & Tech. Center</i>	<i>Metropolitan Career & Tech. Center</i>	<i>Total</i>
Barrington	\$ -	\$ -	\$ -	\$ 6,610	\$ 13,220	\$ 46,269
Burrillville	-	-	-	29,121	-	672,819
Charlestown	-	-	-	-	9,987	51,772
Coventry	15,022	-	-	9,332	51,210	438,360
Cranston	50,993	-	-	61,939	314,499	4,553,030
Cumberland	15,127	-	-	133,926	34,893	2,740,242
East Greenwich	-	-	-	-	13,320	44,024
East Providence	-	-	-	39,577	125,537	525,088
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	5,547	120,047
Jamestown	-	-	-	-	5,966	6,463
Johnston	32,162	-	-	139,613	90,395	603,040
Lincoln	8,281	-	-	219,535	18,379	1,306,710
Little Compton	-	-	-	-	2,855	2,855
Middletown	-	-	-	-	58,506	63,411
Narragansett	-	-	-	-	9,707	28,795
Newport	-	-	-	-	222,310	222,310
New Shoreham	-	-	-	-	-	-
North Kingstown	5,498	-	-	-	33,525	402,166
North Providence	25,983	-	-	368,895	85,657	2,457,491
North Smithfield	-	-	-	30,793	-	270,205
Pawtucket	371,940	-	-	6,129,483	906,446	29,460,460
Portsmouth	-	-	-	-	14,561	17,143
Providence	2,096,424	1,897,226	2,317,942	1,034,736	5,610,398	108,648,072
Richmond	-	-	-	-	28,066	210,284
Scituate	-	-	-	-	2,686	15,148
Smithfield	-	-	-	71,344	7,542	97,741
South Kingstown	-	-	-	-	17,993	254,894
Tiverton	-	-	-	-	33,260	39,352
Warwick	16,074	-	-	17,838	65,079	1,014,214
Westerly	-	-	-	-	-	100,253
West Warwick	53,234	-	-	-	82,728	646,360
Woonsocket	68,710	-	-	116,414	180,310	11,399,361
Bristol-Warren	-	-	-	2,190	42,371	122,857
Exeter-West Greenwich	-	-	-	-	15,991	199,731
Foster-Glocester	-	-	-	-	4,787	9,574
Central Falls	98,214	-	-	1,813,840	583,054	27,555,900
Total	\$ 2,857,660	\$ 1,897,226	\$ 2,317,942	\$ 10,225,184	\$ 8,690,789	\$194,346,441

Table 7: Categorical Aid for FY 2025

<i>Sending District</i>	<i>High Cost Special Education</i>	<i>ELL</i>	<i>Non-Public Transportation</i>	<i>Regional Transportation</i>	<i>Total</i>
Barrington	\$ 313,877	\$ 34,701	\$ 211,913	\$ -	\$ 560,491
Burrillville	316,114	16,017	30,041	-	362,172
Charlestown	-	-	-	-	-
Coventry	553,261	19,915	51,892	-	625,068
Cranston	796,634	1,358,247	788,882	-	2,943,763
Cumberland	169,908	195,393	20,358	-	385,659
East Greenwich	608,406	14,171	133,871	-	756,448
East Providence	866,634	278,867	-	-	1,145,501
Foster	68,219	2,394	13,442	-	84,055
Glocester	115,660	-	29,899	-	145,559
Hopkinton	-	4,161	-	-	4,161
Jamestown	349,446	124	-	-	349,570
Johnston	1,012,774	313,702	217,006	-	1,543,482
Lincoln	206,844	80,786	-	-	287,630
Little Compton	-	-	-	-	-
Middletown	249,161	74,778	-	-	323,939
Narragansett	194,571	820	-	-	195,391
Newport	58,746	469,427	-	-	528,173
New Shoreham	-	1,675	-	-	1,675
North Kingstown	139,556	56,154	-	-	195,710
North Providence	524,549	565,691	139,093	-	1,229,333
North Smithfield	80,819	15,396	44,530	-	140,745
Pawtucket	1,115,695	3,361,562	253,264	-	4,730,521
Portsmouth	364,203	4,518	-	-	368,721
Providence	1,310,651	17,511,435	600,029	-	19,422,115
Richmond	-	7,973	-	-	7,973
Scituate	98,000	1,343	37,086	-	136,429
Smithfield	121,099	21,682	52,818	-	195,599
South Kingstown	526,936	18,665	140,673	-	686,274
Tiverton	188,260	6,092	-	-	194,352
Warwick	1,529,968	175,194	40,108	-	1,745,270
Westerly	358,533	32,817	-	-	391,350
West Warwick	153,640	222,557	51,359	-	427,556
Woonsocket	815,177	2,158,141	13,308	-	2,986,626
Bristol-Warren	724,131	38,049	513,493	2,100,784	3,376,457
Chariho	251,724	-	474,896	2,705,632	3,432,252
Exeter-West Greenwich	344,753	9,100	-	1,636,275	1,990,128
Foster-Glocester	93,507	2,425	-	852,419	948,351
Central Falls	234,770	3,344,657	73,628	-	3,653,055
Subtotal	\$ 14,856,226	\$ 30,418,629	\$ 3,931,589	\$ 7,295,110	\$ 56,501,554
Charters & State Schools	143,774	5,668,699	-	-	5,812,473
Total	\$ 15,000,000	\$ 36,087,328	\$ 3,931,589	\$ 7,295,110	\$ 62,314,027

Table 8: Recommended Enrollment Transition Fund for FY 2025

- A.** Column **A** shows the FY 2024 enacted student counts based on the resident average daily membership in March 2023.
- B.** The FY 2025 student counts are shown in column **B** based on the resident average daily membership as of October 2023.
- C.** Column **C** is the difference between the FY 2025 student counts shown column **B** and the FY 2024 student counts shown in column **A**.
- D.** Column **D** is the effective state share per pupil. It is the amount of FY 2025 recommended formula aid shown in Column **H** in Table 2A divided by the FY 2025 student counts shown in column **B**.
- E.** Column **E** shows the year one aid for FY 2025. 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 will be \$7.9 million in FY 2026.
- F.** Column **F** shows the value of year two aid related to FY 2024 enrollment losses in the FY 2024 enacted budget.
- G.** Column **G** is the total enrollment transition fund amount for FY 2025. It is the sum of the FY 2024 year two calculation in column **F** and the FY 2025 year one aid in column **E**.

Table 8: Recommended Enrollment Transition Fund for FY 2025

<i>District</i>	<i>A FY 2024 PK-12 RADM</i>	<i>B FY 2025 PK-12 RADM</i>	<i>C FY 2025 Chg. to FY 2024</i>	<i>D Effective State Share Per Pupil</i>	<i>E FY 2025 Year 1</i>	<i>F FY 2024 Year 2</i>	<i>G Total Enrollment Transition</i>
Barrington	3,379	3,286	(93)	\$ 3,383	\$ 125,839	\$ 28,325	\$ 154,164
Burrillville	2,057	2,020	(37)	6,431	95,184	241,529	336,714
Charlestown	707	684	(23)	2,154	19,820	15,726	35,546
Coventry	4,229	4,168	(61)	6,229	151,990	406,704	558,694
Cranston	9,941	9,737	(204)	7,588	619,201	339,653	958,854
Cumberland	4,685	4,743	58	5,374	-	-	-
East Greenwich	2,543	2,504	(39)	2,424	37,814	15,358	53,172
East Providence	5,066	5,075	9	7,286	-	-	-
Foster	213	220	7	5,205	-	18,524	18,524
Glocester	576	546	(30)	5,130	61,557	-	61,557
Hopkinton	1,103	1,093	(10)	6,028	24,113	48,270	72,383
Jamestown	586	570	(16)	509	3,257	9,407	12,664
Johnston	3,235	3,257	22	6,894	-	82,269	82,269
Lincoln	3,262	3,275	13	5,555	-	-	-
Little Compton	276	277	1	1,147	-	17,214	17,214
Middletown	1,994	1,966	(28)	3,295	36,903	155,275	192,178
Narragansett	1,036	1,011	(25)	1,751	17,508	83,755	101,263
Newport	1,845	1,791	(54)	7,822	168,948	463,519	632,466
New Shoreham	132	127	(5)	569	1,139	2,870	4,009
North Kingstown	3,555	3,513	(42)	3,674	61,719	150,452	212,171
North Providence	3,495	3,500	5	8,177	-	23,480	23,480
North Smithfield	1,603	1,660	57	4,687	-	46,957	46,957
Pawtucket	7,913	7,679	(234)	13,077	1,224,048	2,024,685	3,248,733
Portsmouth	2,075	2,031	(44)	1,360	23,937	68,855	92,792
Providence	19,625	18,465	(1,160)	13,627	6,323,079	5,064,825	11,387,904
Richmond	1,090	1,052	(38)	5,739	87,236	66,259	153,495
Scituate	1,180	1,163	(17)	2,824	19,207	64,313	83,520
Smithfield	2,444	2,397	(47)	3,972	74,677	-	74,677
South Kingstown	2,580	2,415	(165)	2,014	132,921	165,846	298,767
Tiverton	1,658	1,599	(59)	3,279	77,376	82,475	159,850
Warwick	8,097	7,927	(170)	5,466	371,710	677,677	1,049,386
Westerly	2,344	2,257	(87)	3,400	118,316	283,744	402,060
West Warwick	3,495	3,557	62	10,833	-	298,198	298,198
Woonsocket	5,639	5,425	(214)	14,375	1,230,461	723,549	1,954,010
Bristol-Warren	2,914	2,806	(108)		159,650	258,422	418,072
Chariho	-	-	-		-	-	-
Exeter-West Greenwich	1,536	1,530	(6)	<i>See Table Below</i>	11,737	76,390	88,127
Foster-Glocester	1,104	1,072	(32)		65,926	57,434	123,361
Central Falls	2,541	2,339	(202)	15,205	1,228,594	407,315	1,635,908
Total	121,753	118,737	(3,016)	\$ 7,793	\$ 12,573,866	\$ 12,469,274	\$ 25,043,140
<i>Bristol</i>	<i>1,800</i>	<i>1,734</i>	<i>(66)</i>	<i>2,351</i>	<i>62,061</i>	<i>82,070</i>	<i>144,131</i>
<i>Warren</i>	<i>1,114</i>	<i>1,072</i>	<i>(42)</i>	<i>5,809</i>	<i>97,590</i>	<i>176,352</i>	<i>273,941</i>
<i>Exeter</i>	<i>739</i>	<i>744</i>	<i>5</i>	<i>4,252</i>	<i>-</i>	<i>11,697</i>	<i>11,697</i>
<i>West Greenwich</i>	<i>797</i>	<i>786</i>	<i>(11)</i>	<i>2,668</i>	<i>11,737</i>	<i>64,693</i>	<i>76,430</i>
<i>Foster</i>	<i>352</i>	<i>332</i>	<i>(20)</i>	<i>5,157</i>	<i>41,252</i>	<i>30,615</i>	<i>71,867</i>
<i>Glocester</i>	<i>752</i>	<i>740</i>	<i>(12)</i>	<i>5,140</i>	<i>24,674</i>	<i>26,819</i>	<i>51,493</i>
<i>Adjusted Chariho</i>	<i>2,900</i>	<i>2,829</i>	<i>(71)</i>	<i>4,984</i>	<i>131,169</i>	<i>130,255</i>	<i>261,424</i>

Table 9: Recommended Poverty Stabilization Fund for FY 2025

- A.** Column **A** is the FY 2025 recommended formula aid shown in column **H** in Table 2A.
- B.** Column **B** is the calculation of formula aid using FY 2025 enrollment, student poverty and core instruction amount but the FY 2024 share ratio instead of the FY 2025 share ratio.
- C.** Column **C** is the difference between the FY 2025 recommended formula aid in column **A** and the FY 2025 calculation using the FY 2024 share ratio in column **B**.
- D.** Column **D** is the percent change between the share ratio for FY 2025 and FY 2024. 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: Recommended Poverty Stabilization Fund for FY 2025

<i>District</i>	<i>A</i> <i>FY 2025</i> <i>Recommended</i> <i>Formula Aid</i>	<i>B</i> <i>FY 2025 Rec.</i> <i>Formula Aid w/FY</i> <i>2024 Share Ratio</i>	<i>C</i> <i>FY 2025</i> <i>Calculation Chg.</i> <i>to FY 2024</i>	<i>D</i> <i>Share Ratio %</i> <i>Chg. To FY 2024</i> <i>(Table 4)</i>	<i>E</i> <i>Poverty Loss</i> <i>Stabilization</i> <i>Fund</i>
Barrington	\$ 11,115,774	\$ 10,451,939	\$ 663,834	6.4%	\$ -
Burrillville	12,991,396	13,221,941	(230,545)	-1.7%	-
Charlestown	1,473,583	1,365,488	108,095	7.9%	-
Coventry	25,962,875	25,858,081	104,795	0.4%	-
Cranston	73,886,762	73,100,757	786,006	1.1%	-
Cumberland	25,490,974	25,284,815	206,158	0.8%	-
East Greenwich	6,069,612	5,492,592	577,020	10.5%	-
East Providence	36,976,288	37,173,596	(197,308)	-0.5%	-
Foster	1,145,143	1,189,809	(44,666)	-3.8%	22,333
Glocester	2,800,852	2,788,835	12,017	0.4%	-
Hopkinton	6,588,837	6,461,854	126,983	2.0%	-
Jamestown	290,065	322,708	(32,643)	-10.1%	16,322
Johnston	22,455,207	22,138,510	316,697	1.4%	-
Lincoln	18,193,550	17,449,459	744,090	4.3%	-
Little Compton	317,586	290,630	26,956	9.3%	-
Middletown	6,477,829	7,046,987	(569,158)	-8.1%	284,579
Narragansett	1,770,095	2,021,542	(251,447)	-12.4%	125,723
Newport	14,008,574	14,086,323	(77,749)	-0.6%	-
New Shoreham	72,323	95,162	(22,839)	-24.0%	11,419
North Kingstown	12,905,918	11,441,059	1,464,860	12.8%	-
North Providence	28,619,623	28,374,385	245,238	0.9%	-
North Smithfield	7,780,885	7,890,350	(109,465)	-1.4%	-
Pawtucket	100,421,635	100,658,758	(237,123)	-0.2%	-
Portsmouth	2,762,225	2,640,656	121,569	4.6%	-
Providence	251,628,562	252,307,848	(679,286)	-0.3%	-
Richmond	6,037,652	5,696,086	341,567	6.0%	-
Scituate	3,284,889	3,503,082	(218,193)	-6.2%	109,096
Smithfield	9,521,294	8,876,880	644,415	7.3%	-
South Kingstown	4,863,688	4,930,272	(66,585)	-1.4%	-
Tiverton	5,242,524	5,455,565	(213,041)	-3.9%	106,520
Warwick	43,331,517	43,452,008	(120,491)	-0.3%	-
Westerly	7,673,531	7,834,020	(160,489)	-2.0%	80,244
West Warwick	38,534,519	39,221,691	(687,172)	-1.8%	-
Woonsocket	77,981,917	78,522,199	(540,282)	-0.7%	-
Bristol-Warren	10,303,413	10,973,970	(670,557)		355,425
Chariho	-	-	-	See Table Below	-
Exeter-West Greenwich	5,260,331	5,031,606	228,725		75,189
Foster-Glocester	5,515,848	5,566,302	(50,454)		33,388
Central Falls	35,565,350	35,601,978	(36,628)	-0.1%	-
Total	\$ 925,322,648	\$ 923,819,744	\$ 1,502,904		\$ 1,220,238
<i>Bristol</i>	<i>4,076,267</i>	<i>4,787,118</i>	<i>(710,850)</i>	<i>-14.8%</i>	<i>355,425</i>
<i>Warren</i>	<i>6,227,146</i>	<i>6,186,852</i>	<i>40,294</i>	<i>0.7%</i>	<i>-</i>
<i>Exeter</i>	<i>3,163,666</i>	<i>2,784,563</i>	<i>379,103</i>	<i>13.6%</i>	<i>-</i>
<i>West Greenwich</i>	<i>2,096,665</i>	<i>2,247,043</i>	<i>(150,378)</i>	<i>-6.7%</i>	<i>75,189</i>
<i>Foster</i>	<i>1,711,969</i>	<i>1,778,745</i>	<i>(66,775)</i>	<i>-3.8%</i>	<i>33,388</i>
<i>Glocester</i>	<i>3,803,879</i>	<i>3,787,558</i>	<i>16,321</i>	<i>0.4%</i>	<i>-</i>
<i>Adjusted Chariho</i>	<i>14,100,073</i>	<i>13,523,428</i>	<i>(576,645)</i>	<i>15.9%</i>	<i>-</i>

Table 10: Education Aid for FY 2019-FY 2023

<i>District</i>	<i>FY 2019</i>	<i>FY 2020*</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>
Barrington	\$ 5,481,235	\$ 5,872,943	\$ 6,148,515	\$ 8,232,393	\$ 8,828,606
Burrillville	12,467,771	13,164,631	14,352,095	13,994,929	14,410,118
Charlestown	1,602,569	1,543,508	1,310,422	1,291,375	1,341,690
Coventry	22,790,523	24,463,006	23,564,535	24,191,219	25,098,898
Cranston	61,904,926	65,623,892	69,762,285	69,876,885	72,154,948
Cumberland	20,796,258	21,686,834	20,799,151	21,305,153	22,263,569
East Greenwich	3,167,385	2,724,747	3,490,910	4,542,049	4,841,875
East Providence	35,710,484	36,282,710	36,377,563	36,956,352	38,149,384
Foster	1,164,308	1,214,958	1,065,648	1,109,702	1,137,350
Glocester	2,323,354	2,272,359	2,218,174	2,481,208	2,551,793
Hopkinton	5,223,049	5,170,111	5,488,786	5,590,838	5,826,634
Jamestown	522,234	465,975	405,580	339,230	391,662
Johnston	18,398,579	18,288,991	19,127,284	19,970,936	20,720,126
Lincoln	12,325,264	14,418,820	15,198,685	16,231,922	17,055,189
Little Compton	355,525	403,595	397,665	432,020	448,877
Middletown	7,979,347	7,592,462	7,894,209	8,185,474	8,476,387
Narragansett	2,313,574	2,255,835	2,261,373	2,196,991	2,271,278
Newport	12,433,123	12,580,979	14,034,125	15,005,286	15,698,952
New Shoreham	156,926	132,830	178,491	237,000	240,792
North Kingstown	10,127,666	10,492,830	11,867,847	11,302,964	11,547,833
North Providence	23,428,292	23,382,239	25,275,682	27,298,296	28,223,847
North Smithfield	6,219,135	5,884,223	6,206,522	6,372,462	6,533,857
Pawtucket	88,331,184	91,306,394	92,823,636	96,013,908	99,145,207
Portsmouth	4,178,680	4,048,900	3,935,800	3,800,556	3,772,245
Providence	253,712,258	263,818,881	272,314,070	277,047,845	279,075,003
Richmond	4,596,526	4,640,811	4,694,206	5,150,039	5,415,636
Scituate	3,369,504	2,824,310	2,727,973	2,535,612	2,603,877
Smithfield	7,854,975	6,457,531	6,227,713	7,085,403	7,281,435
South Kingstown	6,293,429	5,433,317	4,853,437	4,969,168	5,140,323
Tiverton	6,779,518	7,239,775	7,475,571	6,896,308	7,236,769
Warwick	37,379,213	38,761,116	38,441,937	40,271,671	41,873,277
Westerly	8,766,881	8,656,589	8,255,191	8,083,721	8,379,537
West Warwick	26,186,038	27,094,132	29,535,239	30,945,717	32,123,085
Woonsocket	62,454,134	63,980,831	68,991,503	70,423,976	72,528,817
Bristol-Warren	14,912,237	14,855,717	14,514,094	13,130,077	14,008,318
Exeter-West Greenwich	2,126,257	6,419,481	2,135,033	1,847,044	2,405,627
Chariho	6,071,142	2,147,804	5,696,331	5,468,643	6,213,653
Foster-Glocester	5,199,951	5,268,060	5,207,657	5,768,566	5,961,183
Central Falls	41,173,119	42,498,528	45,680,069	48,422,396	49,633,417
<i>District Subtotal</i>	\$ 846,276,577	\$ 871,370,655	\$ 900,935,010	\$ 925,005,336	\$ 951,011,073
Charter Schools	90,617,343	101,538,276	109,288,557	137,747,583	139,702,946
State Schools	24,423,782	24,595,802	23,085,073	24,562,182	24,564,990
Total	\$ 961,317,701	\$ 997,504,733	\$1,033,308,641	\$1,087,315,101	\$1,115,279,009

*Excludes Coronavirus Relief funds

Table 11: Education Federal Stimulus Funds

<i>District</i>	<i>ESSER CAA 21</i>	<i>ESSER ARP</i>	<i>Total</i>
Barrington	\$ 288,735	\$ 648,458	\$ 937,193
Burrillville	1,548,747	3,478,266	5,027,013
Charlestown	-	-	-
Coventry	2,419,802	5,434,532	7,854,334
Cranston	9,038,195	20,298,503	29,336,698
Cumberland	2,252,791	5,059,448	7,312,239
East Greenwich	241,108	541,494	782,602
East Providence	5,270,561	11,836,931	17,107,492
Foster	180,788	406,023	586,811
Glocester	581,253	1,305,412	1,886,665
Hopkinton	-	-	-
Jamestown	342,190	768,511	1,110,701
Johnston	2,591,365	5,819,839	8,411,204
Lincoln	1,931,628	4,338,162	6,269,790
Little Compton	64,348	144,517	208,865
Middletown	953,185	2,140,718	3,093,903
Narragansett	672,411	1,510,139	2,182,550
Newport	3,079,969	6,917,172	9,997,141
New Shoreham	-	-	-
North Kingstown	1,775,065	3,986,543	5,761,608
North Providence	2,825,301	6,345,224	9,170,525
North Smithfield	682,368	1,532,502	2,214,870
Pawtucket	14,193,947	31,877,588	46,071,535
Portsmouth	894,792	2,009,575	2,904,367
Providence	57,702,326	129,591,234	187,293,560
Richmond	-	-	-
Scituate	775,558	1,741,794	2,517,352
Smithfield	794,344	1,783,984	2,578,328
South Kingstown	1,344,338	3,019,191	4,363,529
Tiverton	763,284	1,714,228	2,477,512
Warwick	5,470,524	12,286,019	17,756,543
Westerly	2,020,394	4,537,517	6,557,911
West Warwick	3,705,668	8,322,405	12,028,073
Woonsocket	12,975,705	29,141,589	42,117,294
Bristol-Warren	1,904,207	4,276,577	6,180,784
Chariho	1,183,347	2,657,629	3,840,976
Exeter-West Greenwich	521,496	1,171,205	1,692,701
Foster-Glocester	535,272	1,202,144	1,737,416
Central Falls	6,790,598	15,250,718	22,041,316
Subtotal	\$ 148,315,610	\$ 333,095,791	\$ 481,411,401
Charter & State Schools	17,882,661	40,161,919	58,044,580
Total	\$ 166,198,271	\$ 373,257,710	\$ 539,455,981
<i>Adjusted Chariho</i>	<i>\$ 1,183,347</i>	<i>\$ 2,657,629</i>	<i>\$ 3,840,976</i>

Revenues Changes

The Governor recommends \$4.8 million and \$21.1 million more general revenues than estimated at the November 2023 Revenue Estimating Conference for FY 2024 and FY 2025, respectively. The table below shows the Governor’s recommended changes. The items are explained in the pages that follow.

Recommended General Revenues Changes	FY 2024	FY 2025
Taxes		
Pass-Through Entity Tax Credit	\$ -	\$ 8,100,000
Retirement Income Exemption	-	(3,048,251)
Corporate Minimum Tax Reduction	-	(2,283,350)
Cigarette Tax Increase	-	2,441,204
Electronic Nicotine Delivery Systems	-	5,292,861
Cannabis Business Deductions	-	(824,642)
Enhanced Collections	-	6,679,090
Medicaid Spending Proposals	(46,200)	500,844
Total Taxes	\$ (46,200)	\$ 16,857,756
Departmental Revenues		
Hospital Licensing Fee	\$ 493,834	\$ 493,834
Estate Tax Filing Fee	-	-
Real Estate Duplicate License Fee	-	(20,000)
Tent Inspection Fee	-	(9,375)
Sales and Use Tax Exemption Fee	-	(7,000)
Liquor Manufacturers Duplicate License Fee	-	(6,000)
Vessel Discharge Decal	-	(2,000)
Enhanced Collections	-	3,746,237
Total Departmental Revenues	\$ 493,834	\$ 4,195,696
Other Revenues		
Underground Storage Tank Trust Fund	\$ 2,000,000	\$ -
Municipal Infrastructure Matching Pool	2,366,807	-
Total Other Revenues	\$ 4,366,807	\$ -
Total General Revenues Changes	\$ 4,814,441	\$ 21,053,452

Taxes. The Governor’s budget includes \$46,200 less and \$16.9 million more in tax revenues than the November estimate for FY 2024 and FY 2025, respectively.

- ***Pass-Through Entity Tax Credit.*** The Governor proposes reducing the tax credit given to members in pass-through entities that pay taxes under the state’s elective pass-through entity tax from 100 percent to 90 percent of the taxes paid. This would make Rhode Island’s credit equal to Massachusetts and similar to Connecticut. The recommended budget includes \$8.1 million in additional revenues for FY 2025 that would annualize to \$16.5 million for FY 2026.
- ***Retirement Income Exemption.*** The Governor’s budget increases the allowable modification of taxable retirement income for qualified taxpayers from certain pension plans and annuities from \$20,000 to \$50,000. Eligibility for this exemption remains the same as the social security exemption which is limited to filers who have reached full retirement age and have incomes below a certain threshold. This is estimated to reduce revenues by \$3.0 million for FY 2025, annualizing to \$6.2 million for FY 2026.
- ***Corporate Minimum Tax.*** The Governor proposes reducing the corporate minimum tax from \$400 to \$350, effective January 1, 2025. This was last decreased from \$450 to \$400 effective January 1, 2017, and

had been as high as \$500. The proposed change is expected to impact nearly 77,000 entities. The Governor has proposed reductions to this tax in two prior budgets. The FY 2025 recommendation lowers revenues by \$2.3 million to account for a half year impact; annualized the loss would be \$4.7 million.

- **Cigarette Tax.** The Governor’s FY 2025 budget assumes \$2.4 million in revenues from a proposal to increase the cigarette tax by \$0.25, to \$4.50 per 20-pack, effective September 1, 2024. This assumes \$2.7 million more in excise tax offset by a \$0.2 million reduction in applicable sales tax to reflect a decline in consumption linked to the higher cost.
- **Electronic Nicotine Delivery Systems.** The Governor’s budget assumes \$5.3 million in revenues from transferring the regulatory authority for electronic nicotine delivery systems from the Department of Health to the Division of Taxation and subjecting these products to the 80.0 percent of wholesale tax for other tobacco products. It provides the Department of Revenue with \$0.2 million from general revenues and 2.0 full-time equivalent positions for implementation, enforcement, and youth vaping abatement.
- **Cannabis Business Deductions.** The Governor recommends legislation allowing cannabis businesses to claim ordinary income deductions consistent with those of other businesses. Current law follows federal statutes, which prohibit businesses which deal in controlled substances from claiming these deductions. Several other states, including Connecticut and Massachusetts, permit these deductions. The proposed change is expected to lower FY 2025 revenues by \$0.8 million annualizing to \$1.7 million for FY 2026.
- **Enhanced Collections.** The Governor’s budget assumes a total of \$10.4 million in additional personal income, business, sales and use tax revenues and associated fines and fees from enhancing Division of Taxation collections efforts. This includes \$6.7 million of new tax revenues from personnel enhancements and expanding the existing top 100 tax delinquent list to include those owing at least \$50,000. The recommended budget includes \$0.7 million for implementations costs; net revenues from these initiatives total \$9.7 million. The FY 2025 revenue estimate includes \$5.0 million that is not expected to be recurring; the FY 2026 estimate is \$5.8 million of gross revenues.

Enhanced Collections	Proactive Tax Collections	Delinquent Tax List Expansion	FY 2025 Total
Personal Income Tax	\$ 2,442,090	\$ 1,194,994	\$ 3,637,084
Business Corp	1,376,480	673,556	2,050,036
Sales and Use	666,050	325,920	991,970
<i>Taxes Subtotal</i>	\$ 4,484,620	\$ 2,194,470	\$ 6,679,090
Departmental - Fines & Penalties	\$ 2,515,380	\$ 1,230,857	\$ 3,746,237
<i>Revenues Total</i>	\$ 7,000,000	\$ 3,425,327	\$ 10,425,327
Implementation Costs	\$ (741,999)	\$ -	\$ (741,999)
Grand Total	\$ 6,258,001	\$ 3,425,327	\$ 9,683,328

- **Medicaid Spending Proposals.** The Governor’s budget contains several proposals that affect Medicaid expenditures delivered through managed care plans that reduce total expenses by \$11.4 million for FY 2024 and \$17.5 million for FY 2025. The expenditure changes are estimated to reduce revenues by \$46,200 for FY 2024 and \$49,156 for FY 2025 because those entities pay a 2.0 percent provider tax on gross premiums. The Governor also recommends \$10.0 million from State Fiscal Recovery funds for a one-time payment in FY 2025 and includes revenue of \$550,000 assuming the payment is subject to the 5.5 percent gross receipts tax paid by nursing facilities.

Departmental Revenues. The Governor recommends \$0.5 million and \$4.2 million more in departmental revenues than the November estimate for FY 2024 and FY 2025, respectively.

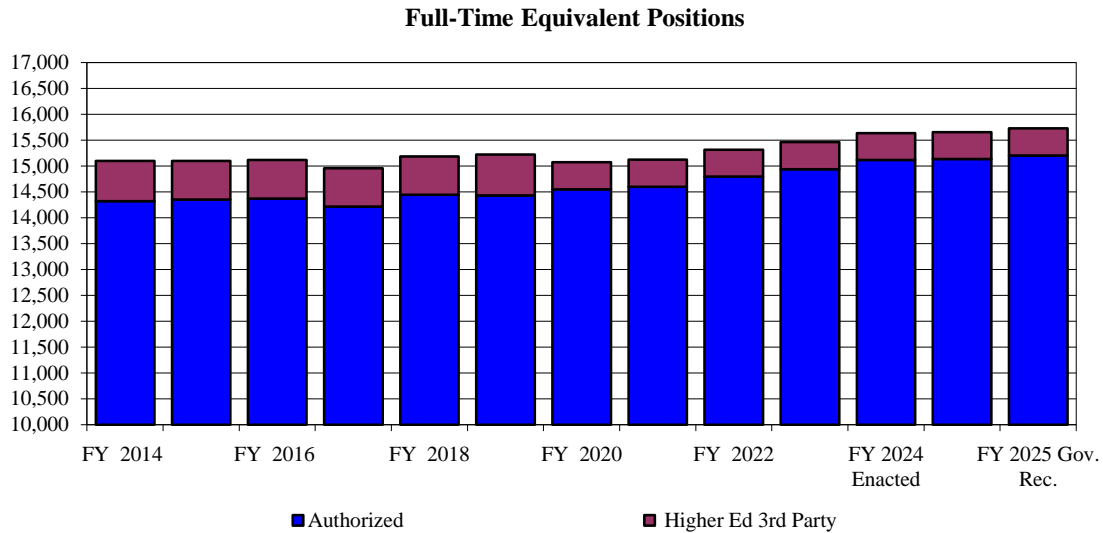
- ***Hospital Licensing Fee.*** The Governor recommends extending the FY 2025 hospital license fee for Eleanor Slater Hospital at the 5.25 percent rate based on 2022 revenues. Based on updated revenues, the budget assumes \$1.2 million from these payments in FY 2024 and FY 2025. The enacted budget includes \$0.7 million for the payment.
- ***Estate Tax Filing Fee.*** The Governor’s budget proposes to eliminate the \$50 estate tax filing fee for decedents as of January 1, 2025. Based on the effective date and nine month filing window, the Governor’s budget assumes no revenue loss for FY 2025. The loss is estimated to be \$230,000 for FY 2026.
- ***Real Estate Duplicate License Fee.*** The Governor’s budget proposes to eliminate the \$25 fee for a real estate agent or broker to transfer to another brokerage. The assumed revenue loss for FY 2025 is \$20,000.
- ***Tent Inspection Fee.*** The Governor’s budget proposes to replace recurring permitting fees for tents and similar structures with an annual certification. The assumed revenue loss for FY 2025 is \$9,375.
- ***Sales and Use Tax Exemption Fee.*** The Governor’s budget proposes to eliminate the \$25 filing fee for a certificate of exemption from sales and use taxes as of January 1, 2025. The budget assumes a revenue loss of \$7,000 for FY 2025, which annualizes to \$14,000 beginning FY 2026. The application and four-year expiration date provisions remain unchanged.
- ***Liquor Manufacturers Duplicate License Fee.*** The Governor’s budget proposes to eliminate the license fee for a currently licensed liquor manufacturer to obtain an additional type of manufacturing license at its existing location. The assumed revenue loss for FY 2025 is \$6,000.
- ***Vessel Discharge Decal.*** The Governor proposes eliminating the requirement for certain registered boats to purchase “no discharge certificate” decals. Instead owners, will be provided with educational materials regarding their responsibility to secure marine sanitation devices. The assumed revenue loss for FY 2025 is \$2,000.
- ***Enhanced Collections.*** As previously noted, the Governor’s budget assumes a total of \$10.4 million in revenues will be generated by enhanced Division of Taxation collections efforts. This includes \$3.7 million of new fine and penalty collections from personnel enhancements and expanding the existing top 100 tax delinquent list to include those owing at least \$50,000.

Other Revenues

- ***Underground Storage Tank Trust Fund.*** The Governor proposes to transfer reserves of \$2.0 million from the Underground Storage Tank Trust Fund to state general revenues by June 30, 2024.
- ***Municipal Infrastructure Matching Pool.*** The Governor proposes to recapture \$2.4 million from the previous general revenues appropriated to the Infrastructure Bank’s Municipal Infrastructure Matching Grant Pool, requiring a transfer to state general revenues by June 30, 2024.

State Government Personnel and Staffing

The Governor recommends authorization for 15,725.8 full-time equivalent positions, which is 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 service call center and program staff as well as permanent staff for state parks and beaches. The recommendation includes the FY 2024 enacted amount of 519.8 higher education positions dedicated for research or supported by other third-party funds.

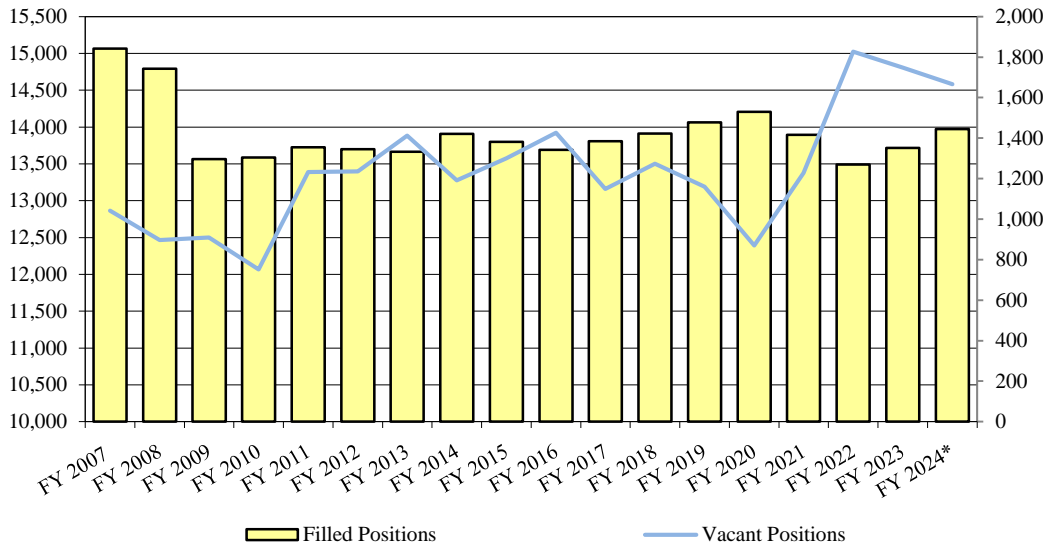


The General Assembly sets personnel limits for each agency and department defined as the maximum allowable number of full-time equivalent positions filled during any pay period. These limits are referred to as authorized levels. The authorized levels do not include temporary or seasonal employees or 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 was done to address a problem with certain auxiliary enterprise positions incorrectly reported as third-party prior to FY 2020.

The following chart shows average filled and authorized staffing levels from FY 2007 through FY 2023. For FY 2024, it is actual filled positions as of January 27, 2024.

Full-Time Equivalent Positions



*As of January 27, 2024

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, the Governor 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.

In FY 2021, the state averaged 13,896.5 filled full-time equivalent positions, and an average of 1,228.2 vacancies as staffing levels dropped during the pandemic, partially from a similar voluntary retirement incentive program. The 2021 Assembly authorized 15,313.2 full-time equivalent positions for FY 2022, including 523.8 higher education positions dedicated for research or supported by other third-party funds. This is 224.0 full-time equivalent positions more than the Governor’s original recommendation. The Assembly did not concur with the Governor’s proposal to privatize the state-run system for adults with developmental disabilities. It added 75.0 full-time equivalent positions in the Department of Children, Youth and Families to proceed with the accreditation process, and 15.0 full-time equivalent positions in the Department of Health for administration, financial oversight of Centers for Disease Control and Prevention grants and monitoring vaccination efforts and new outbreaks.

The 2022 Assembly authorized 15,455.5 full-time equivalent positions for FY 2023, 33.0 positions more than the Governor’s amended recommendation, including 20.0 positions to support redetermination efforts following the end of the public health emergency in the Department of Human Services.

In FY 2022, the state averaged 13,490.8 filled full-time equivalent positions and 1,827.1 vacancies.

The Governor’s FY 2023 revised budget added 8.0 positions more than enacted for water infrastructure projects review and for the Department of Health to ensure compliance with federal and state laws. He recommended 15,591.5 full-time equivalent positions for FY 2024. The Assembly concurred with his revised recommendation and authorized 15,636.9 full-time equivalent positions for FY 2024.

As of the end of January 2024, there were 13,971.4 full-time equivalent positions filled, leaving 1,544.7 non-research vacancies. In FY 2023, the state averaged 13,715.1 filled full-time equivalent positions, and an average of 1,748.4 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. The Governor’s personnel recommendation includes \$2,068.3 million for salaries and benefits and \$616.0 million for contracted services. These expenditures represent an increase of \$15.8 million or 0.6 percent from the FY 2024 enacted budget.

FY 2025 Recommended Excluding ISF	General Revenues	Federal Funds	Restricted Receipts	Other Funds	Total
Salaries and Wages	\$ 688,500,809	\$ 184,830,542	\$ 57,532,290	\$ 402,500,216	\$1,333,363,857
Benefits	436,019,822	109,352,364	33,389,309	156,192,329	734,953,824
Total Salaries and Benefits	\$1,124,520,631	\$ 294,182,906	\$ 90,921,599	\$ 558,692,545	\$2,068,317,681
Contracted Services	151,595,052	297,642,779	117,258,108	49,460,248	615,956,187
Total Personnel	\$1,276,115,683	\$ 591,825,685	\$ 208,179,707	\$ 608,152,793	\$2,684,273,868

It should be noted that the Governor’s FY 2025 recommended budget reclassifies \$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 following table shows the adjusted personnel recommendation with the aforementioned expenses for both years.

FY 2025 Recommended Excluding ISF	FY 2024 Revised	Adjusted FY 2024 Revised	Adjusted Change	FY 2025 Recommended	Adjusted FY 2025 Recommended	Adjusted Change
Salaries and Benefits	\$ 2,000,531,044	\$ 2,098,980,681	\$98,449,637	\$ 2,068,317,681	\$ 2,164,527,910	\$96,210,229
Contracted Services	609,961,823	610,848,929	887,106	615,956,187	618,457,193	2,501,006
Total Personnel	\$ 2,610,492,867	\$ 2,709,829,610	\$99,336,743	\$ 2,684,273,868	\$ 2,782,985,103	\$98,711,235
General Revenue Share	\$ 1,194,525,542	\$ 1,238,482,051	\$43,956,509	\$ 1,276,115,683	\$ 1,318,568,498	\$42,452,815

Accounting for this, FY 2025 adjusted expenses for salaries and benefits increase \$64.6 million from all sources or 3.1 percent, including \$9.2 million from general revenues. The majority of the increase is for overtime expenses at the Department of Corrections and expenses for a recent settlement agreement with the Rhode Island Brotherhood of Correctional Officers nursing staff, and for Higher Education institutions. The budget also includes \$9.7 million from general revenues for higher than anticipated health benefit rates.

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 later part 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 that were hired prior to August 7, 1996, will have 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. On June 14, 2023, the administration reported that there were 1,524 employees with statutory status, including 61 employees who were 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 need 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 to be 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 contribution 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

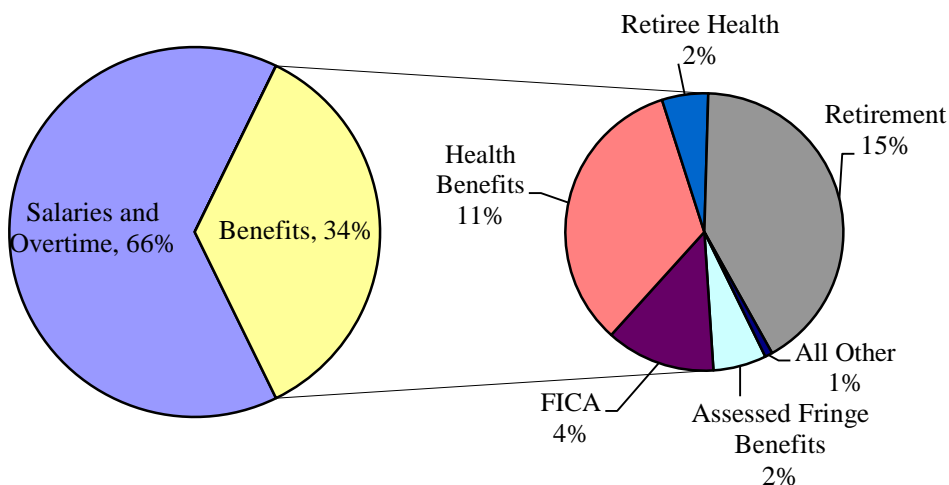
The 2021 Assembly transferred \$50.0 million to the Information Technology Investment Fund to support the Enterprise Resource Planning System to include human resources, information system, payroll, and financial management. The current systems are nearing the end of their useful lives and are susceptible to security risks. The Auditor General had historically reported the inefficiencies with 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 current human resource system contains too many job classifications. The administration noted that if job classifications are not updated, it will result in having outdated data being entered into the new human resources module. The study was expected to take multiple years to finish.

The administration issued a request for proposals on December 22, 2022, with responses due by February 1, 2023; no bids were received. Subsequently, the administration indicated that the request for proposals was over scoped and issued another request for proposals on May 24, noting that the 2013 study “is no longer current and therefore unusable for compensation decision-making purposes.” Responses were due by June 23. Reflecting a delay, none of the funds included in the FY 2023 budget were spent; the Governor’s FY 2024 revised budget includes the required reappropriation. The contract was awarded in mid-January 2024.

Salaries and benefits make up 77.1 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.

FY 2025 Recommended Salaries and Benefits



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. Prior to July 1, 2011, after an employee had been in state service for a specified number of years, he or she became eligible for longevity increases. These increases were 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 also determine if an employee will receive a cost-of-living adjustment. This adjustment differs from a longevity increase because it applies to all employees in that pay grade. For example, if all state employees receive a 3.0 percent cost-of-living increase on July 1, then an employee with a pay grade ranging from \$50,000 to \$59,000 will now be in a pay grade of \$51,500 to \$60,770.

In April 2018, Governor Raimondo reached agreements with a majority of state employee unions for wage and benefit changes that included cost-of-living adjustments of 2.0 percent effective December 24, 2017,

2.5 percent effective December 23, 2018, 2.0 percent effective June 23, 2019, and 1.0 percent effective December 22, 2019. Those contracts expired June 30, 2020.

In late 2021, Governor McKee reached agreements with a majority of state employee unions that included cost-of-living adjustments of 2.5 percent annually from FY 2021 through FY 2024, for a total of 10.0 percent. It included two \$1,500 bonuses with one payable to current union employees as of the ratification of the contract and the second for those employed on July 1, 2022. The agreement amended the sick leave provision to increase the number of days an employee can discharge to care for immediate family who are ill, provided that medical documentations are furnished. It broadened the family members for whom a death qualifies for the discharge of bereavement days. It also added a new provision for teleworking. The following table shows a recent history.

Cost-of-Living Adjustments		
Fiscal Year	Increase	Notes
2017	-	
2018	2.0%	December 24, 2017
2019	2.5%	December 23, 2018
2020	3.0%	2.0% June 23 & 1% December 22
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

Excludes Troopers, RIBCO and some other smaller unions

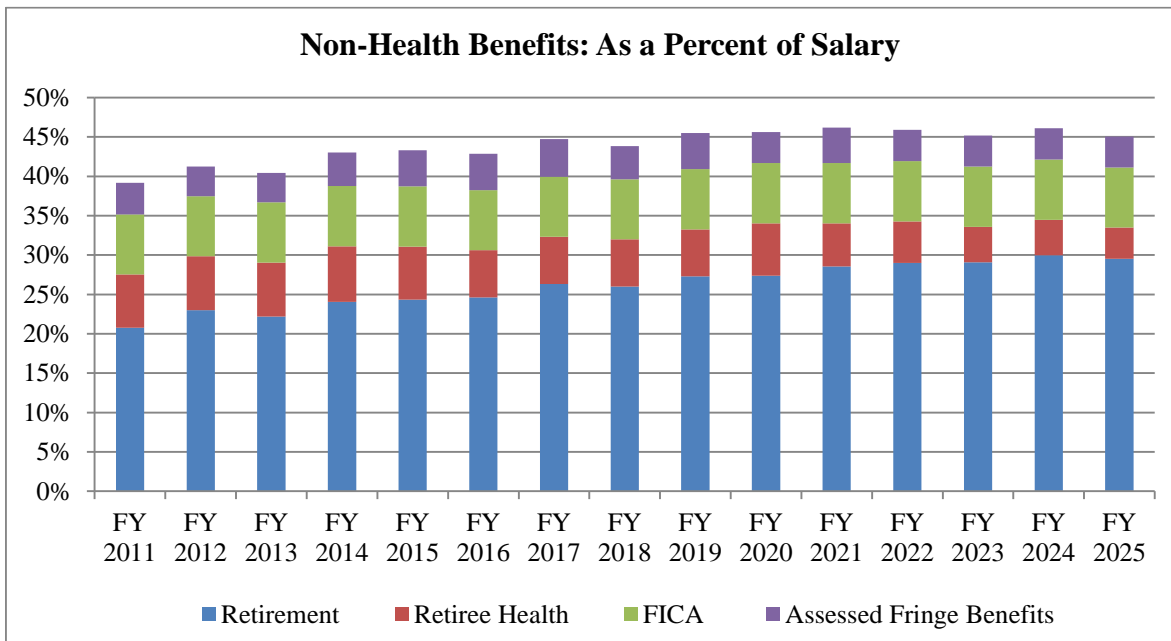
Overtime. Overtime accounts for 4.1 percent of total salary and benefit expenses. The majority of overtime expenses occur in the Department of Corrections for correctional officers, followed by the Departments of Public Safety, Behavioral Healthcare, Developmental Disabilities and Hospitals, Children, Youth and Families, Higher Education and Transportation.

Overtime - FY 2025 Recommended*	
Corrections	32.3%
BHDDH	21.3%
Public Safety	13.6%
Children, Youth and Families	7.5%
Higher Education	6.9%
Transportation	6.7%
Human Services	6.0%
All Others	6.0%
Total	100%

**Excludes ESH and RICLAS reclassified expenses*

The Department of Administration announced a new overtime policy in June 2019. It required each agency to develop and submit to the Division of Human Resources and the Office of Management and Budget detailed overtime authorization and approval procedures, which must be submitted by October 15, 2019. Beginning in FY 2020, agencies are also required to submit to the Office of Management and Budget quarterly reports of overtime expenses along with their quarterly financial reports.

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. The following chart shows non-health benefits as a percent of salary from FY 2011 through FY 2025.



In that 15-year period, the calculation increased from 38.2 percent to 45.1 percent. It is important to note that while FICA is part of the cost of a position, it is a federal requirement over which the state has no control. Each benefit is described in the paragraphs that follow. With the exception of health benefits, these are calculated as a percentage of salary and now represent almost one-half of the salary of each position.

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. The 2011 Assembly adopted changes including participation in a new defined contribution plan for all employees, except judges, state police and correctional officers. The 2015 Assembly enacted changes consistent with the pension settlement agreement reached in the spring of 2015; these changes are described later in the report.

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 five highest consecutive years. Cost-of-living adjustments are only granted when the pension systems’ aggregate funded ratio exceeds 80.0 percent; the formula uses both investment returns and inflation, but no more than 3.5 percent or less than zero. It is only 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 and there are different provisions for pre-settlement retirees. 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 as well as 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 upon the retirement incentive program the administration undertook in the fall of 2017, and described later in this report. In 2021, the administration offered the voluntary retirement incentive. The rates for FY 2025 as well as the previous seven years are shown in the table below.

Employer Contribution Rates - Regular Employees

FY	2018	2019	2020	2021	2022	2023	2024	2025
Rates	24.87%	26.28%	26.39%	27.54%	28.01%	28.01%	28.97%	28.54%

Retiree Health. The state provides health coverage to individuals who are retired from state employment, who have at least 20 years of state service and are at least age 59. Eligible retirees pay a 20.0 percent cost share on the actual cost of the plan. 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 \$168,600 for 2024. 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	2017	2018	2019	2020	2021	2022	2023	2024	2025
% of Salary	4.75	4.20	4.40	3.95	4.52	3.95	3.95	3.95	3.95

Recent fluctuations have been related to two separate voluntary retirement incentive programs and outsourcing the administration of the Workers’ Compensation program. The FY 2025 budget includes the FY 2024 enacted rate of 3.95 percent. The current rate for certain public safety personnel is 1.90 percent because these employees receive injured on duty benefits as opposed to workers’ compensation. The rate for higher education faculty is 3.30 percent because they do not receive severance payments.

Health Benefits. All full-time state employees and certain part-time employees are eligible for health benefits, including medical, dental and vision through Blue Cross Blue Shield, effective January 1, 2020, and Delta Dental. The state is self-insured but these entities administer the benefits.

Average Cost for FY 2025		
Gross Cost	Individual Plans	Family Plans
<i>Medical</i>		
Anchor Choice	\$ 9,147	\$ 25,641
Anchor	\$ 9,213	\$ 25,826
Anchor Plus	\$ 9,858	\$ 27,633
<i>Dental*</i>	\$ 420	\$ 1,087
<i>Vision *</i>	\$ 66	\$ 181

**Enhanced vision and dental plans are available but financed by the employee*

For vision and dental plans, the excess cost of an enhanced plan is covered by the employees exclusively.

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 percent of plan cost depending on his or her salary and the type of plan chosen.

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. Previously, only one plan was offered. In the 2018 settlement with the Raimondo Administration, among the other provisions of the contract were 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 an individual, and \$1,000 to \$3,000 for a family. They were previously \$250 and \$500 for individuals and families, respectively. The recently negotiated agreement with the McKee Administration maintains the same deductibles.

FY 2025 Per Employee	Below \$59,501		\$59,051 - \$113,516		Over \$113,516	
	Individual	Family	Individual	Family	Individual	Family
Total Cost of Benefits ¹	\$ 10,344	\$ 28,901	\$ 10,344	\$ 28,901	\$ 10,344	\$ 28,901
% of Premium: State	80.0%	85.0%	80.0%	80.0%	75.0%	75.0%
Annual Cost to State	\$ 8,275	\$ 24,566	\$ 8,275	\$ 23,121	\$ 7,758	\$ 21,676
% of Premium: Employee	20.0%	15.0%	20.0%	20.0%	25.0%	25.0%
Annual Cost to Employee	\$ 2,069	\$ 4,335	\$ 2,069	\$ 5,780	\$ 2,586	\$ 7,225

¹ Based on Anchor Plus Plans

The previous table shows the cost of health benefits and the employee co-shares for FY 2025 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 following table shows the weighted average cost per benefit type.

Weighted Average	FY 2024 Gov. Rec./ Enacted	FY 2024 Revised Planning	Chg. to Enacted	FY 2024 Revised	FY 2025 Planning	Planning to Enacted	FY 2025 Governor
Medical	\$ 16,134	\$ 16,314	\$ 180	\$ 16,755	\$ 17,271	\$ 1,137	\$ 18,627
Dental	723	668	(55)	666	688	(35)	685
Vision	118	110	(8)	110	114	(4)	114
Total	\$ 16,975	\$ 17,092	\$ 117	\$ 17,531	\$ 18,073	\$ 1,098	\$ 19,426

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. These adjustments were made by the Controller into agency budgets in FY 2023 based on an agency’s

proportion of statewide employer contributions. However, the financial statements for the Higher Education institutions were already final, their contribution toward the shortfall was not made. The revised budget adds \$9.0 million in general revenues for FY 2024 to account for their share of the shortfall.

Budget instructions issued by the State Budget Office in August, revised the planning values to \$17,092 or 0.7 percent more than the enacted budget had assumed for FY 2024. The FY 2025 planning values were estimated at \$18,073, which is \$1,098 or 6.5 percent more than the enacted budget, or 5.7 percent more than the revised planning values for FY 2024. The Governor’s recommendations for both years reflect further increases to the planning values to bring the fund into balance. The planning values budgeted for FY 2025 are 7.5 percent higher than the previous projection. The Governor’s revised budget includes \$7.5 million from all sources, including \$4.7 million from general revenues from updating the medical benefit rates; the FY 2025 recommendation includes \$9.7 million from general revenues for higher than anticipated health benefit rates.

In June 1997, before employees were contributing to the cost of health benefits, the state began offering employees the option of choosing a medical benefit waiver as opposed to enrolling in a state health plan. The waiver had been \$2,002 through FY 2011; it was then reduced by half to \$1,001. More recent contracts eliminated the waiver option for two state employee spouses who were hired on or after June 29, 2014.

Total Costs. The total cost examples for two employees who have salaries of \$65,000 and \$115,000, respectively, and a family health plan in FY 2025 is displayed in the following table.

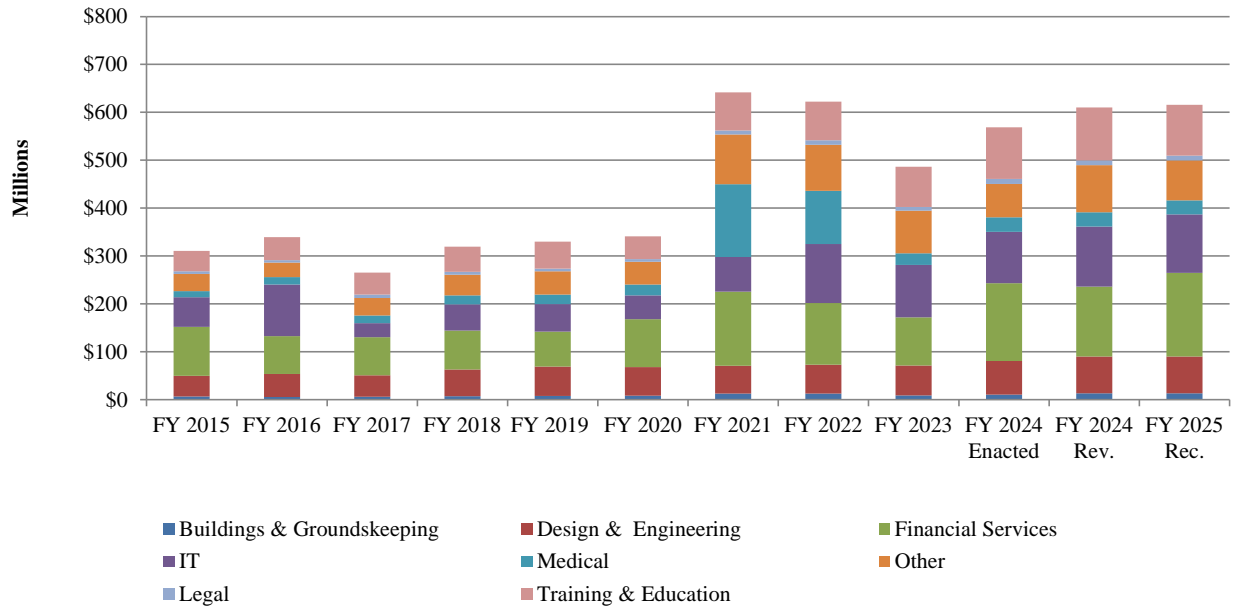
Cost of a Position - FY 2025 Recommended					
	Expense		% of Salary/ Plan Cost		
Salary	\$	65,000		\$	115,000
FICA	\$	4,973	7.65%	\$	8,798
Assessed Fringe		2,568	3.95%		4,543
Retiree Health		2,561	3.94%		4,531
Retirement		19,201	29.54%		33,971
Subtotal	\$	29,302	45.08%	\$	51,842
Health Benefits*	\$	28,901	Family Plan	\$	28,901
Total Co-Share*		(5,780)	20.00%		(7,225)
Subtotal Benefits	\$	52,423	80.7%	\$	73,518
Total Cost	\$	117,423		\$	188,518

**Based on Anchor Plus Plans*

Contracted Services. Contracted services make up the remaining 22.9 percent of personnel costs. The recommended budget includes \$616.0 million for expenditures the state classifies as contracted services, often referred to as 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 \$16.3 million and \$16.7 million in FY 2024 and FY 2025, respectively.

The following graph shows the types of services provided by outside contractors from FY 2015 to the FY 2025 recommended budget. The majority of the reported expenditures were previously for information technology and financial services, as the Unified Health Infrastructure Project was being implemented. They have recently been medical services, and others such as contact tracing during the pandemic. The smallest areas of spending are legal services and buildings and groundskeeping services.

Contracted Services



The 2023 Assembly provided \$587.7 million for FY 2023 and \$568.6 million for FY 2024. Reported expenses for FY 2023 total \$486.5 million, or \$101.2 million below the appropriated amount. Nearly 60 percent of the underspending occurred in the Executive Office of Health and Human Services for direct care worker certification, analytics, and staff support, and in the Department of Elementary and Secondary Education for educational support services.

The Governor’s revised budget includes \$41.4 million more from all sources than enacted for FY 2024, including \$15.6 million more from general revenues. This includes \$4.8 million for medical services at the Rhode Island Psychiatric Hospital; this is partially offset by turnover savings. The recommendation of \$616.0 million for FY 2025 is \$47.4 million more than enacted, of which \$41.0 million is from general revenues. This includes \$15.0 million for instructional coaches in local education agencies with high academic need as well as supporting professional development for teachers.

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 paragraphs that follow identify these reporting requirements as well as 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 as well as an appeals process prior to privatization of 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 that the reporting be annually submitted to the Budget Office electronically. 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 be in compliance with this reporting requirement. Since then, reports for FY 2015 through FY 2023 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 a 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 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 was collected in FY 2020, \$196,270 in FY 2021, \$107,795 for FY 2022, and \$34,482 for FY 2023. The budgets include \$138,834 for FY 2024 and \$134,753 for FY 2025.

P.L. 2007, Chapter 073. The 2007 Assembly adopted legislation to correct a situation concerning contract employees that were doing the same work as state employees, under state employee supervisors.

Departments and agencies would be allowed to 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 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 through FY 2024 enacted budgets. The Governor's FY 2025 recommendation retains the provision.

Recent Compensation and Benefit Revisions

Recent budgets have included initiatives affecting personnel costs including savings from reducing retirement benefits, compensation and implementing pay reductions for state employees. These are described in the paragraphs that follow, along with the Assembly's action on those items.

- **Retirement Benefits.** As part of a special session, the 2011 Assembly enacted legislation that suspended new cost-of-living adjustments to retirees' benefits until the system is better funded but provided for an intermittent cost-of-living adjustment every five years until the system in the aggregate is 80.0 percent funded. It moved all but public safety employees into a hybrid pension plan that includes a defined contribution plan. It increased the minimum retirement age for most employees not already eligible to retire and changed the benefit accruals to 1.0 percent per year of service beginning July 1, 2012. It reduced the vesting requirement from ten years to five years and preserved accrued benefits earned through June 30, 2012. It increased the minimum retirement age for teachers and state employees to Social Security Normal Retirement Age, not to exceed 67, applied proportionally to employees based on current years of service, but no less than 59.

Public labor unions challenged the constitutionality of the law subsequent to its enactment. To avoid what could have been a lengthy and costly trial, the state and labor unions were ordered into federal mediation. In February 2014, a proposed settlement was announced, which maintained most of the pension changes; however, the retirement age was reduced from 67 to 65 and allowed employees who have worked at least 20 years to keep their defined-benefit pensions. Retirees would receive a one-time 2.0 percent cost-of-living increase upon the enactment of the agreement and intermittent cost-of-living increases would be given every four years instead of every five years. Additionally, the settlement needed the approval of retirees, state employees, as well as the General Assembly. If more than half of any one group were to vote against the settlement, the litigation would continue. Though most employees and retirees voted in support of the settlement, a majority of police officers voted against it; thereby rejecting the settlement in whole. The trial was originally scheduled for September 2014, and later rescheduled for April 2015.

In March 2015, a proposed settlement was announced. The Assembly enacted Article 21 of 2015-H 5900, Substitute A, as amended, to codify the pension settlement agreement signed by all the parties (except all municipal police and Cranston fire) in April 2015 and determined by the Court to be fair, adequate and reasonable in May 2015. The legislation does not exclude any parties. It preserves over 90 percent of the 2011 pension reform savings. The changes include providing a cost-of-living increase every four years instead of every five as well as two, one-time \$500 payments to all current retirees. It changes the formula for calculating the cost-of-living increase to use both investment returns and the consumer price index with a maximum of 3.5 percent; at the time it was only based on investment returns with a 4.0 percent maximum. It also increases the base used for cost-of-living calculations from \$25,000 to \$30,000 for current retirees.

It returned state employees, teachers and Municipal Employees Retirement System (MERS) general employees with at least 20 years of service as of June 30, 2012 to a defined benefit plan with a 2.0 percent annual accrual and higher employee contribution rate. It increased the state's contribution to the defined contribution plan for those with between 10 and 20 years of service as of June 30, 2012. It increased accrual

rates for correctional officers and municipal public safety employees. The legislation also included adjustments to the retirement age for all groups and allowed local municipalities to re-amortize the unfunded liability four additional years to 25 years for MERS plans and the local employer portion of teacher contributions.

The Assembly adopted legislation in Article 12 of 2023-H 5200, Substitute A, as amended, requiring 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 must be submitted to the Governor, Speaker of the House, and President of the Senate no later than March 1, 2024.

The 2023 Assembly altered the intermittent cost-of-living adjustments which are in effect until the system is 80.0 percent funded. The legislation replaced that provision with a requirement for 25.0 percent of what the cost-of-living calculation would produce if the system was 80.0 percent funded effective beginning in calendar year 2024. The calculation used both investments returns and inflation with a maximum of 3.5 percent and, limited for calendar year 2023 to the first \$28,878 of pension benefits for those who retired after July 1, 2015 and \$34,654 for those that retired before July 1, 2015. This provision will be in effect until the reinstatement of the current cost-of-living adjustment. As of the June 30, 2022 valuation, the state employee's system was 58.8 percent funded and the teacher system was 61.5 percent funded. The systems are projected to reach 80.0 percent funded status in FY 2031.

The 2023 Assembly also 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 in excess of adopted estimates for that year upon issuance of the audited financial statement to the Employees' Retirement System.

- **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 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.

Governor Raimondo proposed in her FY 2016 budget to freeze longevity payments currently expressed as a percent of salaries, at the amount earned by an employee as of June 2015, or the last pay period prior to the expiration of applicable collective bargaining agreements, whichever occurs later. She subsequently requested an amendment to rescind this proposal. The Assembly retained 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 was 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 appear to have been 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 was \$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 crisis provided \$1,250.0 million to Rhode Island 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. In total, 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 at the time. 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 specifically pay off this debt. His out-year forecast assumed annual savings to the state begin in FY 2025, when those rates are set with this liability removed. The FY 2025 rates were adopted by the Employees' Retirement System in December 2022 based on the June 30, 2022 valuations.

- **Statewide Cost-of-Living Adjustments.** In late 2021, Governor McKee reached agreements with a majority of state employee unions that include cost-of-living adjustments of 2.5 percent annually from FY 2021 through FY 2024, for a total of 10.0 percent. It also includes two \$1,500 bonuses with one payable to current union employees as of the ratification of the contract and the second for those employed on July 1, 2022. His budget included \$102.6 million in FY 2022 and \$203.5 million in FY 2023 to account for these agreements and assuming the pay increases also apply to non-union state employees. It did not account for potential costs where settlements were not yet reached. The general revenue share is \$65.0 million in FY 2022 and \$126.3 million in FY 2023. The value of the bonus payments alone is \$21.4 million over the two-year period with \$12.6 million from general revenues; it is applicable only to union employees.

The 2022 Assembly concurred with the Governor's subsequent amendment to add a total of \$2.8 million in FY 2022 and FY 2023 for retention bonuses that were understated in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. It also provided \$21.1 million from all sources, including \$11.8 million for the State Trooper contract settlement and \$9.3 million for members of the Rhode Island Brotherhood of Correctional Officers for base costs if similar agreements to those of other state employees are reached.

The Governor's FY 2023 revised and FY 2024 recommended budgets included a total of \$50.0 million from general revenues for projected costs associated with the collective bargaining agreement with the Rhode Island Brotherhood of Correctional Officers but the contract was not settled at the time the budget was released. The Assembly concurred with the Governor's subsequent amendment to provide an additional \$2.0 million and adjust funding between years to reflect the finalized contract. It also concurred with the requested amendment to add a total of \$6.8 million from all sources in both FY 2023 and FY 2024 for a new contract with the United Nurses and Allied Professionals.

Component	General Revenues	All Funds
FY 2021 - Year 1 - Retro Payment	\$ 20,691,740	\$ 29,554,790
FY 2022 - Year 1 Base Adjustment	20,691,740	29,554,790
FY 2022 - Year 2 Increment	17,364,917	32,815,201
First Bonus	7,298,102	12,067,179
State Troopers	3,161,221	3,400,000
FY 2022 Budget	\$ 69,207,720	\$ 107,391,960
FY 2023 - Years 1 & 2 Base Adjustment	\$ 38,056,657	\$ 62,369,991
FY 2023 COLA - Year 3 Increment	16,889,677	27,820,866
Second Bonus	7,360,898	12,168,773
RIBCO Reserve & State Troopers	17,225,609	17,732,966
FY 2023 Enacted Budget	\$ 79,532,841	\$ 120,092,596
RIBCO Reserve Adjustment	\$ 25,700,000	\$ 25,700,000
RIBCO Contract Adjustment (GBA)	(7,825,818)	(7,825,818)
UNAP Contract Adjustment (GBA)	1,415,129	2,238,039
FY 2023 Final	\$ 98,822,152	\$ 140,204,817
RIBCO Reserve Adjustment	\$ 5,700,000	\$ 5,700,000
RIBCO Contract Adjustment (GBA)	9,784,145	9,784,145
UNAP Contract Adjustment (GBA)	2,799,435	4,606,692
FY 2024 Enacted	\$ 117,105,732	\$ 160,295,654
RIBCO Nursing Staff - FY 2024 Rev.	\$ 1,665,879	\$ 1,665,879
RIBCO Nursing Staff - FY 2025	\$ 1,812,879	\$ 1,812,879
<i>Change to Enacted</i>	\$ 3,478,758	\$ 3,478,758

The Governor's FY 2024 revised and FY 2025 recommended budgets include an additional \$3.5 million from general revenues to cover costs associated with a recent settlement agreement with the Rhode Island Brotherhood of Correctional Officers nursing staff.

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 of employment.

For many years, the budget has also limited state employees whose funding is from non-state funds that are time-limited to receive appointments limited to the availability of the non-state funding source.

- **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 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, eight 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.

The following table summarizes the distribution of positions by function. A description of the position changes from the FY 2024 enacted budget follows. Education and human services functions together account for 54.6 percent of all positions. Changes are concentrated in general government and human services.

Changes to Enacted	Gen. Gov't.	Human Services	Education	Public Safety	Natural Res.	Transp.	Total
<i>FY 2024 Enacted</i>	2,533.4	3,795.3	4,762.6	3,333.6	457.0	755.0	15,636.9
New Positions	35.0	32.2	4.0	6.0	12.0	-	89.2
Program Reduction	(0.1)	-	-	(0.2)	-	-	(0.3)
<i>Total Change to Enacted</i>	34.9	32.2	4.0	5.8	12.0	-	88.9
FY 2025 Recommended	2,568.3	3,827.5	4,766.6	3,339.4	469.0	755.0	15,725.8
Percent by Function	16.3%	24.3%	30.3%	21.2%	3.0%	4.8%	100%

Program Changes to FY 2024 Enacted Staffing Levels

Administration. The Governor recommends FY 2025 staffing of 683.6 full-time equivalent positions, 8.9 more than authorized. This includes 6.0 new positions to support the implementation of the Enterprise Resource Planning System, 1.0 grounds officer position who will be responsible for overseeing maintenance related activities for the Shepard Building, 1.0 chief data officer to oversee a new Data Program, and 1.0 assistant administrator of financial management position in the Office of Energy Resources. Consistent with the revised budget, the recommendation reflects the elimination of a 0.1 position, for FY 2024 revised staffing of 674.6 positions.

Revenue. The Governor recommends 587.5 full-time equivalent positions for FY 2024, adding 12.0 positions to support the iGaming initiative approved by the 2023 Assembly. For FY 2025, he recommends 596.5 full-time equivalent positions, which adds seven more positions for iGaming and five positions for Taxation, of which two are for youth vaping abatement activities and three are for enhanced revenues collections.

Public Utilities Commission. The Governor recommends 56.0 full-time equivalent positions for FY 2025, 2.0 more than enacted to replace 2.0 former dedicated regulatory staff within the Office of Attorney General.

Executive Office of Health and Human Services. The Governor recommends 233.0 full-time equivalent positions for FY 2025, 15.0 more than enacted. This includes the transfer of 6.0 communications positions from the Departments of Health, Human Services, and Behavioral Healthcare, Developmental Disabilities and Hospitals, 1.0 new position for Medicaid Eligibility Quality Control unit, 2.0 positions to support long term health system planning and 1.0 position to support the Certified Community Behavioral Health Clinics. The recommendation also adds 5.0 positions to support the RItE Share program, of which 3.0 would be converted from contractors.

Children, Youth and Families. The Governor recommends 714.5 full-time equivalent positions for FY 2025, 9.0 more than enacted. This includes 8.0 positions to help staff additional modules which have opened because of increases in the juvenile population, 2.0 licensing positions for oversight of children's behavioral health organizations and 1.0 transfer to the Executive Office of Health and Human Services for the consolidation of communication staff.

Health. The Governor recommends FY 2024 revised staffing of 575.6 full-time equivalent positions, 1.2 positions more than enacted, including one position to oversee a newly awarded federal grant, and partial

authorization for a full-time equivalent position to support the Women Cancer Screening Program. His recommendation of 572.6 positions for FY 2025 is 3.0 fewer positions than the revised budget, reflecting the consolidation of communication-related positions in the Executive Office of Health and Human Services.

Human Services. The Governor recommends 1,079.0 full-time equivalent positions for FY 2025, 9.0 more than enacted. This includes 10.0 new positions for the Pawtucket call center and the transfer of 1.0 communications position to the Executive Office of Health and Human Services.

Behavioral Healthcare, Developmental Disabilities and Hospitals. The Governor recommends 1,202.4 for FY 2024, 2.0 more than enacted to oversee maintenance and operations of the state-owned group homes in both fiscal years. His recommendation of 1,203.4 full-time equivalent positions for FY 2025 is 1.0 fewer than the revised budget, reflecting the transfer of a communications position to the Executive Office of Health and Human Services.

Elementary and Secondary Education. The Governor recommends staffing of 337.1 full-time equivalent positions for FY 2025, 3.0 more than enacted for the Department's administration. This includes one position to support the monitoring of career and technical education programs and two positions to support the expansion of the pre-kindergarten program.

Public Higher Education. The Governor recommends 4,395.3 full-time equivalent positions for FY 2025, 1.0 more than enacted for a new operations coordinator at the Westerly Education Center.

Corrections. The Governor recommends 1,461.0 full-time equivalent positions for FY 2024 and FY 2025, which is 1.0 more than enacted to reflect a new chief inspector for the investigations office.

Judiciary. The Governor recommends 745.3 full-time equivalent positions for FY 2025. This adds two court reporter positions to Superior Court to maintain its collectively bargained six to five ratio of court reporters to judges and magistrates.

Emergency Management Agency. The Governor recommends 37.0 full-time equivalent positions for FY 2025, 2.0 more than enacted. This includes one position to manage operations of the public safety warehouse and an assistant director of communications position, who would function as the principal public information officer during emergencies.

Public Safety. The Governor recommends 632.0 full-time equivalent positions for FY 2024, 0.2 positions fewer than enacted; to the revised budget he adds 1.0 capitol police officer for FY 2025 staffing of 633.0.

Environmental Management. The Governor recommends 437.0 full-time equivalent positions for FY 2025, 12.0 positions more than enacted to support operations at state parks and beaches and replace seasonal employees, for which recruitment has been a problem.

Internal Service Funds

The state uses internal service funds to reimburse one agency for services provided to another. For example, the Central Utilities account within the Department of Administration charges agencies for utilities expenses, such as electricity costs. 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. 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 2017 Assembly adopted legislation authorizing internal service funds for centralized services including information technology, facilities management, and human resources. It also requires that the Department of Administration report on a quarterly basis, starting with October 15, 2017, the fund activities, 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 chairpersons of the House and Senate Finance Committees. The following table shows the dates the reports were submitted.

Fiscal Year	1st 10/15	2nd 1/15	3rd 4/15	4th 7/15
2024	10/16	1/31		
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. This following table shows them included.

FY 2025 Recommended Including ISF	General Revenues	Federal Funds	Restricted Receipts	Other Funds	Total
Salaries and Wages	\$ 688,500,809	\$ 184,830,542	\$ 57,532,290	\$ 443,783,701	\$1,374,647,342
Benefits	436,019,822	109,352,364	33,389,309	181,656,462	760,417,957
Total Salaries and Benefits	\$1,124,520,631	\$ 294,182,906	\$ 90,921,599	\$ 625,440,163	\$2,135,065,299
Contracted Services	151,595,052	297,642,779	117,258,108	66,182,341	632,678,280
Total Personnel	\$1,276,115,683	\$ 591,825,685	\$ 208,179,707	\$ 691,622,504	\$2,767,743,579

The associated staffing costs of \$66.7 million support 463.2 full-time equivalent positions statewide, including 419.0 positions in the Department of Administration. There are also 12.0 positions in the Department of Public Safety, 4.2 positions in the Secretary of State and 28.0 positions in the Department of Corrections.

This 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 2023 Preliminary	FY 2024 Enacted	FY 2024 Rev. Req.	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Human Resources	\$ 16,036,927	\$ 17,117,623	\$ 17,996,206	\$ 17,853,821	\$ 18,960,314	\$ 17,669,248
Facilities Management	54,221,916	61,150,543	60,550,422	53,343,973	65,704,067	53,327,083
Information Technology	44,483,960	56,136,183	56,136,183	56,110,196	59,398,792	62,092,295
Total	\$ 114,742,803	\$ 134,404,349	\$ 134,682,811	\$ 127,307,990	\$ 144,063,173	\$ 133,088,626
Agency Budgets						
Human Resources	\$ 15,346,322	\$ 17,424,425	\$ 17,160,089	\$ 17,160,089	\$ 17,663,133	\$ 18,794,624
Facilities Management	53,779,709	63,731,086	63,166,237	54,507,384	63,127,196	51,950,609
Information Technology	44,520,008	55,238,259	51,817,244	51,646,015	52,540,839	51,462,136
Total	\$ 113,646,039	\$ 136,393,770	\$ 132,143,570	\$ 123,313,488	\$ 133,331,168	\$ 122,207,369
Difference	\$ 1,096,764	\$ (1,989,421)	\$ 2,539,241	\$ 3,994,502	\$ 10,732,005	\$ 10,881,257

Through the second quarter of FY 2024, the aforementioned program expenses totaled \$56.3 million and it appears that agencies were billed \$62.5 million, \$6.2 million more than expenditures. The recommended budget for information technology services, facilities management and human resources support total

\$133.1 million for FY 2025; however, the amount of resources assumed in agency budgets to support these operations total \$122.2 million, or \$10.9 million less.

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 2023, the fund balance was \$50,993. Through the second quarter of FY 2024, expenses total \$7.9 million, while the Department billed \$9.6 million for services. This results in a current year surplus of \$1.7 million. As of late December 2023, 13,948.6 full-time equivalent positions are filled; this is 236.2 and 472.7 positions more, respectively than December 2022 and 2021.

Human Resources	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 12,892,421	\$ 13,233,725	\$ 13,969,923	\$ 14,739,435
Contracted Services	186,152	204,200	204,200	204,200
Other State Operations	2,899,558	3,650,198	3,650,198	2,696,113
Capital	58,796	29,500	29,500	29,500
Total	\$ 16,036,927	\$ 17,117,623	\$ 17,853,821	\$ 17,669,248
Ending Fund Balance	\$ 50,993			
FTE Authorization	101.0	103.0	97.0	100.0

The FY 2024 revised request includes expenditures of \$18.0 million, or \$0.9 million more than enacted for salaries and benefits. It restores all but \$0.2 million of the enacted turnover savings. Based on a payroll analysis through the first pay period in January, the revised request is \$0.8 million above projected expenses.

The FY 2025 request of \$19.0 million is \$1.8 million more than enacted. It includes \$15.1 million for salary and benefit expenses of 101.0 full-time equivalent positions, \$1.0 million and 4.0 positions more than the revised request. It assumes no turnover savings and adds \$0.6 million for new positions to assist with the Enterprise Resource Planning System; the human resources module will be implemented in the fourth quarter of calendar year 2024. The positions include two human resources program administrators to focus on data and analytics in the payroll unit of the division, a training supervisor and a senior human resources business partner to provide support to agencies.

The Division's constrained request proposes savings of \$1.1 million. It excludes funding for the new positions and reduces office supplies by \$0.4 million to \$45,720, which was the average spent in the last three fiscal years. *The Governor's revised recommendation for FY 2024 is \$0.1 million less than requested, primarily for turnover savings, which is partially offset by increased employee health benefit rates. His recommendation for FY 2025 totals \$17.7 million, which is \$1.3 million less than requested, including \$1.0 million less for the division's share of centralized information technology services. Salary and benefit expenses are \$0.3 million less; it funds one fewer position and assumes an additional \$0.3 million for turnover savings, partially offset by \$0.1 million for higher than anticipated employee health benefit rates.*

Facilities Management. Facilities Management provides services including property management, grounds keeping 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 utilities, 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 billed 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 were 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 \$0.2 million and \$0.4 million, respectively for FY 2022 and FY 2023. Through the second quarter of FY 2024, expenses total \$27.5 million, while the Department billed \$31.6 million for services; a current surplus of \$4.1 million. It should be noted that facilities management expenses are generally higher during winter months.

Facilities Management	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 12,722,152	\$ 15,592,168	\$ 13,493,321	\$ 14,535,985
Contracted Services	9,243,265	8,582,254	8,582,254	9,180,748
Other State Operations	31,861,758	36,961,121	31,253,398	29,595,350
Capital	394,741	15,000	15,000	15,000
Total	\$ 54,221,916	\$ 61,150,543	\$ 53,343,973	\$ 53,327,083
Ending Fund Balance	\$ (417,107)			
FTE Authorization	107.1	107.1	110.0	111.0

The FY 2024 revised request includes \$60.6 million, which is \$0.6 million less than enacted. It includes \$13.4 million for salaries and benefits for 110.0 full-time equivalent positions. This is \$2.2 million less than enacted, reflecting turnover savings for which the enacted budget did not assume any. As of early December, the Division had 21.2 vacancies. The revised request adds \$0.4 million for contracted services, including \$0.2 million for security, \$0.3 million for utilities, and \$0.9 million for property insurance, reflecting actual expenses.

For FY 2025, the request includes expenditures of \$65.7 million for facilities management, which is \$4.6 million more than enacted. It includes \$14.3 million for salary and benefit expenses of 111.0 full-time equivalent positions. This is \$0.9 million and 1.0 position more than the revised request, adding authorization and funding for a new building and grounds officer position who will be responsible for overseeing maintenance related activities for the Shepard Building. The University was scheduled to vacate the building by the end of December and effective January 1, 2024, the Division of Capital Asset Management and Maintenance would take over management. It now anticipates vacating by June 30, pending securing a long-term lease in Providence. The request also includes \$1.9 million for maintenance expenses of the Shepard Building, which was provided by the University.

The request adds \$0.5 million to purchase new vehicles; the Division plans to replace 47 out of the 50 vehicles over the next five years in order to comply with Executive Order 2023-06, which requires the state's light duty fleet to have a 25.0 percent zero emission by 2030. It includes \$1.4 million for insurance, \$44,358 more than the revised request, and \$27.5 million, or \$0.3 million less than enacted for utilities. It includes \$0.4 million more, for a total of \$2.0 million for snowplowing; expenses in the last three fiscal years averaged \$0.7 million. It includes increases of \$1.2 million for building and maintenance of heating, ventilation and air conditioning systems, \$0.4 million for grounds keeping, and \$0.2 million for waste disposal, reflecting FY 2023 spent. It also includes \$0.3 million more, for a total of \$3.8 million for operating expenses relating to the Central Power Plant at the Pastore Center. This contract with NORESKO has two components; the direct labor paid, which is a fixed amount and consumables, which depend on repair costs. All remaining expenses are \$0.3 million more, primarily for security services.

The Division's constrained budget proposes savings totaling \$4.6 million. It removes the requested position and \$2.0 million for the Shepard Building, and fleet replacement expenses. It also proposes that contracted

janitorial services be reduced to two days per week for savings of \$1.2 million, and \$0.9 million less for snow removal.

The Governor’s revised recommendation of \$53.3 million is \$7.2 million less than requested, including \$6.9 million for utility savings and \$2.2 million less for security savings. This is partially offset by \$0.1 million for increased employee health benefit rates. The total FY 2025 recommendation is essentially consistent with the revised budget. It includes additional utility savings of \$2.6 million, which are offset by building maintenance and repairs, security and janitorial services.

The recommendation includes \$2.1 million, or \$52,892 more than requested for the Shepard Building. This includes \$50,000 for security services and \$2,892 for higher than anticipated employee health benefit rates.

The recommended budget includes a total of \$1.4 million from general revenues in agency budgets to support these expenses. This includes \$0.9 million for the Department of Elementary and Secondary Education, \$0.5 million for the Department of Housing and \$0.2 million for the Office of Postsecondary Commissioner.

Information Technology. The Division of Information Technology provides centralized information technology services to state agencies. According to the Department of Administration, expenditures are broken into service categories to calculate a 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 increased to \$6.2 million at the end of FY 2023. Through the first half of FY 2024, expenses total \$20.9 million, while the Department billed \$21.3 million for services; resulting in a current surplus of \$0.4 million, totaling \$6.5 million with prior year balance.

Information Technology	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
Expenditures by Category				
Salaries and Benefits	\$ 25,887,261	\$ 29,153,560	\$ 27,788,662	\$ 28,570,388
Contracted Services	2,725,421	5,084,796	4,657,600	4,695,269
Other State Operations	15,228,139	21,874,047	23,640,154	28,802,145
Capital	643,139	23,780	23,780	24,493
Total	\$ 44,483,960	\$ 56,136,183	\$ 56,110,196	\$ 62,092,295
Ending Fund Balance	\$ 6,164,654			
FTE Authorization	172.0	172.0	174.0	175.0

The revised request includes \$56.1 million for FY 2024, consistent with the enacted budget. However, it includes \$1.5 million less for salaries and benefits, reflecting additional turnover savings. Based on a payroll analysis through the first pay period in January, it appears that requested amount of \$27.7 million is \$0.6 million above projected expenses. Through the first half of the year, the Division averaged approximately nine vacancies. This is offset by additional software licensing expenses.

The request includes \$59.4 million for FY 2025, which is \$3.3 million more than enacted. It includes \$27.8 million for salary and benefit expenses for 174.0 full-time equivalent positions, consistent with the revised request. This is \$1.4 million less than enacted; however, it is \$0.1 million more than the revised request for staffing costs and allocations. Operating expenses of \$31.6 million are \$4.6 million more than enacted, including \$0.3 million less for contracted information technology support. It includes \$4.0 million for various software licensing, including \$3.0 million to upgrade from Microsoft Windows 10. The Department notes that effective October 2025, this version will no longer be supported. The request also includes an additional \$0.6 million for the last phase of network switch replacement. This brings total expenses to \$3.3

million for a total of 845 switches, averaging approximately \$4,000 per switch. A total of \$1.6 million from the information technology restricted receipts were used.

The Division's constrained request proposes savings of \$5.2 million. It reduces overtime expenses by half to \$0.3 million; however, FY 2023 costs were \$0.5 million. It includes \$1.7 million less for maintenance of computer equipment and excludes the requested \$3.0 million for upgrading Windows.

The revised recommendation is \$25,987 less than requested, including \$143,605 to account for utility savings, from the division's facility in Warwick. It also adds \$117,617 for increased employee health benefit rates.

The FY 2025 recommended budget includes \$62.1 million, which is \$2.9 million more than requested. This includes \$4.0 million of expenses related to implementation of new systems management software. Funding to support the systems will be charged on a per-employee basis but collected through the established Division of Information Technology internal service fund. A total of \$2.7 million from general revenues was added in agency budgets for their share of using the systems; amounts to be recovered from other sources will be determined at a later time. All remaining expenses are \$1.4 million less than requested, primarily for computer equipment; \$0.2 million from utility savings are offset by higher than anticipated employee health benefit rates.

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, and at the end of FY 2023, the balance appears to be \$5.4 million; final audit data is not available. The Department projects FY 2024 revised expenses of \$37.4 million, essentially as enacted. It includes \$0.4 million in turnover savings, offset by \$0.2 million each for benefit payments and contracted services, to align expenses for the third-party administrator with FY 2023 spent.

The request includes \$37.0 million for FY 2025, which is \$0.4 million less than the revised request. It includes \$25.6 million, or \$0.2 million less for benefit payments; however, it should be noted that expenses were \$20.3 million for FY 2023, \$21.2 million for FY 2022 and \$21.9 million for FY 2021. It also includes the enacted amount of \$1.5 million for the third-party administrator.

The constrained budget proposes savings of \$1.7 million by lowering benefit payments to \$23.9 million. *The Governor concurs with requested expenses for both years, and includes utility savings, partially offset by higher than anticipated employee health benefit rates.*

Central Mailroom. 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 funding essentially as enacted and the authorized level of 9.0 full-time equivalent positions for FY 2024.

For FY 2025, the Department projects expenditures of \$8.4 million, which are \$0.4 million more than enacted. It includes \$1.5 million to fund 9.5 full-time equivalent positions. This is \$0.1 million and 0.5 positions more than enacted, reflecting staffing costs and allocations. Operating expenses of \$6.9 million are \$0.3 million more, including \$0.1 million for equipment maintenance and \$0.2 million for postage, based on the January 21, 2024 rate increase.

The Division's constrained budget reduces overtime expenses by half to \$121,314; the average spent in the last three fiscal years. *The Governor concurs with requested expenses for both years, and includes utility savings, partially offset by higher than anticipated employee health benefit rates.*

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 2024 revised and the FY 2025 requests assume staffing of 7.0 full-time equivalent positions, consistent with the enacted level.

The revised request includes expenses of \$16.6 million, or \$3.5 million more than enacted. This includes \$3.4 million to align maintenance and fuel expenses with prior year spending. Salary and benefit expenses are essentially consistent with the enacted budget. It also adds \$140,000 to purchase two electric sport utility vehicles. The request of \$17.0 million for FY 2025 is \$0.4 million more than the revised, to account for a 3 percent increase for fuel and maintenance expenses. *The Governor recommends \$1.2 million less for FY 2024 and \$1.5 million less for FY 2025 than requested, primarily reflecting utility savings.*

Telecommunications. The Division of Information Technology's telecommunications program manages all voice telephone line installations, service changes and billings statewide. It also provides direct services both internally to government and to the public. Agencies are billed based on the number of lines they have as well as requested maintenance. The revised request is consistent with FY 2024 enacted expenses of \$3.7 million.

The request includes \$3.7 million for FY 2025, or \$81,875 more than enacted. It includes \$1.0 million for salary and benefit expenses for 7.0 full-time equivalent positions. This is \$10,720 more than enacted and \$11,271 more than the current service estimate, reflecting the restoration of turnover savings. Operating expenses of \$2.7 million are \$71,155 more, primarily for telecommunication.

The constrained budget proposes savings of \$0.8 million by eliminating desk phones. *The Governor concurs with requested expenses for both years and includes utility savings, partially offset by higher than anticipated employee health benefit rates.*

Medicaid

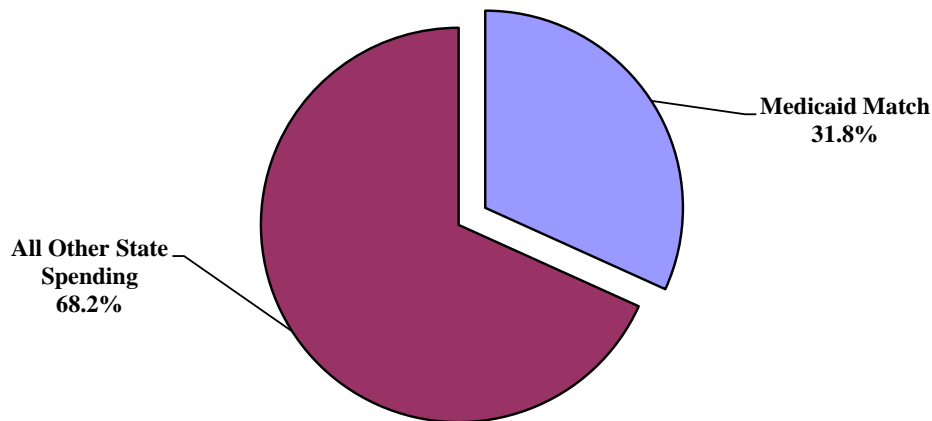
Medicaid is a health insurance program jointly funded by the federal government and the states to provide services to low-income children, pregnant women, parents of dependent children, elderly, and people with disabilities. The federal government’s share of expenditures for most Medicaid services is called the federal medical assistance percentage (FMAP). The remainder is referred to as the nonfederal or state share. With passage of the Patient Protection and Affordable Care Act of 2010, states have the option of expanding coverage to include certain low-income adults with the federal government paying all program costs for the first three years and 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, including administrative costs and direct benefits, as well as by percent of the total Medicaid budget.

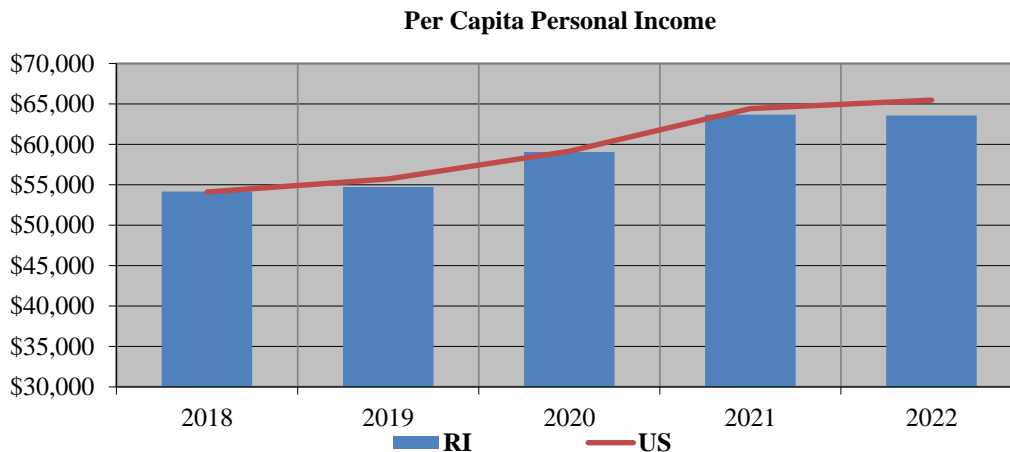
FY 2025 Recommended	General Revenues	All Funds	% of Medicaid
EOHHS	\$ 1,398,926,592	\$ 3,907,050,647	84.1%
BHDDH	269,466,169	605,912,141	13.0%
Children, Youth and Families	40,422,158	91,503,485	2.0%
Human Services	13,664,119	34,581,190	0.7%
Health	1,053,157	5,538,551	0.1%
Total	\$ 1,723,532,195	\$ 4,644,586,014	100%

Medicaid as a Percent of the State Budget. Programs supported by Medicaid are 34.0 percent of total spending in the FY 2025 recommended budget and the state match for that requires 31.8 percent of 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 2025 State Medicaid Match vs
All General Revenue Spending**



Medicaid Rate. The federal medical assistance percentage, also known as the federal Medicaid matching 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 2025 rate is based on 2020 through 2022 data. The per capita income data released by the federal Bureau of Economic Analysis is used by the federal government to calculate each state’s Medicaid reimbursement rate.

Since the Medicaid rate is published for the federal fiscal year that starts on October 1, the state uses a blended rate for its fiscal year. For example, Rhode Island’s FY 2025 rate is based on one quarter of the federal fiscal year 2024 rate and three quarters of the federal fiscal year 2025 rate resulting in the different rate for budgetary purposes.

The following table shows the regular federal fiscal year rate, the regular state fiscal year rate and the enhanced rates related to the pandemic for FY 2020 through FY 2025. As shown, the federal share has remained fairly consistent over the last several years.

Medicaid Rates	FFY		SFY	
	Regular	Enhanced	Regular	Enhanced
2025	56.31%	N/A	55.99%	N/A
2024	55.01%	55.75%	54.75%	55.75%
2023	55.01%	60.16%	54.19%	60.09%
2022	54.88%	61.08%	54.68%	60.88%
2021	54.09%	60.29%	53.81%	60.01%
2020	52.95%	59.15%	52.86%	59.06%

Families First Coronavirus Response Act - Enhanced Medicaid Rate. On March 18, 2020, President Trump signed into law the Families First Coronavirus Response Act, which temporarily increased a state’s Medicaid match rate by 6.2 percent for services provided from January 1, 2020 until the end of the public health emergency. In exchange, states could not terminate enrollment for those who no longer qualify for benefits.

On December 29, 2022, Congress passed the Consolidated Appropriations Act, 2023 which decoupled the requirement for continued eligibility for Medicaid enrollees and related rate enhancement for the Medicaid match from the public health emergency declaration. The legislation lifted the prohibition on eligibility redeterminations as of March 31, 2023. States had to start the 12-month redetermination process no later than April 1, 2023.

The enhanced Medicaid rate was phased down through the second quarter of FY 2024. The 6.2 percent enhanced rate remained in effect through the third quarter and phased down to 5.0 percent in the fourth quarter. For FY 2024, the enhanced rate is 2.5 percent in the first quarter and 1.5 percent in the second quarter, which marks the end of the rate enhancement. In order for states to receive the enhanced Medicaid rate, they must meet certain conditions. They must have submitted a renewal distribution and system readiness plan by February 1, 2023, if they began the redetermination process in February, or by February 15, 2023, if they began in either March or April. States must also report data related to the unwinding by the eighth day of the month in which the redetermination process starts.

Savings from the enhanced Medicaid rate are partially offset by the state having to maintain enrollment of individuals who may no longer be eligible. The following table shows the gross savings to general revenues from the increased federal share for FY 2020 through the FY 2024 revised budget totaling \$686.1 million. These savings are offset by the fluctuations in enrollment which grew by approximately 74,200 individuals from February 2020 through March 2023. Enrollment is expected to decline as eligibility is recertified.

Gross General Revenue Savings	
FY 2024 Gov. Rev.	\$ (29.6)
FY 2023 Final	(162.8)
FY 2022 Final	(280.0)
FY 2021 Final	(135.9)
FY 2020 Final	(77.8)
Total	\$ (686.1)

\$ in millions

Medicaid - CHIP Enhanced Rate. The federal medical assistance percentage rate 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 federal medical assistance percentage rate, the federal matching rate for the Children’s Health Insurance Program (CHIP). The enhanced Medicaid rate reduces the state share by 30 percent. For example, if a state’s Medicaid rate is 52 percent, its state share is 48 percent. That is lowered to 33.6 percent under the enhanced rate of 66.7 percent. A state’s Medicaid rate may increase or decrease depending on the adjustment to a state’s per capita income, as does the enhanced Medicaid rate.

The Affordable Care Act increased the already enhanced rate by another 23 percentage points until FFY 2020 when it was lowered 11.5 extra points to 78.57 percent. The regular enhanced rate returned in FFY 2021 at a rate of 67.28 percent and it is projected that FY 2025 will be 69.19 percent.

CHIP Rates	FFY	SFY
2025	69.42%	69.19%
2024	68.51%	68.33%
2023	67.77%	67.93%
2022	68.42%	68.28%
2021	67.28%	70.10%
2020	78.57%	81.38%

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 him signing a package of amendments called 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 threshold is 133 percent, but the act includes a 5 percent disregard, essentially making the Medicaid eligibility threshold 138 percent. The Tax Cuts and Jobs Act of 2017 eliminated the individual mandate penalty to purchase health insurance, but did not make any changes to the expansion program.

The Affordable Care Act also provides for premium credits and cost-sharing subsidies for individuals and families between 139 percent and 400 percent of poverty; this also remains unchanged in the Tax Cuts and Jobs Act. The act requires most employers 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 parent, student status, employment or marital status. The law does not require that a plan or issuer offer dependent coverage, but that 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.

States were required to maintain the same income eligibility levels through December 31, 2013 for all adults, and this requirement was extended through September 30, 2019, or FY 2020, for children currently on Medicaid. It was extended again until September 30, 2023 with the passage of the Healthy Kids Act that extended the Children's Health Insurance Program. For Rhode Island, this requirement applies 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, which is 133 percent of poverty after disregarding five percent of the annual income.

Similar to provisions in the American Recovery and Reinvestment Act of 2009, the Affordable Care Act prohibits states from lowering enrollment or making eligibility stricter. States can reduce provider rates, but must prove that the reduction will not make it harder for Medicaid patients to get needed care; states may eliminate optional benefits.

Between 2014 and 2016, the federal government paid 100 percent of the cost of covering newly-eligible individuals. On January 1, 2017, the Medicaid rate decreased to 95 percent. The rate was 94 percent for calendar year 2018; it dropped to 93 percent in 2019 and 90 percent on January 1, 2020 for all subsequent years, requiring a 10 percent state match.

The following table shows total program expenses and the state match for FY 2020 through the FY 2025 recommended budget and projected through FY 2029. Expenditures shown from FY 2021 through FY 2023 reflect caseload growth partially attributable to the prohibition on redeterminations during the public health emergency. As previously noted, redeterminations began April 1, 2023 and the state match for this program remains at ten percent; the delay in redeterminations did affect total state costs, which more than doubled.

Medicaid Expansion		
FY	General Revenues	All Funds
2029	\$ 94.9	\$ 889.7
2028	\$ 90.9	\$ 851.6
2027	\$ 86.9	\$ 814.2
2026	\$ 83.4	\$ 781.9
2025	\$ 80.0	\$ 749.5
2024	\$ 89.3	\$ 821.7
2023	\$ 87.6	\$ 810.0
2022	\$ 85.6	\$ 802.7
2021	\$ 68.8	\$ 643.8
2020	\$ 42.9	\$ 487.3

\$ 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, known as the Exchange. 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 that would be raised through the federally facilitated marketplace upon those insurers offering products on the Exchange. The assessment is anticipated to generate \$11.5 million for FY 2025.

The 2019 Assembly also included 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 FY 2025 recommended budget includes \$3.5 million from general revenues to be used in conjunction with these revenues for the operations of HealthSource RI.

HealthSource RI, in addition to offering in-person assistance from professional health benefits navigators, also offers 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 through HealthSource RI 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, and those who 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.

HealthSource RI began accepting applications on October 1, 2013. Health plans offered through the marketplace are categorized into tiers based on the level of benefits and cost sharing requirements. Individuals in households with income below 400 percent of poverty 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 with the state paying 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.

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 included 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 2025 recommended budget includes \$16.4 million, which is \$10.8 million from federal funds and \$5.7 million in revenue from the Shared Responsibility Payment penalty for individuals who do not have health insurance coverage, with certain exemptions. This includes \$15.8 million to make reinsurance payments to health insurance carriers and \$0.6 million for program administration.

Unified Health Infrastructure Project. The state received approval from the Centers for Medicare and Medicaid Services in April 2015 to implement a nine-year, \$230.8 million project, including \$162.6 million from federal funds including Medicaid, matched by \$50.6 million from general revenues. The project is a joint venture among the Executive Office of Health and Human Services, Department of Human Services, and HealthSource RI. That initial plan was subsequently increased to \$363.7 million, including \$79.0 million for the state match, and would be a fully integrated system, RI Bridges, instead of two separate systems for its human services eligibility, application and worker accessibility activities in the affected agencies as originally planned. In September 2016, the old system was shut down and the new system became operational. The following table includes spending from FY 2016 through the FY 2025 recommended budget.

Unified Health Infrastructure Project/Contact Center	General Revenues	Federal Funds	Deloitte Settlement Funds	Other Restricted & HealthSource RI	Total
FY 2016 to FY 2023	\$ 107,101,509	\$ 404,194,643	\$ 49,262,860	\$ 20,749,570	\$ 585,593,055
FY 2024 Enacted					
EOHHS	\$ 14,381,097	\$ 43,882,038	\$ -	\$ -	\$ 58,263,135
DHS	13,559,111	18,389,865	-	-	31,948,976
HealthSource RI/Contact Center	2,204,186	-	-	5,166,245	7,370,431
Total	\$ 30,144,394	\$ 62,271,903	\$ -	\$ 5,166,245	\$ 97,582,542
FY 2024 Governor Revised					
EOHHS	\$ 14,195,456	\$ 49,716,388	\$ 216,430	\$ -	\$ 64,128,274
DHS	14,392,414	20,098,223	-	-	34,490,637
HealthSource RI/Contact Center	1,728,043	-	-	5,162,338	6,890,381
Total	\$ 30,315,913	\$ 69,814,611	\$ 216,430	\$ 5,162,338	\$ 105,509,292
FY 2025 Recommendation					
EOHHS	\$ 14,371,314	\$ 50,210,694	\$ -	\$ -	\$ 64,582,008
DHS	14,362,757	17,036,734	520,708	-	31,920,199
HealthSource RI/Contact Center	1,497,552	-	-	5,013,568	6,511,120
Total	\$ 30,231,623	\$ 67,247,428	\$ 520,708	\$ 5,013,568	\$ 103,013,327
FY 2016 through FY 2025 Recommendation	\$ 167,649,045	\$ 541,256,682	\$ 49,999,998	\$ 30,925,476	\$ 794,115,674

Health System Transformation Program. The Assembly enacted Section 10 of Article 5 of 2015-H 5900, Substitute A, as amended, to authorize the Secretary of Health and Human Services to seek 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 Assembly included Section 9 of Article 7 of 2016-H 7545, Substitute A, as amended, to seek federal authority to fund the Rhode Island Health System Transformation 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 the activities can 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 through FY 2024. Aggregate program and administrative expenses from FY 2017 through the FY 2025 recommended budget total \$244.7 million.

As part of the project, the state developed shared savings agreements between the managed care health plans and the certified affordable entities. The shared savings incentive programs are the Hospital and Nursing Home Incentive Program and the Accountable Entity Incentive Arrangement.

The second phase expanded opportunities through the Accountable Entities Incentive Arrangement. Payments made to the separate entities through the shared savings agreement averaged approximately \$25 million annually for FY 2018 through FY 2022. FY 2023 final expenses totaled \$24.0 million and \$20.9 million for FY 2024. The FY 2025 recommended budget includes \$1.8 million for contracted services, \$0.7 million for administrative expenses, and \$1.1 million for the accountable entities. The following table shows the progression of the grant and examples of the investments made for FY 2019 through FY 2025 in addition to the accountable entities arrangement.

Fiscal Year	Investment
2025	Staff support, data and financial analysis and information technology projects
2024	Workforce Transformation Initiative & Care Transformation Collaborative through DOH
2023	Dept. of Health's Care Transformation Collaborative for Practice Facilitation Services & Collaboration with URI/RIC & CCRI
2022	Real Jobs Healthcare Workforce Initiative with URI, RIC, CCRI & DLT. Continued program support for the Commission on the Deaf and Hard of Hearing
2021	Workforce Transformation Initiative and Care Transformation Collaborative through the Dept. of BHDDH
2020	Workforce Transformation Initiative and program support for the Commission on the Deaf and Hard of Hearing
2019	Healthcare Workforce Transformation Initiative with URI, CCRI & RIC

Rhode Island Consumer Choice Global Compact 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. The Global Waiver establishes 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 in effect until December 31, 2013, at which time the state applied for and received an extension until December 31, 2018, renaming it the 1115 Research and Demonstration Waiver. The state received approval to extend the waiver until December 31, 2023. The FY 2023 final budget includes \$500,000, of which \$250,000 is from general revenues, for the Executive Office of Health and Human Services to work with a consultant to prepare the waiver renewal. The FY 2024 enacted budget includes \$0.9 million, of which \$0.3 million is from general revenues, for a contractor to assist with finalizing the waiver and assisting with the implementation once approved. The state was notified by the Centers for Medicare and Medicaid Services that it was not possible to approve the waiver because of staff capacity at the federal agency. Rhode Island has received extension until December 1, 2024.

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, Behavioral Healthcare, Developmental Disabilities and Hospitals, and Children, Youth and Families.

Waiver Proposals Approved and Part of the Budget	
<i>Program</i>	<i>Explanation</i>
Covering Family Home Visiting Program	<ul style="list-style-type: none"> • 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 that have been approved in the waiver that impact youth and families.

Waiver Proposals Approved and Not Funded as Part of the Budget

<i>Programs for Youth and Families</i>	<i>Explanation</i>
Facilitating Medicaid Eligibility for Children with Special Needs	<ul style="list-style-type: none"> • Eligibility category established for children who meet the SSI disability criteria, but whose household income and assets exceed the SSI resource limits, and who need care in a psychiatric residential treatment facility • Allows children who meet the SSI disability criteria and require care in a residential treatment facility to become Medicaid eligible and receive residential care without parents needing to voluntarily relinquish custody to the Department of Children, Youth and Families
Enhancing Peer Support Services for Parents & Youth	<ul style="list-style-type: none"> • Able to receive federal matching funds for peer mentoring services to children, youth, and young adults, and their families, who have complex behavioral health needs and are at risk of removal from their home due to child welfare or juvenile justice involvement, or who may need extended residential psychiatric treatment

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>
Supporting Home- and Community-Based Therapeutic Services for the Adult Population	<ul style="list-style-type: none"> • Expansion of current in-home/community-based skill building and therapeutic/clinical services offered to children and adults • Services may include but are not limited to: home-based specialized treatment; home-based treatment support; individual specific orientation; transitional services; lead therapy; life skill building; specialized treatment consultation by a behavioral health clinician; and treatment coordination
Access to Care for Homebound Individuals	<ul style="list-style-type: none"> • Cover home-based primary care services only for Medicaid eligible individuals who are homebound, have functional limitations that make it difficult to access primary care, or for whom routine office based primary care is not effective because of complex medical, social, and/or behavioral health conditions
Waive the Institutions of Mental Disease (IMD) Exclusion	<ul style="list-style-type: none"> • 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

One aspect that did change was the process that the state has to adhere to in order to amend the waiver. Previously, the process was dictated by the nature of the change and identified as either a Category I, II or III change. The following table shows each separate category, gives brief explanations and examples, and identifies whether or not Assembly approval is required.

Category	Assembly Approval	Global Waiver Change	Examples 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

As part of the waiver extension, the Centers for Medicare and Medicaid Services notified the state that the process to approve requested waiver changes would be streamlined and the separate categories eliminated. There is now one process to make formal amendment changes that were previously considered Category III. The Assembly included Section 9 of Article 13 of 2019-H 5151, Substitute A, as amended, to retain the requirement for Assembly approval for previous Category II and III changes which will now be identified as formal amendments and state plan changes, respectively.

Poverty Guidelines

The federal poverty guidelines are used for the purpose of determining financial eligibility for certain state and federal programs, including several programs in state agencies under the Executive Office.

The poverty guidelines 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. The guidelines are thresholds used to determine financial eligibility for certain federal programs. They are 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 loosely referred to as the “federal poverty level” or “poverty line.” The 2024 guidelines are shown in the following table.

Percent of Federal Poverty Level Based on Annual Income								
Family Size	100%	133%	135%	175%	180%	185%	200%	225%
1	\$ 15,060	\$ 20,030	\$ 20,331	\$ 26,355	\$ 27,108	\$ 27,861	\$ 30,120	\$ 33,885
2	20,440	27,185	\$ 27,594	35,770	36,792	37,814	40,880	45,990
3	25,820	34,341	\$ 34,857	45,185	46,476	47,767	51,640	58,095
4	31,200	41,496	\$ 42,120	54,600	56,160	57,720	62,400	70,200
5	36,580	48,651	\$ 49,383	64,015	65,844	67,673	73,160	82,305
6	41,960	55,807	\$ 56,646	73,430	75,528	77,626	83,920	94,410
7	47,340	62,962	\$ 63,909	82,845	85,212	87,579	94,680	106,515
8	52,720	70,118	\$ 71,172	92,260	94,896	97,532	105,440	118,620

For families with more than 8 members, add \$5,380 for each additional member for the 100 percent calculation.

Medicaid Recipients

Citizenship. To be eligible to receive Medicaid funded services, an individual must be a state resident and generally either be a citizen or legal resident for at least five years. There are exceptions.

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.

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 133 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.

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 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

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 Assembly included Section 7 of Article 12 of 2022-H 7123, Substitute A, as amended, to extend 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. The legislative change was included in Section 6 of Article 12 of 2022-H 7123, Substitute A, as amended.

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 have the option of providing 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.

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 was submitted in December 2022 and included Medicaid spending by population and cost per person for FY 2022 as shown in the following table.

FY 2022 Medicaid Annual Report					
Populations	Persons	% of Population	Costs*	% of Cost	Annual Cost/Person
Children/Parents	175,470	50.5%	724.7	22.8%	\$ 3,504
Expansion	104,208	30.0%	749.0	23.5%	\$ 6,186
Elderly	24,832	7.2%	673.6	21.2%	\$ 29,124
Disabled - Children	12,154	3.5%	234.6	7.4%	\$ 14,052
Disabled - Adults	30,502	8.8%	800.3	25.1%	\$ 23,496
Total	347,166	100%	3,182.2	100%	

**in millions*

The 2022 annual report includes Medicaid expenditures that total \$3,798.7 million from federal and state funds on both direct benefits and administrative expenses. Of this amount, \$3,182.2 million, or 84 percent of the expenses, are for benefits for covered services for full enrollees. There is another \$428.8 million, or seven 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 expenses. The report also includes \$187.7 million, or five percent of program costs, on administrative expenses. Of the total spent on Medicaid benefits, \$1,102.9 million, or 38.1 percent, was spent on mandatory services for mandatory populations.

FY 2022 Medicaid Annual Report		All Funds	% of Total
Mandatory Populations	Mandatory Services	\$ 1,209.2	38.0%
	Optional Services	541.0	17.0%
	Subtotal - Mandatory Populations	\$ 1,750.2	55.0%
Optional Populations	Mandatory Services	\$ 986.5	31.0%
	Optional Services	445.5	14.0%
	Subtotal - Optional Populations	\$ 1,432.0	45.0%
Total Expenses		\$ 3,182.2	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 elders); 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 is also required to show expenditures by mandatory populations receiving mandatory services and, reported separately, optional services, as well as optional populations receiving mandatory services and, reported separately, optional services for each state agency receiving Medicaid funds.

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 state provides medical benefits to children and their parents who meet the eligibility criteria for the RIte Care program. The federal government mandates that states provide Medicaid benefits to children up to age 19 whose family income is at or below 133 percent of poverty, children in foster care and adoptive assistance, and parents whose income is at or below 50 percent of the poverty level.

The federal government allows states to provide medical benefits to individuals beyond the populations it mandates and that coverage is provided through Medicaid waivers. Rhode Island chooses to provide benefits to children whose family income is at or below 250 percent of poverty (for example, a family of four with an income that does not exceed \$66,250) and to parents if the family income is at or below 133 percent of poverty (for that same family of four, an income that is not above \$35,245). If a family's income is at or below 200 percent of poverty, the child (or children) would receive RIte Care benefits, but the parent (or parents) would not because the annual income is too high. The Centers for Medicare and Medicaid Services issued a ruling that requires states to use the new methodology mandated under the Affordable Care Act for verifying income that uses a family's modified adjusted gross income (MAGI) instead of family income with certain disregards.

Under the methodology conversion, states have a higher income threshold for certain populations because the disregards are adjusted using the new calculation with the intent to not make any person ineligible for benefits because of the conversion. For Rhode Island, this conversion changes the income threshold for children, increasing it from 250 percent with the disregards to 261 percent. For Rhode Island, the income threshold for parents was raised to the mandatory level of 138 percent which is not impacted by the MAGI conversion.

RIte Share participants are eligible for RIte Care but have access to employer sponsored insurance for which the state pays monthly cost sharing requirements and deductibles. The Assembly added Section 7 of Article 13 of 2019-H 5151, Substitute A, as amended, to require a plan be submitted by October 1, by the Executive Office of Health and Human Services to identify Medicaid eligible individuals who have access to employer sponsored health insurance included in the medical assistance report after that. The objective was to increase enrollment in the lower cost benefit that enrolls Medicaid beneficiaries in employer sponsored insurance to levels that existed prior to the launch of the Unified Health Infrastructure Project which totaled approximately 8,400. The November 2023 caseload testimony reported enrollment of about 2,700 for FY 2024 and 2,500 for FY 2025. The 2021 Assembly enacted a new reporting requirement for the Executive Office of Health and Human Services to report employer sponsored insurance plans that meet the cost effectiveness criteria for RIte Share, discussed in the next section.

The Governor's FY 2025 recommendation adds two new positions and converts three contractors for five positions to increase enrollment in the premium assistance program and assumes savings of \$1.3 million, including \$0.6 million from general revenues.

RIte Share Outreach and Reporting. As previously noted, prior to the September 2016 launch of the Unified Health Infrastructure Project (UHIP), there were 8,400 individuals covered through RIte Share compared to the 2,000 reported in November 2020. In response to a proposal from Governor Raimondo that would have implemented a new fee for large employers whose workers were on Medicaid, public

testimony at the House Finance Committee hearing revealed that there were many instances where the employer was not aware that an employee was on RIte Care.

The Assembly adopted Section 7 of Article 13 of 2019-H 5151, Substitute A, as amended, for the Executive Office to submit a plan by October 1, 2019 to revisit the existing RIte Share program to maximize enrollment and identify who has access to other health insurance. After that, the Executive Office is required to submit the following information in its monthly medical assistance report starting January 1, 2020: the number of individuals with access to third party insurance, the number of plans that meet the cost effectiveness criteria, and the enrollment in RIte Share.

It should be noted that under current law, RIte Share enrollment is a condition of eligibility for anyone over age 19, except in limited circumstances. If the state has approved an employer sponsored plan, the family is required to participate in RIte Share. If a family does not sign up for the employer sponsored health insurance, the adults will have their Medicaid eligibility terminated and any children will remain on RIte Care with the full Medicaid benefit.

Governor Raimondo's FY 2021 recommended budget proposed a significant change to the way the RIte Share program currently operates by having employers with at least 50 workers, excluding non-profits, submit employee-specific information to the Executive Office and Division of Taxation so a determination can be made if a Medicaid eligible individual has access to employer sponsored insurance. Any employer who does not comply in a timely manner would be assessed a \$2,500 penalty by the Division of Taxation; one who does not comply at all or an employer who provides false information would be assessed a \$5,000 penalty. The subsequent public health emergency affected employment and, with it, access to employer sponsored insurance. The Executive Office also noted during the November 2020 caseload conference that the delay in enacting the FY 2021 budget and the pandemic would delay implementation and any savings from this proposal to FY 2022. The Assembly did not adopt this proposal.

Governor McKee recommended the same proposal for his FY 2022 budget, as Governor Raimondo did in her FY 2021 recommendation. The recommended budget assumed savings of \$2.7 million, including \$0.7 million from general revenues, representing six months.

The 2021 Assembly did not concur with these changes but did include Section 5 of Article 12 of H-6122, Substitute A, as amended, to require the Executive Office of Health and Human Services to report employer sponsored insurance plans that meet the cost effectiveness criteria for RIte Share. Information in the report is to be used for screening for Medicaid enrollment to encourage RIte Share participation. By October 1, 2021, the report must include any employers with 300 or more employees meeting the requirement. By January 1, 2022, the report must include employers with 100 or more employees. The most recent January report was to be submitted to the chairpersons of the house and senate finance committees as well as the house fiscal advisor, the senate fiscal advisor, and the state budget officer. That report was submitted mid-January and noted that as of the November 2023, there are 403 employers who have an average of 100-299 employees during calendar year 2023, of which 93 are participating. Additionally, of the 143 employers who have an average of 300 or more employees during calendar year 2023, only 66 are participating. The report does not contain required information on which specific employer sponsored health plans meet the cost effectiveness criteria; it only contains aggregated information. The Governor's recommendation adds staff and assumes increasing program enrollment by 1,500 individuals.

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 chart shows the three 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.

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 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.

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 permit states broad flexibility to cover telehealth services through the Medicaid program such as telephonic, video technology commonly available on smart phones 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.

Governor Raimondo signed an Executive Order that allowed health care providers to be reimbursed by health insurers for telemedicine services during the public health emergency. For services delivered by in-

network providers, the rates paid can be no lower than if the services had been delivered through traditional (in-person) methods. This action suspended the prohibition for this activity included in Rhode Island General Law, Section 27-81-4(b). The Assembly enacted 2021-H 6032, Substitute A, as amended, which was signed by the Governor on July 6, 2021, to require coverage for telemedicine services in certain circumstances for both commercial insurers and the Medicaid program 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.

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 Global Waiver.

Home and Community Care Services. Through the Medicaid Global Waiver, the state provides home care and community care services to allow individuals to remain in their home instead of moving into a nursing home.

Eleanor Slater Hospital. The state's only public hospital provides long-term care services to individuals with disabilities, court ordered psychiatric patients, and those with behavioral health issues. Previously, the hospital comprised the Zambarano and Cranston campuses, which included the 52-bed Benton facility for forensic patients. On October 25, 2022, the state received approval to separately operate the Benton facility, now known as the Rhode Island State Psychiatric Facility. Both are licensed by the Department of Health, accredited by the Joint Commission on the Accreditation of Healthcare Organizations, and certified by the Centers for Medicare and Medicaid Services.

The need to separately license the Rhode Island State Psychiatric Facility was based on several issues at Eleanor Slater Hospital when it was determined that the state was not in compliance with billing practices that were required in order to claim Medicaid for services provided at the hospital that were disclosed over several months by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals and Office of Management and Budget, beginning in March 2020.

The first issue was that Rhode Island was not in compliance with the federal rule regarding Medicaid funding for facilities that have more psychiatric patients than medical ones, or what is considered an Institute of Mental Disease. It was revealed that state had not been out of compliance with the federal rule about the patient mix from August 2019 through February 2020. During this part of the process, other issues relating to the proper regulatory processes were revealed and rectified.

The second issue was the appropriateness of the state's practice of billing Medicaid for expenses incurred serving its forensic population. The state sought clarification from the Centers for Medicare and Medicaid Services which eventually issued guidance that Rhode Island could not bill Medicaid for the 50 forensic patients. A third billing issue was uncovered after a review of the remaining non-forensic patients and that it could not bill Medicaid, or Medicare, for an unidentified number of patients because their conditions did not warrant a hospital level of care. The Executive Office filed a Medicaid state plan amendment to formalize how the state can bill Medicaid for patients currently receiving services at the state hospital but are not in need of a hospital level of care and was granted federal authority in late March 2021.

During this time, Governor Raimondo requested an amendment on October 23, 2020 to provide \$64.9 million, including \$53.6 million from Rhode Island Capital Plan funds, to build a new nursing facility on the Zambarano campus but the Assembly did not include it in the FY 2021 budget. The Assembly also did not concur when Governor McKee submitted a similar proposal for a new building.

Governor McKee's FY 2022 recommended budget assumed the state would remain in compliance, as it was reported to be in December 2020, with the required ratio of medical to psychiatric patients to avoid designation as an Institute for Mental Disease (IMD) and the related disqualification from most Medicaid billings. On April 12, 2021, the Governor requested an amendment that added \$5.3 million from Medicaid funds for FY 2021, which was later lowered based on new information that recent reviews of patient medical records resulted in changes to previously reported diagnoses that moved the facility back out of compliance on its patient mix, putting the Medicaid billing back in jeopardy. The loss of federal Medicaid and related funds affected the FY 2020, FY 2021 and FY 2022 budgets.

Using FY 2019 as a baseline for allowable Medicaid funded expenses, the state had to use general revenues to replace approximately \$62 million to \$63 million annually over those three years for a total of approximately \$190 million. There was also a loss of \$15.0 million in Medicaid funds related to prior year billings that were pending resolution because of issues with the Unified Health Infrastructure Project, bringing the cumulative state costs related to this ongoing issue to over \$200 million. This estimate excludes the loss of additional general revenue relief from an opportunity for enhanced Medicaid match that would have been available throughout the public health emergency. The FY 2021 audited closing showed the recapture of some of that prior year match and the Governor's FY 2022 revised budget increased the Medicaid yield for the smaller pool of billable patients as noted above. Combined, that was estimated to recapture roughly \$40 million of the general revenue backfill.

For FY 2023, Governor McKee recommended two changes at the state hospital. First, he included \$108.2 million from Rhode Island Capital Plan funds to construct a new 110-bed long-term care facility on the Zambarano campus to replace the Beazley building. Second, he separated the Benton facility for forensic patients into a stand-alone, entirely general revenue funded, psychiatric facility to address compliance and billing issues with Medicaid, and added five new administrative positions at the facility. Having the two distinct hospitals would allow the state to count only medical and civil psychiatric patients in the Eleanor Slater Hospital patient mix. The hospital came back into compliance at its December 2022 review as expected and the FY 2023 final budget includes \$26.0 million in Medicaid funds. The FY 2024 enacted budget included a full year at \$50.4 million.

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 Abuse Treatment Services. As an option under Medicaid, states can also choose to provide substance abuse 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 Assembly included Section 7 of Article 9 of 2023-H 5200, Substitute A, as amended, to direct 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 come into compliance 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.

The enacted budget included \$14.4 million, of which \$6.5 million is from general revenues in the Executive Office's budget to cover the cost statewide for half a year in FY 2024. This was offset by savings of \$0.3 million, including \$0.1 million in the Office of Healthy Aging. The enacted budget also includes \$1.7 million, of which \$0.2 million is from general revenues, for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' portion of the Executive Office of Health and Human Services' Wellsky technology contract for case management services. The Executive Office of Health and Human Services has delayed the January 1, 2024 planned implementation to a phased approach starting in April with full enrollment by December 2024.

Funding for medical benefits for FY 2024 includes \$1.6 million from all sources, or \$12.8 million less than enacted. Funding for FY 2025 is \$18.8 million, including \$8.3 million from general revenues, or \$4.5 million more than enacted from all sources.

Certified Community Behavioral Health Clinics. The Assembly enacted Section 4 of Article 12 of 2022-H 7123, Substitute A, as amended, to authorize 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. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals is defining additional criteria for certification and services provided. The FY 2023 final budget included \$30.0 million 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 \$2.9 million in FY 2023 and the Governor’s FY 2024 revised recommendation includes the remaining \$25.1 million. The new model was expected to be established for FY 2024.

The article required that by August 1, 2022, the Executive Office use the appropriate purchasing process for any organizations that want to participate in the program. By October 1, 2022, the organizations must submit cost reports developed by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to the Executive Office. The reports must include the cost it would take to provide the required services. By December 1, 2022, the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, in coordination with the Executive Office, must prepare an analysis of the proposals, determine how many organizations can be certified, and the cost for each one. Funding for the clinics was to be included in the Governor’s FY 2024 recommended budget. Finally, the Executive Office must apply for the federal Certified Community Behavioral Health Clinics Demonstration Program if another round of funding becomes available.

Based on the Governor’s recommendation, the 2023 Assembly approved Section 8 of Article 9 of 2023-H 5200, Substitute A, as amended, to delay the implementation of the new model from July 1, 2023 to February 1, 2024. It repealed the deadlines that had already passed for organizations to submit their cost reports, and for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals and the Executive Office of Health and Human Services to complete their analyses and determination of which clinics can be certified, and the cost for each one. The FY 2024 enacted budget contains \$20.3 million, of which \$6.9 million is from general revenues, to cover the five months of costs consistent with the delayed start proposed. These costs would change when the required analyses were completed. Annualizing expenses for FY 2025 results in \$52.1 million of program costs, including approximately \$17 million from general revenues, subject to the Medicaid match rate. The FY 2024 enacted budget adds \$0.6 million, including \$0.3 million from general revenues, for one new position and three contractors to support the initiative.

Certified Community Behavioral Health Clinics - Federal Model			
Benchmark	Date	Action Completed	Section 8
Engage with the Division of Purchases to determine the appropriate process for organizations that want to participate	August 1, 2022	Yes	Retains the deadline
Organizations will submit cost reports developed by the Dept. of BHDDH to EOHHS that includes costs for required services	November 1, 2022	No	Repeals the deadlines
BHDDH, with EOHHS, will prepare an analysis of the proposals and determine how many organizations can be certified with the cost for each one	January 15, 2023	No	

The November caseload estimate included \$11.4 million for FY 2024 and \$122.0 million for FY 2025 based on testimony from the Executive Office that included the new payment system rates using an average of three cost reports, and three contingently certified clinics with an assumed start date of February 1, 2024. The Governor includes Section 4 of 2024-H 7225 to delay the implementation from February 1, 2024 to July 1, 2024. It also adds language declaring that any changes in federal requirements, or guidance, could result in the Executive Office of Health and Human Services delaying certification of a clinic or clinics. The Governor’s FY 2025 budget includes \$79.7 million, of which \$29.1 million is from general revenues and no funding for FY 2024 based on these changes and a re-estimation of the cost basis used in the conference estimate. It assumed rates based on the lowest cost report submitted.

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 120 adults with developmental disabilities and the remaining 3,800 individuals receive residential and community-based services through private developmental disability organizations. The Governor’s FY 2022 recommended

budget assumed the closure of the state-run system and transfer of program recipients to the community-based one. The Assembly did not concur.

Services provided under the Medicaid Global 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 Section 7 of 2018-H 7200, Substitute A, as amended, to update the Medicaid waiver to reflect its current practice for services to developmentally disabled adults. The following table shows the tiers and description 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	<ul style="list-style-type: none"> • Living with Family/Caregiver • Independent Living • Shared Living • Community Support Residence • Group Home/Specialized Group Home 	<ul style="list-style-type: none"> • Community Residential Support or Access to Overnight Support Services • Integrated Employment Supports • Integrated Community and/or Day Supports • Transportation
Tier C (Highest): Significant Needs	<ul style="list-style-type: none"> • Living with Family/Caregiver • Independent Living • Shared Living • Community Support Residence • Group Home 	<ul style="list-style-type: none"> • Community Residential Support or Access to Overnight Support Services • Integrated Employment Supports • Integrated Community and/or Day Supports • Transportation
Tier B (High): Moderate Needs Tier A (High): Mild Needs	<ul style="list-style-type: none"> • Living with Family/Caregiver • Independent Living • Community Support Residence • **Shared Living • *Group Home 	<ul style="list-style-type: none"> • 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 exception*

***Tier A will have access to shared living services if they meet at least one defined exception*

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 serve 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.

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.

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 the 135 percent of the federal poverty level required for the program.

Recent Changes. The Assembly included Section 10 of 2023-H 5200, Substitute A, as amended, for 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. That section also includes the necessary language to seek federal approval to allow parents and other relatives to be paid to provide services for individuals with developmental disabilities receiving services through the community-based system. This makes permanent the opportunity allowed during the pandemic for this payment, also referred to as Appendix K. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals is required to report the number of participants and expenses in its monthly caseload report. As noted, approval of the waiver has been delayed, which affects this change.

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 in compliance 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 available if needed by the court monitor.

The populations addressed in the consent decree are individuals with intellectual and developmental disabilities who include: the Rhode Island Youth Transition Target Population who are transition-age youth attending Rhode Island secondary schools; the Rhode Island Exit Target Population who are transition age youth during the 2013-2014, 2014-2015, or 2015-2016 school years; the Rhode Island Sheltered Workshop Target Population who perform sheltered workshop tasks or have received day activity services in the previous year; and the Rhode Island Day Target Population who receive day activity services in facility-based day program settings or have received such services in the previous year.

The consent decree has two fiscal components: a monitor and a trust fund. The first court monitor, Charles Moseley, resigned in the fall of 2019 and was replaced by Dr. A. Anthony Antosh, who started December 1, 2019. Payment for the monitor and coordinator is in the Executive Office of Health and Human Services budget and totals \$400,000 for FY 2023 and recommended for FY 2024. The monitor is responsible for approving the training component of the consent decree related to career development and transition plans and will also approve outreach and education programs. The monitor conducts investigations and verifies data and documentation that is necessary to determine if the state is complying with the consent decree.

The state complied with the consent decree by establishing and distributing funds from an \$800,000 Workshop Conversion Trust Fund, administered by the Paul V. Sherlock Center on Disabilities at Rhode Island College. The fund supported start-up costs for agencies who converted services to supported employment and administered by the director of the Department of Human Services and the associate director of the Office of Rehabilitation Services. There were nine agencies that took part in this opportunity.

The state also created an employment first task force that included but is not limited to: the Community Provider Network of Rhode Island, the Paul V. Sherlock Center on Disabilities at Rhode Island College, the Rhode Island Disability Law Center, the Rhode Island Developmental Disabilities Council, the Rhode Island Parent Information Network, individuals with intellectual and developmental disabilities and parent and family representatives.

The state must ensure available funding for services and reallocate resources expended on the sheltered workshop plans and segregated day programs to fund supported employment and/or integrated day services

as individuals transition to supported employment and/or integrated day only placements, in order to have funding “follow the person.”

Starting in February 2020, Judge John J. McConnell issued a series of court orders that included Dr. Antosh conducting a comprehensive review of the current status of the consent decree. The court monitor established five working groups that were assigned specific issues to address. Dr. Antosh filed his report with the court on November 30, 2020, and Judge McConnell issued a court order on January 6, 2021 for the state to develop a three-year budget addressing the issues in the analysis.

Judge McConnell issued a subsequent court order on March 16, clarifying the January 6 court order, instructing the state to continue to develop a negotiated three-year budget strategy that will support the requirements of the consent decree. The plan will include addressing the problem of low compensation and turnover that prevent the ability to maintain a stable and competitive workforce. It should also include transitioning to a community-based model, aligning funding and reimbursements to the provider and aligning with federal standards for Medicaid eligible services. It also includes finding ways to develop individualized plans and budgets to promote access to employment and other integrated activities, providing adequate transportation and funding for technology purchases. The court order also establishes consistent data collection and reporting requirements to facilitate proper forecasting of program costs.

The order indicates that final budget plans may take a different approach to bring the state into compliance with the consent decree. The state had to report the progress being made on April 30, May 31 and June 30, 2021. There was an initial status hearing on April 27, 2021, where it was reported that the state met with providers and discussed a minimum rate reimbursement of \$15 an hour for direct support professionals.

The Governor also proposed legislation in Sections 5 and 6 of Article 3 of 2021-H 6122 to add expenses for the community-based system for adults with developmental disabilities to the semi-annual medical assistance and public assistance caseload conference, effective on July 1, 2022. The Assembly included Sections 6 and 8 of Article 3 of 2021-H 6122, Substitute A, as amended, to make the change and added that the Executive Office of Health and Human Services provide direct 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 one that included the Department.

On October 15, 2021, the court accepted the state’s “Action Plan” to address compliance with the consent decree that included increases in the reimbursement rates for direct support professionals to an average of \$20 an hour. The following table shows the items and status.

Action Plan	Description	Status
Rate Review	Completed by 12/2022 & recommended changes in the FY 2024 recommended 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 individuals for technology purchases (example, iPads)	

Pandemic Impact. The public health emergency limited the ability of the agencies to provide community-based services to individuals outside of their residences. Individuals living either in a 24-hour group home, shared living, or an apartment or home with family, have stayed home. This meant that the providers could not be reimbursed for day activities. The state took several actions to address the effect on providers. For FY 2020, the Department provided a temporary ten percent rate increase totaling \$3.0 million and retainer

payments totaling \$15.6 million. The FY 2021 budget included \$13.0 million for one-time payments to 40 agencies to be passed through to direct support staff who make less than \$20 an hour and to supplement the response to the public health emergency by addressing any business interruptions, including loss of revenue.

Human Service Agencies

The Executive Office of Health and Human Services is the umbrella agency for the four health and human service departments and each agency is analyzed separately in the *House Fiscal Advisory Staff Budget Analysis FY 2025*. The following table shows the services provided by population and the department that is 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 three managed care plans, Neighborhood Health Plan of Rhode Island, UnitedHealthcare and 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, which are funded through the Executive Office of Health and Human Services. 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 department’s budgets.

Mergers and Consolidations

Introduction

Merger and consolidation proposals have appeared regularly in budgets. The FY 1991 budget presented to the 1990 General Assembly listed 72 state agencies and departments. By contrast, the FY 2024 budget adopted by the 2023 General Assembly contains 39 state agencies and departments. The Governor's FY 2025 recommendation includes the same 39 state agencies and departments and some proposed changes in functions. This report explains those changes as well as for the ten prior years. Prior publications have included information back to 1991 and that can still be accessed in online publications.

FY 2025

Communications Positions. The Governor proposes the transfer of six public information related positions, one each from the Departments of Human Services, Behavioral Healthcare, Developmental Disabilities and Hospitals, and Children, Youth and Families, and three from the Department of Health to comply with the current statutory requirement to consolidate and coordinate communications for the health and human services agencies within its agency. His budget includes \$0.5 million, including \$0.3 million from general revenues. Funding for positions transferred from the Department of Health are retained in that agency's budget.

Family Home Visiting Program Transfer. The Governor proposes transferring the Medicaid-funded portion of Family Home Visiting services from the Department of Health to the Executive Office of Health and Human Services. His budget recommendation includes \$1.7 million, of which \$0.8 million is from general revenues. This will allow the 15 family home visiting providers to bill directly through the Medicaid claiming system instead of using a manual process. The Assembly did not concur with this same proposal last year and retained these expenses in the Department of Health.

First Connections Program Transfer. The Governor proposes transferring the Medicaid funded portion for prenatal services of the First Connections program from the Department of Health to the Executive Office of Health and Human Services. His budget recommendation includes \$0.3 million, of which \$0.1 million is from general revenues, so providers can bill through the Medicaid claiming system instead of using a manual process. The Assembly did not concur with this same proposal last year and retained these expenses in the Department of Health.

Electronic Nicotine - Delivery System Products. The Governor recommends transferring statutory and regulatory authority for electronic nicotine delivery systems from the Department of Health to the Division of Taxation and subjecting those products to the current law requirements for cigarettes and other tobacco taxes. Electronic nicotine delivery systems become subject to the 80.0 percent of wholesale other tobacco and floor taxes, effective October 1, 2024. Firms will be required to file initial returns by October 16, 2024. The Tax Administrator must establish a single application and renewal process for all tobacco and nicotine product entities as of the effective date. The Governor's budget assumes \$5.3 million in revenues associated with the proposal for FY 2025 and includes \$0.2 million for implementation costs. Net revenues total \$5.1 million.

History

FY 2024

Department of Housing. The 2022 Assembly created the Department of Housing to be administered by a secretary of housing, effective January 1, 2023. The Department oversees and serves as the lead agency of the Executive Branch for coordinating all state housing initiatives and promoting housing development. Pursuant to 2022-H 7940, Substitute A, as amended, on July 1, 2023, the Department of Housing has powers

to operate functions from the Executive Office of Commerce. Consistent with this legislation, the Assembly transferred Housing and Community Development functions to the Department of Housing. It also added a total of 38.0 full-time equivalent positions for the Department, including 21.0 new positions and 17.0 transferred from the Executive Office.

The Rhode Island Longitudinal Data System Act. The Budget includes \$0.6 million from general revenues and 3.0 new data scientists to move DataSpark, which maintains and operates Rhode Island's Longitudinal Data System, from the University of Rhode Island to the Office of Postsecondary Commissioner. The Budget also includes moving the 4.0 full-time equivalent positions and \$0.5 million of federal and private grants that supports RI DataHub from the University to the Office. It also includes legislation to codify the governance and operations of this system.

Medicaid Eligibility Quality Control. The Budget transfers the Medicaid Eligibility Quality Control unit, which includes \$0.4 million and 3.0 full-time equivalent positions, from the Department of Human Services to the Executive Office of Health and Human Services. States are federally required to have a Medicaid Eligibility Quality Control unit to report the ratio of erroneous excess payments in their medical assistance programs. The Executive Office reported that because the Department is responsible for determining Medicaid eligibility, transferring this oversight unit would resolve any potential conflict issues.

Health Equity Zone Staff. The Governor proposed transferring 7.0 full-time equivalent positions associated with the Health Equity Zone program from the Department of Health to the Executive Office of Health and Human Services. While funding will remain with the Department, the Executive Office reported that the transfer will support the continued growth of the program. It noted that it is leading a cross-sector state expansion, scaling, and sustainability workgroup for the Health Equity Zone program to secure additional investments, including through the Medicaid program. The Assembly did not concur and retained staffing in the Department of Health.

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FY 2023

Rhode Island Psychiatric Hospital - Benton Facility. The Budget includes a total of \$30.7 million from general revenues to separate the 52-bed Benton facility from the Eleanor Slater Hospital system. The Budget includes \$0.8 million for five new positions: Chief Executive Officer, Chief Medical Officer, Chief Nursing Officer, Chief Quality Officer and Chief Financial Officer. Since the expenses for forensic patients at the Benton facility are not eligible for Medicaid reimbursement, this separation of approximately 150 medical and civil psychiatric patients gives the state a better opportunity to come into compliance with a patient mix that allows the state to bill Medicaid. The Assembly passed Sections 3 through 10 of Article 11 of 2022-H 7123, Substitute A, as amended, to authorize the new facility.

Opioid Stewardship Fund. The Budget transfers authority for administrating the Opioid Stewardship Act, including staff from the Department of Health to the Executive Office of Health and Human Services. The Opioid Stewardship Act, enacted in 2019, established fees totaling \$5.0 million annually, assessed to manufacturers and distributors of opioids registered in the state, and deposited as restricted receipts for programs that provide opioid treatment, recovery, prevention, and education services, subject to future appropriation. Expenditures for programs supported by the Opioid Stewardship Fund appear in multiple state agencies.

FY 2022

RICLAS Transfer to Private Providers. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals operates a state-run residential system with the capacity to provide services to 140 adults with developmental disabilities. In January 2021, there were 116 individuals receiving services in 23 group homes and two apartments. There are 267.0 full-time equivalent positions assigned and 232.0 filled as of January 2021, including 185.0 direct care workers.

The Governor recommended that these operations be transferred to the private agencies that provide residential and community based day and employment services to about 3,800 individuals, as well as day services to 44 individuals in the state-run system. The Governor's FY 2022 recommendation lowers the Department's staffing authorization by 50.0 full-time equivalent positions to start the transfer. The change would take effect by October 1, 2021. The Assembly did not concur with the proposal.

Office of Medical Review. The Assembly concurred with the Governor's proposal to transfer the Office of Medical Review and its 10.0 full-time equivalent positions from the Executive Office of Health and Human Services to the Department of Human Services' Long Term Care Unit to streamline the process of reviewing and processing applications for long term care services.

State Housing Policy and Planning Restructuring. The Governor's budget proposed adding two members to the Rhode Island Housing board and restructures and expands the Housing Resources Coordinating Committee from four members to seven. It also restructures and reduces the Housing Resources Commission from 28 members to 20, including the membership of the coordinating committee. A new deputy secretary from the Executive Office of Commerce will serve as the Commission's executive director. The Assembly established a new Deputy Secretary position but excluded the remainder of the proposal.

Employer Tax Division. The Assembly concurred with the Governor's proposal to transfer the responsibilities of the collection of taxes for temporary disability insurance, employment security, and the Job Development Fund from the Department of Revenue Division of Taxation to the Department of Labor and Training. This includes the transfer of 35.0 full-time equivalent positions associated with these employer tax collection duties. The division was last housed at the Department of Labor and Training in 1996 when it was transferred to Taxation.

Commercial Driver's Licenses. The Assembly concurred with the Governor's proposal to transfer the responsibility to administer the Commercial Driver's License road test from the Community College of Rhode Island to the Division of Motor Vehicles, as of January 1, 2022.

FY 2021

RICLAS Transfer to Private Providers. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals operates a state-run residential system with the capacity to provide services to 140 adults with developmental disabilities. Approximately 120 individuals received services in FY 2020 that include 23 group homes and two apartments. The Governor recommended that these operations be

transferred to the private agencies that provide residential and community-based day and employment services to about 3,800 individuals, as well as day services to 60 individuals in the state-run system. The Governor's FY 2021 recommendation lowered the Department's staffing authorization by 204.0 full-time equivalent positions to account for this change. The Assembly did not concur with the proposal.

State Housing Policy and Planning Restructuring. The Governor's budget eliminates the 28-member Housing Resources Commission and its related four member coordinating committee. Under current law, the Housing Resources Commission is the lead entity for housing policy and planning, and coordinates responsibilities with Rhode Island Housing through a memorandum of agreement. In place of the Housing Resources Commission, the recommendation establishes a seven-member coordinating council similar to the existing coordinating committee, and elevates the council to be the state's lead housing entity. The council would be permitted to assume control of Rhode Island Housing staff by memorandum of agreement. The budget renames the Office of Housing and Community Development as a division, and recommends a 19-member steering committee with similar membership to the existing commission to advise the council, but does not specifically enumerate entities for inclusion. The Assembly did not concur with the proposal.

Commercial Driver's Licenses. The Governor recommended transferring the responsibility to administer the Commercial Driver's License road test from the Community College of Rhode Island to the Division of Motor Vehicles, as of January 1, 2020. The Assembly did not concur with the proposal.

FY 2020

Employer Tax Division. The Governor recommended transferring the responsibilities of the collection of taxes for temporary disability insurance, employment security, and the Job Development Fund from the Department of Revenue to the Department of Labor and Training. This includes the 37.0 full-time equivalent positions associated with these employer tax collection duties from the Department of Revenue to the Department of Labor and Training. The Assembly did not concur with this proposal.

Office of Veterans' Affairs. The Governor proposed to transfer the Office of Veterans' Affairs and its staff from the Department of Human Services to the Executive Office of Health and Human Services. This includes 252.1 positions. She requested an amendment to rescind her recommendation and rename it the Office of Veterans Services. The Assembly concurred and included a separate staffing authorization.

Division of Elderly Affairs. The Governor proposed to transfer the Division of Elderly Affairs and its staffing level of 31.0 positions to the Executive Office of Health and Human Services creating an Office of Elder Affairs. She subsequently requested an amendment to rescind the proposal and rename it the Office of Healthy Aging. The Assembly concurred and included a separate staffing authorization.

Water Resources Board. The Governor proposed to transfer the Water Resources Board and its staff to the Public Utilities Commission. Operating costs for the Water Resources Board would be charged to regulated utilities. The legislation designates the Department of Administration as the agency that will be responsible for the Big River Management area, which must be maintained for future development of groundwater wells. Prior to 2011, the Water Resources Board was a stand-alone agency. The 2011 Assembly adopted legislation merging the Board into the Division of Planning to more closely align the water planning aspects of the Board with the statewide planning process. The Assembly did not concur and maintained the Water Resources Board in the Department of Administration.

Child Care Facilities Licensing. The Governor's budget transferred the Child Care Facilities Licensing unit to the Department of Human Services. It added 8.0 new full-time equivalent positions for the Department of Human Services and 1.0 new legal position for the Executive Office of Health and Human Services. Current staff doing this work at the Department of Children, Youth and Families would be reassigned within the Department. The Department of Human Services would now be responsible for

licensing; the shift would centralize transactions with child care providers. The Assembly concurred but reduced staffing authorization for the Department of Children, Youth and Families by 8.0.

Office of Grants Management. The Governor proposed to transfer functions of federal grants management from the Office of Management and Budget to Accounts and Control. The 2012 Assembly adopted Governor Chafee's recommendation to establish the Office of Management and Budget within the Department of Administration to serve as the principal agency of the executive branch for managing budgetary functions, performance management, and federal grants management. The Assembly concurred.

Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The Governor's FY 2020 through FY 2024 capital plan shifts funding and project oversight for capital projects related to the Eleanor Slater hospital system at both the Cranston and Burrillville campuses, and Barry and Simpson administrative halls to the Department of Administration's Division of Capital Asset Management and Maintenance. In addition, she transferred those functions for community facilities for those with developmental disabilities and behavioral health issues as well. She requested an amendment to transfer the substance abuse asset protection project to the Department of Administration. The Assembly concurred.

Small Business Ombudsman. The Governor proposed to transfer the staffing authorization for the Small Business Ombudsman from the Office of Regulatory Reform within the Department of Administration to the Department of Business Regulation in accordance with a proposed streamline and simplify initiative. It should be noted that the enacted budget assumes a cost allocation for the position paid from the Commerce Corporation's resources; the recommendation does not alter that assumption. The Governor proposed a substantially similar initiative in FY 2018; the Assembly did not concur. The Assembly did not concur with the streamline and simplify initiative; however, it did transfer the position, and shifted the funding for the position from the Commerce Corporation to the Department of Business Regulation.

State Building Office. The Governor's recommended budget included a proposal for an efficiency commission tasked with identifying \$10.0 million of general revenue savings. Subsequently, the Governor requested an amendment which proposed consolidating the Contractors' Registration and Licensing Board and State Building Code Commission of the Division of Building, Design and Fire Professionals into a new State Building Office, as of January 1, 2020 for savings of \$0.1 million. The Assembly concurred.

Office of Postsecondary Commissioner - Department of Elementary and Secondary Education Co-Locate. The Budget removed \$1.0 million from general revenues from the Office of Postsecondary Commissioner based on a proposal from the Efficiency Commission and recommended by the Governor to co-locate the Office and the Department of Elementary and Secondary Education with the goal to encourage shared administrative support and allow for closer collaboration. The Office would still do planning support for the Council on Postsecondary Education and focus on strategy and policy. The Department of Elementary and Secondary Education would provide the administrative support for the Councils and also provide legal, finance and support functions. Savings are based on the funding for several positions being eliminated from sharing administrative support and the Budget reduces the Office's staffing authorization by 6.0 full-time equivalent positions.

FY 2019

Water Resources Board. The Governor proposed transferring the Water Resources Board and its staff to the Public Utilities Commission. Operating costs for the Water Resources Board would be charged to regulated water suppliers. The legislation designates the Department of Administration as the agency that will be responsible for the Big River Management area, which must be maintained for future development of groundwater wells. Additional statutory changes are required; however, the legislation calls for those changes to be submitted to the 2019 Assembly. A memorandum of understanding, signed on October 20,

2017, between the Department of Administration and the Public Utilities Commission was used to allow the transfer for FY 2018.

Prior to 2011, the Water Resources Board was a stand-alone agency. The 2011 Assembly adopted legislation merging the Board into the Division of Planning to more closely align the water planning aspects of the Board with the statewide planning process. The Assembly did not concur and maintained the Water Resources Board in the Department of Administration.

Building, Design and Fire Professionals. The Assembly concurred with the Governor's proposal to consolidate professions relating to building and construction design, inspection, and enforcement of building and fire codes. The Budget reflected the transfer of several programs, funding and staffing of 59.0 full-time equivalent positions to the Department of Business Regulation. These include the State Fire Marshal from the Department of Public Safety, the Building Code Commission, Contractors' Registration and Licensing Board, and the Fire Code Safety Board of Appeal and Review from the Department of Administration.

A memorandum of understanding between the Department of Administration and the Department of Public Safety, was signed on January 12, 2018 to allow the transfer for FY 2018.

Health Professional Licensing to Business Regulation. The Governor proposed transferring the licensure of several professionals from the Department of Health to the Department of Business Regulation. These include: barbers, cosmeticians, manicurists and estheticians; electrolysis; funeral directors and embalmers; opticians; speech pathologists and audiologists; hearing aid dealers; athletic trainers; interpreters for the deaf; and music therapists. The budget also assumed the transfer of \$0.2 million from general revenues and two positions for the administration of licensing functions from the Department of Health to the Department of Business Regulation. The Assembly did not concur with any of the proposed transfers.

Centralized Services. The 2017 Assembly authorized the establishment of internal service funds for centralized services including information technology, capital asset management and maintenance, and human resources to maximize available non-general revenue sources. Prior to this change, these costs were budgeted in the Department of Administration. The state uses internal service funds to reimburse one agency for services provided to another. Agencies receiving these services will reimburse the internal service funds for the costs. The Governor's budget transferred \$48.3 million from the Department of Administration to state agencies and the Assembly concurred.

Consolidation of Medical Marijuana Oversight at Business Regulation. The Governor proposed expanding the regulatory role of the Department of Business Regulation, including centralizing the registration and regulation of authorized purchasers, compassion center cardholders, primary caregivers, issuance or renewal of registry identification cards, and eliminating the role of the Department of Health to define the equivalent amounts of medical marijuana. The program is staffed by 5.9 full-time equivalent positions in the Department of Health; the Department of Business Regulation had 4.0 full-time equivalent positions, but the Governor's budget proposed to add 4.0 more positions in FY 2019. The Assembly did not concur with this proposal.

FY 2018

Public Safety Consolidation. The Governor proposed legislation to replace the director of the Department of Public Safety with a civilian commissioner, who will be appointed by the Governor with the advice and consent of the Senate. Under current law, the Department of Public Safety is administered by a director who also serves as Superintendent of the State Police. The Governor also proposed to merge the Emergency Management Agency and establish it as the seventh division within the Department of Public Safety. The

director of the Emergency Management Agency would be appointed by the Governor; however, the Commissioner may prescribe other duties and responsibilities. The Assembly did not concur.

Lead Poisoning Prevention. The Governor proposed legislation to repeal the Lead Hazard Mitigation Act and amend the Lead Poisoning Prevention legislation to centralize lead poisoning prevention activities, which are currently performed by the Department of Health and the Rhode Island Housing Resources Commission, under the purview of the Department of Health. The proposal would allow the Department to oversee interagency coordination activities and it would be responsible for adopting rules and regulations to certify lead safe compliance for all residential units and permitting lead inspectors. The Department is also required to maintain a registry of lead safe certificates.

The Governor proposed legislation to amend the disposition of the real estate conveyance tax to transfer five cents of the current 30 cents that the Housing Resources Commission receives to the Department of Health for lead poisoning prevention activities. The recommended budget included \$0.6 million from these resources for the Department of Health to fund 3.0 additional positions, including two lead inspectors and one data manager as well as operating costs. She subsequently requested an amendment to require an annual transfer of not less than \$590,000 from the Real Estate Conveyance Tax. The Assembly did not concur and maintained current law.

Health Care Utilization Review Transfer. Previously, the Department of Health certified health plan and utilization review entities, monitored obligations of health plan provider contracts, investigated and tracked complaints against health plans and utilization reviews by enrollees. The Office of the Health Insurance Commissioner reviews denial of benefits and accuracy of claims processing and is also responsible for the adequacy of network coverage in terms of access to and availability of providers and the continuity of care available to consumers.

The Governor proposed to transfer the oversight of the health care utilization review from the Department of Health to the Office of the Health Insurance Commissioner. The Budget also reflected the transfer of funding and staffing of 2.0 full-time equivalent positions. The Assembly concurred.

Health and Human Services - Finance Staff. The Governor transferred 91.0 finance positions to the Executive Office of Health and Human Services from agencies under its umbrella in her FY 2018 recommendation; this is consistent with current law. The transfer includes: 39.0 positions from the Department of Human Services, 33.0 positions from the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, 12.0 positions from the Department of Children, Youth and Families, and 7.0 positions from the Department of Health. Funding would remain with the individual agencies. Functions include finance administration, billing and data entry. This increased the level of 17.0 finance positions in the Executive Office to 108.0 positions. The Assembly concurred.

Eleanor Slater Hospital Reorganization. The Governor's FY 2018 recommendation assumed savings of \$12.2 million, \$5.7 million from general revenues from reorganizing the state hospital. This included transferring youth currently at the 54-bed Youth Assessment Center to the Youth Detention Center and moving the adult forensic population at the Pinel Building into the newly vacated space. It included privatizing laboratory services, downsizing medical services and administrative staff and closing one of the two remaining intermediate care facilities. The plan also included transferring medical patients to the Zambarano campus in Burrillville and converting recently vacated space into a step-down unit to increase capacity for psychiatric patients. The Assembly included savings of \$11.2 million, \$5.2 million from general revenues. It did not concur with privatizing laboratory services.

Eisenhower House. The Assembly concurred with the Governor's proposal to transfer the management of the Eisenhower House, a historic state-owned property in Newport, from the Historical Preservation and Heritage Commission to the Department of Environmental Management. The Budget included \$188,150

from all funds for staff and operations of the facility. This includes \$50,000 from general revenues and \$138,150 from new restricted receipts, which would be derived from booking fees of the facility. FY 2016 expenditures for the facility were \$135,536.

FY 2017

Office of Diversity, Equity and Opportunity. Governor Raimondo's budget proposed legislation to establish the Office of Diversity, Equity and Opportunity in statute; the Office is currently operating under an executive order. The legislation places the State Equal Opportunity Office under the administrative supervision of the Office of Diversity, Equity and Opportunity instead of the Division of Human Resources, and requires the Office of Personnel Administration to consult with the Office in preparing a comprehensive plan to maintain and secure equal opportunity. The legislation adds the associate director of the Office as a member of the Labor Relations Committee. The Assembly concurred.

Division of Enterprise Technology Strategy and Services. Governor Raimondo proposed legislation to replace the current Division of Information Technology, which was created by an executive order with the Division of Enterprise Technology Strategy and Services to be managed by the chief of digital excellence. The legislation amends current law to establish the Office of Library and Information Services within the Division and places the chief of library services under the supervision of the chief of digital excellence. The Division will also consist of the following offices: Information Technology and Digital Excellence. The Assembly concurred.

Division of Capital Asset Management and Maintenance. Governor Raimondo proposed legislation to create the Division of Capital Asset Management and Maintenance, which will assume the responsibilities of the current divisions of Facilities Management and Capital Projects and Property Management. Both divisions were created by an executive order in 2004. The legislation allows the Director of the Department of Administration to appoint a director of the division. Some of the responsibilities of the division director include: reviewing agency capital budget requests to ensure that requests are consistent with strategic and master facility plans of the state; managing and maintaining state owned facilities; overseeing new construction and rehabilitation projects; maintaining an inventory of all state properties; and responding to facilities emergencies. The Assembly concurred.

Office of Internal Audit. Governor Raimondo proposed legislation to repeal the Bureau of Audits and establish the Office of Internal Audit within the Office of Management and Budget. The Office will be managed by a chief of internal audit, who must be appointed by the Director of the Department of Administration. The Office is authorized to conduct audits of any state department, agency or private entity that is a recipient of state funding or state grants. The Office is also tasked with evaluating the efficiency of operations and internal controls, preventing and detecting fraud, waste, abuse or mismanagement of funds.

The Budget reflected the consolidation of internal auditing functions and staff from the Departments of Transportation and Human Services, the Office of Postsecondary Commissioner and the University of Rhode Island. The Assembly concurred.

Women, Infants, and Children Nutrition Program. Governor Raimondo proposed legislation to transfer the administration and management of the Women, Infants, and Children nutrition program from the Department of Human Services to the Department of Health. The Department of Health previously managed the program; however, the 2009 Assembly adopted legislation to transfer the program to the Department of Human Services. This was to consolidate management and nutrition benefits. There have been issues with the United States Department of Agriculture regarding the designation of the administering state agency. The Assembly concurred.

Department of Health. Governor Raimondo's budget reflected a reorganization of functions within the Department of Health. Certain programs such as the Health Laboratories and the Office of State Medical Examiners were merged. It reflected the creation of the Division of Customer Services and includes the operations of Vital Records, which was previously under the Public Health Information program, and the operations of Licensing, Professional Boards and Commissions and the Center for Health Facilities Regulation, previously under the Environmental and Health Services Regulation program. The Assembly concurred.

Governor's Commission on Disabilities. Subsequent to her budget submission, Governor Raimondo requested legislation to designate the Governor's Commission on Disabilities as the state agency responsible to apply for and receive federal funds under the Workforce Innovation and Opportunity Act for the State Independent Living Plan, effective October 1, 2016. She also requested an amendment to transfer funding from the Department of Human Services to the Commission. The Assembly concurred.

Office of Veterans' Affairs. Governor Raimondo included legislation to create the Office of Veterans' Affairs within the executive branch, reporting directly to the Governor. This removed it as a Division in the Department of Human Services; however, for administrative purposes, funding for the Office of Veterans' Affairs will remain in the Department of Human Services' budget. The Assembly concurred.

FY 2016

Higher Education Assistance Authority Merger. Governor Raimondo's budget transferred all of the powers, duties, authority and resources of the Rhode Island Higher Education Assistance Authority to the Council for Postsecondary Education and the Office of the General Treasurer and established a new Division of Higher Education Assistance in the Office of Postsecondary Commissioner. The budget reflected the transfer of \$19.1 million and 15.0 full-time equivalent positions to the Office of Postsecondary Commissioner. Administrative responsibility for the state's tuition savings program would be transferred to the Office of the General Treasurer. The recommendation represents direct program positions as well as overhead support. Remaining direct functions will require fewer staff with the efficiencies provided for in a merger; therefore, the Assembly eliminated 5.0 positions and \$0.8 million. One position and \$0.3 million was shifted to the Office of the General Treasurer to administer the *CollegeBoundfund*.

Executive Office of Commerce. The 2013 Assembly created the Executive Office of Commerce to be administered by a secretary of commerce, effective February 1, 2015. The Office oversees and serves as the lead agency of the Executive Branch for managing the promotion of commerce and the state's economy. Pursuant to 2013-H 6063, Substitute B, on or about February 1, 2015, the Executive Office of Commerce has powers to operate functions from the Department of Business Regulation and, subsequently, various functions from the Department of Administration. Consistent with the legislation, Governor Raimondo's budget included the transfer of Housing and Community Development functions to the Executive Office of Commerce. It also transferred the Film and Television Office from the Department of Administration to Commerce. It did not, however, transition Department of Business Regulation functions, leaving it as a stand-alone department. The Assembly concurred, with the exception of transferring the Film and Television Office to the Arts Council.

Capital Projects Consolidation. Governor Raimondo's budget proposed consolidating construction property and asset management functions into the Department of Administration. It appears that the positions are kept in their respective agencies, including the Departments of Behavioral Healthcare, Developmental Disabilities and Hospitals, Environmental Management, Corrections, and Transportation. The Assembly concurred; however, transferred funding back for the Department of Environmental Management, consistent with the Governor's requested budget amendment.

Division of Advocacy. Governor Raimondo’s budget proposed consolidating the Governor’s Commission on Disabilities, the Commission on the Deaf and Hard of Hearing, the Office of the Child Advocate, and the Office of the Mental Health Advocate under a newly created Division of Advocacy within the Executive Office of Health and Human Services. The consolidation was for administrative and budget purposes only, and all agencies would maintain their responsibilities as mandated by current law. The Governor subsequently requested an amendment that rescinded the proposed legislation, maintained the offices as separate agencies, and restored operating savings assumed to be achieved through the merger. The Assembly concurred.

Non-Prescribing Boards Consolidation. Governor Raimondo proposed consolidating all of the non-prescribing health professional boards into one board. There are 25 professional boards that include a variety of professions, such as dietitians, physical therapists, occupational therapists, optometrists, social workers and funeral home directors. The Department of Health approves all written and practical examinations, and issues licenses and permits for these professions. The proposed legislation would create a single board of review for appeals, discipline and advisory functions. This would allow for the elimination of 2.0 positions that support the boards and \$0.2 million from general revenues. The Assembly did not concur.

RI Film and Television Office. The Budget transferred the Rhode Island Film and Television Office, including \$0.3 million from general revenues and 2.6 full-time equivalent positions, from the Department of Administration to the Rhode Island State Council on the Arts. The Film and Television Office works with filmmakers to identify filming sites, vendors, and promote the benefits of working in Rhode Island. Governor Raimondo’s FY 2016 recommendation transferred the Office to the Executive Office of Commerce. The Office was transferred to the Department of Administration from the Council as part of the FY 2013 budget.

Bays, Rivers and Watersheds Coordination Team. The Assembly concurred with Governor Raimondo’s proposal to abolish the Bays, Rivers and Watersheds Coordination Team, which was responsible for the coordination of the environmental agencies in the state to restore and develop both freshwater and marine waters and watersheds. The work is funded by an \$80,000 transatlantic cable fee, a \$1 per hundred gallons charge on septage disposal in the state, and a \$250,000 annual allocation from the Oil Spill, Prevention, Administration and Response Fund. The restricted receipts will be utilized by the Department of Environmental Management for efforts relating to watershed and marine monitoring, water pollution abatement, and climate change.

FY 2015

Office of Diversity, Equity and Opportunity. The Budget reflected the creation of the Office of Diversity, Equity and Opportunity within the Department of Administration. Existing staff of 7.0 full-time equivalent positions and funding will be transferred from the Division of Purchasing’s Minority Business Enterprise Office and the Division of Human Resources’ Outreach and Diversity Office.

In May 2013, Governor Chafee issued Executive Order 13-05 entitled “Promotion of Diversity, Equal Opportunity and Minority Business Enterprises in Rhode Island.” The Executive Order required that the Department of Administration review all divisions and offices within the Department that are charged with facilitating equal opportunity employment and make recommendations to improve collaboration between these offices. The creation of the Office of Diversity, Equity and Opportunity reflects the Department of Administration’s recommendation.

Rhode Island Emergency Management Agency. The Budget reflected the Emergency Management Agency and the National Guard as two stand-alone agencies. They were two distinct programs in the Military Staff under the control of the Adjutant General. This action was recommended to reflect the

individual agency missions as well as their operational structures. There were no major changes to funding levels or positions.

Executive Office of Commerce. Governor Chafee's budget proposed to delay the creation of the Executive Office of Commerce and the transfer of the functions of the Department of Business Regulation from February 1, 2015 to July 1, 2015. The Assembly did not concur with the delay.

The Governor also proposed maintaining the Office of Regulatory Reform in the Office of Management and Budget instead of transferring it to the new Executive Office of Commerce. The Assembly concurred.

Department of Environmental Management Customer Service Unit. The Budget created in statute a customer service unit within the Department of Environmental Management. The Department already includes an Office of Customer and Technical Assistance, but the legislation codifies a requirement that the agency have a customer service unit and program to provide technical assistance to customers and help them to comply with environmental regulations and requirements. This section also mandated that the Department and the Office of Regulatory Reform collaborate on a report detailing an alternative compliance approaches plan, which would be due to the General Assembly and the Governor by May 1, 2015.

Higher Education Assistance Authority. The Budget included legislation that requires the administration to include a plan for allocating Higher Education Assistance Authority programs to other agencies as part of the FY 2016 budget.

Behavioral Healthcare Services to EOHHS. The Budget transferred Medicaid-funded behavioral healthcare services from the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to the Executive Office of Health and Human Services so that mental health and substance abuse treatment services for disabled individuals will be appropriated to one agency and includes \$60.8 million, of which \$30.1 million is general revenues.

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 must be obligated by December 31, 2024, which is the first half of FY 2025. 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 the 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. The 2023 Assembly advanced all funding programmed for later years to FY 2024 to ensure the state meets federal deadlines for formally obligating the funds; actual spending can still occur over a longer time horizon.

The Governor's budget recommendation includes \$1,243.4 million from the State Fiscal Recovery and Capital Projects funds. There is \$7,043 less from the State Fiscal Recovery Fund which may be related to FY 2023 spending that has not yet reached a final report as well as \$32,687 more from the Capital Projects Fund to reflect carryforward of final reported FY 2022 expenses. Compared to the enacted budget, the recommendation includes two new projects and excludes two. The recommendation also includes \$5.4 million from general revenues to continue operating funding for four projects and provides \$20.0 million from Rhode Island Capital Plan funds in lieu of State Fiscal Recovery funds for one project. For most approved projects, total funding is unchanged; however, the Governor makes timing changes primarily to shift unspent FY 2023 funding to FY 2024 consistent with the enacted reappropriation authority. The totals by category as enacted by the 2023 Assembly and recommended by the Governor are shown in the table below.

State Fiscal Recovery Funds			
Category	Assembly	Governor	Change to Assembly
Housing	\$ 321,500,000	\$ 321,500,002	\$ 2
Economic and Workforce Development	90,000,000	90,000,000	-
Small Business & Impacted Industry	164,000,002	164,000,003	1
Public Health	164,211,355	150,711,357	(13,499,998)
Children, Families and Education	155,295,766	135,420,772	(19,874,994)
Behavioral Health	57,425,000	59,299,365	1,874,365
Public Infrastructure & Technology	31,500,000	36,500,000	5,000,000
Climate	128,250,000	128,250,000	-
Operating Shortfall	-	30,000,000	30,000,000
Administration	18,878,934	15,372,515	(3,506,419)
Subtotal	\$1,131,061,057	\$1,131,054,014	\$ (7,043)
Capital Projects Fund	112,267,747	112,300,434	32,687
Grand Total	\$1,243,328,804	\$1,243,354,448	\$ 25,644

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. Federal guidance on uses of the fiscal recovery funds was issued in May 2021, updated in July, finalized in January 2022, and modified by the 2023 Consolidated Appropriations Act in December 2022. Compared to the original guidance, it provides increased flexibility 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. For the capital fund, guidance was issued in September 2021 and a one-year application window opened later that month.

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 which 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 new items; 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 Appropriation Act*

Each item on the pages that follow includes the Governor’s proposals, status updates for every previously approved project, and if the Governor recommends making one-time programs permanent or otherwise replacing State Fiscal Recovery funds with other fund sources, such as general revenues. Descriptions of projects from the Capital Projects Fund follows a table showing the recommended projects from State Fiscal Recovery funds at the end of this report. The programming of funding for FY 2024 is contained in Article 1, Section 1 of 2024-H 7224, and FY 2025 funding is contained in Article 1, Section 1 of 2024-H 7225. Section 5 and Section 16 of each article, respectively, contain a description of each of the projects for which any appropriation is made. Consistent with previous years, the recommendation includes language to reappropriate any unspent funds for the same purpose.

Housing

Development of Affordable Housing. The Governor maintains the enacted 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. As of the end of FY 2023, \$85.3 million remains unspent. As of December, all pilot funds are obligated; only \$18.0 million remains unobligated and is currently subject to a request for proposals issued in November. The recommendation does not estimate when these funds will be disbursed. The recommended budget also removes language added by the 2023 Assembly explicitly permitting the pilot to include creation of a revolving fund. The Governor’s budget also proposes a \$100.0 million general obligation bond to continue support for affordable housing programs.

Site Acquisition. The Governor recommends the enacted 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 the end of FY 2023, \$10.0 million remains unspent; the recommendation does not estimate when these funds will be disbursed. As of December 2023, the Department of Housing indicates that it is finalizing awards for all remaining funds. An unspecified portion of the Governor's proposed \$100.0 million affordable housing bond may also be used for this program.

Down Payment Assistance. The Governor recommends the enacted amount of \$30.0 million from State Fiscal Recovery funds to provide down payment assistance to eligible first-time homebuyers. Funds are used to provide grants to promote homeownership up to a \$20,000 limit established by the 2023 Assembly. As of November, the Department of Housing indicates that 1,661 applications were received, all funds have been obligated, and \$25.8 million has been spent; the program is closed to new applications. An unspecified portion of the Governor's proposed \$100.0 million affordable housing bond may also be used for homeownership programs.

Workforce Housing. The Governor recommends the enacted amount of \$20.0 million from State Fiscal Recovery funds to increase the supply of housing for Rhode Island families earning up to 120 percent of area median income. FY 2024 represents the first year of the program and the Department of Housing indicates that \$12.5 million is currently subject to a request for proposals issued in November. The recommendation does not estimate when these funds will be disbursed. An unspecified portion of the Governor's proposed \$100.0 million affordable housing bond may also be used for workforce housing.

Affordable Housing Predevelopment. The Governor recommends the enacted amount of \$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 affordable housing developer capacity. As of the end of FY 2023, only \$16,593 has been spent. The Department of Housing indicates that \$6.9 million has been committed to 31 projects as of December and remaining funds are expected to be committed by the end of March 2024. The recommendation does not estimate when these funds will be disbursed. An unspecified portion of the Governor's proposed \$100.0 million affordable housing bond may also be used for predevelopment.

Home Repair and Community Revitalization. The Governor recommends the enacted 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 2023, no funds have been spent. The Department of Housing indicates that \$16.4 million has been obligated and \$3.6 million is currently subject to a request for proposals issued in November. The recommendation does not estimate when these funds will be disbursed. An unspecified portion of the Governor's proposed \$100.0 million affordable housing bond may also be used for community revitalization programs.

Predevelopment and Capacity Building. The Governor recommends the enacted amount of \$1.5 million from State Fiscal Recovery funds for consultants to provide administrative support to the Department 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 Department of Housing 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 2023, only \$0.6 million has been spent. In December the Department indicated that it expects to obligate all remaining funds before the end of FY 2024. The recommendation does not estimate when these funds will be disbursed.

Homelessness Assistance Program. The Governor recommends the enacted amount of \$21.5 million from State Fiscal Recovery funds to provide housing navigation, stabilization and mental health services for people experiencing homelessness. 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 Department of Housing submitted its first report in March 2023 and has not submitted a report since July 2023. As of December 2023, the Department reports that all funds have been obligated and \$12.4 million remains unspent. The recommendation does not estimate when these funds will be disbursed. The Governor's budget also removes language requiring that a portion of funds be used for operating subsidies for extremely low-income housing units.

Homelessness Infrastructure. The Governor recommends the enacted 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 sponsored housing developments. The Assembly appropriated funding for FY 2023 and FY 2024. As of December 2023, the Department of Housing reports that all funds have been obligated and \$35.3 million remains unspent. The recommendation does not estimate when these funds will be disbursed.

Statewide Housing Plan. The Governor recommends the enacted 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 2023, no funds have been spent. The Department of Housing indicates that it has contracted with a vendor to produce this report by December 2024. The Pandemic Recovery Office has flagged this project as at risk of not meeting the federal obligation and spending deadlines.

Targeted Housing Development. The Governor recommends the enacted amount of \$31.0 million from State Fiscal Recovery funds authorized by the 2023 Assembly 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 \$27.0 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 December, the Department of Housing indicates that all funds were included in the November application round and are expected to be awarded before the end of FY 2024. The recommendation does not estimate when these funds will be disbursed.

Housing Related Infrastructure. The Governor recommends the enacted amount of \$4.3 million from State Fiscal Recovery funds authorized by the 2023 Assembly 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. The Infrastructure Bank is expected to issue a request for proposals before the end of FY 2024. The recommendation does not estimate when these funds will be disbursed.

Municipal Homelessness Support Initiative. The Governor recommends the enacted amount of \$2.5 million from State Fiscal Recovery funds authorized by the 2023 Assembly 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. The Department of Housing began accepting applications from municipalities in October 2023, that will remain open until March 1, 2024 or until all funds have been obligated. As of December, it reports that the first three applications from municipalities have been received. The recommendation does not estimate when these funds will be disbursed.

Municipal Planning. The Governor recommends the enacted amount of \$2.3 million from State Fiscal Recovery funds authorized by the 2023 Assembly 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 a municipal fellowship program and \$1.0 million supports grants to study and implement zoning changes that encourage development near public transit. The Department of Housing expects both programs to open applications in spring 2024. The recommendation does not estimate when these funds will be disbursed.

Proactive Housing Development. The Governor recommends the enacted amount of \$1.4 million from State Fiscal Recovery funds authorized by the 2023 Assembly 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 is expected to be established formally in January 2024. The recommendation does not estimate when funds will be disbursed. An unspecified portion of the Governor's proposed \$100.0 million affordable housing bond may also be used for proactive development programs.

Preservation of Affordable Units. The Governor recommends the enacted amount of \$0.5 million from State Fiscal Recovery funds authorized by the 2023 Assembly to preserve affordable housing units at risk of foreclosure or blight. The Department of Housing has issued a request for proposals for an organization to manage a revolving loan fund, which it anticipates awarding in the third quarter of FY 2024.

Economic and Workforce Development

Enhanced Real Jobs. The Governor recommends the enacted amount of \$30.0 million from State Fiscal Recovery funds authorized by the 2022 Assembly, including \$20.4 million for FY 2024, for an enhanced version of the Real Jobs RI workforce training program. FY 2023 spending was \$9.6 million. The program's functions are to place employees in job openings, advance 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. As of the end of the first quarter of FY 2024, the Pandemic Recovery Office reports \$13.0 million has been spent, with 3,875 people enrolling in programs and 2,358 participants completing programs.

Bioscience Investments. The Governor recommends the enacted 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. The recommendation does not estimate when funds will be disbursed. In October 2023, the Governor nominated the chair of the Hub's board.

Rhode Island Reconnect. The Governor's revised budget includes the enacted 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 on direct supports, such as targeted coaching and wraparound supports, 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. The Office of Postsecondary Commissioner is currently in the process of establishing agreements with partners.

Cybersecurity Center. The Governor's revised budget maintains the enacted 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.

Fresh Start Scholarship. The Governor’s revised budget maintains the enacted 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, with a focus 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. The Community College has begun marketing the program and working toward identifying potential students.

Small Business & 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. Due to timing of the budget enactment, 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. On September 15, the Pandemic Recovery Office submitted its final report of the project.

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 Governor’s budget also proposes to give him authority to reallocate to the trust funds any allocations from other programs at risk for not meeting federal spending deadlines as of October 1, 2024. There is a related proposal to extend the deadline to establish the tax year 2025 unemployment insurance rate schedule from September 30 to December 31, 2024, to provide flexibility in the event a deposit of excess State Fiscal Recovery funds occurs and would alter the tax schedule.

Small Business and Technical Assistance. The Assembly authorized \$32.0 million from State Fiscal Recovery funds to provide grants and technical assistance to businesses impacted by the pandemic. Expenditures were \$18.4 million in FY 2022 and \$11.0 million in FY 2023; \$2.6 million remains unspent. The Pandemic Recovery Office has flagged this project as at risk of not meeting the federal obligation and spending deadlines. The Governor recommends \$2.0 million less.

Assistance to Impacted Industries. The Assembly authorized \$13.0 million from State Fiscal Recovery funds to address the negative impacts of the pandemic to the tourism, hospitality, and events industry, consistent with the Governor’s intent. All funds were appropriated to the Commerce Corporation and, as of October, only \$0.3 million remains unspent. The Governor recommends adding \$2.0 million for FY 2025 for public space improvements and event programming, for total funding of \$15.0 million.

Destination Marketing. The 2022 Assembly provided \$3.0 million from State Fiscal Recovery funds to conduct tourism campaigns in destination markets for airline routes to Rhode Island T.F. Green International Airport. It also required an equivalent match from the Commerce Corporation’s allocation of State Hotel Tax receipts. The Assembly programmed funding for FY 2023 and FY 2024, and, as of October 2023, \$1.2 million has been spent. The Governor recommends \$1.4 million from general revenues for FY 2025 to continue the program.

Minority Business Accelerator. The Assembly provided \$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. Of these funds, the 2022 Assembly allocated \$0.5 million to support the Rhode Island Black Business Association and \$0.3 million to the Roger Williams University Business Start-Up Clinic. As of the end of FY 2023, \$1.0 million has been spent. The Pandemic Recovery Office has flagged this project as at risk of not meeting the federal obligation and spending deadlines. The Governor recommends \$0.5 million from general revenues for FY 2025 to continue grants and technical assistance.

Public Health

Ongoing COVID-19 Response. The Governor's revised budget includes \$21.2 million from State Fiscal Recovery funds for FY 2024 in the Department of Administration to help the state continue its response to the COVID-19 pandemic. This is \$20.6 million less than enacted and there have been no expenses yet in FY 2024. Unspent funds will automatically be reappropriated.

COVID-19 Operational Support. The Governor's revised budget includes \$32.2 million for FY 2024, or \$2.7 million less than enacted 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.

Public Health Response Warehouse Support. The Assembly provided \$3.4 million from State Fiscal Recovery funds for lease expenses to store COVID-19 supplies. FY 2023 spending was \$0.4 million. The recommended budget includes \$3.0 million for FY 2024 and adds \$0.8 million for FY 2025 for total funding of \$4.2 million. It also adds \$0.5 million from general revenues for FY 2025 for operating costs.

Auto-Enrollment Program. The Assembly authorized a total of \$2.6 million split between FY 2023 and FY 2024 from State Fiscal Recovery funds for HealthSource RI to automatically enroll qualified individuals who are transitioning off Medicaid at the end of the COVID-19 emergency into a qualified public health plan. Only \$0.3 million was spent in FY 2023. The Governor's revised budget retains \$1.3 million, and excludes the \$1.0 million unspent from FY 2023 based on updated enrollment and costs projections.

Health Care Facilities. The FY 2023 final budget included \$77.5 million from State Fiscal Recovery funds to address the ongoing staffing needs of hospitals, nursing facilities and community health centers related to the COVID-19 public health emergency. This includes \$45.0 million allocated to hospitals, or systems if hospitals are members of one, to include a base payment equivalent to \$1.0 million per hospital with the remaining based on a hospital's pro rata share of operating expenses from the 2021 cost reports and \$2.5 million distributed to the community health centers through the Rhode Island Health Center Association to support direct care staffing needs.

That budget also included \$30.0 million for distribution to nursing facilities based on the number of Medicaid bed days from the 2020 facility cost reports, provided that at least 80 percent was dedicated to direct care workers. The Governor recommends another \$10.0 million to be disbursed in the first three months of FY 2025 to assist nursing facilities until the October 1, 2024 rate changes take effect.

Public Health Clinics. The 2023 Assembly provided \$4.0 million from State Fiscal Recovery funds for FY 2023 to two entities, with each receiving \$2.0 million. The Rhode Island Free Clinic received \$0.3 million in FY 2023, leaving \$1.7 million for its allocation to improve statewide access and quality of primary care for uninsured adults; to increase access to dental care for uninsured adults integrated into medical care at the clinic; and to build infrastructure for telehealth and electronic medical records. Open Door Health is expanding services and efforts to address issues for people who are disproportionately impacted by the COVID-19 pandemic. Open Door Health is required to return any funds allocated for land acquisition that is not used by June 30, 2024. Any other expenses that are not obligated by December 31, 2026 must be returned by January 31, 2027. The Governor's FY 2024 revised budget includes the unspent \$3.7 million from FY 2023.

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 that have been exacerbated by COVID-19, including housing and food insecurity and behavioral health issues. All funds have been spent, and the program is awaiting a final report from the Pandemic Recovery Office.

Pediatric Recovery. The Governor recommends \$3.7 million from State Fiscal Recovery funds for FY 2024 to provide financial support to pediatric providers and incentives based on increased developmental and psychosocial behavioral screenings. FY 2022 expenses were \$6.0 million and FY 2023 expenses were \$5.3 million for a total of \$15.0 million, consistent with Assembly authorization.

Early Intervention Recovery. The Governor recommends \$1.5 million for FY 2024 from State Fiscal Recovery funds to provide financial support to early intervention providers and performance bonuses for providers when hitting certain targets, such as reducing staff turnover and restoring the number of families receiving services to pre-pandemic levels. The nine early intervention providers received \$4.1 million in FY 2022 and \$5.5 million in FY 2023 for total funding \$11.0 million, consistent with the Assembly authorization.

Provider Workforce Stabilization. The Governor's revised FY 2024 recommendation includes \$8.3 million from State Fiscal Recovery funds to continue the workforce stabilization payments for providers contracted by the Department of Children, Youth and Families for payments totaling \$22.9 million over three fiscal years. 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. These funds were distributed to provider employees earning less than \$75,000 annually. There are 37 provider organizations employing up to 1,500 workers who were eligible to receive enhanced wage rates which equates to \$694.50 per month per eligible staff member.

Foster Home Lead Abatement & Fire Safety. The Assembly previously authorized a total of \$1.9 million from State Fiscal Recovery funds for lead remediation and fire suppression upgrades for foster homes. The project has experienced repeated delays and there has been no spending to date; the Governor's budget excludes the funds.

Child Care Support. The Governor' budget includes a total 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. In FY 2022, child care retention bonuses of \$1,500 were distributed to eligible applicants on a semi-annual basis. For FY 2023, retention bonuses were disbursed at least quarterly and totaled \$3,000 per eligible applicant. Funds will also be 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 education opportunities for direct care staff. Payments totaling \$12.7 million were made in FY 2022, \$9.8 million in FY 2023 and the revised budget includes \$19.5 million.

Support for Survivors of Domestic Violence. 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 for two years starting in FY 2023 after which federal grants are expected to return to historic levels. No funding was spent in FY 2023 and the Governor's revised budget includes the entire authorization of \$10.5 million. The Department of Public Safety has received 14 proposals which, as of December, it was evaluating with the assistance of the Department of Housing. The Department plans to issue awards by January 2024.

Adult Education Providers. The 2022 Assembly provided an allocation from State Fiscal Recovery funds for adult education providers totaling \$5.0 million. This includes \$2.0 million for FY 2023 and \$1.5 million for both FY 2024 and FY 2025. The FY 2024 enacted budget consolidated the future funding into FY 2024. Grants are used to fund local adult education programs and literacy services, including workplace literacy services, family literacy services, English literacy, and civics education programs. No expenses were incurred in FY 2023 and the Governor recommends \$4.9 million for FY 2024 and \$0.1 million for FY 2025. The project experienced delays in hiring a project manager, but \$2.6 million of the \$4.2 million in mini-grants to providers has been obligated with the remainder to be obligated by April 2024.

Out of School Time Education Providers. The Governor’s recommendation includes the enacted \$4.0 million from State Fiscal Recovery funds for FY 2024 to be distributed to community organizations to expand access to out-of-school educational programs. The Department of Elementary and Secondary Education’s Office of Student, Community, and Academic Supports would be responsible for distributing the funding. His recommendation includes continuing the program for FY 2025 with \$3.0 million of general revenues that will be distributed through the Department of Elementary and Secondary Education and \$2.0 million of additional federal State Fiscal Recovery funds to be distributed directly to municipalities through Community Learning Center Programming Support grants. Eligible recipients must have approved projects through the Community Learning Center Municipal Grant Program, noted later in this report.

URI - PFAS Water Treatment. The enacted budget allocated \$20.0 million from federal State Fiscal Recovery funds for the University of Rhode Island to implement a permanent water filtration solution to reduce PFAS concentrations and be compliant with 2022 legislation regarding allowable contamination levels. The project did not progress as quickly as expected. The Governor recommends providing \$20.0 million from Rhode Island Capital Plan funds in lieu of State Fiscal Recovery funds and programs it as \$0.5 million for FY 2024, \$1.0 million for FY 2025, \$14.1 million for FY 2026, and \$4.4 million for FY 2027.

Rhode Island Community Food Bank. The Governor maintains the enacted amount of \$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. The food bank was awarded \$1.5 million in late December 2023.

Behavioral Health

Certified Community Behavioral Health Clinics. The Governor recommends \$25.1 million from State Fiscal Recovery funds for FY 2024 in the Executive Office of Health and Human Services’ budget to transition to the new 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. FY 2023 expenses were \$4.9 million for total funding \$30.0 million, consistent with Assembly authorization.

988 Hotline. The Governor recommends \$3.2 million from State Fiscal Recovery funds in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals’ budget for FY 2024 for the 988 hotline to maintain compliance with the National Suicide Hotline Designation Act of 2020 and Federal Communications Commission-adopted rules to ensure a consistent level of service. The hotline is operated by Horizon Health Partners, which used its BH Link program to provide the necessary staffing and operations to meet the federal requirements. The Department spent \$0.2 million in FY 2023 and the Governor adds \$1.9 million for use in FY 2025 which brings total funding to \$5.4 million.

Psychiatric Residential Treatment Facility/Female Youth Facility. The Governor maintains the authorization for \$12.0 million from State Fiscal Recovery funds to expand existing in-state capacity at private facilities and for the initial design of a new female youth program facility. Of that total, \$11.0 million is to renovate a private facility to expand female youth placements expected to be complete during FY 2025. The remaining \$1.0 million will be used to design the new female youth facility. FY 2023 spending was \$2.4 million. The recommendation also maintains the \$45.0 million from Rhode Island Capital Plan funds over FY 2024 through FY 2026 provided by the Assembly to construct the new facility.

Crisis Intervention Trainings. The Governor recommends \$2.2 million from State Fiscal Recovery funds in FY 2024 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. The Assembly authorized \$550,000 for FY 2023 and \$1.7 million for FY 2024 but there was a delay in implementing the program and no funds were expended in FY 2023.

Butler Hospital Short Term Stay Unit. The Governor recommends \$7.4 million from State Fiscal Recovery funds in FY 2024 for the new short term stay unit. Butler Hospital, a member of the Care New England Health Care System, is 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. FY 2023 expenses totaled \$0.6 million to bring total funding to \$8.0 million, consistent with the Assembly authorization.

Turnpike and Bridge Authority - Safety Barriers Study. The revised budget includes \$1.6 million, including \$0.9 million from FY 2023 unspent State Fiscal Recovery funds in FY 2024 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 cost of study for the four main bridges is now estimated at \$1.9 million, \$136,000 more than appropriated. The Authority will pay this from its sources and noted that it is due because all four main bridges were not originally part of the project scope. Of the \$1.0 million provided for FY 2023, \$0.1 million was spent. The study is underway; Mount Hope and Jamestown Bridges will be completed in April/May 2024 and Newport and Sakonnet bridges will be completed in January 2025.

Public Infrastructure & Technology

Broadband Planning and Mapping. The Governor excludes \$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 this program has ended.

Municipal Public Safety Infrastructure. The revised budget includes the enacted amount of \$11.0 million from State Fiscal Recovery funds for FY 2024 to provide a pool of matching funds to provide matching support to cities and towns to make significant public safety facilities infrastructure improvements, including new construction. Funding priority shall 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. The state released an application for funding in December with a deadline of January 26, 2024.

Municipal Roads Grant Program. The Governor recommends the enacted amount of \$20.0 million from State Fiscal Recovery funds for FY 2024 for the Municipal Roads Grant Program, which will be administered by the Department of Transportation. Funds will be made available to cities and towns for the construction and maintenance of roads, sidewalks and bridges. A municipal match of 67.0 percent is required. Additionally, \$5.0 million of the funds will be distributed equally and the remaining \$15.0 million will be distributed proportionally based on non-federal lane miles of roads in each community. The Department of Transportation is authorized to retain any of these funds that are not obligated by June 30, 2024, for statewide paving projects. The Governor recommends an additional \$5.0 million for FY 2025, to be distributed equally. This brings total funding to \$25.0 million.

Climate

Electric Heat Pump Grant Program. The revised budget assumes spending the entire \$25.0 million in FY 2024, including \$5.0 million carried forward from FY 2023, from State Fiscal Recovery funds 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, and through the second quarter, \$4.0 million has been spent. The recommendation 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.

Port of Davisville. The Governor recommends the enacted amount of \$65.0 million from State Fiscal Recovery funds to support infrastructure at the Port of Davisville. Support expands on existing funding to develop port infrastructure intended to create job opportunities, invest in marine transportation, and make capital improvements to prepare for offshore wind development. FY 2023 spending was \$6.0 million, \$59.0 million remains to be disbursed, and the recommendation assumes all remaining funds will be transferred to the Corporation in FY 2024. The Governor’s budget also proposes \$20.0 million from new general obligation bonds for infrastructure projects at the Port of Davisville.

South Quay Marine Terminal. The Governor recommends the enacted amount of \$35.0 million from State Fiscal Recovery funds to create a new South Quay Marine Terminal in East Providence. The 2023 Assembly conditioned funding on the commitment of sufficient matching funds by February 1, 2024. The project is intended to support a shipping hub, including specialization for offshore wind developers. The facilities will be managed by a public-private partnership on land leased from Rhode Island Waterfront Enterprises. In October 2023, the Corporation announced a \$35.0 million private sector commitment and a ground lease was signed. The recommendation does not estimate when funds will be disbursed.

R-Line - Free Service Pilot. The Governor recommends the enacted amount of \$750,000 from State Fiscal Recovery funds for FY 2024 to support a free fare bus route service pilot program along the R-Line; \$2.5 million was spent in FY 2023, for total funding of \$3.3 million. This one-year pilot program started on September 1, 2022 and was set to end on September 30; however, the Authority’s board of directors extended the program an additional month. The Authority tracked ridership data and must submit a report to the Speaker of the House, the President of the Senate, and the Governor by March 1, 2024.

Operating Shortfall

RI Public Transit Authority - Operating Grant. The Authority is projecting an operating deficit of about \$18 million for FY 2025. The Governor recommends \$10.0 million from State Fiscal Recovery funds to partially defray that gap and requires the Authority to review all operations, including ridership and administration to identify efficiencies by January 1, 2025. The study must summarize the findings and include recommendations for sustainable and effective transit operations.

DOC - Budget Shortfall. The Governor’s revised recommendation for FY 2024 includes use of \$20.0 million from State Fiscal Recovery funds for operating budget expenses for the Department of Corrections. The Department has a current year deficit in part from not returning its housing modules to pre-pandemic densities as assumed in the enacted budget. The one-time federal funds do not cover the full shortfall and its effect on FY 2025; the Governor adds general revenues to cover the rest.

Administration

The Governor’s plan includes \$4.1 million and \$1.3 million in FY 2024 and FY 2025, 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 2023, \$10.0 million has been spent. This brings total funding to \$15.4 million, \$3.5 million less than previously assumed.

The following table summarizes the funding by project. Those with changes from the enacted budget other than reappropriation of unspent prior year funds are shaded in gray.

State Fiscal Recovery Funds						
	FY 2022	FY 2023	FY 2024	FY 2025	Total	Eligibility Category
Housing						
Development of Affordable Housing	\$ 14,740,825	\$ -	\$ 85,259,175	\$ -	\$ 100,000,000	NEI
Site Acquisition	6,000,000	9,000,000	10,000,000	-	25,000,000	NEI
Down Payment Assistance	-	10,000,000	20,000,000	-	30,000,000	RR
Workforce Housing	-	-	20,000,000	-	20,000,000	RR
Affordable Housing Predevelopment	-	2,500,000	7,500,000	-	10,000,000	NEI
Home Repair & Community Revitalization	-	-	24,500,000	-	24,500,000	RR
Predevelopment & Capacity Building	78,609	531,660	889,731	-	1,500,000	RR
Homelessness Assistance Program	-	5,557,605	15,942,397	-	21,500,002	NEI
Homelessness Infrastructure	-	3,714,912	41,285,088	-	45,000,000	NEI
Statewide Housing Plan	-	-	2,000,000	-	2,000,000	RR
Targeted Housing Development	-	-	31,000,000	-	31,000,000	NEI
Housing Related Infrastructure	-	-	4,300,000	-	4,300,000	RR
Municipal Homelessness Support Initiative	-	-	2,500,000	-	2,500,000	NEI
Municipal Planning	-	-	2,300,000	-	2,300,000	RR
Proactive Housing Development	-	-	1,400,000	-	1,400,000	RR
Preservation of Affordable Units	-	-	500,000	-	500,000	RR
Subtotal Housing	\$ 20,819,434	\$ 31,304,177	\$ 269,376,391	\$ -	\$ 321,500,002	
Economic & Workforce Development						
Enhanced Real Jobs	\$ -	\$ 9,605,558	\$ 20,394,442	\$ -	\$ 30,000,000	NEI
Blue Economy Investments	-	-	-	-	-	RR
Bioscience Investments	-	-	45,000,000	-	45,000,000	RR
Rhode Island Reconnect	-	-	8,000,000	-	8,000,000	NEI
Cybersecurity Center	-	-	2,000,000	-	2,000,000	RR
Fresh Start Scholarship	-	-	5,000,000	-	5,000,000	RR
Subtotal Economic & Workforce Development	\$ -	\$ 9,605,558	\$ 80,394,442	\$ -	\$ 90,000,000	
Small Business & Impacted Industry						
Aid to the Convention Center	\$ -	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	RR
Unemployment Insurance Trust Fund	-	100,000,000	-	-	100,000,000	NEI
Small Business & Technical Assistance	18,414,433	10,997,715	587,852	-	30,000,000	NEI
Assistance to Impacted Industries	8,199,001	4,801,001	-	2,000,000	15,000,002	PH/NEI/RR
Destination Marketing	-	899,632	2,100,368	-	3,000,000	RR
Minority Business Accelerator	-	1,000,061	4,999,940	-	6,000,001	RR
Subtotal Small Business & Impacted Industry	\$ 26,613,434	\$ 127,698,409	\$ 7,688,160	\$ 2,000,000	\$ 164,000,003	
Public Health						
Ongoing COVID-19 Response	\$ -	\$ -	\$ 21,221,859	\$ -	\$ 21,221,859	PH
COVID-19 Operational Support	-	-	32,197,083	-	32,197,083	PH
Public Health Response						
Warehouse Support	-	380,993	3,019,007	778,347	4,178,347	RR
Auto-Enrollment Program	-	337,478	1,276,590	-	1,614,068	NEI
Health Care Facilities	-	77,500,000	-	10,000,000	87,500,000	NEI/RR
Public Health Clinics	-	279,882	3,720,118	-	4,000,000	NEI
Subtotal Public Health	\$ -	\$ 78,498,353	\$ 61,434,657	\$ 10,778,347	\$ 150,711,357	

State Fiscal Recovery Funds						
	FY 2022	FY 2023	FY 2024	FY 2025	Total	Eligibility Category
Children, Families, & Education						
Nonprofit Assistance	\$ -	\$ 20,000,001	\$ -	\$ -	\$ 20,000,001	NEI
Pediatric Recovery	5,965,100	5,336,892	3,698,010	-	15,000,002	PH
Early Intervention Recovery	4,051,215	5,498,785	1,450,000	-	11,000,000	PH
Provider Workforce Stabilization	6,827,797	7,814,660	8,278,311	-	22,920,768	NEI
Foster Home Lead Abatement & Fire Safety	-	-	-	-	-	NEI
Child Care Support	12,669,244	9,804,337	19,526,420	-	42,000,001	NEI/RR
Support for Survivors of Domestic Violence	-	-	10,500,000	-	10,500,000	PH
Adult Education Providers	-	-	4,872,178	127,822	5,000,000	RR
Out of School Time Education Providers	-	-	4,000,000	2,000,000	6,000,000	NEI
URI - PFAS Water Treatment	-	-	-	-	-	INF
RI Community Food Bank	-	-	3,000,000	-	3,000,000	NEI
Subtotal Children, Families & Education	\$ 29,513,356	\$ 48,454,675	\$ 55,324,919	\$ 2,127,822	\$ 135,420,772	
Behavioral Health						
Certified Community Behavioral Health Clinics	\$ -	\$ 4,903,959	\$ 25,095,405	\$ -	29,999,364	PH
988 Hotline	-	238,584	3,236,417	1,875,000	5,350,001	PH
Psychiatric Residential Facility/ Female Youth Facility	-	2,425,447	9,574,553	-	12,000,000	RR
Crisis Intervention Trainings	-	-	2,200,000	-	2,200,000	RR
Butler Short Stay Unit	-	600,180	7,399,820	-	8,000,000	PH
RITBA Safety Barrier Study	-	134,808	1,615,192	-	1,750,000	RR
Subtotal Behavioral Health	\$ -	\$ 8,302,978	\$ 49,121,387	\$ 1,875,000	\$ 59,299,365	
Public Infrastructure & Technology						
Broadband Planning & Mapping	\$ 269,200	\$ 230,800	\$ -	\$ -	\$ 500,000	RR
Municipal Public Safety Infrastructure	-	-	11,000,000	-	11,000,000	RR
Municipal Roads Grant Program	-	-	20,000,000	5,000,000	25,000,000	RR
Infrastructure & Technology	\$ 269,200	\$ 230,800	\$ 31,000,000	\$ 5,000,000	\$ 36,500,000	
Climate						
Electric Heat Pump Grant Program	\$ -	\$ -	\$ 25,000,000	\$ -	\$ 25,000,000	RR
Port of Davisville	-	6,000,000	59,000,000	-	65,000,000	RR
South Quay Marine Terminal	-	-	35,000,000	-	35,000,000	RR
RIPTA - R Line Free Service Pilot	-	2,500,000	750,000	-	3,250,000	RR
Subtotal Climate	\$ -	\$ 8,500,000	\$ 119,750,000	\$ -	\$ 128,250,000	
Operating Shortfall						
RIPTA Operating Grant	-	-	-	10,000,000	10,000,000	RR
DOC Budget Shortfall	-	-	20,000,000	-	20,000,000	RR
Subtotal Operating Shortfall	\$ -	\$ -	\$ 20,000,000	\$ 10,000,000	\$ 30,000,000	
Administration	\$ 6,093,604	\$ 3,800,862	\$ 4,132,051	\$ 1,345,998	\$ 15,372,515	A
Grand Total	\$ 83,309,028	\$ 316,395,812	\$ 698,222,007	\$ 33,127,167	\$ 1,131,054,014	

Capital Projects Fund

The Governor’s recommendation reflects the full value of \$112.3 million from the Capital Projects Fund, including \$32,687 of unspent FY 2022 funds that were unallocated in the enacted budget.

Capital Projects Fund				
	FY 2023	FY 2024	FY 2025	Total
CPF Administration	\$ 303,042	\$ 4,836,613	\$ 484,149	\$ 5,623,804
Community Learning Center Municipal Grant Program	-	81,720,130	-	81,720,130
Last-Mile Broadband	-	24,956,500	-	24,956,500
Total	\$ 303,042	\$ 111,513,243	\$ 484,149	\$ 112,300,434

These projects are contained in Article 1 of 2024-H 7224 and 2024-H 7225. Section 5 and Section 16, respectively, contain a description of each of the projects for which any appropriation is made in Section 1. These descriptions are in the paragraphs below.

CPF Administration. The Governor recommends a total of \$5.6 million, or 5.0 percent for administrative costs, of the \$112.3 million from the Capital Projects Fund. This assumes use of \$4.8 million in FY 2024 and \$0.5 million in FY 2025 in the Department of Administration; \$0.3 million was spent in FY 2023. Capital Projects funds are exempt from the assessment on federal stimulus awards. The recommendation is \$32,687 more, which reflects unspent FY 2022 funds that were not allocated in the enacted budget.

Community Learning Center Municipal Grant Program. The revised budget assumes use of the entire \$81.7 million in FY 2024 for matching 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. Preliminary grant allocations by city and town was announced on August 15 and detailed applications were due on October 13. The Pandemic Recovery Office is reviewing applications. The recommended budget also changes the initiative’s name from “Municipal and Higher Ed. Matching Grant Program.”

Last-Mile Broadband. The Governor’s budget includes the enacted amount of \$25.0 million from Capital Projects funds to expand reliable, high-speed internet. The initiative provides municipalities, public housing authorities, businesses, and internet service providers with funding to expand middle and last-mile broadband infrastructure for underserved communities. Funds provide a state match and additional support for projects applying for at least \$108.7 million in federal broadband funds that Rhode Island is eligible for under the Infrastructure Investment and Jobs Act. As of the end of FY 2023, no funds have been expended. The recommendation does not estimate when these funds will be disbursed. As of August 2023, the federal government has not yet announced how Digital Equity Act funds will be awarded.

Housing

Spending by the state in support of housing production, access, and subsidies appears throughout the state budget and those of quasi-public entities, some of which are described in detail 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 general obligation bond proceeds and pass-through funds are appropriated for designated programs. Support is generally provided through major federal grants, general obligation bonds, and a dedicated tax on real estate transfers. This report contains detailed information on these sources, programs, and the state housing policy structure.

Recent Activity

The 2023 Assembly created a state low income housing tax credit and provided \$444.9 million for use on housing programs, which is \$85.3 million more than enacted. This value excludes regular operating costs borne by managing agencies and is broken out in the table below as noted, some funding reflects the total value of multi-year programs and others are a single year only.

Housing Programs - 2023 Assembly			
Programs	Amount	Source	Managing Entity
Low Income Housing Tax Credit Fund*	\$ 28,000,000	General Revenues	Department of Housing
Elderly Housing Modifications*	85,000	General Revenues	DHS
Livable Home Modification*	766,699	General Revenues	Governor's Commission on Disabilities
Community Development Block Grants*	10,896,940	Federal Funds	Department of Housing
Homelessness Assistance Grants*	3,332,598	Federal Funds	Department of Housing
Housing Opportunities for Persons with AIDS*	350,000	Federal Funds	Department of Housing
ARPA - Foster Home Lead Abatement/Fire Safety	1,875,000	Federal Funds - SFRF	DCYF
ARPA - Homelessness Infrastructure	45,000,000	Federal Funds - SFRF	Department of Housing
ARPA - Targeted Housing Development	31,000,000	Federal Funds - SFRF	Department of Housing
ARPA - Homelessness Assistance	21,500,000	Federal Funds - SFRF	Department of Housing
ARPA - Municipal Homelessness Support Initiative	2,500,000	Federal Funds - SFRF	Department of Housing
ARPA - Municipal Planning	2,300,000	Federal Funds - SFRF	Department of Housing
ARPA - Statewide Housing Plan	2,000,000	Federal Funds - SFRF	Department of Housing
ARPA - Predevelopment & Capacity Building	1,500,000	Federal Funds - SFRF	Department of Housing
ARPA - Preservation of Affordable Units	500,000	Federal Funds - SFRF	Department of Housing
ARPA - Housing Related Infrastructure	4,300,000	Federal Funds - SFRF	Infrastructure Bank
ARPA - Development of Affordable Housing	100,000,000	Federal Funds - SFRF	RI Housing
ARPA - Down Payment Assistance	30,000,000	Federal Funds - SFRF	RI Housing
ARPA - Site Acquisition	25,000,000	Federal Funds - SFRF	RI Housing
ARPA - Home Repair & Community Revitalization	24,500,000	Federal Funds - SFRF	RI Housing
ARPA - Workforce Housing	20,000,000	Federal Funds - SFRF	RI Housing
ARPA - Affordable Housing Predevelopment	10,000,000	Federal Funds - SFRF	RI Housing
ARPA - Proactive Housing Development	1,400,000	Federal Funds - SFRF	RI Housing
Lead Abatement and Housing Rental Subsidies*	4,706,092	Restricted Receipts	Department of Housing
Housing Production Fund*	2,958,058	Restricted Receipts	Housing Resources Commission
Affordable Housing	70,428,352	GO Bonds	RI Housing
Total	\$ 444,898,739		

*Ongoing program; value represents FY 2024 enacted budget only

The 2021 Assembly created the Deputy Secretary of Commerce for Housing within the Executive Office of Commerce. It also provided \$29.0 million from State Fiscal Recovery funds made available through the American Rescue Plan Act for various housing programs. The 2022 Assembly elevated the Deputy Secretary to become Secretary of Housing and provided that the Office shall be transferred from the Executive Office of Commerce to the new Department of Housing effective July 1, 2023. It also authorized a total of \$250.0 million from State Fiscal Recovery funds over a five-year period from FY 2022 to FY 2026, including \$29.0 million previously authorized, for various housing programs.

The 2023 Assembly transferred the Office of Housing and Community Development to the new Department of Housing and provided a total of \$3.5 million from general revenues and 38.0 full-time equivalent positions to support the Department. It also authorized a total of \$321.5 million from State Fiscal Recovery funds, including \$250.0 million previously authorized, and advanced all funding from later years to FY 2024 to ensure the state can meet federal deadlines for formally obligating the funds; actual spending can still occur over a longer time horizon. The table that follows shows these funds, some of which are duplicated from the preceding table.

2023 Assembly Multi-Year Allocation of State Fiscal Recovery Funds for Housing				
Program	FY 2022	FY 2023	FY 2024	Total
<i>Rhode Island Housing</i>				
Development of Affordable Housing	\$ 14,740,825	\$ 30,259,175	\$ 55,000,000	\$100,000,000
Site Acquisition	6,000,000	9,000,000	10,000,000	25,000,000
Down Payment Assistance	-	10,000,000	20,000,000	30,000,000
Workforce Housing	-	12,000,000	8,000,000	20,000,000
Affordable Housing Predevelopment	-	2,500,000	7,500,000	10,000,000
Home Repair & Community Revitalization	-	15,000,000	9,500,000	24,500,000
Proactive Housing Development	-	-	1,400,000	1,400,000
<i>Department of Housing</i>				
Predevelopment & Capacity Building	78,609	921,391	500,000	1,500,000
Homelessness Assistance Program	-	8,500,000	13,000,000	21,500,000
Homelessness Infrastructure	-	15,000,000	30,000,000	45,000,000
Statewide Housing Plan	-	2,000,000	-	2,000,000
Targeted Housing Development	-	-	31,000,000	31,000,000
Municipal Homelessness Support Initiative	-	-	2,500,000	2,500,000
Municipal Planning	-	-	2,300,000	2,300,000
Preservation of Affordable Units	-	-	500,000	500,000
<i>Infrastructure Bank</i>				
Housing Related Infrastructure	-	-	4,300,000	4,300,000
Total	\$ 20,819,434	\$105,180,566	\$195,500,000	\$321,500,000

The Governor's FY 2024 revised and FY 2025 recommended budget retains the same programs but shows \$73.9 million of unspent FY 2023 funds in FY 2024, consistent with the enacted reappropriation authority. It does not include updated estimates for when funds will be disbursed. The following table shows the distribution of State Fiscal Recovery funds for Housing in the Governor's budget including which programs had unspent funds carried forward; projects are duplicated from the overview table on page one. Further detail on the obligation and disbursement of funds for these programs is available in the ARPA State Fiscal Recovery Funds report also in the Special Reports section of this publication. The recommendation also includes \$5.8 million from general revenues and 38.0 full-time equivalent positions to support the Department of Housing.

2024 Governor Multi-Year Allocation of State Fiscal Recovery Funds for Housing				
Program	FY 2022 to FY 2023	FY 2024 Revised	Total	Unused FY 2023 Funds in FY 2024 Rev.
<i>Rhode Island Housing</i>				
Development of Affordable Housing	\$ 14,740,825	\$ 85,259,175	\$ 100,000,000	\$ 30,259,175
Site Acquisition	15,000,000	10,000,000	25,000,000	-
Down Payment Assistance	10,000,000	20,000,000	30,000,000	-
Workforce Housing	-	20,000,000	20,000,000	12,000,000
Affordable Housing Predevelopment	2,500,000	7,500,000	10,000,000	-
Home Repair & Community Revitalization	-	24,500,000	24,500,000	15,000,000
Proactive Housing Development	-	1,400,000	1,400,000	-
<i>Department of Housing</i>				
Predevelopment & Capacity Building	\$ 610,269	\$ 889,731	\$ 1,500,000	\$ 389,731
Homelessness Assistance Program	5,557,605	15,942,397	21,500,002	2,942,397
Homelessness Infrastructure	3,714,912	41,285,088	45,000,000	11,285,088
Statewide Housing Plan	-	2,000,000	2,000,000	2,000,000
Targeted Housing Development	-	31,000,000	31,000,000	-
Municipal Homelessness Support Initiative	-	2,500,000	2,500,000	-
Municipal Planning	-	2,300,000	2,300,000	-
Preservation of Affordable Units	-	500,000	500,000	-
<i>Infrastructure Bank</i>				
Housing Related Infrastructure	\$ -	\$ 4,300,000	\$ 4,300,000	\$ -
Total	\$ 52,123,611	\$ 269,376,391	\$ 321,500,002	\$ 73,876,391

Structure of State Housing Policy

Since passage of the Housing Resources Act of 1998, three organizations have 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 effective April, 2015. The Department retained the Division of Capital Asset Management and Maintenance, which is responsible for developing, monitoring, and assisting with the housing production portion of the state guide plan. The 2022 Assembly placed the Office of Housing and Community Development under the Secretary of Housing, removing it from the authority of the Coordinating Committee.

The Office of Housing and Community Development was transferred to the Department of Housing on July 1, 2023, thereby turning the Office into a standalone Department with expanded responsibilities and staffing. The 2023 Assembly codified the role of the Department as the state's lead agency for housing initiatives and authorized it to deal in real estate.

Department of Housing. The Housing Resources Act of 1998 established a state housing resources agency, later titled the Office of Housing and Community Development, to address issues related to housing, including the age of the housing stock; public health issues arising from inadequately maintained housing; supported living arrangements for the elderly; a growing population; affordability; declining federal commitment; and declining revenues at the time faced by RI Housing. It functioned as an administrative arm of the Housing Resources Commission, with limited direction from the Executive Office of Commerce, until the 2022 Assembly placed it under the oversight of the Secretary of Housing effective

July 1, 2022 and effective July 1, 2023, the Office was transferred to the new Department of Housing. Historically, most of the Department’s work is coordinating the provision of supportive services with nonprofit providers. It is the recipient of federal community development block grants for 33 municipalities and various other grants aimed at helping vulnerable populations. The 2023 Assembly codified the role of the Department as the state’s lead agency for all housing, homelessness, and community development initiatives and authorized it to deal in real estate.

Rhode Island Housing and Mortgage Finance Corporation. Established in 1973, 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 Governor designates the Commission’s chair. In 2022, RI Housing maintained assets totaling \$2.6 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	
	Director of Administration
Ex-Officio	Director of Business Regulation
	General Treasurer
	Four members experienced in housing
Appointed	design, development, finance, management, and state and municipal

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 main products are single-family mortgage and multi-family development loans, often supported by insurance or guarantees through the federal Departments of Housing and Urban Development, Veterans Administration, or Agriculture. 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.

Article 6 of 2023-H 5200, Substitute A, as amended, contains facilitating language for the creation of a new proactive development subsidiary of RI Housing, which is expected to be established formally in January 2024. Consistent with protections already granted to the Corporation and other quasi-public corporations, it exempts subsidiaries of the Corporation from taxation and limits tort actions to be against the organization itself and caps the amounts of such actions to less than \$100,000 absent fraud or willful misconduct.

Housing Resources Commission. The Housing Resources Act of 1998 also created the Housing Resources Commission to administer policy, planning, and coordination of state housing functions as well as to implement guidelines and monitor performance. The 2004 Assembly amended the Act to clarify the Commission’s powers, including providing technical assistance and a formal role for the Division of Statewide Planning. The Commission consists of 28 members listed in the following table. Its chair is appointed by the Governor but cannot be an ex-officio member. The Commission is empowered to participate in lawsuits; enter into contracts; receive and make loans and grants; and to establish and collect fees for its services.

Housing Resources Commission Membership	
Enumerated Entities	Representative of
Director of Administration (Ex-Officio)	Chairperson (<i>Amended by 1999 Assembly</i>)
Director of Business Regulation (Ex-Officio)	Homelessness
Director of Elderly Affairs (Ex-Officio)	Community Development Corporation
Director of Health (Ex-Officio)	Agency Addressing Lead Poisoning Issues
Director of Human Services (Ex-Officio)	Local Planner
Director of Behavioral Health, Developmental Disabilities and Hospitals (Ex-Officio)	Local Building Official
Chairperson of Rhode Island Housing (Ex-Officio)	Fair Housing Interests
Attorney General (Ex-Officio)	Agency Advocating for Racial Minorities
President of the Rhode Island Bankers Association	Rhode Island Builders Association
President of the Mortgage Bankers Association	Insurers
President of the Rhode Island Association of Executive Directors for Housing	Community Development Intermediary for Non-Profits
President of the Rhode Island Realtors Association	Non-Profit Developer
Executive Director of the Rhode Island Housing Network	Senior Housing Advocate (<i>Amended by 1999 Assembly</i>)
Executive Director of the Rhode Island Coalition for the Homeless	
Executive Director of Operation Stand Down (<i>Added by 2014 Assembly</i>)	

Housing Resources Coordinating Committee. The Housing Resources Act of 1998 established a four-member Housing Resources Coordinating Committee to oversee the Office of Housing and Community Development and the relationship between RI Housing and the Housing Resources Commission, including designating which is the state recipient for several federal grants. It was intended to provide coherence to all state housing programs and integrate activities of the Corporation and the Commission. In practice, it meets only after major statutory changes that affect both organizations, and did not meet from 2009 until 2021. In March 2022 and January 2023, respectively, it established guidelines for allowable uses of the Housing Production Fund and a municipal technical assistance program, both created by the 2021 Assembly. The Committee’s responsibility to oversee the Office was effectively exercised by the Commission until July 2022, when oversight was transferred to the Secretary of Housing.

Housing Resources Coordinating Committee Members	
RI Housing	Chairperson
RI Housing	Executive Director
Housing Resources Commission	Chairperson
Department of Administration	Director

Housing Programs

Housing programs are broken out in the subsequent section into functional categories, including funding and administering agencies according to the FY 2024 enacted budget, with reference to changes proposed in the Governor’s recommendation.

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 2024 Enacted	FY 2025 Recommended	Source	Managing Entity
Low Income Housing Tax Credit Fund*	\$ 28,000,000	\$ 4,000,000	General Revenues	Dept. of Housing
ARPA - Targeted Housing Development	31,000,000	31,000,000	Federal - SFRF	Dept. of Housing
ARPA - Housing Related Infrastructure	4,300,000	4,300,000	Federal - SFRF	Dept. of Housing
ARPA - Development of Affordable Housing	100,000,000	100,000,000	Federal - SFRF	RI Housing
ARPA - Site Acquisition	25,000,000	25,000,000	Federal - SFRF	RI Housing
ARPA - Workforce Housing	20,000,000	20,000,000	Federal - SFRF	RI Housing
ARPA - Affordable Housing Predevelopment	10,000,000	10,000,000	Federal - SFRF	RI Housing
ARPA - Home Repair & Community Revitalization	24,500,000	24,500,000	Federal - SFRF	RI Housing
Housing Production Fund*	2,958,058	2,958,058	Restricted	Housing Resources Commission
Affordable Housing	70,428,352	116,000,000	GO Bonds	RI Housing
Total	\$ 316,186,410	\$ 337,758,058		

*Ongoing program; amounts represent FY 2024 and FY 2025 only

- Low Income Housing Tax Credit Fund. The Governor’s budget includes \$4.0 million from general revenues to prefund commitments under the State Low Income Housing Tax Credit. 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. The 2023 Assembly provided \$28.0 million from general revenues to prefund credits against an award maximum \$150.0 million based on the current June 30, 2028 sunset date.
- ARPA - Targeted Housing Development. The Governor’s budget includes the enacted amount of \$31.0 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. All funds were included in the November application round and are expected to be awarded by June.
- ARPA - Housing Related Infrastructure. The Governor’s budget includes the enacted amount of \$4.3 million from State Fiscal Recovery funds authorized by the 2023 Assembly to be transferred to the Infrastructure Bank to support infrastructure necessary for affordable housing development.
- ARPA - Development of Affordable Housing. The Governor’s budget includes the enacted amount of \$100.0 million from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments. This creates an additional directed subsidy as a match to multiple sources of financing. For FY 2024 \$85.3 million remains to be spent but as of December, only \$18.0 million remains unobligated and is currently subject to a request for proposals issued in November.
- ARPA - Site Acquisition. The Governor’s budget includes the enacted amount of \$25.0 million from State Fiscal Recovery funds to continue a site acquisition program administered by Rhode Island 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 the end of FY 2023, \$10.0 million remains unspent and the Department of Housing is finalizing awards for all remaining funds.
- ARPA - Workforce Housing. The Governor’s budget includes the enacted amount of \$20.0 million from State Fiscal Recovery funds authorized by the 2023 Assembly to increase the supply of housing for Rhode Island families earning up to 120 percent of area median income. Of this amount, \$12.5 million is currently subject to a request for proposals issued in November.

- **ARPA - Affordable Housing Predevelopment.** The Governor’s budget includes the enacted amount of \$10.0 million from State Fiscal Recovery funds to reduce pre-construction barriers to housing development including prerequisite environmental studies and legal work. As of December 2023, \$6.9 million has been committed to 31 projects and remaining funds are expected to be committed by the end of March 2024.
- **ARPA - Home Repair and Community Revitalization.** The Governor’s budget includes the enacted amount of \$24.5 million from State Fiscal Recovery funds to support critical home repairs and redeveloping residential or commercial properties, and public and community spaces. As of December 2023, \$16.4 million has been obligated and \$3.6 million is currently subject to a request for proposals issued in November.
- **Housing Production Fund.** The Governor’s budget includes the enacted amount of \$3.0 million from Housing Production Fund restricted receipts for FY 2025, to provide financial or technical assistance to support the creation and preservation of affordable housing. The 2021 Assembly enacted a second tier of the Real Estate Conveyance Tax, doubling the tax to \$4.60 for each \$500 increment for residential property over \$0.8 million, and reallocated a portion to be deposited in a new housing production fund, effective January 1, 2022. The 2021 Assembly also provided \$25.0 million from general revenues in FY 2022 to capitalize the fund and required that funds be disbursed subject to program and reporting guidelines adopted by the Coordinating Committee. As of December 2023, RI Housing has made awards totaling \$19.2 million and has \$13.2 million in available funds.
- **Affordable Housing.** The Governor’s budget includes \$100.0 million from new general obligation bond funds to be placed before the voters on the November 2024 ballot for housing development, infrastructure, redevelopment, and homeownership programs for FY 2026 through FY 2028. It does not specify amounts for these uses. It also includes \$16.0 million from general obligation bond funds approved by voters in March 2021 for affordable housing support, including rehabilitation of existing structures and new construction for FY 2024 through FY 2026.

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 delay or 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.

Program	Housing Preservation		Source	Managing Entity
	FY 2024 Enacted	FY 2025 Recommended		
Elderly Housing Security*	\$ 85,000	\$ 85,000	General Revenues	DHS
Livable Home Modification*	766,699	765,304	General Revenues	Governor's Commission on Disabilities
ARPA - Foster Home Lead Abatement/Fire Safety	1,875,000	-	Federal - SFRF	DCYF
ARPA - Preservation of Affordable Units	500,000	500,000	Federal - SFRF	Dept. of Housing
Total	\$ 3,226,699	\$ 1,350,304		

*Ongoing program; amounts represent FY 2024 and FY 2025 only

- **Elderly Housing Security.** The Budget includes the enacted level of \$85,000 from general revenues to implement security measures in elderly housing complexes. The funds can be used for a variety of purposes to help elderly persons feel safe in their homes. The Office of Healthy Aging annually issues a request for proposals to award the funds, which support new lighting, doors, and alarms.

- Livable Home Modification. The recommended budget includes \$0.8 million from general revenues for FY 2025 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.
- ARPA - Foster Home Lead Abatement/Fire Safety. The Assembly previously authorized a total of \$1.9 million from State Fiscal Recovery funds for lead remediation and fire suppression upgrades for foster homes. The project has experienced repeated delays and there has been no spending to date; the Governor’s budget excludes the funds.
- ARPA - Preservation of Affordable Units. The Governor’s budget includes the enacted amount of \$0.5 million from State Fiscal Recovery funds authorized by the 2023 Assembly to preserve affordable housing units at risk of foreclosure and blight.

Supportive Services. Supportive services are programs that aid housing consumers. This includes financial and information support for prospective homebuyers as well as directed 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.

Program	Supportive Services		Source	Managing Entity
	FY 2024 Enacted	FY 2025 Recommended		
Housing Opportunities for Persons with AIDS*	\$ 350,000	\$ 350,000	Federal	Dept. of Housing
Homelessness Assistance Grants	3,332,598	3,332,598	Federal	Dept. of Housing
ARPA - Homelessness Assistance	21,500,000	21,500,000	Federal - SFRF	Dept. of Housing
ARPA - Homelessness Infrastructure	45,000,000	45,000,000	Federal - SFRF	Dept. of Housing
ARPA - Municipal Homelessness Support Initiative	2,500,000	2,500,000	Federal - SFRF	Dept. of Housing
ARPA - Down Payment Assistance	30,000,000	30,000,000	Federal - SFRF	RI Housing
Total	\$ 102,682,598	\$ 102,682,598		

*Ongoing program; amounts represent FY 2024 and FY 2025 only

- Housing Opportunities for Persons with AIDS. The Governor’s recommendation includes the enacted amount of \$0.4 million from federal funds for FY 2025 for administration of the federal Housing Opportunities for Persons with AIDS dedicated to supporting services and housing for low-income people living with HIV and AIDS.
- Homelessness Assistance Grants. The Governor’s recommendation includes the enacted amount of \$3.3 million from federal Emergency Shelter Grants and Title XX Shelter Transfer Grants. The Housing Resources Commission typically allocates funding competitively to the private shelter system through the Consolidated Homeless Fund.
- ARPA - Homelessness Assistance. The Governor’s budget includes the enacted amount of \$21.5 million from State Fiscal Recovery funds to provide housing navigation, stabilization and mental health services for people experiencing homelessness. The 2021 Assembly included a requirement to provide monthly progress reports regarding achievement of these efforts. The Department submitted its first report in March 2023 and has not submitted a report since July 2023. The recommendation also removes language requiring that a portion of funds be used for operating subsidies for extremely low-income housing units.
- ARPA - Homelessness Infrastructure. The Governor’s budget includes the enacted amount of \$45.0 million 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. As of December 2023, the Department reports that all funds have been obligated and \$35.3 million remains unspent.

- ARPA - Municipal Homelessness Support Initiative. The Governor’s budget includes the enacted amount of \$2.5 million from State Fiscal Recovery funds to award grants to municipalities to help pay for community services, such as trash collection, ambulance, or outreach that support homeless individuals. The Department of Housing began accepting applications from municipalities in October 2023, which will remain open until March 1, 2024 or until all funds have been obligated.
- ARPA - Down Payment Assistance. The Governor’s budget includes the enacted amount of \$30.0 million from State Fiscal Recovery funds to provide up to \$20,000 of down payment assistance to eligible first-time homebuyers. As of November 2023, 1,661 applications were received, all funds have been obligated, and \$25.8 million has been spent; the program is closed to new applications.

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 state through the Housing Resources Commission and Department of Housing.

Program	Flexible		Source	Managing Entity
	FY 2024 Enacted	FY 2025 Recommended		
Community Development Block Grants*	\$ 10,896,940	\$ 14,196,940	Federal	Dept. of Housing
Lead Abatement and Housing Rental Subsidies*	4,706,092	4,706,092	Restricted	Dept. of Housing
Total	\$ 15,603,032	\$ 18,903,032		

**Ongoing program; amounts represent FY 2024 and FY 2025 only*

- Community Development Block Grants. The Governor’s budget includes \$14.2 million from federal Community Development Block Grant funds, \$3.3 million more than the enacted budget. Cranston, East Providence, Pawtucket, Providence, Warwick and Woonsocket are entitlement communities which receive their Community Development Block Grants directly from the Department of U.S. Housing and Urban Development; the remaining 33 communities’ grants are administered by the state.
- Lead Abatement and Housing Rental Subsidies. The Governor’s budget includes the enacted amount of \$4.7 million from restricted receipts for lead hazard reduction abatement, rental subsidy and shelter operations of the Housing Resources Commission. The 2014 Assembly amended the Real Estate Conveyance Tax statute to provide a permanent stream of funding to be used by the Housing Resources Commission for lead hazard reduction abatement, rental subsidy and shelter operations. The 2015 Assembly further amended the statutes to ensure that the tax applied to property transfers that were accomplished through a different legal maneuver.

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 2024 Enacted	FY 2025 Recommended	Source	Managing Entity
ARPA - Municipal Planning	\$ 2,300,000	\$ 2,300,000	Federal - SFRF	Dept. of Housing
ARPA - Statewide Housing Plan	2,000,000	2,000,000	Federal - SFRF	Dept. of Housing
ARPA - Predevelopment & Capacity Building	1,500,000	1,500,000	Federal - SFRF	Dept. of Housing
ARPA - Proactive Housing Development	1,400,000	1,400,000	Federal - SFRF	RI Housing
Total	\$ 7,200,000	\$ 7,200,000		

- ARPA - Municipal Planning. The Governor’s budget includes the enacted amount of \$2.3 million from State Fiscal Recovery funds to support municipal planning efforts. This includes \$1.3 million for a municipal fellows program and \$1.0 million for transit- and zoning-related grants to municipalities. The Department of Housing expects both programs to open applications in spring 2024.
- ARPA - Statewide Housing Plan. The Governor’s budget includes the enacted amount of \$2.0 million from State Fiscal Recovery funds for 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. Funds also support municipal planning efforts. The Department of Housing indicates that it has contracted with a vendor to produce this report by December 2024.
- ARPA - Predevelopment and Capacity Building. The Governor’s budget includes the enacted amount of \$1.5 million from State Fiscal Recovery funds for contracted consultants to provide administrative support to the Department of Housing. The 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 Department submitted its first report in March 2023 and has not submitted a report since July 2023. As of the end of FY 2023, only \$0.6 million has been spent.
- ARPA - Proactive Housing Development. The Governor’s budget includes the enacted amount of \$1.4 million from State Fiscal Recovery funds authorized by the 2023 Assembly to create a new proactive development subsidiary of RI Housing. The subsidiary is expected to be established formally in January 2024.

Required Reports

The status as of January 2024 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 funded using State Fiscal Recovery funds.

R.I.G.L.	Program	Submitted	Compliant
<i>Department of Housing</i>			
42-64.19	Integrated Housing Report	Yes	Yes
42-64.19	State Housing Reorganization Plan	Yes	Partial
42-128	Housing Resources Commission	No	No
42-128.1	Lead Hazard Mitigation	No	No
42-128.3	Housing Incentives Districts	No	No
44-71	Low Income Housing Tax Credit Fund	n/a	New
45-24	Accessory Dwelling Units	Yes	Yes
45-53	Comprehensive Permitting	Yes	Yes
45-53	Housing Vouchers	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 Department of Housing is required to submit a December 31 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, the number and projection of status quo units, units necessary to meet housing formation trends, 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, into cost brackets, and growth over the past five years. A small number of these requirements are similar to the Housing Resources Commission report required by the 1998 Assembly. The 2021 and 2022 versions of the report omitted certain required items such as recommendations, however the report submitted on December 30, 2023 is compliant.

The Governor recommends several changes to this report in Article 3, Section 27 of 2024-H 7225, including altering some measures, delaying the due date to April 15, and a new study beginning in 2026 and every three years thereafter to determine the accessibility of the state housing stock. These changes are intended to clarify requirements and align more closely with available data and when they are published. Municipalities would also be required to provide relevant data requested by the Department on or before February 15.

State Housing Reorganization Plan. The Secretary of Housing was required to submit a housing organizational plan by November 1, 2022 that includes a review, analysis, and assessment of functions related to housing of all state departments, quasi-public agencies, boards, and commissions. The plan was submitted on November 18 and lacked required commentary from other state agencies, an assessment of the current structure, and advantages and disadvantages of proposed changes. The Department later indicated state agency input and cost-benefit criteria were incorporated into its methodology and recommendations.

Under the plan, the Department would assume authority over the Housing Resources Commission, direct all state and federal housing funds currently administered by the Commission and RI Housing, and receive several programs transferred from the Departments of Administration, Behavioral Healthcare, Developmental Disabilities and Hospitals, and Human Services as well as the Executive Office of Health and Human Services and the Governor’s Commission on Disabilities. The Department would be responsible for all housing-related public statements and statutory reports. It also recommends strong consideration making the Secretary ex-officio chairman of the RI Housing Board and a member of the Statewide Planning Council and Public Safety Grant Administration Policy Board. These changes were not included in the Governor’s FY 2024 recommendation or the Assembly adopted budget.

Housing Resources Commission. The Housing Resources Commission is required to file an annual report on its activities and findings and recommendations on housing issues, including by census tract details on all program spending, health-related housing issues, and incidences of lead poisoning. Many of these requirements are similar to the Integrated Housing Report required by the 2021 Assembly. The Housing Resources Commission indicates it believes this requirement is effectively fulfilled by the annual Housing Fact Book produced by HousingWorks RI, which is neither a state entity nor referenced in statute.

Lead Hazard Mitigation. The Housing Resources Commission is required to file a March annual report on progress made to achieving the four-year 2003 strategic plan to mitigate lead poisoning. The Commission signed a memorandum of understanding with the Department of Health to fulfill all responsibilities associated with this program; the report is regularly presented to the Commission but the Commission indicates it has never provided them to the General Assembly.

Housing Incentives Districts. As of FY 2022, the Coordinating Committee of the Housing Resources Commission 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 Commission 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. Beginning November 1, 2024, the Department of Housing is required to file an annual 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 Department 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 Department with this information by February 1.

Comprehensive Permitting. The Department 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 Department with this information by February 1.

Housing Vouchers. The Department is required to file a March 1 annual report to be posted on its website containing the prior 12 months of information regarding Section 8 Housing Choice Vouchers received and used by public housing authorities. By municipality, the report must contain an accounting of all vouchers, unfunded vouchers, administrative costs, and fees collected in lieu of development of low- and moderate-income units.

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 the Corporation's 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. The Corporation 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 approved by the Corporation, the value of support provided, and the resulting certificates of occupancy once available. It also contains the value of fees and taxes paid by affordable housing developments to each municipality.

Housing Data

The Department of Housing reports that as of 2022 there were a total of 483,053 housing units in Rhode Island. 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 47 percent of renter households and 27 percent of owner households. Detailed information on the quality and status of housing is included in the Department's Integrated Housing Report, due annually on December 31. 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 Low and Moderate Income Housing:

<https://www.rilegislature.gov/commissions/LMIHA/Pages/hmaterials.aspx>

Division of Statewide Planning:

<https://planning.ri.gov/>

HousingWorksRI:

<https://www.housingworksri.org/Research-Policy/Publications-Reports>

Office of Housing and Community Development:

<https://ohcd.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 6.0 percent of operating budget expenditures in the FY 2025 recommended 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 major federal grants as well as user charges and other dedicated state sources. This report contains detailed information on these sources and how they have changed over time as well as 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 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. No highway or transit project can utilize federal funds unless it appears in an approved Transportation Improvement Program. In Rhode Island, the 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, highway 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 and then it is 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 where more than resurfacing is involved. The pavement management 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.

Projects are selected for implementation by the Department of Transportation based on an evaluation using four sources of information: pavement management system data, public input-priority assigned by communities, input from the Maintenance Division, and staff field review. Roadways with the worst ratings are candidates for resurfacing. Final selection considers traffic volumes and the distribution of projects statewide to insure an equitable geographic distribution. Roadways selected must be eligible for federal funding, which means the road must be functionally classified. State roads are given priority, but local roads may also be included in the program based on factors such as 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 with the goal of reducing the percentage of deficient bridges. Annually, the Department will propose

changes to the plan to make sure that projects are appropriately coordinated and that communities and constituents can have input. The federal FY 2018 through FY 2027 Transportation Improvement Program was approved in December 2017. Over a three-year period, a total of 30 amendments were added to it; 28 of these changes were minor in nature and were classified as administrative, and there were two major amendments. On January 25, 2019, the Department requested major revisions to the adopted plan, classified as Amendment #11. The amendment would “significantly redistribute funding to projects to cover increased construction costs, funding reductions, and align the program with Bridge and Pavement asset management priorities.” The Department subsequently submitted a request rescinding proposed changes included in the amendment. As such, two public hearings that were scheduled for the end of February to accept public comments on the proposed amendment were cancelled.

In July 2019, the Department proposed the other major amendment, classified as Amendment #19 to the Transportation Improvement Program. Solicitations for input were due on August 22 and two public hearings were held on August 13 and August 15. Among the proposed changes was the use of a \$70 million federal grant that the Department received. Of this amount, \$54.5 million is for the Henderson Bridge project. The amendment removed \$120.0 million from Rhode Island Capital Plan funds for paving projects that the Department had programmed but was never recommended by the Governor, nor approved by the Assembly. It added \$200.0 million of Grant Anticipation Revenue Vehicle (GARVEE) bonds that the 2019 Assembly approved for the Interstate 95 Northbound Providence Viaduct project. It also added \$20.0 million for the Pell Bridge Ramps Realignment project and \$2.8 million for preliminary engineering and an environmental assessment for an Amtrak stop at Rhode Island T.F. Green International Airport. All proposed changes were approved and adopted by the State Planning Council on August 29, 2019.

Transportation Improvement Programs		
FFY	Date Approved	Total Amendments
2022-2031*	September 9, 2021	11
2018-2027	December 14, 2017	30
2017-2025	September 8, 2016	3
2013-2016	February 28, 2013	7
2009-2012	August 14, 2008	13

**As of January 1, 2024*

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. It contained \$8,244.7 million for transportation and transit projects and operations. Of this amount, \$3,575.9 million was included in the first four years of the plan, and \$4,668.9 million for the second half of the ten-year period. Funding for the plan in federal FY 2022 included \$505.5 million from federal funds, \$345.1 million from state sources, which included approved general obligation bonds, Rhode Island Capital Plan funds, gasoline tax proceeds, and highway maintenance funds. It assumed that the 2022 Assembly would authorize the issuance of \$34.8 million from revenue bonds, and programmed \$16.1 million and \$18.9 million for federal FY 2024 and FY 2025, respectively. Other funds included land sales, paratransit and passenger revenues generated by the Rhode Island Public Transit Authority and local match for projects.

Subsequent to adopting the plan, 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. Rhode Island will receive an average of \$354 million annually. The increase from federal FY 2021 to FY 2022 is approximately \$103 million; the state match for that amount would be \$20.6 million.

The table on the following page 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

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 latter 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 the 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 be transferred to the Rhode Island Capital Plan Fund to be used as the state match for additional transportation projects authorized under the Infrastructure Investment and Jobs Act for both the Department and the Rhode Island Public Transit Authority for two years. As the table above shows, the additional match for federal FY 2022 and FY 2023 required \$42.4 million, suggesting that a great portion of the new matching funds are for discretionary projects.

The 2022 Assembly concurred with the Governor’s subsequent request to adjust expenditures, 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 Rhode Island Public Transit Authority, the amendment removed \$4.9 million for a project not approved by the Federal Transit Administration, and added a \$1.0 million match for the Newport Bus Facility. This resulted in a net reduction of \$3.9 million. Of the \$100.0 million Rhode Island Capital Plan funds allocation, \$75.3 million is for the Department, with the Authority receiving \$24.7 million. Based on project delays, the 2023 Assembly shifted a total of \$14.6 million from the Authority’s allocation of the Rhode Island Capital Plan Fund from FY 2023 and FY 2024 to FY 2025 and FY 2026. The Authority’s FY 2025 capital budget request allocates a total of \$13.3 million of these funds to six other projects. The Governor does not concur and maintains funding in the approved project. The recommendation assumes use of \$10.5 million for FY 2024 revised, \$11.2 million for FY 2025, and \$1.6 million for FY 2026.

The following table includes program and funding for the amended Transportation Improvement Program, which reflects the adoption of 11 amendments through January 1, 2024.

Programs*	FFY	FFY	FFY	FFY	FFY 2022-	FFY 2026-	Total
	2022	2023	2024	2025	FFY 2025	FFY 2031	FFY 2022- FFY 2031
Active Transportation	\$ 19.5	\$ 29.3	\$ 28.7	\$ 37.4	\$ 115.0	\$ 206.5	\$ 321.5
Bridge	158.4	178.1	176.3	198.3	711.1	1,160.6	1,871.7
Corridor Projects	1.3	9.6	18.9	30.3	60.1	220.8	280.9
Debt Service	113.4	116.2	116.1	112.4	458.1	649.9	1,108.0
Headquarters Operations	47.6	46.4	44.8	47.1	185.9	286.9	472.8
Maintenance Operations	76.5	80.0	80.5	81.2	318.2	478.2	796.4
Major Capital Projects	191.1	241.9	238.6	225.2	896.8	750.0	1,646.8
National Highway Traffic Safety							
Admin.	9.1	9.1	9.1	9.1	36.3	54.5	90.8
Pavement	103.3	120.6	106.6	88.7	419.2	338.6	757.8
Stormwater	16.8	15.7	11.0	10.0	53.5	60.0	113.5
Study and Development	17.4	15.6	15.5	15.6	64.0	66.3	130.4
Traffic Safety	58.8	32.9	34.0	38.3	164.0	213.2	377.2
Transit	35.4	34.7	30.5	22.5	123.0	181.2	304.2
DOT	\$848.7	\$ 930.0	\$ 910.5	\$ 915.9	\$ 3,605.2	\$ 4,666.7	\$ 8,271.9
Transit Capital	\$ 11.3	\$ 86.3	\$ 21.2	\$ 23.2	\$ 142.0	\$ 130.1	\$ 272.0
Transit Service	21.7	14.3	17.7	14.3	67.9	91.7	159.6
Transit Support Operations	106.6	130.8	118.5	123.4	479.3	661.6	1,141.0
RIPTA	\$139.6	\$ 231.4	\$ 157.4	\$ 160.8	\$ 689.2	\$ 883.4	\$ 1,572.6
Turnpike & Bridge Authority	\$ -	\$ 0.2	\$ 23.0	\$ 58.9	\$ 82.1	\$ 120.1	\$ 202.2
Total	\$988.3	\$1,161.6	\$1,091.0	\$1,135.5	\$ 4,376.5	\$ 5,670.2	\$10,046.7

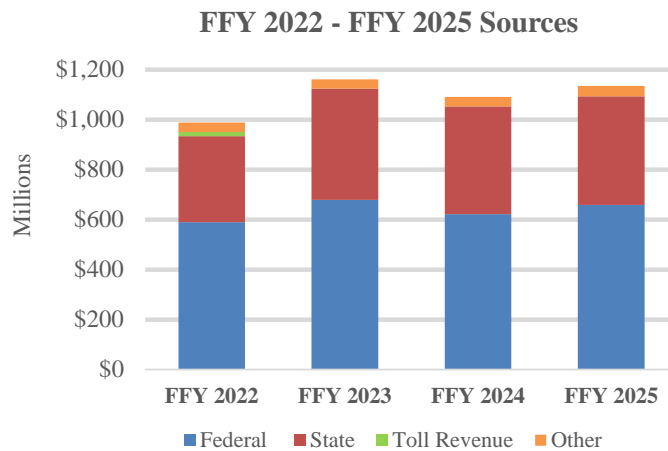
\$ in millions

*As of January 2024

Expenses in federal FY 2022 through FY 2025 have increased by \$838.6 million from the plan that was originally adopted in September 2021, which predates the passage of the Infrastructure Investment and Jobs Act. For the Department, an additional \$701.3 million has been added, including \$221.3 million for paving, \$193.5 million for bridge, and \$58.9 million for active transportation projects. The various amendments have added another \$17.2 million for the Rhode Island Public Transit Authority, primarily for transit capital.

Amendment 10 added project expenses for the Rhode Island Turnpike and Bridge Authority, which had not previously received major federal funding. In September 2022, the Authority was awarded an \$82.5 million federal grant to reconstruct the Newport Pell bridge, including deck replacement, dehumidification to reduce moisture to prevent corrosion, security improvements, and repairs to the tower elevators. The grant requires that these funds be included in the Transportation Improvement Program. That project cost is \$137.5 million; the awarded amount funds 60.0 percent of the project cost; as with most transportation projects, a match is required.

The following chart shows the Department's funding sources for the first part of the ten-year period for the amended Transportation Improvement Program.



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 state is appealing the decision.

The Governor’s revised and FY 2024 recommended 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 gasoline tax was projected to increase by \$0.03 to \$0.38, effective July 1, 2023, while the Department’s budget request assumed only a one-cent increase. 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. Pertaining to the Highway Maintenance Account, the fee for duplicate licenses was increased and retained as general revenues. As part of his FY 2024 recommended budget, the Governor proposed the estimated \$1.0 million from these fees be transferred to the account consistent with other similar fees. Net of current law allocations, the Department will receive \$0.9 million, annually. The 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.

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 program is funded with \$22.9 million from federal funds through federal FY 2026, and matching funds of \$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 on July 2022 and it 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.

Reflecting project delays with procurement of construction and equipment, funds included in the FY 2023 final budget were not expended. 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 first report was submitted on January 1, 2024, and reported expenses of \$0.1 million.

Bridge Replacement. Another category for new formula funding authorized under the Infrastructure Investment and Jobs Act is the 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.

Transportation Funding Reform

Transportation funding on the state and national levels began to pose greater problems to governments as the cost of maintaining and replacing infrastructure outpaced the revenue sources historically used to support them. 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 generally declined.

Fiscal Year	Per Penny Yield	Fiscal Year	Per Penny Yield
2008	\$4,513,744	2016	\$4,479,185
2009	\$4,327,710	2017	\$4,417,413
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

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 amount of funding sources. In order to increase the amount of 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 provide the approximate \$40 million of annual match for federal funds, which was historically generated through borrowing which ended, making 2010 the last year of general obligation bonds for this match.

The 2014 Assembly made several additional changes to transportation funding in order 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, which 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. During the 2014 session, both chambers of the Assembly proposed legislation that combined many elements discussed during those meetings, including changes to funding sources and transportation governance.

The 2014 legislation transferred new revenue sources, as well as existing general revenues, into the Highway Maintenance Account for the Department to use for costs related to maintenance and repairs to 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 transferred incrementally, beginning with 25.0 percent in FY 2016, 75.0 percent in FY 2017, and all in FY 2018.

The 2014 legislation also indexed the gasoline tax to the Consumer Price Index every other year, rounded to the nearest cent. Additional sources included the utilization of \$25 million of unallocated bond proceeds to bridge the funding gap that occurred as the fee transfers from general revenues were phased in. The unallocated bonds that dated back before FY 2000 were revealed following a FY 2014 review of bond proceeds as their use as 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 that would have been used 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 fund. The state also reduced the amount of debt service paid by gas tax revenues through the targeted use of general revenues, as well as the restructuring of debt to make debt service 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 increased 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. This was part of the plan to align spending on transportation related costs with revenue raised from transportation sources.

The following table shows remaining debt service for the Department. It should be noted that general obligation debt service is included in the Department of Administration's budget.

Fiscal Year	2003 & 2016		Outstanding			
	GARVEE Issuance	2020 GARVEE	Federal Funds Debt Service	Motor Fuel Revenue Bonds	Outstanding G.O. Debt*	Total Debt Service
2024	42,501,250	23,311,750	65,813,000	5,358,750	34,103,952	105,275,702
2025	42,501,000	19,933,000	62,434,000	4,883,500	31,799,805	99,117,305
2026	42,500,250	19,930,750	62,431,000	4,885,500	31,908,963	99,225,463
2027	42,500,250	19,933,250	62,433,500	1,606,500	26,568,940	90,608,940
2028	42,502,000	19,929,000	62,431,000	-	26,046,003	88,477,003
2029	42,501,250	19,932,000	62,433,250	-	20,419,321	82,852,571
2030	42,494,750	19,939,500	62,434,250	-	20,414,342	82,848,592
2031	42,488,500	19,939,500	62,428,000	-	10,879,010	73,307,010
2032	-	19,928,500	19,928,500	-	11,340,458	31,268,958
2033	-	19,928,750	19,928,750	-	9,171,137	29,099,887
2034	-	19,933,000	19,933,000	-	7,684,474	27,617,474
2035	-	19,929,000	19,929,000	-	6,438,836	26,367,836
2036	-	-	-	-	5,624,237	5,624,237
2037	-	-	-	-	5,625,319	5,625,319
2038	-	-	-	-	5,625,805	5,625,805
2039	-	-	-	-	5,623,514	5,623,514
2040	-	-	-	-	5,626,126	5,626,126
2041	-	-	-	-	5,621,765	5,621,765
2042	-	-	-	-	3,348,249	3,348,249

*Net of general revenue share for FY 2017 restructuring

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 as well as expenditures from these sources. The following table illustrates the fund sources used in the FY 2024 revised and FY 2025 recommended budgets, which essentially funds the Department at a current service level.

Source	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
Federal Highway Admin. Funds	\$ 333,446,576	\$ 269,998,557	\$ 257,992,309	\$ 260,704,559
Other Federal Funds	162,089,266	190,861,106	192,477,748	172,068,222
Gasoline Tax*	107,385,444	123,598,830	134,499,756	124,354,741
Motor Vehicle Fees	81,476,115	107,492,944	199,292,484	105,190,431
Toll Revenue	13,484,616	1,500,000	1,500,000	1,500,000
Rhode Island Capital Plan Funds	62,022,419	149,904,118	183,883,266	140,216,575
Restricted Receipts	(2,749,665)	6,210,256	6,116,460	6,116,969
Land Sale Revenue	3,202,194	8,023,299	5,375,614	6,568,333
Interstate 195 Land Sales	-	1,500,000	-	-
General Obligation Bonds**	-	[15,700,000]	-	[67,000,000]
Total	\$ 760,356,965	\$ 859,089,110	\$ 981,137,637	\$ 816,719,830

*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 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. 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. These federal funds that the Department receives are outside its annual allotment for highway improvement projects. A majority of this 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. They also may include funds received through other legislation adopted by Congress, such as stimulus funds.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, adopted in March 2020 provided \$25.0 billion for Transit Infrastructure grants to help transit agencies prevent, prepare, and respond to COVID-19. The Department received \$13.3 million; funds were allocated through existing formula grant programs and are available for use from January 20, 2020 until expended. The funds can be used for operational expenses of transit projects and there are no matching requirements. Through the end of FY 2023, \$12.1 million has been spent.

On December 27, 2020, President Trump signed into law the consolidated appropriations act for federal FY 2021 that contains \$10.0 billion for Highway Infrastructure Programs. Uses of these funds appear to be flexible and no state match is required. Eligible uses include preventative maintenance, operations, personnel, contractors, debt service payments, and coverage for revenue losses. The Department's portion of the funds will be \$54.3 million; \$24.1 million was spent in FY 2022 and \$30.1 million is included in the FY 2023 final budget. President Trump also signed into law a \$1.4 billion omnibus appropriations act for federal FY 2021. It 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; a 20.0 percent state match for use of these funds is required. The additional funds were used for ongoing projects.

These funds also include discretionary grants; from time to time, these funding opportunities become available. These funds are awarded on a competitive basis, with a state match required for their uses, and are for specific projects which are 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, 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.

The July 2023 Quarterly RhodeWorks Report identified two grant applications pending, requiring \$4.2 million for match, including \$0.4 million for the Northeast Corridor Regional Rail Plan for Rhode Island and Massachusetts, and \$3.8 million for Charging Ahead: Rhode Island Working Together for Electrification applications. The report also noted four upcoming grant applications for projects totaling \$663.0 million, including \$550.0 million for major rehabilitation and deck replacement of five bridges along Interstate 95 from Cranston to Providence; \$135 million for this project is already included in the Transportation Improvement Program. The Department notes that it is reviewing funding options for this project, including financing through Grant Anticipation Revenue Vehicle bonds.

It should also be noted that the Department's FY 2025 through FY 2029 capital budget request includes \$206.6 million from a source not yet identified to be used from FY 2027 through FY 2029 for the match requirement for federal discretionary grants. The Department indicated that this amount is intended to include all of its current state match shortfall, not limited to discretionary grants.

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 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.

The distribution of proceeds derived from the gasoline tax remained the same from FY 2009 through FY 2015. However, as previously noted, FY 2016 was the first year the gasoline tax increased as a result of inflation; it increased by one cent to 34 cents and again to 35 cents for FY 2020. Inflation was not sufficient to increase the gasoline tax in FY 2022. For FY 2024, the gas tax increased by three cents to 38.0 cents, with 37.5 cents of that going towards transportation.

Entity	FY 2023 Reported	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended	Chg. to Enacted
Department of Transportation	20.25	23.25	23.25	23.25	-
Rhode Island Public Transit Authority	9.75	9.75	9.75	10.54	0.79
Turnpike and Bridge Authority	3.50	3.50	3.50	3.50	-
Elderly Transportation	1.00	1.00	1.00	0.21	(0.79)
Underground Storage Tank Fund	0.50	0.50	0.50	0.50	-
Total (in cents)	35.00	38.00	38.00	38.00	-

The Governor's FY 2025 recommended budget proposes legislation to codify the current practice for the treatment of the proceeds from the 1-cent for elderly/disabled transportation services in state law by altering the division of that one cent among the program entities. The Office of Healthy Aging provides 79.0 percent of the proceeds to the Rhode Island Public Transit Authority to purchase transportation services and retains 21.0 percent of the funds for non-emergency transportation expenses.

The following table shows how the New England states rank as of January 2023.

<i>As of 1/1/2023</i>	Tax - Cents Per Gallon	
	<i>Gas</i>	<i>Diesel</i>
Rhode Island	35.0	35.0
Connecticut ¹	5.0	49.2
Maine	30.0	31.2
Massachusetts	24.0	24.0
New Hampshire	23.8	23.8
Vermont	33.0	32.0
New England Average	25.1	32.5
U.S. Average	29.5	32.6

Source: Federation of Tax Administrators

Prior publications used American Petroleum Institute; data no longer current

¹ *Phased in tax after gas tax holiday; 5 cents/month, reaching 25 cents 5/1/23*

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.

Fiscal Year	Biennial Registration Fee	Annual Registration Fee	License Fee
2013	\$ 60.00	\$ 30.00	\$ 30.00
2014	\$ 70.00	\$ 35.00	\$ 40.00
2015	\$ 80.00	\$ 40.00	\$ 50.00
2016	\$ 90.00	\$ 45.00	\$ 60.00

The biennial registration surcharge increased in \$10 increments to a total of \$30, the annual registration surcharge increased in \$5 increments to a total of \$15, and the license surcharge increased in \$10 increments to a total of \$30 beginning in FY 2014 and ending in FY 2016. 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 Assembly adopted Article 21 of 2014-H 7133, Substitute A, as amended, which 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 derived from the surcharges through FY 2023 and projected for FY 2024 and FY 2025. As those are flat fees, there is little change from year to year.

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	\$ 11,028,897	\$ 3,875,018	\$ 5,144,717	\$ 20,048,632
2025	\$ 11,334,873	\$ 3,982,523	\$ 5,287,448	\$ 20,604,844

Those sources were in addition to the vehicle emission inspection fee increase from \$39 to \$55, the transfer of rental car surcharges, and the addition of a \$25 surcharge for good driving dismissals. The legislation also established a schedule to transfer the majority of all other transportation related fees currently collected by the Division of Motor Vehicles to the Highway Maintenance Account. The inspection fee, the good driver dismissal surcharge, and car rental surcharges were transferred as of FY 2015, and the remaining revenues were transferred incrementally beginning with 25.0 percent in FY 2016 and 75.0 percent in FY 2017, with all of the funds being transferred in FY 2018.

The 2017 Assembly amended the distribution of the Highway Maintenance Account to require transfers of 50.0 percent for FY 2017 and 80.0 percent for FY 2018. It also amended the disposition of the Highway Maintenance Account to provide the Authority with an additional \$5.0 million in each FY 2018 and FY 2019. This is in addition to the 5.0 percent share that the Authority received. The 2018 Assembly concurred with the Governor’s proposal to further alter the transfer from 80.0 percent to 60.0 percent for FY 2018. All funds collected in FY 2019 and after would be transferred to the account.

Governor Raimondo proposed legislation in Article 8 of 2019-H 5151 to provide the Authority with an additional \$5.0 million from the Department’s share of the Highway Maintenance Account for FY 2020. The legislation also proposed that the Department reimburse the Division of Motor Vehicles for costs of certain employees involved in the collection of fees going into the account. The Assembly concurred with the 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 administrative discretion. The Assembly also adopted legislation to permanently provide the Authority with an additional \$5.0 million annually.

Governor McKee proposed legislation in Section 7 of Article 2 of 2021-H 6122, allowing “federal coronavirus relief funds” to be counted toward the fixed \$5.0 million minimum allocation of highway maintenance funds dedicated to the Rhode Island Public Transit Authority to help support the free fare program for low income seniors and persons with disabilities. The Department received \$13.3 million from federal CARES Act funds for operational expenses of transit projects to be used from January 20, 2020

until expended. The FY 2021 revised and FY 2022 recommended budgets shifted \$7.1 million of these funds to the Authority, which made \$7.1 million of additional funding available to the Department for state match on capital projects. The Authority’s share of the CARES Act federal transit fund allocation was \$91.2 million. Subsequently, the Department revised the assumption on the total that would be made available for state match. A total of \$8.6 million was transferred to the Authority, including \$3.5 million for FY 2022, \$3.4 million for FY 2021, and \$1.4 million for FY 2020.

The following table shows the sources and the total including surcharges explained previously.

Source	FY 2023 Preliminary	FY 2024 Enacted	FY 2024 Revised	FY 2025 Recommended
Inspection Sticker Increase	\$ 13,951,252	\$ 14,437,523	\$ 14,118,096	\$ 14,509,776
Title Fees	9,943,761	11,627,500	10,062,679	10,341,849
Rental Car Surcharge	9,204,380	4,355,828	4,403,769	4,605,965
Good Driving Surcharge	343,905	315,988	343,905	343,905
License and Registration Transfer	55,873,477	55,190,748	54,941,511	54,784,091
Surcharges	19,811,702	21,565,355	20,048,632	20,604,844
Total	\$ 109,128,477	\$ 107,492,942	\$ 103,918,592	\$ 105,190,430
5.0 Percent for Collection Cost	(5,456,424)	(5,374,647)	(5,195,930)	(5,259,522)
Total	\$ 103,672,053	\$ 102,118,295	\$ 98,722,662	\$ 99,930,908

Does not include carry-forward funds

The 2023 Assembly concurred with the Governor’s proposal to dedicate the fee for duplicate licenses into the account. The FY 2024 revised and FY 2025 recommended budgets include revenues consistent with the Office of Revenue Analysis’ November 2023 estimate.

Toll Revenue. At the end of May 2015, Governor Raimondo requested an amendment to her budget to permit the collection of tolls on large commercial trucks and authorize \$900 million of borrowing in order to provide \$700 million to partially fund the routes 6/10 connector project. Her plan was to ensure the number of structurally deficient bridges would be reduced to less than 10 percent in the next decade. The Rhode Island Turnpike and Bridge Authority would issue the debt. The House Finance Committee considered this proposal on June 2, 2015, but did not incorporate it into the FY 2016 budget. Separate bills containing a revised proposal were introduced on June 16 and 18 in the Senate and House, respectively. The House Finance Committee heard 2015-H 6321 on June 22 but took no further action. The Senate adopted a version of that legislation in 2015-S 997, Substitute A.

In October 2015, the Department proposed its ten-year plan, reflective of its capital budget. The program included \$500 million of borrowing matched by \$400 million of federal funds for the routes 6/10 connector project. Governor Raimondo signed into law the RhodeWorks legislation, contained in 2016-H 7409, Substitute A, as amended on February 11, 2016. The legislation also allowed the Department to borrow \$300 million through the GARVEE Program and refinance prior GARVEE debt. The legislation adopted by the Assembly did not include any bonds backed by toll revenue. The legislation authorizes tolling on large commercial vehicles. The total amount of tolls imposed upon the same individual large commercial truck for making a border-to-border trip through Interstate 95 Connecticut to Interstate 95 Massachusetts shall not exceed \$20. The daily maximum amount collected upon the same individual large commercial truck shall not exceed \$40. Tolls would be collected along six major highway corridors at 13 locations.

The following table shows toll revenues through the U.S. District Court’s ruling.

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 Department contracted with Kapsch TrafficCom to design, build, operate, and maintain the electronic tolling system for ten years. The total cost of the contract is \$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. Through the U.S. District Court’s ruling, 12 out of the 13 gantries were collecting tolls; thus, the operation and maintenance clause of the contract was not executed.

As previously shown, the Department’s current plan does not assume any toll revenues in the out-years. The approved capital plan provided the Department with additional Rhode Island Capital Plan funds to backfill funds through FY 2024. The Department’s current plan suggests sufficient match through FY 2026.

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 provide 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, with \$75.3 million for the Department and \$24.7 million for 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 \$163.0 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	-	-	87,697,500	87,697,500
Total	\$ 2,945,000	\$ 67,108,800	\$ 92,902,060	\$ 162,955,860

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 2023, the Intermodal Surface Transportation Fund included a restricted receipts account balance of \$0.7 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 2023, the Department had \$17.2 million in available receipts. The amended Transportation Improvement Program assumes use of \$5.9 million in federal FY 2022 to support miscellaneous departmental projects, programs and initiatives; \$5.0 million each in FY 2023 and FY 2026; and \$3.6 million in FY 2024.

Interstate 195 Land Sales. The sale of land was made available through the relocation of Interstate 195. The Department sold the land made available from the relocation to finance a portion of 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 as to which debt would be defeased was done in conjunction with the state's financial advisors. In November 2023, the transaction occurred; it used the remaining proceeds and the debt was defeased.

General Obligation Bond Proceeds. The state had utilized general obligation bonds to provide a match totaling \$40.0 million for federal funds in addition to the match used for GARVEE projects, which is provided by the Motor Fuel Tax Revenue Bonds. 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 are being used as the state match in lieu of bonding; no new bonds had been authorized since 2010. The 2011 Assembly 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. The recommended capital budget assumes use of \$67.0 million for FY 2025 and \$4.7 million for FY 2026 from the 2021 bonds.

Other Funds. These funds are derived from the sale of department-owned surplus property and equipment, proceeds from the state infrastructure bank 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 House and Senate Fiscal advisors. The requirement was designed to assist with oversight on 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>.

Washington Bridge. The Department received a \$25.0 million federal discretionary grant toward a \$70 million project to rehabilitate the Washington Bridge. The bridge was built in 1969 and carries approximately 70,000 vehicles per day along I-195 between Providence and East Providence. The project includes replacement of the westbound section of the bridge, realigning ramps and adding more lanes to reduce congestion. The Department had assumed construction starting in 2021 and the current Transportation Improvement Program includes expenses of \$12.5 million for federal FY 2022. However, funds were not expended because the project was delayed. 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, notes that inspections and analysis of the Washington Bridge must be completed to determine the scope of work that must occur.

Articles of 2024-H 7224

Article 1

Section 1. Appropriations. This section contains the revised appropriations for FY 2024.

Section 2. Line Item Appropriations. This section establishes that each line in Section 1 of Article 1 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 2024. 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 through non-state funds to the availability of those fund sources. Total staffing is 15,652.8 full-time equivalent positions, 15.9 more positions than enacted. It includes 519.8 higher education positions supported by third-party funds, consistent with the enacted budget.

Section 5. State Fiscal Recovery 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. It also removes the inapplicable reference to the multi-year expenses that were consolidated into FY 2024 to ensure timely obligation of funding to comply with federal requirements. The section also contains a description of each of the projects for which any appropriation is made. It is revised to add projects carried forward from prior years, and reflect changes to proposed uses of authorized funding including new and deleted projects.

Section 6. State Fiscal Recovery Funds Reporting and Compliance. This section contains the same language from the enacted budget that requires the Pandemic Recovery Office to monitor programs funded with State Fiscal Recovery and Capital Projects funds and report on that quarterly. Those reports must identify programs that are at risk of significant underspending or noncompliance with federal or state requirements and include an assessment of how programs that are at risk can be remedied. The section is revised to make the last report due on October 31, 2024, and allow the Governor to reallocate any at-risk funding to the Unemployment Insurance Trust Fund.

Section 7. Municipal Zoning Exclusion. This section makes a technical correction to the current exclusion for the Department of Children, Youth and Families' new project for a female youth Residential Treatment Facility from municipal zoning and local comprehensive plan requirements and adds the word "Psychiatric." The facility is to be constructed on state-owned property in Exeter. Inconsistencies in the names for this facility among budget documents remain.

Section 8. Underground Storage Tank Trust Fund Transfer. This section requires the transfer of \$2.0 million from the Underground Storage Tank Trust Fund to state general revenues by June 30, 2024.

Section 9. Municipal Infrastructure Matching Grant Pool Transfer. This section requires the transfer of \$2.4 million of the general revenues previously provided for the Infrastructure Bank's Municipal Infrastructure Matching Grant Pool back to state general revenues by June 30, 2024.

Section 10. Effective Date. This section provides that the article shall take effect upon passage.

Article 2. Director of the Department of Health

This section authorizes the Governor to determine the salary for the director of the Department of Health for calendar year 2024 only. This would exempt that position from the current law limitations, including the annual public hearing process and Assembly option for disapproval.

Article 3. Effective Date

Article 3 provides that the act shall take effect upon passage, except where a provision within an article specifies a retroactive or prospective effective date.

Articles of 2024-H 7225

Article 1

Section 1. Appropriations. This section of Article 1 contains the appropriations for FY 2025.

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.

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 2025. The Governor's 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 2025. 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 through non-state funds to the availability of those fund sources.

This section also prevents departments from employing contracted employees to work under state supervisors or replace work done by state employees without determination of need by the Director of Administration. Total staffing is 15,725.8 full-time equivalent positions, 88.9 positions more than the

enacted budget. This includes 519.8 higher education positions supported by third-party funds, consistent with the enacted budget.

Section 13. Multi-Year Appropriations. This section makes multi-year appropriations for a number of capital projects included in the FY 2026 through FY 2029 Capital Budget that are funded from Rhode Island Capital Plan funds. The FY 2025 and multi-year appropriations supersede appropriations made for capital projects in Section 12 of Article 1 of the FY 2024 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 from its resources an appropriate amount to support the Neighborhood Opportunities Program. The Corporation is also required to provide to the director of the Department of Administration, the chair of the Housing Resources Commission 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 contains the necessary mechanism to allow for taxes collected pursuant to the tax incentive financing statute under Rhode Island General Law, Chapter 45-33.4 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 Governor's recommended budget includes \$2.9 million from restricted receipts for FY 2024 and FY 2025.

Section 17. State Fiscal Recovery 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 of the projects for which any appropriation is made.

Section 18. Reappropriation - State Fiscal Recovery 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 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 on a quarterly basis to the Speaker of the House and Senate President, with copies to the chairpersons of the House and Senate Finance Committees, identifying programs that are 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. It repeats the changes proposed in the revised budget to make the last report due on October 31, 2024, and allow the Governor to reallocate any at risk funding to the Unemployment Insurance Trust Fund.

Section 20. Effective Date. This section establishes the article is effective as of July 1, 2024 except as otherwise provided within the article.

Article 2. State Funds

Sections 1 and 3. Supplemental Budget Reserve. The 2023 Assembly created a Supplemental Budget Reserve account and required the State 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 in excess of adopted estimates for that year. These sections repeal that transfer effective July 1, 2023. For FY 2023, the draft audit would produce a \$6.5 million transfer which the Governor's budget recaptures for FY 2024.

Section 2. Indirect Cost Recovery. Section 2 exempts three newly created restricted receipt accounts in this article from the state's ten percent indirect cost recovery: Commodity Supplemental Food Program Claims, Group Home Facility Improvement Fund, and Electric Vehicle Stations Operating and Maintenance Account.

Sections 4, 5 and 7. Group Homes. Section 5 creates the Group Home Facility Improvement Fund and transfers into the fund proceeds from the sale of state-owned group homes, or community residences, that are licensed by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals or rents collected from agencies providing services in those homes. The proceeds will be used for the ongoing upkeep and maintenance of state-owned facilities at the discretion of the Department and exempts the fund from the ten percent indirect cost recovery. Sections 4 and 7 exempt the proceeds from being transferred to the information technology restricted receipt account.

Section 6. Executive Climate Change Coordinating Council. This section authorizes the State Budget Officer to create restricted receipt sub-accounts in any department or agency that the Executive Climate Change Coordinating Council allocates funding to for its projects. The recommended budget includes expenses in the Departments of Administration, Health, Labor and Training, and Environmental Management, and the Public Utilities Commission.

Section 8. Commodity Supplemental Food Program Claims. This section creates a restricted receipt account in the Office of Healthy Aging to deal with a potential federal audit finding regarding claims for food losses and other related activities.

Section 9. Electric Vehicle Charging Stations. This section authorizes the Office of Energy Resources to charge a fee to use electric vehicle charging stations on state properties. The fee will be determined through the rules and regulations process; it would be posted on the Office's website for public comment for 30 days. The fee would take effect on January 1, 2025. The revenues would be deposited as restricted receipts and would be used to help offset the cost of electricity and maintenance of the charging stations.

There are currently 68 charging stations located on state properties and with additional federal funds authorized in the Infrastructure Investment and Jobs Act, the Office anticipates adding more charging stations. Currently, state employees and the public use these stations, and the cost to the state was \$0.1 million in FY 2022 and \$0.2 million in FY 2023.

Article 3. Government Reform and Reorganization

Sections 1, 5, 6, 18, and 26. Reporting Date Changes. These sections amend the dates for five currently required reports. Three are from the Department of Health and are to align with federal and other dates: private well water contamination, free mammography screening, and home visiting. It extends the Commerce Corporation's program accountability report from 30 days after the close of each quarter to 45 days. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals is required to provide monthly caseload data to members of the caseload estimating conference by the 15th day of the following month; Section 18 extends it to the 25th day.

Sections 2 through 4, 7 through 9, 12, and 22 through 25. Reporting Repeals. These sections delete 11 reporting requirements for the Departments of Administration, Business Regulation, Health and Environmental Management. A majority of the due dates have passed and some of the programs have expired.

Section 10. Paint Recycling. This section would require a competitive solicitation process every five years to select an entity to administer the state's paint recycling program. The Department of Environmental Management would issue the request for proposals no later than June 30, 2025 and every five years thereafter. It would also allow the program to create a reserve fund capped at 50.0 percent of the prior year's program expenses. The Department would have the authority to cap administrative expenses at a percentage of program costs. If there are no responses to the request for proposals or the Department determines none of the responses are sufficient to meet program requirements, the Rhode Island Resource Recovery Corporation would be required to administer the program.

Section 11. State Fire Marshal. This section requires towns and fire districts to notify the Office of the State Fire Marshal within ten days if they lack an assistant deputy state fire marshal appointed by the Office. It permits the Office to assess fees for failure to comply and to assign deputy state fire marshals to fill vacancies temporarily; any associated costs would be reimbursed by the town or fire district.

Sections 13 and 14. Mattresses. These sections eliminate the role of the Mattress Recycling Council, a nonprofit entity created by producers, and instead permits the Resource Recovery Corporation to select an organization to manage the mattress stewardship program through a solicitation process every five years. In the event no solicitations are received or the Corporation determines it can administer the program at a lower cost, it will assume that responsibility. The changes give the Corporation ultimate responsibility for determining the processing fee.

Section 15. Healthcare Workforce Data. The Department of Health currently licenses approximately 150,000 healthcare professionals. This section authorizes it to collect workforce data from licensed healthcare professionals upon the licensure and/or renewal process. Healthcare professionals may voluntarily provide demographic information, such as race, ethnicity or languages spoken; additional years planning to practice or anticipated retirement year, and other data defined by the Department. The legislation prohibits the Department from making an individual's information public. The data would be used for healthcare planning and workforce analysis.

Section 16. Employment Security Contribution. This section proposes to extend the deadline to establish the tax year 2025 unemployment insurance rate schedule from September 30, 2024 to December 31, 2024, subject to the Labor and Training Director's discretion. This is intended to provide flexibility for determining the rate in the event a deposit of excess State Fiscal Recovery funds as proposed in Article 1 occurs and would alter the tax schedule.

Section 17. Statewide Mandatory Lead Registry. This section delays until September 1, 2025 the establishment of a statewide publicly accessible online database identifying landlords not in compliance with lead hazard laws including providing a lead certificate of conformance for each dwelling unit. It also delays other key dates and clarifies applicable properties and information.

The Governor includes \$1.3 million from general revenues for the Department of Health to create the mandated registry.

Section 19. Supplemental State Code of Procurement Ethics. This section codifies into state law a Supplemental State Code of Procurement Ethics for state personnel and vendors to adhere to: avoiding conflict of interest, not accepting gifts, and buying without prejudice. If an employee were to violate the codes, the legislation authorizes the state purchasing agent, with the approval of the chief purchasing

officer, to recommend appropriate consequences to the Division of Human Resources, including reassignment or termination of employment. Vendors who violate these provisions may also face consequences including exclusion from the state's procurement process.

Sections 20 and 21. State Purchases. The chief purchasing officer has the responsibility for issuing and maintaining all standard specifications for supplies, services, and construction required by the state. These sections allow institutions of higher education to participate in the state's master price agreement contracts, provided that the contractor is willing to extend it to those institutions. The sections also include changes to reflect the current on-line computerized bidding system being used, the e-Procurement. Section 21 repeals the minimum \$25 annual bidder registration fee that the chief purchasing officer is allowed to charge.

Section 27. Integrated Housing Report. This section delays the due date of the annual Integrated Housing Report from December 31 to April 15 to provide time for the Department of Housing to include applicable federal data typically published in December. It changes several measures to provide greater clarity and align more closely with available data, including requiring a study in 2026 and every three years thereafter to determine the accessibility of the state housing stock and the number of units required to meet estimated growth. Municipalities would also be required to provide relevant data requested by the Department on or before February 15.

Section 28. Higher Education Incentive Grants. The current law 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. In order to qualify for these grants, a youth must have been in foster care on or after their 16th birthday and spent at least two years in foster care.

This section modifies several aspects of the program including requiring earlier notifications to eligible children and qualifying 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. It establishes reporting requirements for the Department of Children, Youth and Families. Current law requires an annual appropriation of \$200,000 from general revenues which the Governor includes.

Article 4. Public Debt Management Act

The Public Corporation Debt Management Act requires that all new non-general obligation debt authorizations be approved by the Assembly, except in certain circumstances. Article 4 contains a \$9.2 million authorization for the Utility Infrastructure Upgrade Phase III project at the University of Rhode Island. Annual debt service would not exceed \$0.8 million supported by general revenues and tuition and fees.

Article 5. Capital Development Program

Article 5 places \$345.0 million of new general obligation bond authorizations on the November 2024 ballot for voter approval through four separate questions as shown in the following table.

Annual debt service for the entire \$345.0 million, supported by general revenues, would be \$28.5 million assuming 5.0 percent interest and a 20-year term. Additionally, the Governor's capital budget assumes multiple funding sources to reach full project costs for some of the items. For question one, the capital budget assumes the University will raise private matching funds of \$8.4 million; an additional \$18.5 million from Rhode Island Capital Plan funds is programmed to supplement the Cybersecurity project for the College. For question two, the Governor recommends a combination of \$10.0 million from Rhode Island Capital Plan funds, and assumes another \$31.7 million will come from private funding.

November 2024 Bond Referenda	Amount
Question 1	\$ 135,000,000
URI Biomedical Sciences Building	80,000,000
RIC Cybersecurity Building	55,000,000
Question 2	\$ 60,000,000
State Archives and History Center	
Question 3	\$ 100,000,000
Housing and Community Opportunity	
Question 4	\$ 50,000,000
Port of Davisville Infrastructure at Quonset	20,000,000
Climate Resiliency and Public Access	2,000,000
Brownfields Remediation & Economic Development	5,000,000
Local Recreation Development Matching Grant Program	5,000,000
Municipal Resiliency	10,000,000
Newport Cliff Walk	8,000,000
Total New Referenda	\$ 345,000,000

Article 6. Taxes

Section 1. Liquor Manufacturer Duplicate Fee. This section eliminates the license fee for a currently licensed liquor manufacturer to obtain an additional type of manufacturing license to expand operations at its existing location. The Governor’s budget assumes a revenue loss of \$6,000 from this change.

Section 2. Real Estate Transfer Fee. This section eliminates the \$25 fee for a real estate agent or broker to transfer to another brokerage. The Governor’s budget assumes a revenue loss of \$20,000 from this change.

Sections 3, 6, and 16 through 20. Electronic Nicotine-Delivery System Products. These sections effectuate the transfer of statutory and regulatory authority of electronic nicotine delivery systems from the Department of Health to the Department of Revenue, and subject those products to the current law requirements for cigarettes and other tobacco taxes. A safe harbor provision is established for currently licensed entities, through the expiration of the Department of Health-issued licenses and electronic nicotine delivery systems become subject to the 80.0 percent of wholesale other tobacco and floor taxes, effective October 1, 2024. The Governor’s budget assumes \$5.3 million in revenues associated with the proposal for FY 2025 and includes \$0.2 million for implementation costs.

These sections prohibit engaging in business with unlicensed firms, including manufacturers and importers, consistent with other tobacco and nicotine product requirements, and require firms to file initial returns by October 16, 2024. The Tax Administrator must establish a single application and renewal process for all tobacco and nicotine product entities as of the effective date. Section 18 codifies current regulations prohibiting flavored products, excluding cannabis products without nicotine, and exempts currently taxed cannabis products from these provisions. Section 20 clarifies that purchasers of electronic nicotine delivery systems must at least be 21 years old.

Sections 4 and 5. Substance Abuse Prevention Programs. These sections repeal obsolete statutory provisions regarding the disposition of fees assessed for moving violations.

Section 7. Vital Records. The chief of the Office of Vital Records in the Department of Health is authorized to assess surcharges for certified records, with the receipts being deposited into the Information Technology Restricted Receipt account to support the Vital Records system. The project is complete and now entering the maintenance phase. This section requires the funds to be deposited as general revenues; annually \$0.4 million was collected.

Sections 8 and 9. Tent Fees. These sections exempt tents and similar structures from recurring state construction permitting fees and instead require an annual certification to be administered by the State Building Code Commissioner and the State Fire Marshal. The Governor’s budget assumes a revenue loss of \$9,375 from this change.

Section 10. Gas Tax Distribution. The gasoline tax distribution dedicates 1-cent to the elderly/disabled transportation program. The current practice is for the Department of Human Services through the Office of Healthy Aging to retain 21.0 percent of the funds for administrative and non-emergency transportation expenses, and 79.0 percent is provided to the Rhode Island Public Transit Authority for some of the services provided. This section codifies current practice on the treatment of the 1-cent for elderly/disabled transportation services in state law by altering the distribution of that one cent effective July 1, 2024.

Section 11. Tax Delinquent Public Disclosure. This section expands the current public disclosure of the top 100 delinquent individual and business taxpayers to include those taxpayers with at least \$50,000 of outstanding liabilities. It would be effective upon passage, and the Governor’s budget assumes \$3.4 million of new revenues for FY 2025.

Section 12. Corporate Minimum Tax. This section would reduce the corporate minimum tax from \$400 to \$350, effective January 1, 2025. This tax was last decreased from \$450 to \$400 effective January 1, 2017, and had been as high as \$500. The proposed change is expected to impact nearly 77,000 entities. The FY 2025 recommendation lowers revenues by \$2.3 million to account for a half year impact; annualized the loss would be \$4.7 million.

Section 12. Pass-Through Entity Tax Credit. This section would reduce the tax credit given to members in pass-through entities who pay taxes under the state’s elective pass-through entity tax from 100 percent to 90 percent of the taxes paid. The Governor’s budget includes \$8.1 million in additional revenues for FY 2025 that would annualize to \$16.5 million for FY 2026.

Section 12. Net Operating Loss Carryforward. This section would extend the time period that net operating losses may be carried forward to 20 years, effective January 1, 2025. Businesses are allowed to use prior operating losses to offset future profits and reduce tax liabilities; current Rhode Island law limits the carry-forward period to five years. There would be no fiscal impact until tax year 2031.

Sections 12 and 22. Cannabis Business Deductions. These sections permit cannabis businesses to claim ordinary income deductions consistent with those of other businesses, effective January 1, 2025. Current law follows federal rules, which prohibit businesses that deal in controlled substances from claiming these deductions. Several other states, including Connecticut and Massachusetts, permit these deductions. The Governor’s budget assumes a revenue loss of \$0.8 million for FY 2025, which annualizes to \$1.7 million beginning in FY 2026.

Section 13. Sales and Use Tax Exemption Filing Fee. This section proposes to eliminate the \$25 filing fee for a certificate of exemption from sale and use taxes, as of January 1, 2025. The budget assumes a revenue loss of \$7,000 for FY 2025, which annualizes to \$14,000 beginning FY 2026. The application and four-year expiration date provisions remain unchanged.

Sections 14 and 15. Cigarette Tax. These sections increase the cigarette tax by \$0.25 to \$4.50 per pack, including a floor tax adjustment effective September 1, 2024. The Governor’s budget assumes \$2.4 million in additional revenues.

Section 21. Estate Tax Filing Fee. This section proposes to eliminate the \$50 estate tax filing fee for decedents on or after January 1, 2025. Based on the effective date and nine month filing window, the Governor’s budget assumed no revenue loss for FY 2025. The estimated loss is \$230,000 for FY 2026.

Section 22. Retirement Exemption. This section would increase the existing retirement income exemption from \$20,000 to \$50,000. Eligibility is the same as the social security exemption which is limited to filers who have reached full retirement age and have incomes below a certain threshold. This is estimated to reduce revenues by \$3.0 million for FY 2025; that loss would annualize to \$6.2 million for FY 2026.

Section 23. Motor Vehicle Excise Tax. This section proposes to repeal the requirement that municipal reimbursement for the motor vehicle excise tax increase beginning FY 2026, based on the annual change of sales tax collections.

Section 24. Vessel Discharge Decals. This section would eliminate the requirement for vessels to obtain a “no discharge certificate” decal effective January 1, 2025. Instead it requires that owners be provided with educational materials at the time of registration that describe their responsibility to secure marine sanitation devices and prevent overboard discharges. The budget accounts for the estimated loss of \$2,000 in revenues from decal and associated inspection fees.

Article 7. Economic Development

Section 1. Small Business Innovation Research. This section makes several changes to a grant program to support early-stage, high-risk technology research and development administered by the Science and Technology Advisory Council, a subsidiary of the Commerce Corporation. Grants are awarded to business receiving Phase I and II federal grants for three activities: to offset application costs, match federal awards, and support internships. This section expands allowable uses to include awards of up to \$500,000 for businesses receiving Phase III federal grants for commercialization. For Phase I and II grants, it increases the value of matching awards from \$150,000 to \$300,000. This section also increases the value of internship grants from \$3,000 to \$6,500 per intern and increases reimbursement rates from \$12.00 per hour to instead match the state’s minimum wage. The Governor’s budget includes the enacted amount of \$1.0 million to support this program.

Sections 2 through 9 and 11 through 13. Sunset Extensions. These sections extend the sunset provisions for the Rebuild Tax Credit, Tax Increment Financing, Tax Stabilization Incentive, First Wave Closing Fund, I-195 Redevelopment Fund, Small Business Assistance Program, Wavemaker, Main Street Streetscape, High School, College, and Employer Partnerships, Air Service Development, and the Qualified Jobs Tax Credit from December 31, 2024 to December 31, 2025.

Section 10. Innovation Initiative. This section expands network matching grant eligibility to employee-owned or transitioning businesses and establishes a new \$5,000 grant program to defray patent application costs. Network matching grants are available for specified industries for technical assistance or access to capital. This section also extends the sunset date by one year to December 31, 2025. The Governor’s budget includes \$1.0 million from general revenues, \$1.0 million less than enacted, to support this and the Innovation Voucher Program, which makes awards out of the same fund.

Article 8. Education

Section 1. Funding Formula Aid. The core instruction amount, on which most education aid is based, 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. This section would cap the increase in the per-pupil core instruction amount to the average five-year annual percentage change in the consumer price index. This produces \$12,335 for the core instruction amount compared to \$12,617 under current law. This change produces approximately \$26 million less in funding formula aid than the current law.

This section also changes the weight for the English language categorical from 15 percent of the per-pupil core instruction amount to 25 percent. The FY 2024 enacted budget increased this weight from 10 percent to 15 percent and required full funding. The Governor's recommended budget adds \$16.6 million to account for this change.

Section 2. Reduced-Price Meals. This section would make reimbursable breakfast and lunch meals free to students from families that qualify for free or reduced-price meals. It also requires the state to provide funds to public schools 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. The Governor's recommended budget adds \$0.8 million to account for this change.

Article 9. Medical Assistance

Section 1. Hospital License Fee. This section extends the FY 2025 hospital license fee for Eleanor Slater Hospital at 5.25 percent rate based on 2022 revenues. Based on updated revenues, the budget assumes \$1.2 million from these payments in FY 2024 and FY 2025. The enacted budget includes \$0.7 million for the payment.

Section 2. Nursing Facilities. This section adds that the reimbursement review process to revise the nursing home rates will include other direct care costs in addition to direct care rates adjusted for acuity and an indirect care rate comprised of a base per diem for all facilities.

Section 3. Hospital Uncompensated Care Payments. This section includes uncompensated care payments to the community hospitals for FY 2024 and FY 2025 that do not exceed \$14.7 million. It also delays the deadline for the state payment for FY 2024 from June 15 to June 30 and establishes a FY 2025 payment deadline of June 30, 2025. The section clarifies that the calculation of uncompensated care costs are offset by state directed payments.

Section 4. Certified Community Behavioral Health Clinics. This section delays the implementation of the federal Certified Community Behavioral Health Clinics model from February 1, 2024 to July 1, 2024. It also adds language declaring that any changes in federal requirements, or guidance, could result in the Executive Office of Health and Human Services delaying certification of a clinic or clinics. The Governor's FY 2025 budget includes \$79.7 million, of which \$29.1 million is from general revenues and no funding for FY 2024 based on these changes.

Section 5. Medicaid Resolution. This section includes the resolution language for Assembly approval for the Executive Office to apply for certain changes to the Medicaid program. This includes increasing provider reimbursement rates by one-third of the increase recommended in the Office of the Health Insurance Commissioner's Social and Human Service Programs Review Final Report effective October 1, 2024. However, Early Intervention rates would be increased by the full recommended value for FY 2025 for which the Governor's budget adds \$3.8 million. The FY 2025 recommendation also includes \$51.7 million, including \$20.4 million from general revenues, for all other rate increases.

Article 10. State Leases

This article includes joint resolutions to seek General Assembly approval for a long-term lease renewal for the Department of Corrections' Pawtucket community corrections office. The FY 2025 budget includes \$0.1 million from general revenues to fund the cost of the lease. Legislative approval is required for lease agreements for terms of five years or longer and exceeding \$500,000 in value.

Article 11. Effective Date

Article 11 provides that the act shall take effect on July 1, 2024, except where a provision within an article specifies a retroactive or prospective effective date.

Section VII

Summary Tables

General Revenues

	FY 2023 Audited (Draft)	FY 2024 Enacted	FY 2024 Gov. Revised	FY 2025 Consensus	FY 2025 Governor
Personal Income Tax	\$ 1,813,605,110	\$ 1,885,662,443	\$ 1,853,900,000	\$ 1,910,200,000	\$ 1,918,543,259
General Business Taxes					
Business Corporations	272,217,435	276,000,000	310,900,000	314,300,000	313,587,618
Public Utilities Gross	97,409,661	65,260,523	67,800,000	104,400,000	104,400,000
Financial Institutions	31,653,500	34,500,000	26,900,000	26,400,000	26,400,000
Insurance Companies	154,637,561	158,200,130	163,300,000	167,900,000	167,850,844
Bank Deposits	4,623,813	4,600,000	4,600,000	4,600,000	4,600,000
Health Care Provider	39,850,814	41,200,000	39,553,800	41,900,000	42,450,000
Sales and Use Taxes					
Sales and Use	1,564,773,929	1,607,000,000	1,628,600,000	1,681,800,000	1,682,582,330
Motor Vehicle	935,486	-	-	-	-
Cigarettes	133,559,917	122,900,000	125,600,000	114,900,000	122,843,705
Alcohol	22,478,567	22,500,000	22,500,000	23,000,000	23,000,000
Other Taxes					
Inheritance and Gift	82,315,543	55,500,000	42,400,000	48,800,000	48,800,000
Racing and Athletics	583,121	500,000	600,000	600,000	600,000
Realty Transfer	16,511,739	15,300,000	14,900,000	15,400,000	15,400,000
Total Taxes	\$ 4,235,156,196	\$ 4,289,123,096	\$ 4,301,553,800	\$ 4,454,200,000	\$ 4,471,057,756
Departmental Receipts	491,637,590	518,302,192	531,593,834	494,200,000	498,395,696
Other Miscellaneous	32,701,548	23,750,000	34,566,807	26,900,000	26,900,000
Lottery	434,666,769	428,600,000	436,800,000	458,800,000	458,800,000
Unclaimed Property	18,502,832	16,500,000	18,700,000	20,100,000	20,100,000
Total General Revenues	\$ 5,212,664,935	\$ 5,276,275,288	\$ 5,323,214,441	\$ 5,454,200,000	\$ 5,475,253,452

Expenditures from All Funds

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
General Government				
Administration	\$ 717,766,683	\$ 712,134,658	\$ 526,216,286	\$ 519,398,065
Business Regulation	42,322,903	42,372,623	40,788,813	39,644,775
Executive Office of Commerce	241,627,641	258,928,267	220,124,573	68,652,163
Housing	251,655,943	323,819,873	59,195,789	36,035,416
Labor and Training	527,634,032	602,228,928	593,590,099	594,346,262
Revenue	800,033,280	808,359,367	834,659,792	832,465,599
Legislature	53,088,776	59,877,264	55,288,895	55,789,931
Lieutenant Governor	1,411,331	1,414,391	1,623,972	1,447,015
Secretary of State	14,424,078	13,312,726	39,626,172	18,280,239
General Treasurer	24,035,465	23,536,040	23,752,758	22,886,874
Board of Elections	3,981,728	4,679,018	6,373,600	5,156,957
Rhode Island Ethics Commission	2,137,059	2,162,654	2,201,152	2,299,337
Governor's Office	8,406,547	8,287,243	8,385,662	8,471,265
Human Rights	2,368,347	2,489,651	2,568,880	2,505,726
Public Utilities Commission	14,261,300	13,986,745	14,963,783	14,451,272
Subtotal - General Government	\$ 2,705,155,113	\$ 2,877,589,448	\$ 2,429,360,226	\$ 2,221,830,896
Human Services				
Health and Human Services	\$ 3,815,013,758	\$ 3,708,275,182	\$ 4,138,379,346	\$ 3,968,779,983
Children, Youth and Families	366,362,408	361,082,767	356,738,762	361,735,263
Health	327,596,035	385,527,690	368,272,726	342,181,505
Human Services	833,996,366	839,044,153	813,649,975	797,155,718
BHDDH	672,848,681	714,082,157	709,259,539	706,308,616
Child Advocate	1,649,914	1,637,931	1,944,596	1,641,426
Deaf and Hard of Hearing	868,675	893,222	1,156,088	914,184
Commission on Disabilities	1,983,720	2,571,463	2,113,235	1,680,507
Mental Health Advocate	976,078	921,117	979,112	981,608
Subtotal - Human Services	\$ 6,021,295,635	\$ 6,014,035,682	\$ 6,392,493,379	\$ 6,181,378,810
Education				
Elementary and Secondary	\$ 2,022,346,822	\$ 2,129,667,286	\$ 2,050,601,683	\$ 1,961,849,047
Higher Education	1,449,655,656	1,428,136,509	1,489,055,835	1,471,790,624
Arts Council	3,869,758	3,877,350	4,229,120	3,976,337
Atomic Energy	1,578,744	1,586,827	1,566,458	1,593,911
Historical Preservation	3,581,831	3,525,379	3,697,096	3,727,660
Subtotal - Education	\$ 3,481,032,811	\$ 3,566,793,351	\$ 3,549,150,192	\$ 3,442,937,579

Expenditures from All Funds

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Public Safety				
Attorney General	\$ 43,227,795	\$ 46,620,396	\$ 45,337,159	\$ 45,456,627
Corrections	288,763,824	316,615,485	327,100,693	328,179,090
Judicial	146,897,430	148,207,008	150,652,790	147,898,237
Military Staff	75,907,305	53,735,730	101,315,663	101,453,180
Emergency Management	50,260,712	43,511,993	38,704,557	36,678,483
Public Safety	189,704,336	201,514,401	196,626,309	185,051,911
Public Defender	15,794,785	15,345,229	16,702,904	15,920,594
Subtotal-Public Safety	\$ 810,556,187	\$ 825,550,242	\$ 876,440,075	\$ 860,638,122
Natural Resources				
Environmental Management	\$ 127,810,075	\$ 137,014,680	\$ 135,493,580	\$ 146,372,168
CRMC	5,910,769	6,967,108	11,181,840	6,176,963
Subtotal-Natural Resources	\$ 133,720,844	\$ 143,981,788	\$ 146,675,420	\$ 152,549,131
Transportation				
Transportation	\$ 859,089,110	\$ 981,137,637	\$ 823,273,655	\$ 816,719,830
Subtotal-Transportation	\$ 859,089,110	\$ 981,137,637	\$ 823,273,655	\$ 816,719,830
Total	\$ 14,010,849,700	\$ 14,409,088,148	\$ 14,217,392,947	\$ 13,676,054,368

Expenditures from General Revenues

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
General Government				
Administration	\$ 293,843,692	\$ 292,357,861	\$ 236,797,560	\$ 227,870,824
Business Regulation	24,371,468	24,436,087	26,059,649	24,517,764
Executive Office of Commerce	66,421,142	66,319,788	44,918,074	38,255,983
Housing	32,997,895	31,494,506	33,005,657	9,840,596
Labor and Training	17,697,227	22,190,882	17,694,419	17,990,653
Revenue	397,716,359	374,366,590	400,041,441	399,021,730
Legislature	50,998,683	57,472,017	52,876,457	53,358,280
Lieutenant Governor	1,411,331	1,414,391	1,623,972	1,447,015
Secretary of State	11,839,843	10,902,244	13,067,268	12,112,241
General Treasurer	3,995,808	3,980,018	4,302,551	3,915,333
Board of Elections	3,981,728	4,679,018	6,373,600	5,156,957
Rhode Island Ethics Commission	2,137,059	2,162,654	2,201,152	2,299,337
Governor's Office	8,406,547	8,287,243	8,385,662	8,471,265
Human Rights	2,009,246	2,071,702	2,089,105	2,055,616
Public Utilities Commission	-	-	-	-
Subtotal - General Government	\$ 917,828,028	\$ 902,135,001	\$ 849,436,567	\$ 806,313,594
Human Services				
Health and Human Services	\$ 1,314,146,804	\$ 1,280,599,214	\$ 1,466,410,230	\$ 1,408,896,492
Children, Youth and Families	217,262,746	209,135,694	241,119,644	235,873,200
Health	35,655,172	34,558,400	41,084,707	37,353,947
Human Services	155,552,694	152,106,751	149,127,917	142,005,719
BHDDH	310,886,337	322,704,470	336,754,877	321,342,155
Child Advocate	1,649,914	1,625,931	1,944,596	1,641,426
Deaf and Hard of Hearing	764,208	766,497	1,051,621	782,651
Commission on Disabilities	1,542,951	2,148,870	1,600,969	1,528,968
Mental Health Advocate	976,078	921,117	979,112	981,608
Subtotal - Human Services	\$ 2,038,436,904	\$ 2,004,566,944	\$ 2,240,073,673	\$ 2,150,406,166
Education				
Elementary and Secondary	\$ 1,496,382,952	\$ 1,496,737,695	\$ 1,648,358,477	\$ 1,563,472,718
Higher Education	304,808,336	311,116,918	353,830,727	311,989,386
Arts Council	2,292,758	2,303,238	2,651,238	2,395,211
Atomic Energy	1,158,737	1,173,765	1,153,856	1,180,419
Historical Preservation	1,905,557	1,735,012	1,874,563	1,898,100
Subtotal - Education	\$ 1,806,548,340	\$ 1,813,066,628	\$ 2,007,868,861	\$ 1,880,935,834

Expenditures from General Revenues

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Public Safety				
Attorney General	\$ 34,862,891	\$ 35,381,472	\$ 35,145,996	\$ 35,103,418
Corrections	281,010,856	277,361,279	294,437,338	293,746,087
Judicial	121,387,370	122,770,901	125,786,196	124,266,261
Military Staff	3,650,802	3,574,619	3,501,229	3,106,655
Emergency Management	6,632,962	6,838,583	7,508,374	7,165,529
Public Safety	137,013,201	136,595,944	131,696,139	122,424,040
Public Defender	15,694,120	15,240,194	16,617,869	15,835,559
Subtotal-Public Safety	\$ 600,252,202	\$ 597,762,992	\$ 614,693,141	\$ 601,647,549
Natural Resources				
Environmental Management	\$ 58,678,560	\$ 57,925,657	\$ 55,747,863	\$ 57,178,456
CRMC	3,396,395	3,483,722	3,804,022	3,607,384
Subtotal-Natural Resources	\$ 62,074,955	\$ 61,409,379	\$ 59,551,885	\$ 60,785,840
Transportation				
Transportation	\$ -	\$ -	\$ -	\$ -
Subtotal-Transportation	\$ -	\$ -	\$ -	\$ -
Total	\$ 5,425,140,429	\$ 5,378,940,944	\$ 5,771,624,127	\$ 5,500,088,983

Expenditures from Federal Grants

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
General Government				
Administration	\$ 212,681,251	\$ 183,993,462	\$ 62,517,896	\$ 75,120,050
Business Regulation	641,503	1,232,597	470,863	845,863
Executive Office of Commerce	174,401,499	191,644,660	174,401,499	22,000,000
Housing	210,993,898	284,661,217	18,525,982	18,530,670
Labor and Training	74,703,378	74,768,385	42,413,369	42,711,594
Revenue	825,339	794,957	797,054	805,667
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	2,001,207	2,001,207	2,001,207	2,001,207
General Treasurer	766,369	763,919	766,625	763,030
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	359,101	417,949	479,775	450,110
Public Utilities Commission	593,775	702,387	705,992	711,984
Subtotal - General Government	\$ 677,967,320	\$ 740,980,740	\$ 303,080,262	\$ 163,940,175
Human Services				
Health and Human Services	\$ 2,448,794,456	\$ 2,367,067,094	\$ 2,635,567,521	\$ 2,504,657,492
Children, Youth and Families	132,358,539	136,031,263	98,925,637	109,908,506
Health	225,090,085	262,579,394	222,477,052	193,961,061
Human Services	666,947,828	673,679,194	652,361,432	646,350,116
BHDDH	349,233,547	375,846,199	367,161,251	371,599,345
Child Advocate	-	12,000	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	378,638	377,937	451,361	85,000
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 3,822,803,093	\$ 3,815,593,081	\$ 3,976,944,254	\$ 3,826,561,520
Education				
Elementary and Secondary	\$ 464,842,075	\$ 567,802,963	\$ 316,228,068	\$ 312,330,554
Higher Education	43,456,833	23,435,115	4,963,684	4,960,773
Arts Council	987,000	986,151	992,882	996,126
Atomic Energy	-	-	-	-
Historical Preservation	1,143,147	1,223,734	1,260,404	1,267,431
Subtotal - Education	\$ 510,429,055	\$ 593,447,963	\$ 323,445,038	\$ 319,554,884

Expenditures from Federal Grants

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Public Safety				
Attorney General	\$ 2,909,219	\$ 3,213,191	\$ 3,250,513	\$ 3,265,105
Corrections	2,219,859	23,417,738	1,819,835	1,819,835
Judicial	4,972,193	4,637,314	4,399,511	4,417,956
Military Staff	64,747,657	46,284,202	86,834,973	86,857,534
Emergency Management	38,504,601	30,536,190	30,095,576	28,880,583
Public Safety	24,157,221	43,543,813	27,635,040	22,744,693
Public Defender	100,665	105,035	85,035	85,035
Subtotal-Public Safety	\$ 137,611,415	\$ 151,737,483	\$ 154,120,483	\$ 148,070,741
Natural Resources				
Environmental Management	\$ 31,088,283	\$ 38,313,152	\$ 36,073,556	\$ 36,020,076
CRMC	2,264,374	3,133,386	2,304,318	2,319,579
Subtotal-Natural Resources	\$ 33,352,657	\$ 41,446,538	\$ 38,377,874	\$ 38,339,655
Transportation				
Transportation	\$ 460,859,663	\$ 450,470,057	\$ 439,158,680	\$ 432,772,781
Subtotal-Transportation	\$ 460,859,663	\$ 450,470,057	\$ 439,158,680	\$ 432,772,781
Total	\$ 5,643,023,203	\$ 5,793,675,862	\$ 5,235,126,591	\$ 4,929,239,756

Expenditures from Restricted Receipts

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
General Government				
Administration	\$ 48,486,518	\$ 59,415,067	53,013,944	\$ 47,189,447
Business Regulation	11,523,017	10,923,958	12,250,001	12,272,848
Executive Office of Commerce	-	-	-	-
Housing	7,664,150	7,664,150	7,664,150	7,664,150
Labor and Training	30,280,568	31,213,509	31,983,377	32,037,084
Revenue	9,556,818	9,469,077	9,481,272	9,481,272
Legislature	2,090,093	2,405,247	2,412,438	2,431,651
Lieutenant Governor	-	-	-	-
Secretary of State	583,028	409,275	407,697	409,347
General Treasurer	18,578,032	18,197,154	18,022,073	17,607,485
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	13,667,525	13,284,358	14,257,791	13,739,288
Subtotal - General Government	\$ 142,429,749	\$ 152,981,795	\$ 149,492,743	\$ 142,832,572
Human Services				
Health and Human Services	\$ 52,072,498	\$ 60,608,874	36,401,595	\$ 55,225,999
Children, Youth and Families	1,491,123	665,810	1,437,888	703,557
Health	66,450,778	88,380,907	103,910,967	106,844,735
Human Services	5,933,660	7,433,917	6,299,568	6,243,767
BHDDH	12,328,797	15,061,944	4,943,411	12,867,116
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	104,467	126,725	104,467	131,533
Commission on Disabilities	62,131	44,656	60,905	66,539
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 138,443,454	\$ 172,322,833	\$ 153,158,801	\$ 182,083,246
Education				
Elementary and Secondary	\$ 47,345,545	\$ 50,597,914	52,825,138	\$ 53,019,127
Higher Education	6,732,644	6,743,784	8,697,411	8,669,141
Arts Council	5,000	2,961	-	-
Atomic Energy	25,036	25,036	25,036	25,036
Historical Preservation	422,800	422,800	419,300	419,300
Subtotal - Education	\$ 54,531,025	\$ 57,792,495	\$ 61,966,885	\$ 62,132,604

Expenditures from Restricted Receipts

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Public Safety				
Attorney General	\$ 5,305,685	\$ 5,985,733	6,790,650	\$ 6,938,104
Corrections	1,433,109	2,031,875	1,386,843	1,386,843
Judicial	14,912,867	14,772,671	14,842,083	14,839,020
Military Staff	55,000	55,000	115,373	55,000
Emergency Management	406,774	408,572	410,607	412,371
Public Safety	10,350,524	9,262,884	9,917,727	12,509,218
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 32,463,959	\$ 32,516,735	\$ 33,463,283	\$ 36,140,556
Natural Resources				
Environmental Management	\$ 17,806,478	\$ 21,065,302	23,438,416	\$ 21,304,790
CRMC	250,000	250,000	250,000	250,000
Subtotal-Natural Resources	\$ 18,056,478	\$ 21,315,302	\$ 23,688,416	\$ 21,554,790
Transportation				
Transportation	\$ 6,210,256	\$ 6,116,460	\$ 6,116,969	\$ 6,116,969
Subtotal-Transportation	\$ 6,210,256	\$ 6,116,460	\$ 6,116,969	\$ 6,116,969
Total	\$ 392,134,921	\$ 443,045,620	\$ 427,887,097	\$ 450,860,737

Expenditures from Other Funds

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
General Government				
Administration	\$ 162,755,222	\$ 176,368,268	\$ 173,886,886	\$ 169,217,744
Business Regulation	5,786,915	5,779,981	2,008,300	2,008,300
Executive Office of Commerce	805,000	963,819	805,000	8,396,180
Housing	-	-	-	-
Labor and Training	404,952,859	474,056,152	501,498,934	501,606,931
Revenue	391,934,764	423,728,743	424,340,025	423,156,930
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	-	-	24,150,000	3,757,444
General Treasurer	695,256	594,949	661,509	601,026
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	-	-	-	-
Subtotal - General Government	\$ 966,930,016	\$ 1,081,491,912	\$ 1,127,350,654	\$ 1,108,744,555
Human Services				
Health and Human Services	\$ -	\$ -	\$ -	\$ -
Children, Youth and Families	15,250,000	15,250,000	15,255,593	15,250,000
Health	400,000	8,989	800,000	4,021,762
Human Services	5,562,184	5,824,291	5,861,058	2,556,116
BHDDH	400,000	469,544	400,000	500,000
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	-	-	-	-
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 21,612,184	\$ 21,552,824	\$ 22,316,651	\$ 22,327,878
Education				
Elementary and Secondary	\$ 13,776,250	\$ 14,528,714	\$ 33,190,000	\$ 33,026,648
Higher Education	1,094,657,843	1,086,840,692	1,121,564,013	1,146,171,324
Arts Council	585,000	585,000	585,000	585,000
Atomic Energy	394,971	388,026	387,566	388,456
Historical Preservation	110,327	143,833	142,829	142,829
Subtotal - Education	\$ 1,109,524,391	\$ 1,102,486,265	\$ 1,155,869,408	\$ 1,180,314,257

Expenditures from Other Funds

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Public Safety				
Attorney General	\$ 150,000	\$ 2,040,000	\$ 150,000	\$ 150,000
Corrections	4,100,000	13,804,593	29,456,677	31,226,325
Judicial	5,625,000	6,026,122	5,625,000	4,375,000
Military Staff	7,453,846	3,821,909	10,864,088	11,433,991
Emergency Management	4,716,375	5,728,648	690,000	220,000
Public Safety	18,183,390	12,111,760	27,377,403	27,373,960
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 40,228,611	\$ 43,533,032	\$ 74,163,168	\$ 74,779,276
Natural Resources				
Environmental Management	\$ 20,236,754	\$ 19,710,569	\$ 20,233,745	\$ 31,868,846
CRMC	-	100,000	4,823,500	-
Subtotal-Natural Resources	\$ 20,236,754	\$ 19,810,569	\$ 25,057,245	\$ 31,868,846
Transportation				
Transportation	\$ 392,019,191	\$ 524,551,120	\$ 377,998,006	\$ 377,830,080
Subtotal-Transportation	\$ 392,019,191	\$ 524,551,120	\$ 377,998,006	\$ 377,830,080
Total	\$ 2,550,551,147	\$ 2,793,425,722	\$ 2,782,755,132	\$ 2,795,864,892

Full-Time Equivalent Positions

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
General Government				
Administration	674.7	674.6	690.6	683.6
Business Regulation	181.0	181.0	185.0	181.0
Executive Office of Commerce	5.0	5.0	5.0	5.0
Housing	38.0	38.0	38.0	38.0
Labor and Training	461.7	461.7	461.7	461.7
Revenue	575.5	587.5	596.5	599.5
Legislature	298.5	298.5	298.5	298.5
Lieutenant Governor	8.0	8.0	9.0	8.0
Secretary of State	61.0	61.0	61.0	61.0
General Treasurer	91.0	91.0	93.0	91.0
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	16.0	15.0
Public Utilities Commission	54.0	54.0	58.0	56.0
Subtotal - General Government	2,533.4	2,545.3	2,582.3	2,568.3
Human Services				
Health and Human Services	218.0	218.0	238.0	233.0
Children, Youth and Families	705.5	705.5	713.5	714.5
Health	574.4	575.6	581.6	572.6
Human Services	1,070.0	1,070.0	1,084.0	1,079.0
BHDDH	1,202.4	1,204.4	1,201.4	1,203.4
Child Advocate	10.0	10.0	12.0	10.0
Deaf and Hard of Hearing	4.0	4.0	6.5	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	3,795.3	3,798.5	3,848.0	3,827.5
Education				
Elementary and Secondary	334.1	334.1	345.1	337.1
Higher Education	4,394.3	4,394.3	4,438.3	4,395.3
Arts Council	10.0	10.0	11.0	10.0
Atomic Energy	8.6	8.6	8.6	8.6
Historical Preservation	15.6	15.6	15.6	15.6
Subtotal - Education	4,762.6	4,762.6	4,818.6	4,766.6

Full-Time Equivalent Positions

	FY 2024 Enacted	FY 2024 Revised	FY 2025 Request	FY 2025 Recommended
Public Safety				
Attorney General	264.1	264.1	264.1	264.1
Corrections	1,460.0	1,461.0	1,476.0	1,461.0
Judicial	743.3	743.3	745.3	745.3
Military Staff	93.0	93.0	93.0	93.0
Emergency Management	37.0	37.0	39.0	39.0
Public Safety	632.2	632.0	642.0	633.0
Public Defender	104.0	104.0	106.0	104.0
Subtotal-Public Safety	3,333.6	3,334.4	3,365.4	3,339.4
Natural Resources				
Environmental Management	425.0	425.0	444.0	437.0
CRMC	32.0	32.0	33.0	32.0
Subtotal-Natural Resources	457.0	457.0	477.0	469.0
Transportation				
Transportation	755.0	755.0	775.0	755.0
Subtotal-Transportation	755.0	755.0	775.0	755.0
Total Positions	15,636.9	15,652.8	15,864.8	15,725.8

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