

House Fiscal Advisory Staff

Budget as Enacted Fiscal Year 2026



Submitted to the 2025 House of Representatives

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House Fiscal Advisory Staff	Inside Back Cover

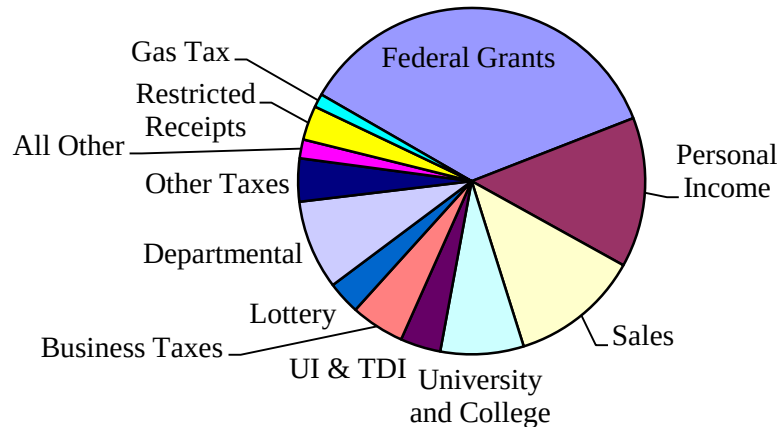
Section I

Budget at a Glance

FY 2026 Budget at a Glance

The Assembly adopted a budget with total expenditures of \$14,336.4 million, which is \$373.2 million more than the 2024 Assembly enacted for FY 2025 and \$120.3 million more than the Governor recommended. It contains \$5,809.4 million from general revenues, which is \$214.5 million more than originally enacted for FY 2025 and \$66.3 million more than the Governor recommended.

Sources of Funds



Budget Issues

- **Federal Government Action.** The Governor's budget recommendation is based on federal laws, grants, and spending commitments in place prior to the change in the Presidential administration. As is the general practice, it does not attempt to account for any future congressional action or the impact of any executive policy changes. Executive actions did affect grants for some agencies, but more material changes are likely to arise from action on the federal budget pending before Congress as of June 2025. The Assembly directed the administration to review and analyze the impacts of any federal actions and develop options for the Governor and Assembly to consider that address any changes.
- **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, 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 moved all funding scheduled for later years into FY 2024 to ensure the state met federal deadlines for formally obligating the funds. Since then, funding for previously approved programs has generally been reflected in the current year, although actual spending can still occur over a longer time horizon. The 2024 Assembly made further adjustments based on updated needs and priorities. The 2025 Assembly adjusted certain programs and authorized the Governor some limited authority to reclassify funds at risk of federal forfeiture.
- **FY 2026 Gap.** In October, the Budget Office estimated a nearly \$400 million gap between revenues and current service expenditures for FY 2026. House Fiscal Staff's June 2024 estimates of the FY 2026 budget gap were only about \$260 million, with most of the difference from the subsequent Budget Office estimate being expenditure assumptions, primarily for recently settled employee contracts. There were also

differences in some human services and education aid assumptions. The November consensus estimate showed a \$67.5 million revenue increase, and the caseload estimate lowered general revenue expenses by \$23.3 million. Draft audit data for FY 2024 showed a \$47.3 million additional free surplus, up from the \$12.8 million in the preliminary data from September. However, most of that would be considered non-recurring. These items combine to produce about \$138 million more resources for FY 2025 than when the budget was adopted.

- **Out-Year Projections.** The out-years continue to be unbalanced. The forecast included with the Governor's budget estimates a roughly \$300 million gap for FY 2027, growing to about \$400 million by FY 2030. The Fiscal Staff estimates a FY 2027 budget gap similar to the Governor's forecast and also does not attempt to price potential federal impacts. Later years have larger gaps with one of the major differences from the Governor being the growth in local aid. The Assembly capped growth in car tax reimbursements to communities, but declined to end it, as the Governor proposed. The FY 2027 gap includes the impact of using one-time surplus funds in FY 2026 and the updated economic forecast. Like the Governor's, projection it also assumes the effects of employee contracts, new healthcare proposals, and revenue enhancements.

Taxes and Revenues

- **Supplemental Budget Reserve.** The FY 2024 budget created a supplemental reserve fund to which it contributed \$55.0 million. The law also dedicated any unexpected excess revenues annually at fiscal close, half each to the supplemental reserve fund and the Employees' Retirement System. For FY 2024, it produced a \$43.3 million transfer. The Assembly exempts the transfer to the supplemental budget reserve fund for FY 2024 only, and the budget recaptures \$21.6 million of resources for FY 2025.
- **OTP Tax on Nicotine Pouches.** The Budget updates the definition of items subject to the tax on other tobacco products to include nicotine pouches. These small synthetic fiber pouches containing nicotine are designed to be placed between a person's gum and lip, but are not expressly included in the 80.0 percent of wholesale cost tax applied to tobacco or other tobacco products. Other states have similarly extended their taxes on this product, including Maine, Illinois, and Minnesota. This is estimated to generate \$7.5 million, assuming an effective date of October 1, 2025, which would annualize to \$12.0 million for FY 2027.
- **Sales Tax on Parking.** The Budget expands the application of the current 7.0 percent sales and use tax to short-term parking of up to one month, effective October 1, 2025. Currently, 15 states and Washington, D.C., charge either a specific parking excise tax or sales tax. This is estimated to generate \$1.6 million in FY 2026, with an annualized total of \$3.2 million for FY 2027, once fully implemented with a greater level of compliance. The Budget also includes general revenue support in the Department of Revenue for implementation costs of new revenue initiatives.
- **Health Services Funding Assessment.** The Assembly adopted legislation establishing an assessment, similar to the child and adult immunization program assessments, to generate \$30.0 million annually to support primary care and other critical healthcare programs. Current assessments are based on a per-member per-month fee applied to all covered lives, including self-insured. This assessment is estimated to be approximately \$4 per month per covered life. The funds would be deposited as general revenues and the FY 2026 impact is \$15.0 million for half a year.
- **Financial Institution Data Matching.** The Budget provides the Division of Taxation with the statutory authority to initiate a Financial Institution Data Matching Program, enabling it to match financial accounts to non-compliant taxpayers to support the collection of state tax liability. This is estimated to increase revenues by \$5.3 million in FY 2026 and \$8.0 million in FY 2027.

- **Traffic Fines.** The Budget revises the traffic violation schedule, increasing most fines from \$85 to \$100. The Budget assumes \$0.5 million in revenues for FY 2026. Fees have not been adjusted since 2008, although cumulative inflation over the same time period is around 50 percent.

Commerce and Workforce

- **Air Service Development Fund.** The Budget includes \$2.7 million from general revenues, \$1.5 million more than enacted, to recapitalize the Air Service Development Fund to reimburse marketing expenses for airlines connecting to Rhode Island T.F. Green International Airport. All funding currently maintains one existing agreement with Breeze Airways.
- **ARPA - Bioscience Investments.** The 2023 Assembly authorized \$45.0 million from State Fiscal Recovery funds to create the Rhode Island Life Science Hub, finance one or more wet lab facilities, and capitalize a new fund to promote bioscience business and workforce development. The FY 2025 final budget includes the remaining \$43.0 million; \$2.0 million was spent in FY 2024.
- **ARPA - Minority Business Accelerator.** The Budget includes the remaining \$2.4 million from State Fiscal Recovery funds to establish a minority business accelerator program in coordination with minority small business associations, providing technical assistance, loans, and programming space. The 2022 Assembly authorized \$6.0 million; \$3.6 million was spent through FY 2024. The enacted budget provided \$0.5 million from general revenues for FY 2025 to supplement the limited federal funds. The Budget does not include general revenues beyond FY 2025.
- **ARPA - Small Business Technical Assistance.** The Budget includes the \$2.5 million remaining State Fiscal Recovery funds authorized to provide grants and technical assistance to businesses impacted by the COVID-19 pandemic. The 2024 Assembly authorized additional funding for a total of \$31.3 million; most of it has been spent.
- **ARPA Capital - Last-Mile Broadband.** The Budget includes \$25.8 million from Capital Projects funds to expand reliable, high-speed internet. The program provides funding to municipalities, public housing authorities, businesses, and internet service providers to expand internet access in underserved communities. The total is \$0.8 million higher and incorporates administrative costs associated with this project that were previously budgeted separately.
- **ARPA - Assistance to Impacted Industries.** The Budget maintains the authorized \$15.0 million from State Fiscal Recovery funds to address the negative impacts of the pandemic on the tourism, hospitality, and events industry. Through FY 2024, \$13.0 million has been spent, and the FY 2025 final budget includes the remaining \$2.0 million.
- **Commerce Corporation - Operations.** The Budget includes \$8.5 million from general revenues to support the Rhode Island Commerce Corporation's operations, which is the same as enacted for FY 2025.
- **Destination Marketing.** The Assembly authorized \$3.0 million from State Fiscal Recovery funds, matched by an equivalent amount from the Commerce Corporation's allocation of state hotel tax receipts, to conduct tourism campaigns in destination markets for airline routes to Rhode Island T.F. Green International Airport. The FY 2025 enacted budget allocated \$1.4 million from general revenues to continue the program. The Budget includes the same funding for FY 2026.
- **Experimental Program to Stimulate Competitive Research (EPSCoR).** The Budget includes the FY 2025 enacted amount of \$0.9 million from general revenues for the National Science Foundation's Experimental Program to Stimulate Competitive Research.

- **First Wave Closing Fund.** The Budget extends the sunset for the First Wave Closing Fund one year to December 31, 2026.
- **I-195 Redevelopment Fund.** The Budget extends the sunset for the I-195 Redevelopment Fund one year to December 31, 2026.
- **I-195 Redevelopment District Commission.** The Budget includes the enacted amount of \$1.2 million from general revenues for operating expenses of the I-195 Redevelopment District Commission.
- **I-195 Redevelopment Commission Capital.** The Budget includes \$0.7 million from Rhode Island Capital Plan funds annually for FY 2026 through FY 2028 for professional, legal, and engineering services related to the maintenance and marketability of the I-195 land, consistent with the approved capital plan.
- **I-195 Park Infrastructure.** The Budget includes \$7.1 million, including \$3.1 million from Rhode Island Capital Plan funds and \$4.0 million from general obligation bond funds approved by the voters in March 2021, to develop physical infrastructure at the I-195 Redevelopment District's parks. This includes facilities for concessions, restrooms, expanded utility services, and trash receptacles.
- **Industrial Site Development.** The Budget includes \$40.0 million from general obligation bond proceeds approved by voters in March 2021 for an initiative administered by the Quonset Development Corporation. This initiative provides small grants for pre-development purposes and competitively funds other projects to acquire industrial sites and develop facilities that create job-producing activities.
- **Innovation Campus Bond.** The Budget includes \$20.0 million from general obligation bonds approved by the voters on the November 2016 ballot to construct one or more innovation campuses affiliated with the University of Rhode Island. Final agreements are currently being negotiated with selected awardees.
- **Innovation Initiative.** The Budget extends the sunset one year to December 31, 2026, for the innovation voucher and network matching grant initiatives, and provides no new funding. The FY 2025 enacted budget provided \$1.0 million from general revenues for additional awards.
- **Innovation Ecosystem.** The Budget adds \$250,000 from general revenues to strengthen collaboration between higher education institutions and private industry to support workforce development. These funds may support research partnerships, internships, training programs, workforce assessments, business recruitment, and relocation incentives.
- **Main Streets Revitalization.** The Budget extends the sunset date of the Main Street RI Streetscape Improvement Fund one year to December 31, 2026, and provides \$125,000 from general revenues. The 2015 Assembly authorized the Commerce Corporation to award loans, matching grants, and other forms of financing to enhance infrastructure or provide technical assistance to create an attractive environment in local business districts.
- **P-Tech Initiative.** Recent budgets included \$2.3 million from general revenues to establish partnerships between high schools, higher education institutions, and employers to offer courses toward high school diplomas and associate's degrees. The program is estimated to have \$0.3 million of available resources after administrative costs. The Budget maintains the December 31, 2025, sunset date.
- **ARPA - Port of Davisville.** The FY 2025 final budget includes the remaining \$45.6 million of the \$65.0 million authorized from State Fiscal Recovery funds to support infrastructure at the Port of Davisville. Support expands on existing funding to develop port infrastructure to create job opportunities, invest in marine transportation, and make capital improvements to prepare for offshore wind development.

- **Port of Davisville Modernization.** The Budget includes \$20.0 million from general obligation bond proceeds approved by the voters in March 2021 for infrastructure improvements at the Port of Davisville for its existing businesses and offshore wind projects.
- **Port of Providence.** The 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.
- **Quonset Infrastructure.** The Budget includes \$7.5 million from Rhode Island Capital Plan funds to modernize and expand Quonset Business Park infrastructure to accommodate new tenants. The Quonset Development Corporation manages infrastructure such as roadways, water supply and distribution systems, Corporation buildings, and a wastewater treatment facility.
- **PFAS Mitigation at Quonset Business Park.** The Budget includes \$1.0 million from Rhode Island Capital Plan funds for a new project to finance engineering, permitting, and other pre-construction services necessary for a new potable water treatment system at Quonset Business Park.
- **Rebuild Rhode Island Tax Credit.** The Budget includes \$10.1 million from general revenues to continue funding commitments under the Rebuild Rhode Island Tax Credit program. The program offers real estate development tax credits for qualified construction projects, which are redeemed over time. The Budget maintains the award cap of \$225.0 million, provides for a limited opportunity to exceed project caps, and extends the sunset date one year to December 31, 2026. Through FY 2025, the state has allocated \$184.6 million to satisfy commitments already made.
- **Real Jobs RI.** The Budget includes \$11.0 million for the Real Jobs Rhode Island program for FY 2026. This includes level funding of \$5.5 million from general revenues and \$5.5 million from the Governor's Workforce Board restricted receipts available from Job Development Fund assessments.
- **ARPA - Enhanced Real Jobs.** The 2022 Assembly authorized \$30.0 million from State Fiscal Recovery funds for multiyear support for an enhanced version of the Real Jobs RI workforce training program. The FY 2025 final budget includes the final \$5.9 million; \$24.1 million was spent through FY 2024.

Housing (See Section VI, Special Reports: Housing)

- **Hotel Tax on Whole Home Rentals.** The Budget creates a new tax equal to the 5.0 percent State Hotel Tax on whole-home short-term rentals, effective January 1, 2026, and dedicates 50.0 percent of new revenues to the Housing Resources and Homelessness restricted account and 25.0 percent each to the municipality and tourism district in which the rental occurs. This is estimated to generate \$1.0 million for the account for FY 2026, annualizing to \$2.4 million for FY 2027.
- **Real Estate Conveyance Tax Increase.** The Budget increases the first and second tiers of the real estate conveyance tax from 0.46 percent to 0.75 percent, effective October 1, 2025, for a top effective rate of 1.5 percent. The first tier applies to all real estate transfers, with revenues allocated in accordance with current law. The second tier applies to residential transfers exceeding \$800,000, indexed to inflation. This rate will now be split, with 0.50 percent of the 0.75 percent allocated to the Housing Production Fund, up from the current 0.46 percent, and the remaining 0.25 percent to the Housing Resources and Homelessness restricted account. These changes are estimated to generate \$13.5 million for FY 2026, annualizing to \$18.7 million for FY 2027. Municipal collections are estimated to increase by \$10.7 million for FY 2026 and \$14.7 million for FY 2027.

- ***Non-Owner Occupied Tax.*** The Budget creates a non-owner-occupied residential property tax, effective July 1, 2026. The tax does not apply to commercial property or property rented for more than half the year. Affected properties will be subject to a 0.5 percent annual tax on the portion of their value exceeding \$1.0 million, indexed to inflation, with all resulting revenues dedicated to the Low Income Housing Tax Credit Fund.
- ***Low Income Housing Tax Credit Fund.*** The Budget transfers \$4.0 million in each year from general revenues to the Low-Income Housing Tax Credit Fund. This raises the total prefunding to \$36.0 million, against an existing award maximum of \$120.0 million, based on the current sunset date.
- ***ARPA - Affordable Housing Development.*** The final budget includes the remaining \$60.1 million out of \$100.0 million authorized from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments. This creates an additional directed subsidy that matches multiple sources of financing. Nearly all remaining funds have been awarded.
- ***ARPA - Home Repair and Community Revitalization.*** The final budget includes the remaining \$17.5 million out of \$24.5 million authorized from State Fiscal Recovery funds to support critical home repairs, redeveloping residential or commercial properties, and public and community spaces. As of the end of FY 2024, only \$4.5 million remains to be awarded for home repairs.
- ***ARPA - Site Acquisition.*** The final budget includes the remaining \$900 out of \$25.0 million authorized from State Fiscal Recovery funds to continue a site acquisition program administered by RI Housing, which began in 2020. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. All funds have been awarded.
- ***ARPA - Workforce Housing.*** The final budget includes the remaining \$16.3 million out of \$20.0 million authorized from State Fiscal Recovery funds to increase the housing supply for Rhode Island families earning up to 120 percent of area median income. RI Housing and the Department issued a consolidated request for proposals in October 2024, which included the remaining \$1.5 million of unobligated funds.
- ***ARPA - Homelessness Infrastructure.*** The final budget includes the remaining \$17.6 million out of \$45.0 million authorized from State Fiscal Recovery funds to increase facility capacity for individuals experiencing homelessness. The 2023 Assembly expanded allowable uses to include prevention and stabilization programs. All funds have been awarded.
- ***ARPA - Homelessness Assistance Program.*** The final budget includes the remaining \$23.1 million out of \$38.8 million authorized 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 the achievement of these efforts. The Department of Housing submitted its first report in March 2023 and has not submitted one since July 2023. The 2024 Assembly provided \$17.3 million. All funds have been awarded.
- ***ARPA - Housing Strategic Plan.*** The final budget includes \$2.0 million from State Fiscal Recovery funds authorized for a statewide comprehensive housing plan to assess current and future housing needs, consider home ownership and affordability barriers, and identify services needed for increased investments toward disproportionately impacted individuals and communities. Funds also support municipal planning efforts. All funds have been obligated and \$38,650 was spent in FY 2024.
- ***ARPA - Affordable Housing Capacity.*** The final budget includes the remaining \$0.3 million of \$1.5 million authorized 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 the achievement of these efforts. All funds have been obligated; the Department submitted its first report in March 2023 and has not submitted a report since July 2023.

- **ARPA - Targeted Housing Development.** The final budget includes the authorized amount of \$26.0 million from State Fiscal Recovery funds to allow the Secretary of Housing to target priority housing development projects. Of this amount, \$4.0 million supports transit-oriented housing. All funds have been awarded.
- **ARPA - Housing Related Infrastructure.** The final budget includes the authorized amount of \$3.0 million from State Fiscal Recovery funds for the Infrastructure Bank to support infrastructure necessary for affordable housing development. All funds were awarded in October 2024.
- **ARPA - Municipal Homelessness Support Initiative.** The final budget includes the remaining \$1.9 million out of \$2.2 million authorized 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. As of December 2024, only \$0.1 million remains to be obligated.
- **ARPA - Municipal Planning.** The Budget includes \$3.3 million, including the authorized amount of \$2.3 million from State Fiscal Recovery funds and \$1.0 million from general obligation bond funds approved in November 2024, to award grants to support municipal planning efforts. Of this amount, \$1.3 million is for a municipal fellows program and \$2.0 million is for transit- and zoning-related grants to municipalities. No funds were spent as of the end of FY 2024, but all municipal fellows funds have been awarded.
- **ARPA - Proactive Housing Development.** The final budget includes the authorized amount of \$1.4 million from State Fiscal Recovery funds to create a new proactive development subsidiary of RI Housing. The subsidiary was formally established in January 2024 and a president was appointed in September but no funds were spent.
- **Statewide Mandatory Rental Registry.** The FY 2025 final budget includes the enacted amount of \$1.3 million from general revenues to fund the required statewide publicly accessible online database of all rental units, including information on their compliance with lead laws. The FY 2026 budget also includes \$0.7 million for annual maintenance and operating costs of the registry.

Health Insurance

- **Health Insurance Market Integrity Fund.** The Budget includes \$15.8 million to make reinsurance payments to health insurance carriers and \$0.7 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 Budget includes \$13.5 million from all sources, including \$1.9 million from general revenues, to support ongoing operating expenses for HealthSource RI. Total expenses are \$0.6 million less than enacted, reflecting an updated plan for costs shared with the Executive Office of Health and Human Services. The final budget includes savings of \$1.5 million from general revenues, reflecting the use of agency sources.

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

- ***Distressed Communities Relief Fund.*** The Budget includes \$14.9 million from general revenues for the Distressed Communities Relief Fund. This is \$2.5 million more than the FY 2025 enacted level. Redistribution of funding among qualifying communities is based on updated tax levies and reflects Coventry as a newly qualified community. In the first qualification year, a community receives a transition payment of half its proportional share; the year a community no longer qualifies, it also receives a transition payment.
- ***Motor Vehicles Excise Tax Phase-Out Program.*** The Budget includes \$239.5 million for the Motor Vehicles Excise Tax Phase-out program. This is \$4.8 million more than FY 2025. The Governor had recommended repealing the provision that requires increased aid proportional to the sales tax revenue change compared to the prior year. Under current law, the FY 2025 distribution increases for some and decreases for others based on rounding values as part of the indexing to the sales tax. The Assembly maintained the current law to allow growth, but capped the increase at 2.0 percent. It also held communities harmless for any decreases based on rounding values as part of the indexing to the sales tax.
- ***Payment in Lieu of Taxes Program.*** The Budget includes \$51.3 million from general revenues to fully fund the Payment in Lieu of Taxes program that reimburses cities and towns for property taxes that would have been due on real property exempted from taxation by state law. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. The FY 2025 enacted budget of \$49.1 million equates to a 26.7 percent reimbursement; the Governor had proposed 25.9 percent by maintaining that total.
- ***Tangible Tax Exemption.*** The Budget includes \$25.9 million, or \$2.1 million less than enacted, from general revenues for the cost of the tangible tax reimbursement in FY 2025. This amount remains the same for FY 2026, but it is subject to updated data. The 2023 Assembly enacted legislation to exempt \$50,000 from the tangible property tax beginning January 1, 2024, and reimburse municipalities and fire districts for the lost revenues, subject to some limitations.
- ***Library Resource Sharing Aid.*** The Budget includes \$12.1 million from general revenues to fully fund state support of public libraries. Current law allows for a 25.0 percent reimbursement of expenditures from the second prior year, subject to appropriation.
- ***Library Construction Aid.*** The Assembly provided \$2.1 million from general revenues to fully fund library construction aid requirements. The state reimburses libraries up to half the total costs for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the project's completion, acceptance, and audit.
- ***CPF - Community Learning Center Municipal Grants.*** The final budget includes the remaining \$79.6 million from Capital Projects funds in FY 2025 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. A total of 18 municipalities are building 21 learning centers, and six municipalities are partnering to build four shared projects. Through late June 2025, \$12.5 million has been spent. The final budget also includes the enacted amount of \$2.0 million from State Fiscal Recovery funds to support the operation of approved Community Learning Centers. These funds would be distributed equally to each approved center that reaches substantial completion by October 31, 2026.

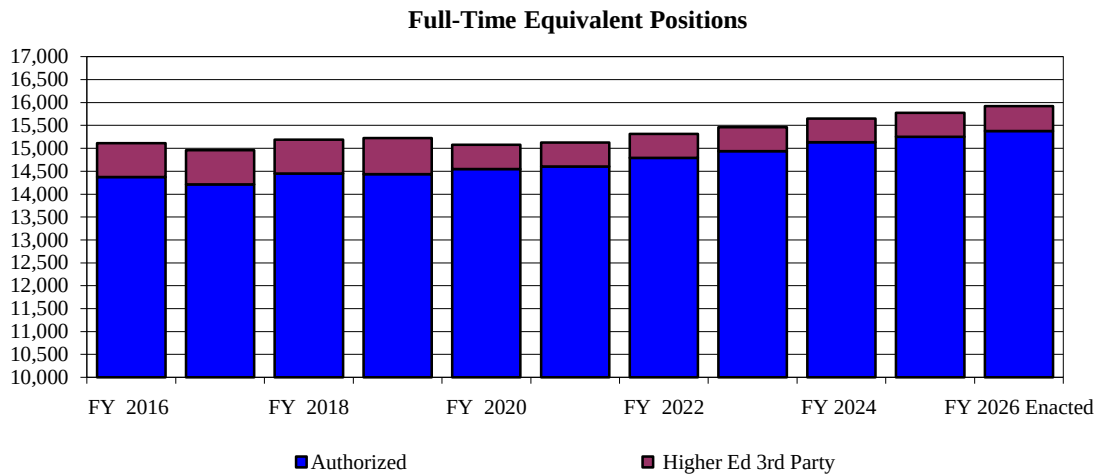
Education Aid (See Section VI, Special Reports: Education Aid)

- **FY 2026 Formula Education Aid.** The Budget includes \$1,191.1 million for education aid for local school districts, excluding state schools and Central Falls, pursuant to the base funding formula. This is \$58.2 million more than enacted.
- **Funding Formula Assumptions.** The calculation of education aid uses March 15, 2025, student enrollment data, including projected charter school enrollments, a per-pupil core instruction amount of \$13,322, and state share ratio variables updated with June 30, 2024, data. The Budget maintains the current law funding formula.
- **Enrollment Loss Transition Fund.** The 2023 Assembly created an enrollment loss transition fund that provides two years of funding to districts experiencing enrollment declines, including from students transferring to charter schools. Districts receive 40.0 percent of the state per-pupil funding lost in the first year and 25.0 percent in the second year. The Budget includes \$8.8 million, based on updated data; this includes \$4.4 million for the second year of the FY 2025 calculation and \$4.4 million related to this year's new losses.
- **Poverty Loss Stabilization Fund.** The 2023 Assembly created a poverty loss stabilization fund to help districts adjust to significant changes in state aid by giving them more time to align their budgets. This fund is triggered when the foundation formula aid produces less than the prior year, and the state share ratio decreases by more than 2.0 percent. Payments equate to half the difference that the formula aid calculation produces under the prior year's share ratio, compared to the current year's share ratio. The Budget includes \$4.8 million for FY 2026.
- **Group Home Aid.** The Budget includes \$3.5 million to fund beds for communities hosting group homes. This includes \$2.1 million more to reflect the removal of the enrollment reduction related to group home beds and \$0.5 million less from the removal of CRAFT program beds from this category of aid.
- **Central Falls.** The Budget includes \$54.6 million from general revenues for the Central Falls School District, including \$43.8 million from formula aid and \$10.8 million in stabilization funding to assist until the city can begin to pay its local share. This includes \$0.3 million less from stabilization funding than FY 2025 to reflect the city beginning to share in expenses and a gradual transition of district finances and governance back to local control.
- **Davies Career and Technical School.** The Budget includes \$18.5 million from general revenues in education aid for the Davies Career and Technical School. Total funding includes \$10.6 million from formula aid and \$7.9 million from stabilization funds, which is \$0.4 million more than FY 2025 from general revenues. The Budget also includes \$0.2 million from restricted receipts for 2.0 new art teachers to satisfy updated graduation requirements.
- **Metropolitan Career and Technical School.** The Budget includes \$13.0 million from general revenues in education aid for the Metropolitan Career and Technical School. This includes \$9.8 million from funding formula aid and \$3.2 million from stabilization funding. Funding is \$1.8 million more than FY 2025, including \$1.1 million from stabilization funding.
- **Early Childhood Funds/Prekindergarten.** The education funding formula has an early childhood education category of aid that allows the state to provide additional resources to increase access to voluntary, free, high-quality prekindergarten programs. The Budget includes \$28.9 million from general revenues. This is \$1.0 million less than enacted for FY 2025, but consistent with updated data for the FY 2025 final budget based on capacity and demand.

- **Career and Technical Education.** The Budget includes \$4.5 million for the separate allocation of career and technical funds as allowed by the funding formula for FY 2026.
- **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 combined per-pupil core instruction amount and student success factor amount, subject to appropriation. The Budget includes \$17.5 million for FY 2026, which is \$2.5 million more than FY 2025 and 56.0 percent of allowable expenses, up from 48.0 percent in the Governor's budget.
- **Non-Public School Transportation.** The funding formula allows the state to provide resources to mitigate the excess costs of transporting students to out-of-district non-public schools. The Budget includes \$4.7 million for FY 2026, which is \$0.7 million more than enacted, and fully funds this aid category.
- **Regional District Transportation.** The funding formula allows the state to provide resources to mitigate the excess costs of transporting students within regional school districts. The Budget includes \$7.8 million for FY 2026, which is \$0.5 million more than enacted, and fully funds this aid category.
- **School Construction Aid.** The Budget includes \$119.9 million to fund the projected costs of the traditional school housing aid reimbursement to local districts for FY 2026, which is \$13.7 million and 12.9 percent more than enacted.
- **Central Falls School Project.** The Budget includes general revenues of \$7.2 million for FY 2025 and \$10.7 million for FY 2026 for debt service associated with the construction of a new high school for the Central Falls School District. This arrangement is designed to achieve an overall cost reduction and differs from the traditional process used by districts in that the state issues all the debt, and the city reimburses its share. Expenses reflect that \$93.5 million of the debt was issued, and the remaining \$50.5 million will be issued in FY 2026. The state share of the \$144.0 million project cost is \$138.2 million.
- **Teacher Retirement.** The Budget includes \$138.0 million from general revenues for the estimated cost of the state's share of teacher retirement costs. The state funds 40.0 percent of the employer's share of retirement contributions for members of the teacher retirement system. This is \$3.2 million less than all funding enacted for FY 2025, including the \$8.9 million assumed in the Department of Administration's budget for the estimated cost of the pension changes adopted by the 2024 Assembly, attributed to the teachers' system. The FY 2025 final budget is \$139.4 million and reflects updated payroll information.

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

- **FTE Authorization.** The Assembly authorized 15,921.8 full-time equivalent positions, including 544.8 higher education positions dedicated for research or supported by other third-party funds. This is 149.0 positions more than enacted, including 100.0 new positions for the University of Rhode Island, of which 25.0 are limited to third-party sources. In FY 2024, the state averaged 13,934.7 filled full-time equivalent positions and an average of 1,718.1 vacancies. For FY 2025, it averaged 14,268.0 filled full-time equivalent positions, an average of 1,504.8 vacancies.
- **Specialized Information Technology Positions.** The Assembly created a designation for specialized information technology positions in state service, to be capped at 15.0 full-time equivalent positions in any fiscal year. It authorizes the personnel administrator to implement the pay plans for these positions without conducting a public hearing or obtaining approval from the Governor until December 31, 2026. It also requires the personnel administrator to submit a report within 30 days to the Governor, the Speaker of the House of Representatives, the Senate President, and the chairpersons of the House and Senate Finance Committees.

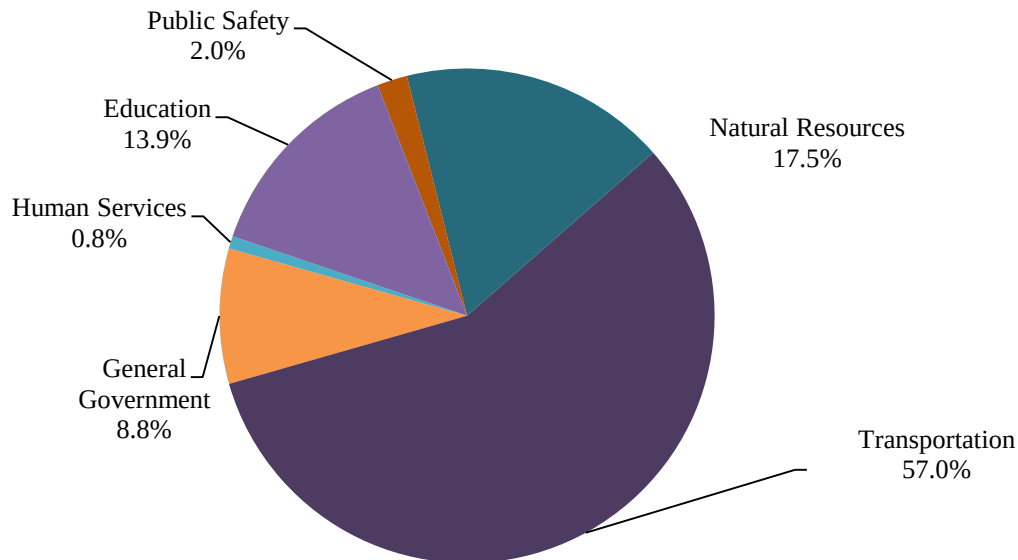


- Procurement Assessment Fee.** The Assembly established a uniform fee of 0.33 percent to be assessed on all state contracts, effective January 1, 2026. This replaces the current 1.0 percent assessed on master price agreements from vendors, which generated \$1.0 million in FY 2023 and \$2.0 million in FY 2024. Fees will continue to be deposited as restricted receipts to support the operations of the Division of Purchases, alleviating some general revenue expenses.
- Cannabis Control Commission.** The 2022 Assembly provided for the transfer of the Office of Cannabis Regulation from the Department of Business Regulation to the Cannabis Control Commission, effective upon issuance of final rules and regulations by the Commission. The Budget includes \$7.3 million from restricted receipts and 26.0 full-time equivalent positions for the new Cannabis Control Commission for FY 2026. This is \$0.3 million more than enacted for FY 2025.
- Group Home Replacement and Rehabilitation.** The Budget includes new expenditures of \$5.0 million from Rhode Island Capital Plan funds in FY 2026 to construct or renovate group homes, for total funding of \$15.0 million from FY 2024 through FY 2026.
- Integrated Data Systems.** The Budget includes \$1.4 million and six new positions to codify many of the recommendations of the 2023 Rhode Island Data Governance Program Plan and the Governor’s 2024 executive order on artificial intelligence and data centers by forming an integrated data system that will allow for data integration and analysis among the state’s different data systems, including higher education and health and human services. The Budget includes two positions each for the Office of Postsecondary Commissioner, the Department of Administration’s Division of Enterprise Technology Strategy and Services, and the Executive Office of Health and Human Services.
- Unemployment Benefits.** The Budget assumes \$249.2 million for unemployment benefit payments from employer contributions for FY 2026, which is \$26.5 million more than enacted and \$18.3 million more than the FY 2025 final budget.
- Temporary Insurance Payments.** The Budget assumes \$272.3 million for benefit payments from employee contributions for FY 2026, which is \$10.0 million more than enacted. It includes \$240.0 million for disability benefits and \$32.3 million for caregiver benefits. This is \$7.8 million above revised estimates, including \$12.0 million more for disability and \$4.2 million less for caregiver benefits.
- Police and Fire Relief Fund.** The Budget includes \$3.7 million from general revenues for the Police and Fire Relief program for the estimated costs of annuity payments and in-state tuition to eligible spouses, domestic partners, and dependents of certain injured or deceased police officers and firefighters.

Capital (See Section IV: Capital Budget)

- **Outlays and Funding.** The FY 2026 through FY 2030 plan includes \$9,083.6 million of outlays on \$19,894.7 million of project estimates. Average outlays would be \$1,816.7 million per year for the five-year period, with \$747.6 million required at the end of the period to complete the projects.

FY 2026 - FY 2030 Capital Projects by Function



- **General Obligation Bonds Referenda.** Financing the five-year plan is based on \$752.0 million of general obligation bond debt issuances. This includes \$345.5 million from general obligation bonds approved by the voters in November 2024. The average bond referenda over the past five elections was \$347.7 million, including the \$400.0 million approved by the voters in March 2021 and November 2022.
- **Other Debt Approvals.** The plan includes \$174.6 million approved by the 2025 Assembly under the Public Corporation Debt Management Act. It includes \$151.6 million from revenue bonds for the University of Rhode Island's Combined Health and Counseling Center and Memorial Union projects. This represents increases to existing debt authority. It also includes \$23.0 million through Certificates of Participation for the construction of confined aquatic dredged material disposal cells.
- **Financing.** Paying for the five-year outlays includes \$1,894.4 million from debt financing and \$7,189.2 million from current or pay-go sources. Pay-go represents 79.1 percent with debt funding being 20.9 percent.
- **Debt Levels.** Total net tax supported debt increases during the period through FY 2030 by \$293.9 million from \$2,016.6 million to \$2,310.5 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 2024 to 2.4 percent in FY 2030 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 \$1,423.0 million.

Debt Service

- **Convention Center Authority.** The Budget includes \$24.5 million from general revenues for both FY 2025 and FY 2026 to cover the Convention Center Authority's debt service requirements.
- **Garrahy Parking Garage.** The Assembly provided \$0.5 million from general revenues for both FY 2025 and FY 2026 for debt service for the Garrahy Parking Garage. No state support is assumed beyond FY 2026.
- **Historic Tax Credit Trust Fund Debt Service.** The Assembly provided \$9.9 million for both FY 2025 and FY 2026 from general revenues to fund debt service for historic tax credits.
- **Fidelity Job Rent Credits.** The Budget includes the FY 2025 enacted amount of \$1.0 million from general revenues for payments under the Fidelity Job Rent Credits agreement.

Public Health

- **ARPA - Operational Support.** The FY 2025 final budget includes \$12.2 million from remaining 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. Through FY 2024, \$20.0 million has been spent from the total approved amount of \$32.2 million.
- **ARPA - Public Health Response Warehouse Support.** The FY 2025 final budget includes \$1.9 million from State Fiscal Recovery funds for lease expenses to store COVID-19 supplies. A total of \$4.2 million was provided; through FY 2024, \$2.3 million has been spent. The Budget also includes \$0.6 million from general revenues for warehouse operations for FY 2025 and \$0.9 million for FY 2026.
- **ARPA - Public Health Clinics.** The FY 2025 final budget includes the remaining \$1.0 million from State Fiscal Recovery funds for the Rhode Island Free Clinic to improve statewide access and quality of primary care for uninsured adults and for Open Door Health to address issues for people who are disproportionately impacted by the COVID-19 pandemic. Each entity was allocated \$2.0 million, and \$3.0 million was spent through FY 2024.
- **New State Health Laboratory.** Consistent with the approved plan, the capital budget includes \$97.7 million, including \$81.7 million from a federal Centers for Disease Control and Prevention grant to construct a new State Health Laboratory facility. The Assembly shifted \$4.3 million of restricted receipt expenses to Rhode Island Capital Plan funds, for a total of \$15.9 million. These receipts have more flexible uses, including operating expenses, for which the Budget includes \$0.7 million for operational costs of the new health laboratory.
- **Medical Examiners - New Facility.** The capital budget includes \$12.1 million, including \$5.3 million from federal funds and \$6.7 million from Rhode Island Capital Plan funds, to renovate a 20,280 square foot building in Cumberland for the Office of State Medical Examiners. This is \$3.4 million more than the approved plan, including \$0.9 million in the later years for a new roof.

Health and Human Services

- **ARPA - Health Care Facilities.** The FY 2025 final budget includes the enacted amount of \$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. This brings total funding to \$87.5 million.

- **Hospital Financing.** The Budget includes \$331.3 million, of which \$99.5 million is from general revenues for the state-directed payment program through the managed care plans. These funds are designed to close the gap between what Medicaid currently pays and what commercial insurance pays for similar services to promote quality improvements at community hospitals. These increases are offset by reductions to the disproportionate share payments that total \$13.7 million, including \$6.0 million from general revenues. Hospital license fee payments to the state would increase by \$16.8 million.
- **Hospitals - Supplement Payments.** The Budget includes \$25.2 million, of which \$8.9 million is from general revenues for inpatient and outpatient upper payment limit reimbursements to be made to the community hospitals.
- **Hospitals - Long Term Care Behavioral Health Beds.** The Budget includes \$7.5 million, of which \$3.2 million is from general revenues, for a new Medicaid rate for long-term care behavioral health inpatient units at community hospitals, pending federal approval.
- **Primary Care Rates.** The Budget adds \$26.4 million, including \$8.3 million from general revenues, to raise primary care rates to 100 percent of Medicare rates, effective October 1, 2025.
- **Federally Qualified Health Centers.** The Budget adds \$10.5 million, of which \$4.0 million is from general revenues, to increase reimbursements to the federally qualified health centers, effective July 1, 2025.
- **Home Care Rates.** The Budget includes \$293.8 million, including \$125.7 million from general revenues, for fee-for-service home and community-based programs. It eliminates the statute that provides for an annual rate increase, as recommended by the Governor, for personal care attendants, skilled nursing and therapeutic services, and hospice care. These reimbursements became part of the biennial rate review process conducted by the Office of the Health Insurance Commissioner.
- **e-Consults Program.** The Budget includes \$5.4 million, of which \$1.4 million is from general revenues, for a new benefit that will allow for care coordination between primary and specialty care providers. The Budget includes savings of \$6.0 million, of which \$1.5 million is from general revenues, based on the expectation that this will result in an overall reduction in patient visits with specialists.
- **Medicare Savings Program.** The Budget includes \$7.1 million, of which \$0.7 million is from general revenues, to increase the eligibility income threshold for the Medicare Savings Program for those up to 168 percent of the poverty level, expanding the benefit to approximately 2,000 individuals. The program can cover Medicare Part A and Part B premiums, as well as co-payments and deductibles for seniors and other adults who are disabled.
- **Medicaid Fraud, Waste, and Abuse.** The Budget assumes savings of \$6.9 million, including \$2.9 million from general revenues, from payment recoveries related to increased efforts to reduce fraud, waste, and abuse in the Medicaid program. The Assembly added \$1.2 million for staff in the Program Integrity Unit in the Executive Office of Health and Human Services and the Department of Administration to achieve these savings, including \$0.7 million from general revenues.
- **Medicaid Pharmacy Expenses.** The Budget includes \$0.5 million, of which \$0.3 million is from general revenues, to add four positions in the Executive Office of Health and Human Services to evaluate pharmacy expenses and develop strategies to address program costs. The Governor's out-year projections include general revenue savings of \$3.7 million for FY 2027, growing to \$8.2 million in FY 2030.

- ***Nursing Facilities.*** The Budget includes \$477.3 million for fee-for-service payments to nursing facilities. It includes a 2.3 percent rate increase effective October 1, 2025, and a 3.0 percent base adjustment to address safe staffing standards.
- ***Nursing Facilities Minimum Staffing.*** The Budget makes changes to the state's nursing home minimum staffing requirements, including expanding the types of direct care workers that count towards meeting the staffing ratios, adding flexibility to the ratios, and waiving past penalties. Any penalties collected will be deposited into an account to be used for workforce development and compliance assistance programs.
- ***Opioid Funds.*** The Budget includes \$43.3 million for FY 2025 and \$25.2 million for FY 2026 for the Department of Corrections and health and human services agencies, derived from assessments and lawsuit settlements related to the opioid epidemic. Expenditures support prevention and treatment programs, recovery housing, and new treatment facilities, as well as outreach and education programs. FY 2024 spending totaled \$15.3 million.
- ***Gloria Gemma Breast Cancer Resource Foundation.*** The Assembly provided \$50,000 from general revenues to support the Gloria Gemma Breast Cancer Resource Foundation's new survivorship and well-being center in Lincoln.

Children and Families

- ***Child Care - Infant Rates.*** The Budget adds \$3.0 million from federal funds to provide an infant rate for center-based child care providers that is 20 percent higher than the toddler rate starting July 1, 2025.
- ***Child Care for Child Care Workers.*** The Budget adds \$2.7 million from federal funds for FY 2026, extending the pilot program another three years until July 31, 2028.
- ***Mobile Response and Stabilization Services.*** The Budget includes the authority to seek federal approval for a Medicaid rate for Mobile Response and Stabilization Services, which began as a federally funded pilot program. This would be effective no later than October 1, 2026. It also includes \$900,000 from general revenues to support individuals who are uninsured or underinsured and cover costs not reimbursed by Medicaid or other commercial insurers.
- ***ARPA - Psychiatric Residential Treatment Facility.*** The Budget makes \$6.5 million from State Fiscal Recovery funds available to expand and maintain a psychiatric residential treatment facility, pending a future plan from the Department of Children, Youth and Families to expand capacity. The Department originally contracted with St. Mary's Home for Children to increase its capacity for these beds. However, that facility closed in August 2024, and the unspent funds were recovered and reallocated.
- ***ARPA - Provider Workforce Stabilization.*** Prior budgets authorized \$24.1 million from State Fiscal Recovery funds to continue the workforce stabilization payments for providers contracted by the Department of Children, Youth and Families. The funding was in response to providers reporting a high number of vacancies and staff recruitment issues, which resulted in a capped or reduced capacity. As of the end of FY 2024, \$22.5 million has been spent. The FY 2025 final budget includes \$2.0 million, which brings the total to \$24.5 million.
- ***Congregate Care and Out-of-State Placements.*** The Budget includes \$7.7 million of savings, of which \$7.0 million is from general revenues from initiatives to reduce youth in out-of-state and congregate care placements in the Department of Children, Youth and Families by increasing in-state foster care placements and wrap-around services.

- **Emergency Housing.** The budgets include \$6.8 million in FY 2025 and \$6.1 million in FY 2026 all from federal funds for emergency hotel housing for families in which housing is a barrier to reunification. The Budget anticipates that the Department of Children, Youth and Families can utilize available Temporary Assistance for Needy Families funds instead of general revenues.
- **Local Education Agency Costs.** The Budget assumes \$3.0 million in general revenue savings for the Department of Children, Youth and Families by reducing uncollected payments owed by local education agencies for payments the Department has made to providers for education expenses for children in state care. The Department and Department of Elementary and Secondary Education will develop a plan to improve collections.
- **Residential Youth Facilities.** The Budget includes \$45.0 million from Rhode Island Capital Plan funds to construct a new residential treatment facility for females in Exeter and for planning costs for a second facility, available as the Exeter facility is projected to finish under budget. The facility is expected to be completed by Spring 2026.
- **RICHIST System Replacement.** The Budget includes \$56.9 million, including \$28.5 million from federal funds, for the project approved to create a new information system to replace the current Rhode Island Children's Information System. The state match for these expenses is 50.0 percent, of which \$24.7 million is from state information technology funds, and the remaining \$3.8 million is from general revenues to be paid from the Department of Children, Youth and Families' operating budget from FY 2025 through FY 2027.

Community Services and Advocacy

- **Rhode Island Alliance of Boys and Girls Clubs.** The Budget includes the enacted level of \$450,000 from general revenues for the Boys and Girls Club Project Reach program, which provides homework assistance and afterschool activities.
- **Day One.** The Budget includes the enacted level of \$300,000 from general revenues for Day One to provide outreach and supportive service programs relating to sexual assault.
- **Substance Use and Mental Health Leadership Council.** The Budget includes \$150,000 from general revenues for the Substance Use and Mental Health Leadership Council, which provides a coordinated system of comprehensive community-based mental health and substance use prevention and treatment services. This is \$50,000 more than provided for FY 2025.
- **Domestic Violence Prevention Activities.** The Budget includes the FY 2025 enacted level of \$400,000 from general revenues for domestic violence prevention activities contracted through the Rhode Island Coalition Against Domestic Violence and distributed to domestic violence shelters in the state.
- **Institute for the Practice and Study of Non-Violence.** The Budget includes the enacted level of \$250,000 from general revenues to support the Institute's Violence Reduction Strategy program.
- **United Way - 211.** The Budget includes the FY 2025 enacted level of \$200,000 from general revenues for United Way's 211 system, which is a free, confidential service that provides information and referrals for food, housing, job training, and other community resources.
- **Rhode Island Community Food Bank.** The Budget includes \$950,000 from general revenues for food collection and distribution through the community food bank. This is \$150,000 more than the FY 2025 enacted budget.

- **Community Action Agencies.** The Budget includes the FY 2025 enacted level of \$600,000 from general revenues to support services provided by the state's community action agencies.
- **Crossroads.** The Budget includes the FY 2025 enacted level of \$500,000 from general revenues to support activities provided by Crossroads Rhode Island that address homelessness and other related issues.
- **Refugee Services.** The Budget includes the FY 2025 enacted level of general revenues for immigrant and refugee support services. This includes \$125,000 for Higher Ground International and \$50,000 for the Refugee Dream Center.
- **Senior Services Support.** The Budget includes \$1.6 million from general revenues for senior support services through a grant process, which is \$0.2 million more than enacted for FY 2025.
- **Meals on Wheels/Elderly Nutrition Services.** The Budget includes \$730,000 from general revenues for elderly nutrition services, which includes \$680,000 for Meals on Wheels.
- **Respite Care.** The Budget includes the enacted level of \$325,000 from general revenues to support the respite care program through the Diocese of Providence, also known as CareBreaks.
- **Long Term Care Ombudsman.** The Budget includes 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.
- **RIBridges/UHIP.** The Budget includes \$89.8 million for FY 2025 and \$97.8 million for FY 2026 for expenses in multiple state agencies related to the RIBridges system, including staffing support for eligibility determination.
- **Supplemental Nutrition Assistance Program - Healthy Incentives Pilot.** The Budget maintains the total funding authorized for the Healthy Incentives Pilot program and includes swapping \$4.5 million from newly available State Fiscal Recovery funds for a portion of the general revenues.

Higher Education

- **Public Higher Education.** The Budget includes \$1,597.9 million for Public Higher Education, including debt service. This includes \$12.7 million more from general revenues than enacted for FY 2025. The Budget includes \$327.2 million from general revenues and \$611.6 million from all other unrestricted sources, including tuition and fees.
- **Public Higher Education Tuition and Fees.** The Council of Postsecondary Education approved a 3.5 percent tuition increase and a \$67 fee increase at Rhode Island College and a 5.9 percent tuition increase and \$18 fee increase at the Community College of Rhode Island. The University of Rhode Island Board of Trustees approved a 3.5 percent tuition increase and \$16 fee increase.
- **Rhode Island Promise Scholarship.** The Budget includes \$7.4 million from general revenues to support the Rhode Island Promise Scholarship at the Community College of Rhode Island, which is \$1.0 million less than enacted based on updated enrollment projections; revised costs for FY 2025 are estimated to be \$6.9 million.
- **Hope Scholarship.** The Budget includes \$5.5 million from general revenues for the third year of the Hope Scholarship Pilot Program at Rhode Island College. The FY 2025 final budget includes \$3.4 million.

This program provides awards to students during their third and fourth years at the College who are part of the graduating classes of 2024 through 2029.

- ***Last Dollar Scholarship.*** The Budget includes \$9.9 million for the Last Dollar Scholarship Program, consistent with the FY 2025 enacted level. This includes \$6.5 million from general revenues, which is \$100,000 more to cover a decline in available resources from tuition savings fees.
- ***Dual and Concurrent Enrollment.*** The Budget includes \$2.9 million from general revenues for FY 2026 expenses for the dual and concurrent enrollment program, which allows qualified high school students to earn college credit at no cost to the student. The FY 2025 final budget includes \$2.7 million based on anticipated need. There is a separate transfer of Rhode Island Student Loan Authority funds to general revenues equal to the spending.
- ***Career Readiness.*** The Budget includes \$1.8 million from general revenues to be used for programs related to career readiness, career placement, internships, and work-based learning at higher education institutions, including \$0.9 million for the University, \$0.5 million for the College, and \$0.4 million for the Community College.
- ***ARPA - Cybersecurity Center.*** The FY 2025 final budget includes the remaining \$1.6 million of the \$2.0 million allocation from State Fiscal Recovery funds to support the establishment of the Institute for Cybersecurity and Emerging Technologies at Rhode Island College. Funding will support three years of program development and operating costs. The College launched the Center in November.
- ***ARPA - RI Reconnect.*** The FY 2025 final budget includes the remaining \$7.2 million of the \$8.0 million allocation from State Fiscal Recovery funds to establish the Rhode Island Reconnect program through the Office of Postsecondary Commissioner and fund it for two years. The program is designed to offer targeted coaching and wraparound support to individuals aged 16 and older, enabling them to continue their education. The authorization requires some funding to address barriers to attaining teacher certification as a Second Language Education Teacher, Grades PK-12, and as an All Grades Special Education Teacher.
- ***ARPA - Foster Care Youth Scholarship.*** The FY 2025 final budget maintains the enacted allocation of \$1.0 million from State Fiscal Recovery funds in the Office of Postsecondary Commissioner for a last dollar scholarship program for foster care youth exiting the Department of Children, Youth and Families' care to attend Rhode Island College. Recipients will receive tuition, room and board, and/or support services, including during the summer months. Ten students took advantage of this program in the fall of 2024.
- ***URI Memorial Student Union.*** The Assembly authorized an increase in the approved debt for the Memorial Student Union project by \$60.4 million from \$57.6 million to \$118.0 million. The 2019 Assembly initially authorized the debt for this project and subsequently increased it in 2021.
- ***URI Health and Counseling Center.*** The Assembly authorized an increase in the approved debt for the Health and Counseling Center by \$4.6 million from \$29.0 million to \$33.6 million. The 2019 Assembly initially authorized the debt for this project and subsequently increased it in 2021.
- ***URI Building Envelope.*** The Budget includes \$15.0 million from Rhode Island Capital Plan funds for a new project to address repairs to building envelope systems across the University's campuses. The plan includes \$3.0 million annually from FY 2026 through FY 2030.
- ***URI PFAS Removal Water Treatment.*** The Budget includes \$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, consistent with the approved plan. The capital plan assumes that the projected cost increase of \$1.7 million will be covered through other sources, potentially the Emerging Contaminants Program at the Rhode Island Infrastructure Bank.

- **Public Higher Education Asset Protection.** The Budget includes \$125.7 million from Rhode Island Capital Plan funds for asset protection projects at the public higher education institutions for the five-year FY 2026 through FY 2030 period.
- **CCRI Campuswide Renovation and Modernization Phase I.** Consistent with the approved plan, the Budget includes \$59.5 million from all sources to renovate and modernize academic and student support spaces, and other infrastructure on its four campuses. It includes \$12.0 million from general obligation bonds approved by the voters in March 2021 and \$47.5 million from Rhode Island Capital Plan funds.
- **CCRI Campuswide Renovation and Modernization Phases II-IV.** The Budget includes \$7.7 million from Rhode Island Capital Plan funds for FY 2026 through FY 2028 for phases II through IV of the effort to renovate and modernize academic and student support spaces, and other infrastructure on its four campuses. This is \$2.7 million more than the approved plan, which included \$5.0 million for FY 2026. The budget also extends funding through FY 2028.
- **CCRI Data, Cabling, and Power Infrastructure.** The Budget includes \$20.0 million for the assessment, design, and construction of modernized data, cabling, and power infrastructure across the four campuses. The project will include upgrades to network wiring, infrastructure capacity, and support of various systems such as voice-over-Internet-protocol phones. Funding includes \$18.7 million from Rhode Island Capital Plan funds and \$1.4 million from College funds, consistent with the approved capital plan.
- **RIC Infrastructure Modernization.** The Budget includes \$29.3 million from Rhode Island Capital Plan funds for FY 2026 through FY 2030 for current and future infrastructure modernization at Rhode Island College. This is consistent with the approved five-year plan and adds a year.
- **URI Campus Accessibility.** The Budget includes \$7.0 million from Rhode Island Capital Plan funds for FY 2026 through FY 2030 for a new project to improve campus access for persons with disabilities. Projects include restrooms, exterior renovations, and building improvements, such as elevator modernizations.
- **URI Athletics Complex Renewal.** Consistent with the approved plan, the Budget includes \$83.1 million from all sources, including \$65.8 million from Rhode Island Capital Plan funds and \$17.3 million from 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.
- **URI Narragansett Bay Campus Renewal - Phase I.** The Budget includes \$62.2 million for improvements to the existing pier and marine operations facilities as part of the first phase of the comprehensive renewal of the Narragansett Bay Campus. Funding includes \$45.0 million from general obligation bonds approved by the voters in 2018, \$12.0 million from Rhode Island Capital Plan funds, \$0.7 million from private funding, \$2.4 million from third-party financing, and a new \$2.1 million from University funds with expected completion in 2026.
- **URI Narragansett Bay Campus Renewal - Phase II.** Consistent with the approved plan, the Budget includes \$129.0 million for the second phase of the comprehensive renewal of the Narragansett Bay Campus programmed through FY 2028. Funding includes \$100.0 million from general obligation bonds approved in 2022 and \$57.5 million from Rhode Island Capital Plan funds. The plan assumes a completion date of FY 2028.

- ***URI Academic Mechanical, Electrical, and Plumbing Improvements.*** The Budget includes \$25.9 million from Rhode Island Capital Plan funds for a project to make mechanical, electrical, and plumbing improvements in Fogarty and White halls. Funding is \$7.7 million more than the approved plan and reflects an updated schedule and completion in FY 2028, one year later than the approved plan. Delays and more extensive code upgrades than expected have resulted in significant cost increases.
- ***URI - Undergraduate Housing.*** The Budget includes the University of Rhode Island's \$169.6 million project to build a new 500-bed apartment-style residence hall funded primarily from revenue bonds approved by the 2022 Assembly; funding is programmed from FY 2025 through FY 2029, two years later than the approved plan. The University reports progress on a public-private partnership to build a new dorm, instead of pursuing this project.
- ***Stormwater Management.*** Consistent with the approved plan, the Budget includes \$4.7 million from Rhode Island Capital Plan funds for stormwater improvements to existing drainage systems on campus through FY 2026. The drainage improvements would provide additional storage volume, improve channel and pipe sizes, and enhance alignment to reduce the frequency of overtopping and flooding.
- ***Rhode Island Vision Education and Services Program.*** The Budget maintains the \$1.8 million from general revenues in Rhode Island College's budget to support the Rhode Island Vision Education and Services Program. 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 Budget includes \$100,000 from general revenues to support access to higher education opportunities for teachers of color at the Rhode Island School for Progressive Education.
- ***Best Buddies.*** The Budget includes the FY 2025 enacted amount of \$75,000 from general revenues for Best Buddies Rhode Island to support programs for children with developmental disabilities.
- ***Special Olympics Rhode Island.*** The Budget includes the FY 2025 enacted level of \$50,000 from general revenues for Special Olympics Rhode Island to support its mission of providing athletic opportunities for individuals with intellectual and developmental disabilities.
- ***Onward We Learn/College Crusade Support.*** The Budget includes \$5.3 million to support the operations and scholarship programs offered by Onward We Learn, including \$4.8 million from the GEAR-UP federal grant and the FY 2025 enacted level of \$455,000 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 Budget includes the FY 2025 enacted level of \$125,000 from general revenues for the Institute for Labor Studies and Research, a non-profit educational institution that provides education and training to Rhode Islanders.
- ***Wavemaker Fellowships.*** The Budget includes \$2.6 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 who are working for Rhode Island employers. The Budget extends the sunset one year to December 31, 2026 and allows for broader eligibility for certain healthcare applicants. This funding level is expected to be sufficient for existing cohorts and to enable the addition of approximately 265 new fellows during FY 2026; the previous cohort comprised 262 fellows.

Education and Arts

- ***Out-of-School Time Education Providers.*** The Budget includes \$1.3 million from general revenues to support out-of-school time programming as part of the Governor's Learn365RI initiative. The FY 2025 final budget includes \$3.0 million from general revenues and \$4.0 million from State Fiscal Recovery funds.
- ***Child Opportunity Zones.*** The Budget includes the FY 2025 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.
- ***Davies School Renovations.*** The Budget includes \$39.5 million from Rhode Island Capital Plan funds for significant renovations to the 1970s wing of the Davies Career and Technical School. This is \$4.5 million more than the approved plan, reflecting a necessary roof replacement.
- ***City Year.*** The Budget includes the FY 2025 enacted level of \$130,000 from general revenues to City Year for the Whole School Whole Child Program, which provides individual support to at-risk students.
- ***Fort Adams Trust.*** The Budget includes the FY 2025 enacted level of \$30,000 from general revenues to support the Fort Adams Trust's restoration activities.
- ***WaterFire Providence.*** The Budget includes the FY 2025 enacted level of \$400,000 from general revenues to support operational costs of WaterFire Providence art installations.
- ***Arts Funds.*** The Budget includes the FY 2025 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 Budget includes the FY 2025 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 Budget includes the FY 2025 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 Budget includes the FY 2025 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

- ***Department of Corrections Efficiencies.*** The Budget includes \$1.6 million in efficiency savings within the Department of Corrections to partially replace the Governor's proposed \$6.2 million of savings associated with closing Minimum Security. A feasibility study conducted in March 2025 indicated a requirement for at least \$67.1 million in capital upgrades to implement the proposal.
- ***Behavioral Management Unit.*** The Budget includes the FY 2025 enacted amount of \$4.2 million from general revenues to establish a pilot behavioral management unit for the Department of Corrections to provide psychiatric treatment for individuals who need specialized clinical intervention. The Department is a defendant in several federal lawsuits challenging the housing of seriously and persistently mentally ill individuals in a restrictive housing setting. Funds are intended to provide more appropriate

accommodations. The pilot began operation in January 2025. The capital plan also includes the approved amount of \$10.8 million from Rhode Island Capital Plan funds from FY 2025 through FY 2027 to construct a behavioral management unit.

- **ARPA - Support for Survivors of Domestic Violence.** The FY 2025 final budget includes \$9.3 million from State Fiscal Recovery funds to provide supportive services to victims of domestic violence and assault. No funds were spent in FY 2023; \$1.1 million was spent in FY 2024.
- **ARPA - Municipal Public Safety Infrastructure.** The final budget includes \$7.3 million from State Fiscal Recovery funds for FY 2025 to provide a pool of matching funds for municipal public safety infrastructure projects, subject to certain limitations. Through FY 2024, \$3.7 million has been spent, for the total approved amount of \$11.0 million.
- **GO Team Support.** The Assembly included the FY 2025 enacted level of \$0.4 million from general revenues for the Family Service of Rhode Island's GO Team program. The team consists of trauma experts who co-respond on the scene with police to support children who are victims of violence and other traumas.
- **Attorney General Staffing.** The Budget adds 4.0 full-time equivalent positions and \$0.8 million from restricted receipts to increase the capacity of the Office of the Attorney General's Civil Division.
- **Indigent Defense Program.** The Budget includes \$7.9 million from general revenues for the Judiciary's indigent defense program for each FY 2025 and FY 2026. This is \$1.8 million more than enacted for FY 2025.
- **Rhode Island Legal Services.** The Budget includes the FY 2025 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 Budget includes the FY 2025 enacted level of \$500,000 from general revenues for the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project.
- **Judicial Asset Protection.** The Budget includes \$7.6 million from Rhode Island Capital Plan funds for FY 2026 through FY 2030 for ongoing asset protection projects at judicial buildings, including security upgrades, courtroom restoration, fire suppression and alarm system upgrades, interior refurbishments to public areas and office spaces, lighting, and elevator upgrades. This is consistent with approved funding levels.
- **Garrahy Judicial Complex.** The Budget includes \$3.5 million from Rhode Island Capital Plan funds, consistent with the approved funding, to restore the Garrahy Judicial Complex for FY 2025 through FY 2027, including repairing tiles, replacing flooring and carpets, repainting, woodwork, and refurbishing bathrooms.
- **New Southern Barracks.** The Budget includes the approved amount of \$41.4 million from Rhode Island Capital Plan funds for the construction of a new Southern Barracks for the State Police.
- **Fire Academy Expansion.** The Budget includes \$11.0 million from Rhode Island Capital Plan funds to expand the State Fire Academy in Exeter, which is \$2.7 million more than enacted based on updated estimates. It includes \$2.5 million for FY 2025, \$7.0 million for FY 2026, and \$1.0 million for FY 2027.
- **Aviation Readiness Center.** The capital budget includes \$67.4 million, including \$51.8 million from federal funds and \$15.6 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. This is \$17.6 million more than the approved plan, including \$12.1 million from Rhode Island Capital Plan funds, to account for cost increases and an increased state share as required by the National Guard Bureau.

- **Squadron Operations Facility.** The capital budget includes the approved amount of \$3.4 million, including \$2.8 million from federal funds and \$0.6 million from Rhode Island Capital Plan funds, to renovate and upgrade the Air National Guard's Repair Squadron Operations Facility in Quonset.
- **Quonset Airway Runway Reconstruction.** The capital budget includes \$58.1 million, including \$3.1 million from Rhode Island Capital Plan funds, to reconstruct and upgrade runway 16-34 at Quonset State Airport to military specifications. Based on Airport Corporation administrative costs, the capital budget is \$0.1 million more from Rhode Island Capital Plan funds than the approved plan.
- **Quonset Air National Guard Headquarters Facility.** The capital budget includes \$38.6 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 capital budget is \$0.6 million more from federal funds than the approved plan and extends completion by one year to FY 2026. Construction began in FY 2024 and is expected to be completed by October 2025.
- **Sun Valley Armory.** The capital budget includes \$7.2 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 capital budget is \$0.4 million less than the approved plan to reflect revised costs.

Climate

- **ARPA - Electric Heat Pumps.** The 2024 Assembly authorized \$25.0 million from State Fiscal Recovery funds to support low- and moderate-income households and community organizations in purchasing and installing energy-efficient electric heat pumps. The Office of Energy Resources began accepting applications for the program on September 5, 2023, and \$10.4 million has been allocated. The final budget includes \$14.0 million for FY 2025. This will close out the program at \$24.4 million; the state has since received \$63.8 million for home electrification and appliance rebates.
- **Office of Energy Resources.** The Budget reflects the Office of Energy Resources as a standalone agency. Its budget has been assigned to the Department of Administration for administrative purposes since 2008. The Assembly provided \$68.4 million and \$76.3 million for FY 2025 and FY 2026, respectively. It authorized staffing of 17.0 full-time equivalent positions for FY 2026, which is 1.0 more than the final budget for FY 2025.
- **Executive Climate Change Coordinating Council.** The Budget maintains annual funding of up to \$1.5 million from restricted receipts for the Council's project.

Environment

- **Underground Storage Tank Trust Fund.** The Budget requires the transfer of \$3.0 million from the Underground Storage Tank Trust Fund to state general revenues by June 30, 2025.
- **Seafood Marketing Collaborative.** The Budget includes the FY 2025 enacted level of \$100,000 from general revenues to support local fishermen and small businesses and increase public awareness and consumption of local seafood products.

- **Local Agriculture and Seafood Program.** The Budget includes the FY 2025 enacted level of \$500,000 from general revenues for the local agriculture and seafood program grants for small businesses in the food sector.
- **Litter Removal.** The Budget includes the FY 2025 enacted level of \$100,000 from general revenues to support a new Litter-Free Rhody initiative to encourage the removal of trash and litter from state parks, beaches, and management areas.
- **Conservation Districts.** The Budget includes the FY 2025 enacted level of \$180,000 from general revenues for regional conservation districts. The districts are quasi-public subdivisions of state government, governed by volunteer boards of directors from the communities. This was increased from \$100,000 by the 2024 Assembly.
- **Wildlife Clinic of Rhode Island.** The Budget includes the FY 2025 enacted level of \$100,000 from general revenues to the Wildlife Rehabilitators Association of Rhode Island for a veterinarian at the Wildlife Clinic of Rhode Island.
- **Marine Mammal Emergency Response.** The Budget includes the FY 2025 enacted level of \$150,000 from general revenues to support rescue and rehabilitation programs for marine mammals that become stranded in Rhode Island waters.
- **Facilities Asset Protection.** The Budget includes \$0.8 million annually from Rhode Island Capital Plan funds for asset protection at parks and recreation facilities, consistent with approved funding levels.
- **Fish and Wildlife Facilities.** The Budget includes \$5.1 million from all sources for repairs and renovations to the Division of Fish and Wildlife facilities. This includes annual payments of \$0.2 million from Rhode Island Capital Plan funds matched with annual payments of \$0.6 million from federal grants from the Department of Interior.
- **Fort Adams.** The Budget includes annual support of \$500,000 from Rhode Island Capital Plan funds for the restoration and renovation of Fort Adams in Newport, consistent with the approved plan. It adds \$500,000 for an additional year of funding.
- **Port of Galilee Rehabilitation.** The Budget includes \$74.1 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, and updating marine infrastructure and utility services. This reflects the addition of \$1.5 million annually from FY 2028 through the post-FY 2030 period for ongoing asset protection projects.
- **Recreational Facility Improvements.** The Budget includes \$74.1 million through FY 2030 for ongoing plans to address a variety of major capital development projects at state parks, beaches, and campgrounds. Funding includes \$44.1 million from Rhode Island Capital Plan funds, \$19.5 million from federal funds, and \$33.0 million from general obligation bonds. This is consistent with approved funding through FY 2029 and adds \$2.5 million for an additional year.
- **Confined Aquatic Dredged Material Disposal Cells.** The Assembly authorized \$23.0 million through Certificates of Participation for the construction of confined aquatic disposal cells for dredged material. This is part of a \$116.7 million project that includes \$11.4 million from Rhode Island Capital Plan funds, \$81.7 million from federal funds, and \$0.6 million from Dredge Fund balances. Total debt service on the borrowing is estimated to be \$36.9 million, supported by fees charged to marine operators for depositing dredged materials into these disposal cells and general revenues. The Budget also increases the minimum dredge fee from

\$11.65 to \$35.00 and redirects all fees to the Dredge Fund. Under current law, amounts up to \$11.65 are deposited as general revenues, with fees above that going to the Fund.

- **South Coast Restoration.** The Budget adds \$5.0 million from Rhode Island Capital Plan funds to FY 2026 for the South Coast Restoration project to repair the Charlestown Breachway, which was damaged in the 2023–2024 storms.
- **Storm Tools.** The Budget adds \$200,000 from general revenues to support technology applications used to help Rhode Island prepare for, respond to, and recover from coastal hazards.
- **Municipal Resiliency.** The capital budget includes \$10.0 million from general obligation bond funds approved by voters in November 2024, to provide grants to municipalities for projects that mitigate the effects of climate change. These projects aim to improve the resiliency of infrastructure and public safety in the face of increased flooding, major storm events, and environmental degradation.

Transportation

- **Truck Tolling Reimplementation.** The Budget includes toll revenue of \$10.0 million for FY 2026, increasing to \$40.0 million for FY 2027 from the reimplementation of truck tolling. The U.S. Court of Appeals for the First Circuit affirmed the legality of the tolling program with the exception of the daily caps, which are severable from the rest of the statute. The Department is in the process of obtaining a condition assessment of the gantry equipment, which will determine what equipment would need to be fixed and or replaced. It is also getting information to determine any of the changes needed to the tolling program. This information was not available as of June 2025.
- **Washington Bridge Project.** The Assembly provided an additional \$22.0 million from Rhode Island Capital Plan funds in FY 2027 to cover the updated state match required due to the increased costs. The contract was awarded in June, with construction starting in July.
- **Highway Maintenance Account.** The Assembly increased resources being deposited into the Highway Maintenance Account by establishing annual registration fees of \$200.00 for battery electric vehicles, \$100.00 for plug-in hybrid electric vehicles, and \$50.00 for hybrid electric vehicles. It also increased the current surcharges on licenses and most vehicle registrations from \$30.00 to \$40.00, effective January 1, 2026. The surcharges have not changed since 2016. These fee changes would generate \$6.7 million for FY 2026 and \$16.0 million for FY 2027. It also amended the allocation of the account to increase the Rhode Island Public Transit Authority's share of the funds.
- **Gas Tax.** The Assembly increased the motor fuel tax from the estimated current law amount of \$0.39 to \$0.41, including the one cent environmental protection fee, and dedicates the additional two cents to the Rhode Island Public Transit Authority. The budget assumed a \$4.359 million per penny yield for FY 2026.
- **ARPA - RI Public Transit Authority - Operating Grant.** The FY 2025 final budget includes the enacted amount of \$15.0 million from State Fiscal Recovery funds provided to assist the Authority with its projected operating deficit for FY 2025.
- **RIPTA - Support.** The Assembly adopted initiatives to increase resources available for transportation purposes and, in turn, increase the amount allocated to the Rhode Island Public Transit Authority. The Assembly provided a total of \$67.4 million from these sources to the Authority, which is \$15.4 million more than the Governor's recommendation; the additional resources are intended to assist the Authority with its projected operating deficit. It is also identifying efficiencies.

- ***Ride Anywhere.*** The Assembly required that the Authority maintains the expansion pilot known as Ride Anywhere.
- ***Public Transit Authority - Bus Match.*** The capital budget assumes the use of \$32.2 million in the five-year period, including \$6.4 million for FY 2026 from Authority sources to finance buses for the Rhode Island Public Transit Authority. A total of \$12.5 million from the Department of Transportation's share of highway maintenance funds had been used, including \$4.8 million for FY 2025 and \$4.6 million in FY 2024.
- ***Kingston Station Mobility Hub.*** The capital budget includes \$5.7 million, including \$1.1 million from Rhode Island Capital Plan funds for a new transit hub at the Kingston Station. The project has been revised to reflect this new location; it was previously assumed to be at the University of Rhode Island Kingston Campus. A feasibility review and conceptual design development are underway.
- ***ARPA - Municipal Roads Grant Program/RhodeRestore.*** The FY 2025 final budget includes the remaining \$23.2 million from State Fiscal Recovery funds for the Municipal Roads Grant Program, for which a municipal match of 67.0 percent is required. A total of \$27.0 million was approved for constructing and maintaining roads, sidewalks and bridges; \$3.8 million has been spent through FY 2024. The Assembly also made the program permanent and included \$6.5 million from transportation funds for FY 2026. It maintained the current match requirement and required that 25.0 percent of the funds be distributed equally and 75.0 percent be allocated proportionally based on each municipality's share of municipally maintained road miles, as determined by the most recent data available from the Department of Transportation. This is consistent with the prior distribution plan.
- ***ARPA - TBA Safety Barriers Study.*** The FY 2025 final budget includes \$0.6 million from State Fiscal Recovery funds for the Turnpike and Bridge Authority to conduct a study to identify and evaluate the options to prevent and address the risk of suicide on bridges under its purview. The studies have been completed. A total of \$1.8 million was approved, and \$1.1 million has been spent.
- ***Rhode Island Turnpike and Bridge Authority.*** The budgets include transfers of \$15.5 million in FY 2025 and \$15.3 million in FY 2026 from gasoline tax proceeds to the Turnpike and Bridge Authority for operations related to the four bridges under its purview.

Section II

Statewide Overview

Summary

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Function*				
General Government	\$ 2,286.0	\$ 2,772.1	\$ 2,354.9	\$ 2,301.5
Human Services	6,265.9	6,286.1	6,431.2	6,476.6
Education	3,483.3	3,551.6	3,584.7	3,616.8
Public Safety	888.6	921.0	824.0	879.5
Natural Resources	149.9	161.6	170.1	179.3
Transportation	889.6	1,075.3	851.2	882.8
Total	\$ 13,963.2	\$ 14,767.6	\$ 14,216.1	\$ 14,336.4
Expenditures by Category*				
Salaries and Benefits	\$ 2,107.1	\$ 2,148.1	\$ 2,240.6	\$ 2,259.3
Contracted Services	620.0	598.4	569.3	525.8
Subtotal	\$ 2,727.1	\$ 2,746.5	\$ 2,809.8	\$ 2,785.1
Other State Operations	1,198.3	1,239.1	1,225.0	1,228.6
Aid to Local Units of Government	2,102.7	2,141.2	2,108.1	2,133.7
Assistance, Grants, and Benefits	6,393.2	6,834.3	6,679.4	6,772.3
Capital	1,014.4	1,219.0	867.9	882.3
Capital Debt Service	271.6	265.8	284.8	284.8
Operating Transfers	256.0	321.8	241.1	249.6
Total	\$ 13,963.2	\$ 14,767.6	\$ 14,216.1	\$ 14,336.4
Sources of Funds*				
General Revenue	\$ 5,594.9	\$ 5,597.6	\$ 5,743.1	\$ 5,809.4
Federal Aid	5,066.5	5,612.7	5,090.2	5,108.5
Restricted Receipts	463.1	491.6	446.2	458.5
Other	2,838.7	3,065.7	2,936.6	2,960.0
Total	\$ 13,963.2	\$ 14,767.6	\$ 14,216.1	\$ 14,336.4
FTE Authorization	15,772.8	15,772.8	15,806.8	15,921.8

**Data in millions*

The Governor's budget recommendations for FY 2026 are contained in 2025-H 5076, introduced on January 16, 2025, which is the day it was due by law. Supporting documents required as part of that submission were made available with the introduction.

The House Finance Committee recommended passage of 2025-H 5076, Substitute A on June 10 and the House passed 2025-H 5076, Substitute A, as amended, on June 17. The Senate passed it on June 20 and it became effective without the Governor's signature on June 30, 2025.

The Governor recommended a total FY 2026 budget of \$14,216.1 million. Total expenditures increase by \$252.8 million from the FY 2025 budget enacted by the 2024 Assembly, or 1.8 percent. His FY 2025 revised budget totals \$14,933.2 million; final FY 2024 expenditures were \$13,030.0 million.

The recommended budget includes \$5,743.1 million of expenditures funded from general revenues, \$148.2 million, or 2.6 percent more than the enacted general revenue funded budget. This is also \$132.4 million more than his revised recommendation.

FY 2026	General Revenue	Federal	Restricted	Other	All Funds
FY 2025 Enacted	\$ 5,594.9	\$ 5,066.5	\$ 463.1	\$ 2,838.7	\$ 13,963.2
Governor	5,743.1	5,090.2	446.2	2,936.6	14,216.1
Change to Enacted	\$ 148.2	\$ 23.7	\$ (16.9)	\$ 97.9	\$ 252.8
Percent Change	2.6%	0.5%	-3.7%	3.4%	1.8%
FY 2026 Enacted	\$ 5,809.4	\$ 5,108.5	\$ 458.5	\$ 2,960.0	\$ 14,336.4
Change to Enacted	\$ 214.5	\$ 41.9	\$ (4.6)	\$ 121.3	\$ 373.2
Percent Change	3.8%	0.8%	-1.0%	4.3%	2.7%
Change to Governor	\$ 66.3	\$ 18.3	\$ 12.3	\$ 23.4	\$ 120.3
Change to FY 2025	\$ 211.8	\$ (504.2)	\$ (33.1)	\$ (105.7)	\$ (431.2)
Percent Change to FY 2025	3.8%	-9.0%	-6.7%	-3.4%	-2.9%
Change to FY 2024	\$ 573.3	\$ 172.7	\$ (15.2)	\$ 576.3	\$ 1,307.2
Percent Change to FY 2024	10.9%	3.5%	-3.2%	24.2%	10.0%

\$ in millions

The Assembly adopted a budget with total expenditures of \$14,336.4 million, which is \$120.3 million more than the Governor recommended. The adopted budget contains \$5,809.4 million from general revenues, which is \$66.3 million more than the Governor recommended.

In October, the Budget Office estimated a nearly \$400 million gap between revenues and current service expenditures for FY 2026. House Fiscal Staff's June 2024 estimates of the FY 2026 budget gap were only about \$260 million. Most of the difference from the subsequent Budget Office estimate was due to expenditure assumptions, primarily for recently settled employee contracts that included pay raises in both FY 2025 and FY 2026. There were also differences in some assumptions regarding human services and education aid.

The November consensus estimate shows a \$67.5 million revenue increase, and the caseload estimate lowered general revenue expenses by \$23.3 million. Draft audit data for FY 2024 showed a \$47.3 million additional free surplus, up from the \$12.8 million in the preliminary data from September. However, most of that would be considered non-recurring. These items combine to produce about \$138 million more resources for FY 2025 than when the budget was adopted.

The Governor's revised budget makes other revisions to spending and revenue assumptions based on updated information or policy choices that further increase available resources in FY 2025. The revised budget, as recommended, assumes \$187.3 million to be available for use in FY 2026. The Governor's FY 2026 budget uses those one-time surplus general revenues to fund ongoing operating expenses.

His budget follows the traditional Rhode Island budgeting practice of assuming passage of legislation submitted with the budget and approval by requisite federal agencies of changes under their purview. Should any of that legislation not pass; the budget will be significantly unbalanced.

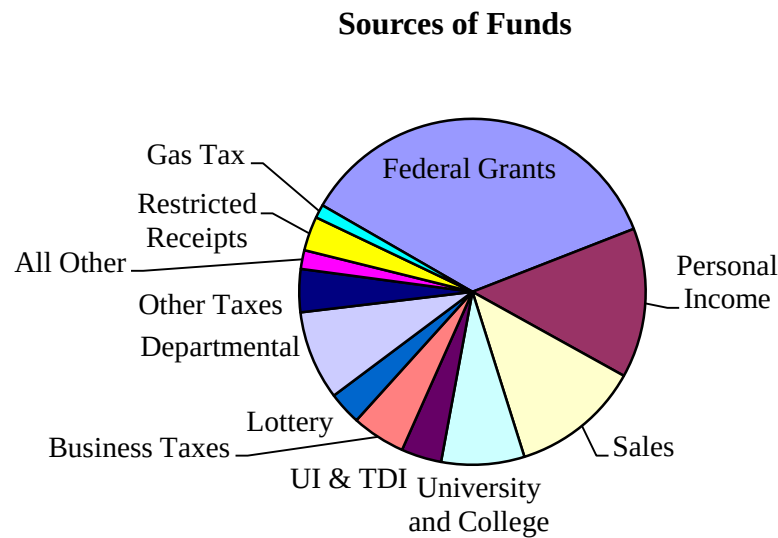
Additionally, the Governor's budget recommendation is based on federal laws, grants, and spending commitments in place prior to the change in the Presidential administration. As is the general practice, it does not attempt to account for any future congressional action or the impact of any executive policy changes. In the months that followed, it became clear that federal action presented a significant unknown

for the state budget, which relies heavily on funding from federal programs and is closely tied to federal tax policy.

The May revenue conference noted a combined revenue increase of \$80.2 million compared to November. The concurrent caseload conference reflected some changes in expenditures in both years as well. These changes, in concert with items already included in the Governor’s budget, meant there would be about \$65 million more in available resources over the two-year period. Also, information provided through required quarterly reporting and requested amendments from the Governor highlighted other changes needed, including significant increases for updated education aid data and labor contract agreements that substantially exceeded amounts budgeted. Also, some savings proposals appeared to be unachievable.

The Assembly accounted for these items and made increased investments in primary care, nursing homes, and hospitals, some of which are funded from new revenue sources. It also restored some local aid reductions and made other targeted revenue increases to support transportation, housing, and homelessness, as well as to increase revenues for municipalities. The Assembly also required a formal process for the administration to review and report on impacts to the state budget once pending federal action on taxes, Medicaid and other grants takes place. This includes having options for addressing those impacts.

The revenue sources for the budget are shown in the following chart. They include a number of changes to current law, all of which are described in *Section VI, Special Reports: Revenues Changes*.



The following table shows FY 2026 sources with items contributing to general revenues in bold type. It also shows the total percent it contributes to all funds and general revenues for each source.

All Sources	All Funds	Contribution	General Revenue	Contribution
Federal Grants	\$ 5,108.5	35.7%	\$ -	0.0%
Personal Income	2,000.9	14.0%	2,000.9	34.7%
Sales	1,726.6	12.1%	1,726.6	29.9%
University and College	1,108.5	7.8%	-	0.0%
UI & TDI	536.9	3.8%	-	0.0%
Business Taxes	716.6	5.0%	716.6	12.4%
Lottery	441.0	3.1%	441.0	7.6%
Departmental	574.3	4.0%	574.3	10.0%
Other Taxes	251.1	1.8%	251.1	4.4%
All Other	1,191.9	8.3%	56.1	1.0%
Restricted Receipts	458.5	3.2%	-	0.0%
Gas Tax	178.7	1.3%	-	0.0%
Total	\$ 14,293.6	100%	\$ 5,766.6	100%

- *Federal funds* continue to be the single largest source, accounting for 35.7 percent of all revenues in FY 2026. Expenditures from federal sources of \$5,108.5 million are \$41.9 million more than enacted for FY 2025, a 0.8 percent increase, and are from over 300 different federal programs.

Medicaid is the single largest source of federal funds. The budget includes \$3,001.2 million from Medicaid, 58.7 percent of all federal funds, and 21.0 percent of all revenues. Other significant federal support includes \$378.9 million for the Supplemental Nutrition Assistance Program and \$357.1 million of federal highway funds. These three programs account for over 73 percent of all federal funds; the top ten, which include temporary assistance to needy families and grants to local school districts, account for 82.6 percent.

- *Sales and Personal Income taxes* combine for 26.1 percent of all revenues in FY 2026 and 64.6 percent of all general revenues. Combined with federal funds, they total 61.8 percent.
- *Personal Income taxes* of \$2,000.9 million are the second largest of all revenue sources and the largest source of general revenues. The FY 2026 estimate is \$135.4 million more than the FY 2025 enacted budget estimates, or 7.3 percent.
- *Sales tax* revenues of \$1,726.6 million are the second largest of general revenue sources. That amount is \$24.6 million more than enacted for FY 2025, or 1.4 percent.
- *University and College Funds* are \$1,108.5 million and 7.8 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 \$76.6 million or 7.4 percent from the FY 2025 enacted estimates.
- *Employment Security and Temporary Disability Insurance* payments are estimated at \$536.9 million, \$35.1 million more than the levels estimated for the FY 2025 enacted budget, based on current estimates from the Department of Labor and Training.
- *Business taxes* of \$716.6 million account for 5.0 percent of total revenues and 12.4 percent of general revenues for FY 2026. They would increase \$18.1 million or 2.6 percent from the enacted estimate. These include corporate income tax, public utilities gross earnings, the tax on banks, financial institutions, insurance companies and health care institutions.
- The *Lottery* is expected to contribute \$441.0 million, which is 3.1 percent of all revenues and 7.6 percent of general revenues.

- *Departmental Revenues* of \$574.3 million include \$232.5 million from the hospital licensing fee. Departmental revenues would be 4.0 percent of all revenues and 10.0 percent of general revenues.
- *Other taxes* include cigarettes, alcohol, inheritance, realty transfer, and racing and athletics. These total \$251.1 million in the FY 2026 budget, comprising 1.8 percent of all sources but 4.4 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, will go up to 40.5 cents pursuant to the statutory inflation adjustment and an additional 2-cent increase adopted with the FY 2026 budget. It is estimated to produce \$4.4 million from each cent in FY 2026 for a total of \$178.7 million.
- The remaining sources, estimated at \$1,650.5 million, constitute 11.5 percent of all FY 2026 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, \$5,766.6 million, are considered general revenues, which represent 40.3 percent of all sources. General revenues can be used for any legitimate purpose, in contrast to federal funds, restricted receipts, and certain other sources that may only be used for specific purposes.

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

Available general revenues also include a balance forward from FY 2025 of \$230.2 million minus a transfer of \$179.9 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 fund, where they may be used solely to fund capital projects. The voters approved a constitutional amendment in 2006 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 2026 Expenditures

Enacted expenditures of \$14,336.4 million are \$373.2 million, or 2.7 percent more than enacted for FY 2025. 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 enacted budget. Comparisons by function and by category between years have 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 was also a 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 were reclassified to the grants and benefits category. Figures for FY 2025 and FY 2026 are now comparable.

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 \$6,476.6 million are 45.2 percent of all expenditures and 38.8 percent of those funded from general revenues. These expenditures are \$210.7 million more than enacted for FY 2025 by the 2024 Assembly. Those funded from general revenues are \$82.9 million more.
- *Education* includes programs of elementary and secondary education, public higher education, scholarships and grants for all higher education, arts, and historical preservation and heritage. Education aid to local units of government represents 49.2 percent of total expenses, or \$1,780.3 million of the \$3,616.8 million. Education aid is discussed in detail in *Section VI* of this volume, *Special Reports: Education Aid*. Education expenditures comprise 25.2 percent of all expenditures, but 34.3 percent of general revenue funded ones. They increase by \$133.5 million from the enacted FY 2025 budget; those funded from general revenues increase by \$83.3 million.
- The budget includes \$879.5 million for *Public Safety* expenditures, \$9.1 million less than the enacted budget. They comprise 6.1 percent of all expenditures and 11.3 percent of those funded from general revenues.
- *Natural Resources* programs would spend \$179.3 million, which is \$29.4 million more than enacted for FY 2025. They are 1.3 percent of total expenditures and 1.1 percent of those from general revenues.
- *Transportation* programs account for 6.2 percent of expenditures and include the state's highway and transit programs. Funding of \$882.8 million, none from general revenues, is \$6.8 million less than enacted for FY 2025.
- The remaining 16.1 percent of expenditures, \$2,301.5 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 \$15.5 million or 0.7 percent more than the enacted budget.

Expenditures by Category

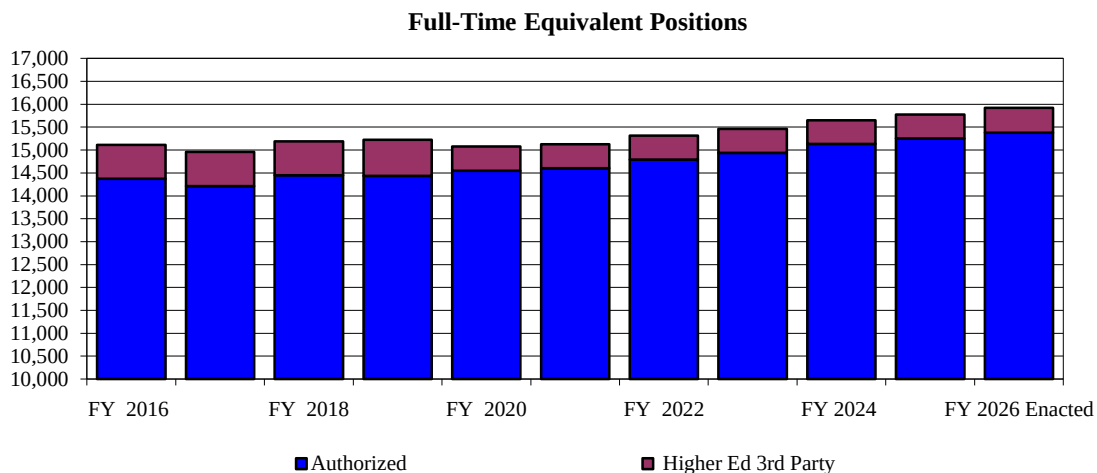
Expenditures are also aggregated and presented by accounting categories that designate what is purchased as opposed to the purpose of expenditures. The categories include: state operations; local aid; assistance, grants and benefits; capital; and operating transfers.

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 \$2,259.3 million for total *salaries and benefits* for 15,921.8 full-time equivalent positions and *contracted services* expenditures of \$525.8 million. Salary and benefit expenditures include adjustments consistent with the Governor's recent labor agreements and are \$152.5 million more than the enacted budget, equating to a 7.2 percent increase. Contracted services expenditures would decrease by \$94.2 million. Salaries and benefits account for 15.8 percent of total expenditures and 21.3 percent of those funded from general revenues. Expenditures for contracted services account for 3.7 percent of the total budget and 2.1 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.



The budget includes \$1,228.6 million for *other state operations*, constituting 8.6 percent of FY 2026 expenditures from all sources and 4.3 percent of those funded with general revenues. This is \$30.3 million more than enacted, \$7.0 million less from general revenues. The budget does include some placeholder reductions budgeted as operating expenses that may cause this category to be understated.

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 \$2,133.7 million for *aid to local units of government* that includes

\$1,780.3 million in education aid and \$353.4 million in general state aid. These expenditures comprise 14.9 percent of all expenditures. However, they comprise 33.0 percent of general revenue funded ones.

Local aid expenditures from general revenues of \$1,919.1 million consist of \$1,571.2 million in education aid and \$347.9 million in general state aid. General revenue funded education aid increases by \$76.7 million; general aid is \$6.8 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. The following table shows the major grants in human services.

EOHHS-Human Services Grants	All Funds				General Revenues			
	FY 2024 Actual	FY 2025 Final	FY 2026 Enacted	Change	FY 2024 Actual	FY 2025 Final	FY 2026 Enacted	Change
EOHHS/Human Services								
Managed Care	\$1,007.4	\$1,037.6	\$1,117.5	\$ 79.9	\$ 425.4	\$ 444.3	\$ 464.3	\$ 19.9
Long Term Care	519.3	673.6	771.1	97.5	230.4	296.5	330.0	33.5
Hospitals	368.9	374.5	422.1	47.6	129.5	124.7	136.2	11.5
Rhody Health Partners	292.9	311.4	341.2	29.8	128.7	133.7	140.7	7.0
Rhody Health Options	176.8	212.4	220.4	8.0	77.7	94.4	94.3	(0.1)
Expansion	702.8	705.1	730.8	25.7	76.4	76.2	78.7	2.6
Other	159.3	207.7	233.8	26.1	59.1	76.3	82.1	5.8
Pharmacy	93.7	94.9	104.2	9.3	93.0	93.7	100.1	6.4
Health System Transformation Project	21.6	9.1	3.5	(5.6)	-	-	-	-
Subtotal: Medical Assistance	\$3,342.7	\$3,626.3	\$3,944.6	\$318.2	\$1,220.2	\$1,339.8	\$1,426.4	\$ 86.6
Child Care	\$ 61.7	\$ 70.1	\$ 81.5	\$ 11.5	\$ 10.2	\$ 10.1	\$ 9.9	\$ (0.2)
Rhode Island Works Program	25.5	34.7	37.6	2.9	-	-	-	-
SSI State Program	16.6	16.7	16.7	0.0	16.6	16.7	16.7	0.0
SSI/Bridge Program	1.5	1.9	2.2	0.3	1.5	1.9	2.2	0.3
Subtotal: Cash Assistance	\$ 105.4	\$ 123.3	\$ 138.0	\$ 14.7	\$ 28.3	\$ 28.7	\$ 28.8	\$ 0.1
Supplemental Nutrition Assistance	\$ 356.2	\$ 363.3	\$ 384.8	\$ 21.4	\$ -	\$ 0.0	\$ 1.9	\$ 1.8
LIHEAP, Water, & Weatherization	34.2	34.5	31.0	(3.5)	-	-	-	-
Veterans' Organizations	0.3	0.4	0.4	-	0.3	0.4	0.4	-
Community/Social Services Block Grants	10.0	10.7	11.1	0.4	5.4	6.3	6.7	0.4
Subtotal: Other Assistance	\$ 400.7	\$ 408.9	\$ 427.2	\$ 18.3	\$ 5.8	\$ 6.7	\$ 8.9	\$ 2.2
DHS/Office of Healthy Aging								
Medical Assistance	\$ 5.3	\$ 7.7	\$ 11.7	\$ 4.1	\$ 2.4	\$ 3.4	\$ 5.0	\$ 1.6
COVID Relief Programs	2.8	1.4	0.2	(1.2)	-	-	-	-
Senior Services Support/Other Programs	2.3	2.5	2.6	0.1	2.3	2.5	2.6	0.1
Other Grants	8.6	11.7	9.2	(2.4)	0.8	1.6	0.6	(1.0)
Behavioral Healthcare, Developmental Disabilities and Hospitals								
Developmental Disabilities	\$ 436.4	\$ 466.6	\$ 476.3	\$ 9.7	\$ 195.9	\$ 207.2	\$ 205.9	\$ (1.4)
Behavioral Healthcare Services	20.4	18.6	21.5	2.9	0.9	0.0	0.0	-
COVID Relief Programs	9.7	6.5	2.7	(3.8)	-	-	-	-
Children, Youth and Families								
Child Welfare	\$ 173.5	\$ 217.6	\$ 221.3	\$ 3.7	\$ 120.8	\$ 153.1	\$ 153.0	\$ (0.1)
Children's Behavioral Health	11.5	18.4	13.1	(5.2)	5.3	5.0	5.1	0.1
Youth Development Services	1.9	0.9	0.2	(0.7)	1.9	0.6	0.0	(0.6)
Higher Ed. Incentive Grants	0.1	0.2	0.2	-	0.1	0.2	0.2	-
Health								
Women, Infants and Children	\$ 21.6	\$ 23.3	\$ 23.3	\$ -	\$ -	\$ -	\$ -	\$ -
Maternal Infant & Early Childhood	3.5	6.1	2.3	(3.8)	-	-	-	-
COVID Relief Programs	10.4	17.0	0.3	(16.7)	-	-	-	-
Other Grants	17.8	28.3	25.8	(2.5)	1.0	3.5	1.6	(1.9)

\$ in millions

Assistance, grants, and benefits are \$6,772.3 million and constitute the largest category, 47.2 percent of all expenditures and 34.8 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 \$379.1 million more than the FY 2025 enacted budget considering all sources. Those expenses from general revenues are \$68.8 million more.

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 \$882.3 million, or 6.2 percent of all expenditures; debt service of \$284.8 million is 2.0 percent. Capital expenditures would be \$132.1 million less than enacted for FY 2025 and debt service is \$13.2 million more. A comprehensive review of the capital budget is contained in *Section IV: Capital Budget*. However, they also include capital purchases that had formerly been included as capital outlays within state operations. 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 \$249.6 million and constitute 1.7 percent of the total budget. The general revenue portion is \$30.6 million, 0.5 percent of general revenue funded expenditures.

General Revenue Surplus Statement

The Governor recommended an ending FY 2026 surplus of \$0.8 million, and an operating deficit of \$186.6 million reflecting use of the FY 2025 surplus. The Governor submitted his budget prior to the final release of audited financial statements for FY 2024; his budget uses draft audit data which shows a \$34.6 million increase to the preliminary free surplus. The Assembly adopted a FY 2026 budget that results in an ending surplus of \$1.0 million and an operating deficit of \$222.7 million reflecting use of the FY 2025 surplus.

	FY 2024	FY 2025	FY 2026
Opening Surplus			
Free Surplus	\$ 412,262,973	\$ 326,355,037	\$ 230,213,058
Reappropriated Surplus	45,152,130	34,569,423	-
Adjustment to Opening Surplus	6,530,494	-	-
Adjustment to Fund Balance	23,811,475	-	-
Subtotal	\$ 487,757,072	\$ 360,924,460	\$ 230,213,058
Revenues			
Actual/Enacted/Estimated	\$ 5,418,703,841	\$ 5,489,117,361	\$ 5,467,100,000
Governor	-	78,082,639	266,984,512
Assembly	-	57,075,831	32,498,582
Revenues	\$ 5,418,703,841	\$ 5,624,275,831	\$ 5,766,583,094
Cash Stabilization Fund	(175,124,919)	(178,518,926)	(179,903,885)
Total Available Resources	\$ 5,731,335,994	\$ 5,806,681,365	\$ 5,816,892,267
Expenditures			
Actual/Enacted/Estimated	\$ 5,236,111,578	\$ 5,594,861,257	\$ 5,743,054,676
Reappropriations	-	34,569,423	-
Governor	-	(18,760,160)	-
Assembly	-	(13,072,447)	66,308,445
Total Expenditures	\$ 5,236,111,578	\$ 5,597,598,073	\$ 5,809,363,121
Total Surplus	\$ 495,224,416	\$ 209,083,292	\$ 7,529,146
Transfers	(91,000,000)	42,779,744	(6,500,000)
Excess Revenue to SRDF/Retirement	(43,299,956)	(21,649,978)	-
Reappropriations	(34,569,423)	-	-
Free Surplus	\$ 326,355,037	\$ 230,213,058	\$ 1,029,146
<i>Operating Surplus/(Deficit)</i>	<i>52,619,474</i>	<i>(117,271,745)</i>	<i>(222,683,912)</i>
Budget Stabilization and Cash Reserve	\$ 291,548,341	\$ 297,531,543	\$ 299,839,808
Percent of Revenues	5.4%	5.3%	5.2%

The Budget Reserve and Cash Stabilization Account, the “rainy day fund,” would have ending balances of \$291.5 million in FY 2024, \$297.5 million in FY 2025 and \$299.8 million in FY 2026. 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, which is \$21.6 million. The Assembly concurred with the Governor’s proposed repeal of that excess transfer provision for one year and recapturing those funds in FY 2025. It did not concur with his proposal to do the same for the portion that goes to the retirement fund.

Out-Year Forecasts

The out-years continue to be unbalanced. The forecast included with the Governor’s budget estimates a \$301.7 million gap for FY 2027, growing to nearly \$400 million or 6.4 percent of useable revenues by FY 2030. The FY 2027 gap includes the impact of using the surplus funds in FY 2026 as well as updated

economic growth projections. The forecast also assumes the impact of new proposals including curtailing local aid growth and new revenue proposals.

The Governor's budget details the many issues and risks to the forecast presented. As with the budget and consistent with past practice, no attempt is made to quantify potential changes to federal resources that may be implemented under the new presidential administration and congressional leadership.

The Fiscal Staff estimates the FY 2027 budget gap at \$304.3 million which is similar to the Governor's forecast and also does not attempt to price potential federal impacts. Later years have larger gaps with one of the major differences from the Governor being the growth in local aid. The Assembly capped growth in car tax reimbursements to communities, but declined to end it, as the Governor proposed.

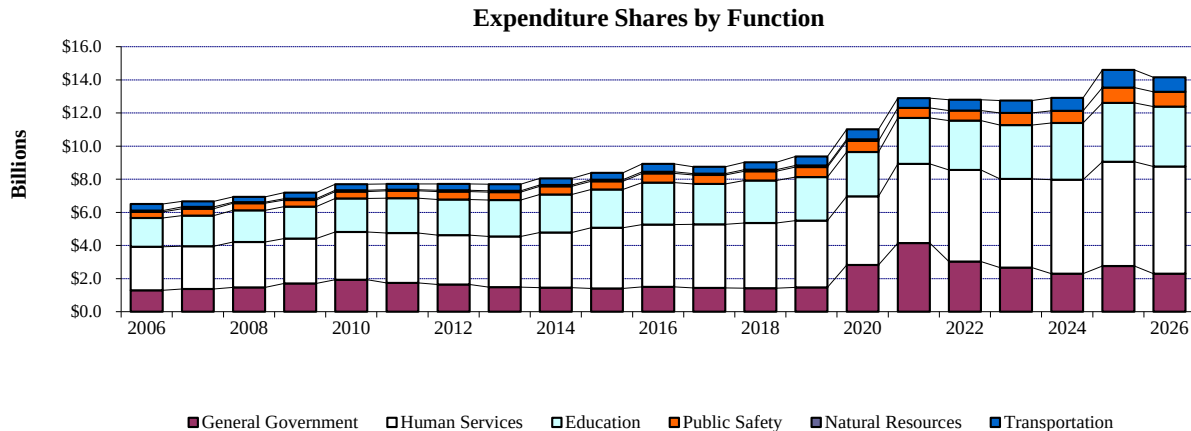
	FY 2027	FY 2028	FY 2029	FY 2030
Opening Surplus	\$ 1.0	\$ -	\$ -	\$ -
Revenues	5,959.9	6,106.6	6,247.6	6,437.0
Cash Stabilization Fund	(178.8)	(183.2)	(187.4)	(193.1)
Useable Revenues	\$5,782.1	\$5,923.4	\$6,060.1	\$6,243.9
Expenditures	6,086.4	6,278.7	6,492.7	6,706.0
Total Surplus	\$ (304.3)	\$ (355.3)	\$ (432.5)	\$ (462.1)
Revenue Growth	3.9%	2.5%	2.3%	3.0%
Useable Revenue Growth	0.7%	2.4%	2.3%	3.0%
Expenditure Growth	6.0%	3.2%	3.4%	3.3%
Surplus Percent of Useable Revenues	-5.3%	-6.0%	-7.1%	-7.4%
<i>\$ in millions</i>				

One-time resources are used for the FY 2026 budget and are the primary reason again for the FY 2027 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 2027 through FY 2030 and the FY 2026 budget itself. Also, the economic data used for the enacted budget is from the May consensus economic forecast. This had been revised from earlier projections and will be revised again in November.

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

Distribution of Total Expenditures

Expenditures can be aggregated 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.

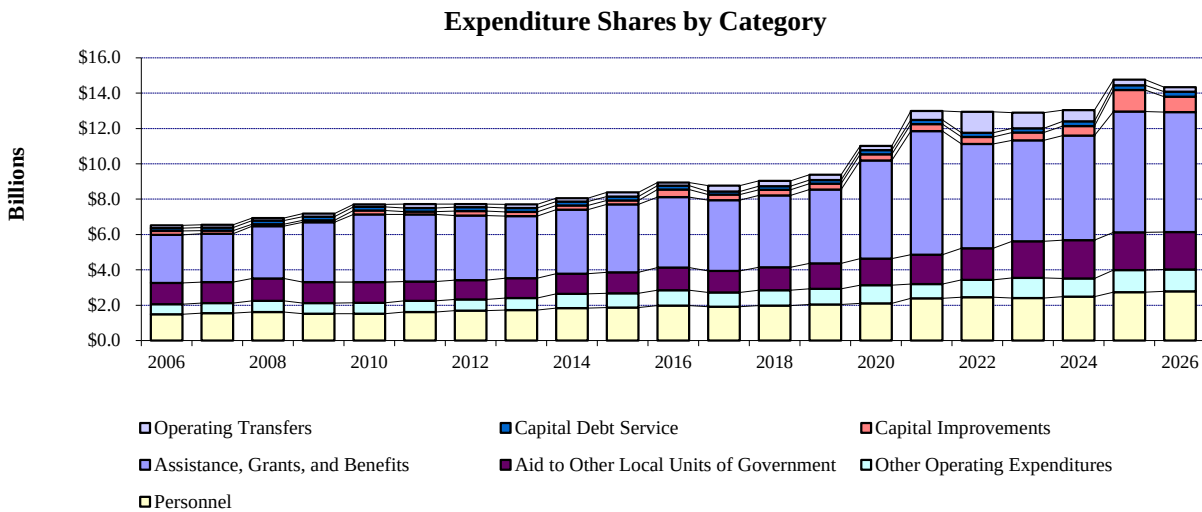
Education includes programs of elementary and secondary education, public higher education, arts, and historical preservation and heritage.

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.



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 Assembly action on each item is also noted. The agencies and departments are arranged by function.

Distribution Tables

The distribution tables on the following pages array expenditures by function and category. Expenditures by function are read down the table while expenditures by category are read across. All expenditures are expressed in millions of dollars. The percentages shown in the table represent the percent of the total shown in each cell.

Expenditures from All Funds

FY 2024 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 251.1 1.9%	\$ 373.2 2.9%	\$ 658.9 5.1%	\$ 500.1 3.8%	\$ 63.1 0.5%	\$ 80.1 0.6%	\$ 1,926.4 14.8%
Contracted Services	55.1 0.4%	269.9 2.1%	123.8 1.0%	25.8 0.2%	9.6 0.1%	68.4 0.5%	552.6 4.2%
Other State Operations	468.5 3.6%	181.0 1.4%	269.9 2.1%	107.1 0.8%	21.2 0.2%	(13.9) -0.1%	1,033.8 7.9%
Aid to Local Units of Government	310.5 2.4%	0.2 0.0%	1,857.3 14.3%	0.1 0.0%	0.0 0.0%	- 0.0%	2,168.2 16.6%
Assistance, Grants, & Benefits	617.8 4.7%	4,825.0 37.0%	388.1 3.0%	62.8 0.5%	8.5 0.1%	19.0 0.1%	5,921.3 45.4%
Capital	37.5 0.3%	36.0 0.3%	69.8 0.5%	30.9 0.2%	16.3 0.1%	338.0 2.6%	528.5 4.1%
Debt Service	198.9 1.5%	- 0.0%	69.9 0.5%	2.0 0.0%	- 0.0%	- 0.0%	270.7 2.1%
Operating Transfers	355.3 2.7%	3.3 0.0%	(12.7) -0.1%	0.4 0.0%	0.0 0.0%	281.3 2.2%	627.7 4.8%
Total	\$ 2,294.6 17.6%	\$ 5,688.7 43.7%	\$ 3,425.0 26.3%	\$ 729.1 5.6%	\$ 118.8 0.9%	\$ 773.0 5.9%	\$ 13,029.2 100.0%

FY 2025 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 311.3 2.2%	\$ 389.5 2.8%	\$ 700.2 5.0%	\$ 526.9 3.8%	\$ 68.3 0.5%	\$ 110.9 0.8%	\$ 2,107.1 15.1%
Contracted Services	56.7 0.4%	315.9 2.3%	131.6 0.9%	30.9 0.2%	14.2 0.1%	70.7 0.5%	620.0 4.4%
Other State Operations	487.4 3.5%	248.6 1.8%	274.6 2.0%	126.7 0.9%	21.4 0.2%	39.5 0.3%	1,198.3 8.6%
Aid to Local Units of Government	346.7 2.5%	- 0.0%	1,756.0 12.6%	- 0.0%	- 0.0%	- 0.0%	2,102.7 15.1%
Assistance, Grants, & Benefits	656.6 4.7%	5,230.2 37.5%	402.3 2.9%	67.7 0.5%	10.1 0.1%	26.3 0.2%	6,393.2 45.8%
Capital	146.3 1.0%	78.2 0.6%	144.4 1.0%	136.4 1.0%	35.9 0.3%	473.3 3.4%	1,014.4 7.3%
Debt Service	198.2 1.4%	- 0.0%	73.1 0.5%	- 0.0%	- 0.0%	0.3 0.0%	271.6 1.9%
Operating Transfers	82.9 0.6%	3.4 0.0%	1.1 0.0%	- 0.0%	- 0.0%	168.5 1.2%	256.0 1.8%
Total	\$ 2,286.0 16.4%	\$ 6,265.9 44.9%	\$ 3,483.3 24.9%	\$ 888.6 6.4%	\$ 149.9 1.1%	\$ 889.6 6.4%	\$ 13,963.2 100.0%

Expenditures from All Funds

FY 2026 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 332.4 2.3%	\$ 433.7 3.1%	\$ 732.3 5.2%	\$ 550.1 3.9%	\$ 73.7 0.5%	\$ 118.3 0.8%	\$ 2,240.6 15.8%
Contracted Services	58.6 0.4%	271.5 1.9%	119.9 0.8%	31.4 0.2%	16.3 0.1%	71.5 0.5%	569.3 4.0%
Other State Operations	505.2 3.6%	211.9 1.5%	303.9 2.1%	118.1 0.8%	23.2 0.2%	62.6 0.4%	1,225.0 8.6%
Aid to Local Units of Government	343.9 2.4%	- 0.0%	1,764.2 12.4%	- 0.0%	- 0.0%	- 0.0%	2,108.1 14.8%
Assistance, Grants, & Benefits	688.7 4.8%	5,471.9 38.5%	427.3 3.0%	57.0 0.4%	12.4 0.1%	22.1 0.2%	6,679.4 47.0%
Capital	137.2 1.0%	38.7 0.3%	163.5 1.1%	67.4 0.5%	44.5 0.3%	416.6 2.9%	867.9 6.1%
Debt Service	211.9 1.5%	- 0.0%	72.5 0.5%	- 0.0%	- 0.0%	0.3 0.0%	284.8 2.0%
Operating Transfers	77.0 0.5%	3.4 0.0%	1.1 0.0%	- 0.0%	- 0.0%	159.7 1.1%	241.1 1.7%
Total	\$ 2,354.9 16.6%	\$ 6,431.2 45.2%	\$ 3,584.7 25.2%	\$ 824.0 5.8%	\$ 170.1 1.2%	\$ 851.2 6.0%	\$ 14,216.1 100.0%

FY 2026 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 21.2 8.4%	\$ 44.2 17.5%	\$ 32.1 12.7%	\$ 23.1 9.2%	\$ 5.4 2.1%	\$ 7.5 3.0%	\$ 133.5 52.8%
Contracted Services	1.9 0.8%	(44.4) -17.6%	(11.7) -4.6%	0.5 0.2%	2.1 0.8%	0.8 0.3%	(50.8) -20.1%
Other State Operations	17.8 7.0%	(36.7) -14.5%	29.3 11.6%	(8.6) -3.4%	1.8 0.7%	23.1 9.1%	26.7 10.6%
Aid to Local Units of Government	(2.8) -1.1%	- 0.0%	8.2 3.2%	- 0.0%	- 0.0%	- 0.0%	5.4 2.1%
Assistance, Grants, & Benefits	32.1 12.7%	241.6 95.6%	25.1 9.9%	(10.7) -4.2%	2.3 0.9%	(4.1) -1.6%	286.3 113.2%
Capital	(9.0) -3.6%	(39.4) -15.6%	19.1 7.5%	(68.9) -27.3%	8.6 3.4%	(56.8) -22.4%	(146.5) -58.0%
Debt Service	13.7 5.4%	- 0.0%	(0.5) -0.2%	- 0.0%	- 0.0%	- 0.0%	13.2 5.2%
Operating Transfers	(6.0) -2.4%	(0.0) 0.0%	(0.1) 0.0%	- 0.0%	- 0.0%	(8.8) -3.5%	(14.9) -5.9%
Total	\$ 68.9 27.2%	\$ 165.3 65.4%	\$ 101.4 40.1%	\$ (64.5) -25.5%	\$ 20.2 8.0%	\$ (38.4) -15.2%	\$ 252.8 100.0%

Expenditures from All Funds

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

FY 2026 Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 3.4 0.9%	\$ 44.0 11.8%	\$ 34.0 9.1%	\$ 57.9 15.5%	\$ 5.4 1.5%	\$ 7.5 2.0%	\$ 152.2 40.8%
Contracted Services	2.1 0.6%	(86.8) -23.3%	(12.9) -3.5%	0.5 0.1%	2.1 0.6%	0.8 0.2%	(94.2) -25.2%
Other State Operations	21.1 5.7%	(36.4) -9.8%	28.5 7.6%	(8.6) -2.3%	1.8 0.5%	23.9 6.4%	30.3 8.1%
Aid to Local Units of Government	6.8 1.8%	- 0.0%	24.3 6.5%	- 0.0%	- 0.0%	- 0.0%	31.1 8.3%
Assistance, Grants, & Benefits	34.0 9.1%	333.4 89.4%	24.0 6.4%	(10.7) -2.9%	2.5 0.7%	(4.1) -1.1%	379.1 101.6%
Capital	(57.3) -15.4%	(43.4) -11.6%	36.1 9.7%	(48.2) -12.9%	17.6 4.7%	(36.8) -9.8%	(132.1) -35.4%
Debt Service	13.7 3.7%	- 0.0%	(0.5) -0.1%	- 0.0%	- 0.0%	- 0.0%	13.2 3.5%
Operating Transfers	(8.3) -2.2%	(0.0) 0.0%	(0.1) 0.0%	- 0.0%	- 0.0%	2.0 0.5%	(6.4) -1.7%
Total	\$ 15.5 4.1%	\$ 210.7 56.5%	\$ 133.5 35.8%	\$ (9.1) -2.4%	\$ 29.4 7.9%	\$ (6.8) -1.8%	\$ 373.2 100.0%

Expenditures from All Funds

FY 2026 Change to Governor	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ (17.7) -14.7%	\$ (0.3) -0.2%	\$ 2.0 1.6%	\$ 34.8 28.9%	\$ - 0.0%	\$ - 0.0%	\$ 18.8 15.6%
Contracted Services	0.2 0.1%	(42.4) -35.3%	(1.2) -1.0%	- 0.0%	- 0.0%	- 0.0%	(43.4) -36.1%
Other State Operations	3.3 2.8%	0.3 0.3%	(0.8) -0.7%	(0.0) 0.0%	- 0.0%	0.8 0.7%	3.6 3.0%
Aid to Local Units of Government	9.6 7.9%	- 0.0%	16.1 13.4%	- 0.0%	- 0.0%	- 0.0%	25.7 21.3%
Assistance, Grants, & Benefits	1.9 1.6%	91.8 76.3%	(1.0) -0.9%	- 0.0%	0.2 0.2%	- 0.0%	92.8 77.2%
Capital	(48.3) -40.1%	(4.0) -3.3%	17.0 14.1%	20.7 17.2%	9.0 7.5%	20.0 16.6%	14.4 12.0%
Debt Service	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%
Operating Transfers	(2.3) -1.9%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	10.8 9.0%	8.5 7.0%
Total	\$ (53.4) -44.4%	\$ 45.4 37.7%	\$ 32.0 26.6%	\$ 55.5 46.1%	\$ 9.2 7.6%	\$ 31.6 26.3%	\$ 120.3 100.0%

FY 2026 Change to FY 2024	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 63.6 4.9%	\$ 60.3 4.6%	\$ 75.3 5.8%	\$ 84.8 6.5%	\$ 10.6 0.8%	\$ 38.2 2.9%	\$ 332.9 25.5%
Contracted Services	3.7 0.3%	(40.7) -3.1%	(5.1) -0.4%	5.6 0.4%	6.7 0.5%	3.1 0.2%	(26.7) -2.0%
Other State Operations	40.0 3.1%	31.2 2.4%	33.2 2.5%	11.0 0.8%	2.0 0.2%	77.3 5.9%	194.7 14.9%
Aid to Local Units of Government	42.9 3.3%	(0.2) 0.0%	(77.0) -5.9%	(0.1) 0.0%	(0.0) 0.0%	- 0.0%	(34.5) -2.6%
Assistance, Grants, & Benefits	72.8 5.6%	738.6 56.5%	37.5 2.9%	(5.8) -0.4%	4.0 0.3%	3.1 0.2%	850.2 65.1%
Capital	51.4 3.9%	(1.3) -0.1%	110.7 8.5%	57.2 4.4%	37.1 2.8%	98.6 7.5%	353.8 27.1%
Debt Service	13.0 1.0%	- 0.0%	2.7 0.2%	(2.0) -0.2%	- 0.0%	0.3 0.0%	14.0 1.1%
Operating Transfers	(280.6) -21.5%	0.0 0.0%	13.7 1.1%	(0.4) 0.0%	(0.0) 0.0%	(110.8) -8.5%	(378.1) -28.9%
Total	\$ 6.8 0.5%	\$ 787.9 60.3%	\$ 190.9 14.6%	\$ 150.4 11.5%	\$ 60.5 4.6%	\$ 109.8 8.4%	\$ 1,306.4 100.0%

Expenditures from General Revenues

FY 2024 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 157.4 3.0%	\$ 204.2 3.9%	\$ 206.3 3.9%	\$ 437.1 8.3%	\$ 40.9 0.8%	\$ - 0.0%	\$ 1,046.0 20.0%
Contracted Services	17.1 0.3%	65.0 1.2%	19.8 0.4%	19.4 0.4%	1.7 0.0%	- 0.0%	123.0 2.3%
Other State Operations	51.4 1.0%	51.9 1.0%	46.4 0.9%	81.6 1.6%	13.0 0.2%	- 0.0%	244.3 4.7%
Aid to Local Units of Government	309.6 5.9%	- 0.0%	1,422.7 27.2%	- 0.0%	- 0.0%	- 0.0%	1,732.3 33.1%
Assistance, Grants, & Benefits	15.3 0.3%	1,643.0 31.4%	69.2 1.3%	15.4 0.3%	1.7 0.0%	- 0.0%	1,744.5 33.3%
Capital	3.0 0.1%	1.6 0.0%	0.6 0.0%	6.5 0.1%	1.6 0.0%	- 0.0%	13.3 0.3%
Debt Service	163.6 3.1%	- 0.0%	43.0 0.8%	- 0.0%	- 0.0%	- 0.0%	206.7 3.9%
Operating Transfers	125.8 2.4%	- 0.0%	0.1 0.0%	- 0.0%	- 0.0%	- 0.0%	126.0 2.4%
Total	\$ 843.2 16.1%	\$ 1,965.8 37.5%	\$ 1,808.3 34.5%	\$ 560.1 10.7%	\$ 58.8 1.1%	\$ - 0.0%	\$ 5,236.1 100.0%

FY 2025 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 198.0 3.5%	\$ 211.2 3.8%	\$ 220.1 3.9%	\$ 481.1 8.6%	\$ 44.0 0.8%	\$ - 0.0%	\$ 1,154.4 20.6%
Contracted Services	18.4 0.3%	70.1 1.3%	29.6 0.5%	20.7 0.4%	1.3 0.0%	- 0.0%	140.0 2.5%
Other State Operations	54.2 1.0%	74.3 1.3%	31.4 0.6%	85.9 1.5%	12.6 0.2%	- 0.0%	258.4 4.6%
Aid to Local Units of Government	341.1 6.1%	- 0.0%	1,494.5 26.7%	- 0.0%	- 0.0%	- 0.0%	1,835.6 32.8%
Assistance, Grants, & Benefits	21.4 0.4%	1,815.6 32.5%	90.9 1.6%	25.1 0.4%	2.7 0.0%	- 0.0%	1,955.7 35.0%
Capital	2.4 0.0%	0.4 0.0%	0.3 0.0%	2.7 0.0%	0.2 0.0%	- 0.0%	6.0 0.1%
Debt Service	165.3 3.0%	- 0.0%	42.1 0.8%	- 0.0%	- 0.0%	- 0.0%	207.4 3.7%
Operating Transfers	37.4 0.7%	- 0.0%	0.0 0.0%	- 0.0%	- 0.0%	- 0.0%	37.4 0.7%
Total	\$ 838.2 15.0%	\$ 2,171.5 38.8%	\$ 1,908.8 34.1%	\$ 615.5 11.0%	\$ 60.8 1.1%	\$ - 0.0%	\$ 5,594.9 100.0%

Expenditures from General Revenues

FY 2026 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 211.1 3.7%	\$ 233.3 4.1%	\$ 227.9 4.0%	\$ 499.5 8.7%	\$ 45.4 0.8%	\$ - 0.0%	\$ 1,217.1 21.2%
Contracted Services	17.5 0.3%	64.5 1.1%	23.4 0.4%	21.2 0.4%	1.6 0.0%	- 0.0%	128.2 2.2%
Other State Operations	50.4 0.9%	65.4 1.1%	34.3 0.6%	85.9 1.5%	13.1 0.2%	- 0.0%	249.1 4.3%
Aid to Local Units of Government	338.3 5.9%	- 0.0%	1,555.1 27.1%	- 0.0%	- 0.0%	- 0.0%	1,893.4 33.0%
Assistance, Grants, & Benefits	18.7 0.3%	1,865.0 32.5%	94.9 1.7%	15.3 0.3%	1.7 0.0%	- 0.0%	1,995.6 34.7%
Capital	2.8 0.0%	0.2 0.0%	0.5 0.0%	2.2 0.0%	0.3 0.0%	- 0.0%	6.1 0.1%
Debt Service	178.9 3.1%	- 0.0%	41.7 0.7%	- 0.0%	- 0.0%	- 0.0%	220.6 3.8%
Operating Transfers	32.9 0.6%	- 7.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	32.9 0.6%
Total	\$ 850.7 14.8%	\$ 2,228.4 38.8%	\$ 1,977.8 34.4%	\$ 624.1 10.9%	\$ 62.1 1.1%	\$ - 0.0%	\$ 5,743.1 100.0%

FY 2026 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 13.1 8.9%	\$ 22.1 14.9%	\$ 7.7 5.2%	\$ 18.4 12.4%	\$ 1.4 0.9%	\$ - 0.0%	\$ 62.7 42.3%
Contracted Services	(0.9) -0.6%	(5.6) -3.8%	(6.1) -4.1%	0.5 0.4%	0.3 0.2%	- 0.0%	(11.8) -8.0%
Other State Operations	(3.9) -2.6%	(8.9) -6.0%	3.0 2.0%	(0.0) 0.0%	0.5 0.3%	- 0.0%	(9.3) -6.3%
Aid to Local Units of Government	(2.8) -1.9%	- 0.0%	60.6 40.9%	- 0.0%	- 0.0%	- 0.0%	57.8 39.0%
Assistance, Grants, & Benefits	(2.7) -1.8%	49.4 33.3%	4.1 2.7%	(9.8) -6.6%	(1.0) -0.7%	- 0.0%	39.9 26.9%
Capital	0.4 0.3%	(0.2) -0.1%	0.1 0.1%	(0.5) -0.3%	0.1 0.1%	- 0.0%	0.1 0.0%
Debt Service	13.6 9.2%	- 0.0%	(0.3) -0.2%	- 0.0%	- 0.0%	- 0.0%	13.3 9.0%
Operating Transfers	(4.5) -3.1%	- 0.0%	(0.0) 0.0%	- 0.0%	- 0.0%	- 0.0%	(4.5) -3.1%
Total	\$ 12.4 8.4%	\$ 56.9 38.4%	\$ 69.0 46.6%	\$ 8.6 5.8%	\$ 1.2 0.8%	\$ - 0.0%	\$ 148.2 100.0%

Expenditures from General Revenues

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

FY 2026 Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ (2.8) -1.3%	\$ 22.1 10.3%	\$ 9.0 4.2%	\$ 52.0 24.3%	\$ 1.4 0.7%	\$ - 0.0%	\$ 81.7 38.1%
Contracted Services	(0.9) -0.4%	(11.0) -5.1%	(7.3) -3.4%	0.5 0.3%	0.3 0.1%	- 0.0%	(18.5) -8.6%
Other State Operations	(0.4) -0.2%	(9.2) -4.3%	2.2 1.0%	(0.0) 0.0%	0.5 0.2%	- 0.0%	(7.0) -3.3%
Aid to Local Units of Government	6.8 3.2%	- 0.0%	76.7 35.8%	- 0.0%	- 0.0%	- 0.0%	83.5 38.9%
Assistance, Grants, & Benefits	(4.8) -2.2%	81.2 37.8%	3.0 1.4%	(9.8) -4.6%	(0.8) -0.4%	- 0.0%	68.8 32.1%
Capital	0.1 0.0%	(0.2) -0.1%	0.1 0.1%	(0.5) -0.2%	0.1 0.1%	- 0.0%	(0.3) -0.1%
Debt Service	13.6 6.3%	- 0.0%	(0.3) -0.2%	- 0.0%	- 0.0%	- 0.0%	13.3 6.2%
Operating Transfers	(6.9) -3.2%	- 0.0%	(0.0) 0.0%	- 0.0%	- 0.0%	- 0.0%	(6.9) -3.2%
Total	\$ 4.7 2.2%	\$ 82.9 38.6%	\$ 83.3 38.8%	\$ 42.2 19.7%	\$ 1.4 0.7%	\$ - 0.0%	\$ 214.5 100.0%

Expenditures from General Revenues

FY 2026 Change to Governor	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ (16.0) -24.1%	\$ - 0.0%	\$ 1.2 1.9%	\$ 33.6 50.7%	\$ - 0.0%	\$ - 0.0%	\$ 18.9 28.5%
Contracted Services	(0.0) 0.0%	(5.4) -8.2%	(1.2) -1.8%	- 0.0%	- 0.0%	- 0.0%	(6.6) -10.0%
Other State Operations	3.5 5.2%	(0.4) -0.6%	(0.8) -1.2%	(0.0) -0.1%	- 0.0%	- 0.0%	2.2 3.4%
Aid to Local Units of Government	9.6 14.4%	- 0.0%	16.1 24.3%	- 0.0%	- 0.0%	- 0.0%	25.7 38.7%
Assistance, Grants, & Benefits	(2.1) -3.2%	31.8 47.9%	(1.0) -1.6%	- 0.0%	0.2 0.3%	- 0.0%	28.8 43.5%
Capital	(0.4) -0.5%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	(0.4) -0.5%
Debt Service	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%
Operating Transfers	(2.3) -3.5%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	(2.3) -3.5%
Total	\$ (7.8) -11.7%	\$ 26.0 39.2%	\$ 14.3 21.6%	\$ 33.6 50.7%	\$ 0.2 0.3%	\$ - 0.0%	\$ 66.3 100.0%

FY 2026 Change to FY 2024	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 37.8 6.6%	\$ 29.0 5.1%	\$ 22.7 4.0%	\$ 95.9 16.7%	\$ 4.5 0.8%	\$ - 0.0%	\$ 190.0 33.1%
Contracted Services	0.4 0.1%	(5.9) -1.0%	2.4 0.4%	1.8 0.3%	(0.1) 0.0%	- 0.0%	(1.4) -0.3%
Other State Operations	2.4 0.4%	13.1 2.3%	(12.8) -2.2%	4.2 0.7%	0.1 0.0%	- 0.0%	7.1 1.2%
Aid to Local Units of Government	38.3 6.7%	- 0.0%	148.4 25.9%	- 0.0%	- 0.0%	- 0.0%	186.7 32.6%
Assistance, Grants, & Benefits	1.4 0.2%	253.8 44.3%	24.7 4.3%	(0.2) 0.0%	0.2 0.0%	- 0.0%	279.9 48.8%
Capital	(0.5) -0.1%	(1.4) -0.2%	(0.2) 0.0%	(4.2) -0.7%	(1.3) -0.2%	- 0.0%	(7.6) -1.3%
Debt Service	15.3 2.7%	- 0.0%	(1.3) -0.2%	- 0.0%	- 0.0%	- 0.0%	13.9 2.4%
Operating Transfers	(95.3) -16.6%	- 0.0%	(0.1) 0.0%	- 0.0%	- 0.0%	- 0.0%	(95.4) -16.6%
Total	\$ (0.3) 0.0%	\$ 288.6 50.3%	\$ 183.8 32.1%	\$ 97.6 17.0%	\$ 3.5 0.6%	\$ - 0.0%	\$ 573.3 100.0%

Section III

Agency Analyses

Department of Administration

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Central Management	\$ 49,433,141	\$ 58,515,466	\$ 37,553,059	\$ 37,553,059
Accounts & Control	7,989,065	8,272,562	8,495,913	8,495,913
Office of Management & Budget	12,763,999	16,152,756	14,660,841	14,660,841
Purchasing	5,265,398	5,568,312	5,908,473	5,908,473
Human Resources	943,668	897,752	889,580	889,580
Personnel Appeal Board	159,290	159,219	160,838	160,838
General	141,746,857	275,808,400	139,383,031	87,056,885
Debt Service	197,825,338	192,550,923	211,883,983	211,883,983
Legal Services	2,491,594	2,649,621	2,872,990	2,872,990
Information Technology	5,217,987	13,347,690	3,000,571	3,000,571
Library Programs	3,562,628	3,594,489	3,767,543	3,767,543
Planning	6,758,419	6,957,348	7,151,473	7,151,473
Energy Resources*	44,824,429	-	-	-
Statewide	32,500,000	1,500,000	20,642,448	3,872,370
Health Benefits Exchange	30,427,443	30,770,508	29,946,673	29,946,673
Equity, Diversity & Inclusion	2,262,640	1,826,863	2,417,447	2,417,447
Capital Asset Mgmt. & Maint.	9,931,679	9,787,223	8,985,340	10,990,302
Total	\$ 554,103,575	\$ 628,359,132	\$ 497,720,203	\$ 430,628,941
Expenditures by Category				
Salaries and Benefits	\$ 66,732,007	\$ 37,931,524	\$ 60,444,595	\$ 43,179,479
Contracted Services	18,394,380	16,795,463	15,058,574	15,058,574
Subtotal	\$ 85,126,387	\$ 54,726,987	\$ 75,503,169	\$ 58,238,053
Other State Operations	27,689,081	18,806,766	19,162,832	21,662,832
Aid to Local Units of Government	14,431,580	14,088,247	14,782,734	15,022,328
Assistance, Grants, and Benefits	66,631,127	125,184,401	21,491,143	21,491,143
Capital	125,500,062	190,157,285	121,996,342	69,430,602
Capital Debt Service	197,725,338	192,395,446	211,783,983	211,783,983
Operating Transfers	37,000,000	33,000,000	33,000,000	33,000,000
Total	\$ 554,103,575	\$ 628,359,132	\$ 497,720,203	\$ 430,628,941
Sources of Funds				
General Revenue	\$ 255,026,334	\$ 223,182,559	\$ 262,776,439	\$ 249,311,650
Federal Aid	78,720,050	151,473,170	48,547,422	47,598,341
Restricted Receipts	49,989,447	34,337,796	24,323,516	24,124,275
Other	170,367,744	219,365,607	162,072,826	109,594,675
Total	\$ 554,103,575	\$ 628,359,132	\$ 497,720,203	\$ 430,628,941
FTE Authorization	683.6	667.6	669.6	684.6

*Submitted standalone request; Governor's recommendation separates agency from DOA

Summary. The Department of Administration requested \$484.2 million from all sources, including \$241.8 million from general revenues and 667.6 full-time equivalent positions for FY 2026. This is \$69.9 million

less and 16.0 fewer positions than enacted, primarily reflecting exclusion of expenses and staffing for the Office of Energy Resources, which submitted a standalone budget request.

The Governor recommended expenses of \$497.7 million from all sources, including \$262.8 million from general revenues. This is \$13.5 million more from all sources than requested, including \$21.0 million more from general revenues. Of that amount, \$19.0 million is reserved for cost-of-living adjustments for potential costs where settlements were not yet reached. The Governor recommended 669.6 full-time equivalent positions, two more than requested. He subsequently requested an amendment to distribute the funds reserved for cost-of-living adjustments to the Departments of Corrections, Elementary and Secondary Education and Public Safety. He requested several amendments, adjusting Rhode Island Capital Plan funds for several projects, reflecting delays and updated costs. He also requested an amendment to add 15.0 full-time equivalent specialized information technology positions within the Division of Enterprise Technology Strategy and Services, an internal service fund program.

The Assembly provided \$430.6 million from all sources, including \$249.3 million from general revenues and authorized 684.6 full-time equivalent positions. It essentially concurred with the requested amendments, and shifted Rhode Island Capital Plan funds of \$26.1 million for the long-term care facility at the Zambarano Campus from FY 2026 to FY 2030 based on project progress. It did not concur with the Governor's proposal to purchase and renovate a new facility in East Providence.

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 \$238.9 million, including a current service reduction of \$13.4 million and a 7.5 percent reduction of \$2.8 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$5.3 million lower than the Budget Office target. It proposes savings of \$1.9 million from general revenues to be achieved through efficiencies, pending an evaluation of current programs and processes to assess where reductions could be implemented. The proposals to achieve the reductions are noted among the items described below where appropriate. *The recommendation is \$4.9 million above the target, excluding the contract reserve. The enacted budget is \$10.4 million above the target, or \$5.5 million more than the Governor's recommendation, including \$2.0 million to restore budgeted savings and \$2.5 million in contingency reserve, shifted from FY 2025.*

Salaries and Benefits. Excluding the Office of Energy Resources, the Department requested \$38.5 million from all sources, including \$27.7 million from general revenues for salary and benefit expenses and the authorized level of 248.6 full-time equivalent positions to support non-internal service fund programs. There are intradepartmental changes; however, it resulted in no changes to the authorization level. The request is \$1.9 million more than enacted, including \$0.3 million more from general revenues. It reflects staffing costs and allocations and benefit rates consistent with FY 2026 planning values, and is \$0.9 million more than the current service estimate, primarily restoring turnover savings equivalent to approximately seven positions. The enacted budget assumed turnover savings equivalent to approximately 12 vacancies. As of mid-December, the aforementioned programs had 14 vacancies.

The Governor recommended salary and benefit expenses of \$39.8 million, including \$27.6 million from general revenues. This is \$1.3 million more than requested; it includes \$3.0 million from all sources, of which \$2.2 million is from general revenues to account for statewide adjustments consistent with his recent labor agreements. This is offset by \$1.8 million less, primarily from general revenues, reflecting his proposals to shift project management expenses to Rhode Island Capital Plan funds. It also shifts \$0.5 million of salary and benefit expenses from general revenues to available restricted receipts for the Division of State Purchases. The Governor recommended 669.6 full-time equivalent positions, which is 2.0 more than requested; this includes 2.0 positions for a statewide integrated data system, 2.0 positions related to

fraud, waste, and abuse, and transfers 2.0 positions to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals.

He subsequently requested an amendment, creating a designation for specialized information technology positions in state service, to be capped at 15.0 full-time equivalent positions in any fiscal year. This excludes positions that are part of a collective bargaining agreement. It further authorizes the personnel administrator to implement the pay plans for these positions without conducting a public hearing or obtaining approval from the Governor; a revised version of the proposal added language from an agreement with the employee union. The Assembly concurred with the subsequent version, but added a December 31, 2026 sunset to the authority granted to the personnel administrator.

It also adopted legislation in Article 10 of 2025-H 5076, Substitute A, as amended, establishing an assessment, similar to the child and adult immunization program assessments, to generate \$30.0 million annually to support primary care and other critical healthcare programs. The current assessments are based on a per-member per-month fee applied to all covered lives including self-insured. It provided \$1.4 million from all sources, including \$0.8 million from general revenues for the cost for the state as an employer.

Statewide

Pension Plan Revisions - Distributed. The 2024 Assembly adopted legislation making changes to the pension plan affecting retirees and active members including the cost-of-living adjustment, pension benefit calculation, public safety pensions, and post-retirement employment. The enacted budget includes \$27.5 million from all sources, of which \$20.6 million is from general revenues for pension plan revisions. The request reflects the distribution of these funds, which were included in the Department of Administration for later distribution. *The Governor concurred. The Assembly concurred.*

Supplemental Retirement Contribution. Current law requires that for any fiscal year in which the actuarially-determined state contribution rate for state employees or teachers is lower than that for the prior fiscal year, the Governor shall include an appropriation to that system equal to 20.0 percent of the rate reduction for the state's contribution rate to be applied to the actuarial accrued liability of the system. The request includes \$0.6 million from general revenues, or \$0.3 million more than enacted for the required contribution for the teachers' share. It also includes the enacted amount of \$0.2 million for the contribution for state employees, which the Department subsequently indicated was in error. It appears the intent is that the full \$0.8 million is for the teachers' contribution, as this is the only rate that declines. *The Governor's recommendation includes \$0.8 million for the teachers' contribution. The Assembly concurred.*

COLA Reserve. Subsequent to enactment of the FY 2025 budget, the McKee Administration reached agreements with a majority of state employee unions that included cost-of-living adjustments of 5.0 percent for FY 2025, 4.0 percent for FY 2026, and 3.0 percent for FY 2027, for a total of 12.0 percent. Agencies were instructed to not include the impact of the settlement in their budget requests.

The Governor's recommended budgets include a total of \$32.8 million from all sources for both FY 2025 and FY 2026 for potential costs where settlements were not yet reached. The general revenue share is \$11.2 million in FY 2025 and \$19.0 million in FY 2026. Expenditures for employees in unions that have settled are reflected in respective agency budgets. He subsequently requested an amendment to distribute the funds to the Departments of Corrections, Elementary and Secondary Education and Public Safety. Settlements were reached that exceeded the aggregate amount set aside for FY 2026 by \$11.6 million from general revenues. The Assembly concurred with the amended recommendation.

FEMA Contingency Reserve. The enacted budget includes \$5.0 million from general revenues provided as a contingency reserve for COVID-19-related expenses in FY 2025, in the event reimbursements from

the Federal Emergency Management Agency differ from budgeted assumptions. The state is no longer incurring any COVID-related Federal Emergency Management Agency reimbursable emergency expenditures and reimbursement was substantially complete as of FY 2024. In April, the Department submitted management costs to the Agency for review, which is ongoing. The request excludes this non-recurring expense. *The Governor concurred. The Assembly provided \$1.5 million for FY 2025 and required unspent funds to be automatically reappropriated to FY 2026, for which it also added \$2.5 million.*

ARPA - Health Care Facilities. The Department's request inadvertently retains the one-time expense of \$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. These funds are not available for FY 2026. *The Governor's recommendation excludes the funds. The Assembly concurred.*

ARPA - Public Health Response Warehouse Support. The request includes the FY 2025 enacted amount of \$0.8 million from State Fiscal Recovery funds for lease expenses to store COVID-19 supplies, including personal protective equipment. It should be noted that the enacted budget also includes \$0.6 million from general revenues in the Rhode Island Emergency Management Agency's budget. *The Governor's recommendation excludes these expenses; his recommended budget includes \$0.9 million from general revenues in the Rhode Island Emergency Management Agency's budget. The Assembly concurred.*

CPF - Community Learning Center Grant Program. The request retains the enacted amount of \$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. A total of \$81.7 million from the Capital Projects Fund is provided 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. Through FY 2024, \$2.1 million has been spent and its capital budget request assumes use of \$59.8 million for FY 2025, and \$10.0 million each for FY 2026 and FY 2027. Two grant rounds thus far have resulted in a total of \$55.5 million awarded to 19 municipalities. These projects would be eligible for the remaining funds and redistribution of unused allocations. *The Governor's revised budget includes the unspent \$79.6 million from State Fiscal Recovery funds; the FY 2026 recommendation excludes the operating funds for these projects. The Assembly concurred.*

COVID Relief - Rent and Utilities Assistance. The state received \$352.0 million from two federal acts for rent and utilities assistance and through FY 2024, \$311.0 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 \$41.0 million; however, both the FY 2025 revised and FY 2026 requests include the enacted amount of \$33.0 million. 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. *The Governor recommended funding as requested. The Assembly concurred.*

Debt

Central Falls School District. The 2021 Assembly authorized the Rhode Island Health and Educational Building Corporation to issue revenue bonds to construct a new high school for the City of Central Falls. The project cost is \$144.0 million, with a state share of \$138.2 million. The legislation also authorized the City to issue general obligation bonds up to \$5.8 million to fund construction, renovation, improvement, alteration, repair, furnishing and equipping schools and school facilities throughout the district. The state will issue all the debt and the City will reimburse it for its share of the debt, in lieu of the traditional process used by districts, in order to achieve lower costs. Of the authorized amount, \$93.5 million was issued in FY 2024 and the out-years assume the remaining \$50.5 million would be issued in FY 2026. Consistent with the current service estimate provided by the Budget Office, the request includes \$10.7 million, or \$3.5

million more, reflecting debt for the second issuance to occur in summer 2025. *The Governor concurred. The Assembly concurred.*

Certificates of Participation. The Department included \$4.4 million from general revenues for all debt issued through Certificates of Participation for the Eleanor Slater Hospital and the School for the Deaf. The request is consistent with the current service estimate provided by the Budget Office and \$11.2 million less than enacted; debt for the Training School, energy conservation, information technology and the Traffic Tribunal have been completed. *The Governor recommended funding as requested. The Assembly concurred.*

Fiscal Year	DCYF Training School	Energy Conservation	Hospital Consolidation	School for the Deaf	Innovative Technology	Traffic Tribunal	Total	Change from Prior Year
2025	\$ 4,207,625	\$ 1,450,375	\$ 1,868,425	\$ 2,482,000	\$3,854,000	\$1,675,875	\$15,538,300	\$ -
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	\$ 4,207,625	\$ 1,450,375	\$ 18,701,830	\$ 12,403,000	\$ 3,854,000	\$ 1,675,875	\$ 42,292,705	\$ (13,666,600)

Convention Center Facilities Debt. The request includes \$24.5 million from general revenues for debt service payments for the Convention Center Authority. This is \$2,142 more than enacted and consistent with current service estimates provided by the Budget Office. As of June 30, 2024, the total outstanding principal debt for the Convention Center and the Amica Mutual Pavilion is \$102.5 million. Under the terms of the lease agreement between the state and the Authority, the minimum rentals payable to the state in any fiscal year are equal to the gross debt service costs in that year; the state is responsible for covering any operating shortfalls and recoups any operating profits.

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

Garrahy Parking Garage. The request includes the enacted amount of \$0.5 million from general revenues for debt service for the Garrahy Parking Garage; however, no state support was assumed beyond FY 2025. The annual debt service of \$3.0 million and operating expenditures of \$1.1 million will be supported by revenues. The garage opened in March 2020, and the FY 2020 revenues were minimal. Through FY 2024, \$9.7 million from state support for debt service has been provided. It should be noted that the Authority's operating budget submission assumes revenues of \$3.7 million, and net of operating expenses, \$2.6 million would be available for the debt. Its request assumes \$0.5 million from state support. It should be noted that the Authority's estimated revenue for FY 2026 is \$726,523 less than FY 2024 receipts. It noted that its budget was prepared in advance of actual receipts being known.

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 concurred. The Assembly concurred.*

Historic Structures Tax Credit. Consistent with the current service estimate, the request includes \$9.9 million from general revenues, \$3,062 more than enacted, for debt issued to pay for historic tax credits. The debt comes from the 2008 Assembly's legislation, which significantly modified the program. It required upfront processing fees, placed a moratorium on new projects, reduced the overall effective credit from 27.75 percent to 22.0 percent, and authorized borrowing sufficient funds to cash out all credits. The 2013 Assembly adopted legislation to allow new projects to replace projects that were not progressing and developed new requirements and standards. *The Governor recommended funding as requested. The Assembly concurred.*

Transportation Debt. The request includes \$33.0 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 \$14,134 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 \$31.9 million, or \$0.1 million more than enacted, from gasoline tax proceeds for the Department's debt service payments. *The Governor recommended funding as requested. The Assembly concurred.*

Other General Obligation Bonds Debt. The request includes \$127.9 million from general revenues for remaining general obligation bond debt service. This is \$21.6 million more than enacted and consistent with the current service estimate provided by the Budget Office, which assumes \$250.0 million will be issued in spring 2025. General obligation debt service for Public Higher Education would decrease by \$0.3 million, for a statewide increase of \$21.3 million. *The Governor recommended funding as requested. The Assembly concurred.*

Local Aid

Library Aid. The Department requests the enacted amount of \$11.9 million to level fund state support of public libraries. The request is \$0.2 million or 2.0 percent less than allowed under current law. It funds library aid at 24.5 percent of the second prior fiscal year's local expenditures for library services. The statute authorizes a 25.0 percent reimbursement subject to appropriation.

The chief library officer annually determines each municipality's compliance with the maintenance of effort requirement by comparing appropriation and expenditure amounts as reported by the libraries or the municipalities. A municipality that is deemed ineligible because of non-compliance may request a waiver from the requirement by submitting a letter to the chief library officer. Of the requested amount, \$1.1 million is for the Reference Resource Center at the Providence Public Library. The reference resource grant to the Providence Public Library enables the library to develop its reference collection, extend its hours, and provide statewide reference research for all Rhode Island libraries and residents. *The Governor recommended funding as requested. The Assembly provided \$12.1 million to fully fund library aid.*

Library Construction Aid. The request includes \$2.1 million from general revenues for library construction aid. This is \$117,191 less than enacted to reflect funding requirements for FY 2026 based on updated cost information, interest rates, and construction schedules for approved projects. The state reimburses libraries up to half the total cost for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project. *The Governor recommended funding as requested. The Assembly concurred.*

Office of Energy Resources

Operations (-16.0 FTE). The Office of Energy Resources submitted its FY 2026 budget request as a standalone agency. The Department's request excludes \$44.8 million of expenses and 16.0 fewer full-time equivalent positions to reflect this. It should be noted that the request inadvertently includes negative

expenses of \$12,992. Consistent with the capital budget request, the Department's request includes the enacted amount of \$1.0 million from Rhode Island Capital Plan funds for the Energy Efficiency project; the Office also includes this expense, as the project is also supported with Regional Greenhouse Gas Initiative funds. *The Governor's budget reflects the Office as a standalone agency. The recommendation corrects for expenses that were retained and transfers the Energy Efficiency project and \$1.0 million from Rhode Island Capital Plan funds to the Office.* **The Assembly concurred.**

HealthSource RI

Health Reform Assessment Receipts. The Department of Administration is authorized to charge a health reform assessment to support the operations of HealthSource RI. The 2019 Assembly concurred with the Governor's proposal and adopted legislation to decouple the state's premium assessment upon those insurers offering products on the Exchange from the rate charged for federally facilitated marketplaces and established a 3.5 percent fee in statute, effective January 1, 2020. The federal rate decreased from 3.5 percent to 3.0 percent on January 1, 2020. The request assumes receipts of \$11.1 million, \$0.4 million less than enacted based on estimated enrollments of 31,334 in the individual/family group; the enacted budget assumed 38,924. The decrease in enrollment is primarily related to the expiration of the federal enhanced subsidies for premium assistance. HealthSource RI noted that without the enhanced tax credit, the premium cost per person could increase from \$93 to \$172.

The average per-member per-month premium cost is projected to increase from \$562.47 to \$581.70. HealthSource RI assumed enrollments of 8,727 in the small business group, for which the enacted budget includes 8,256. The average per-member per-month premium cost is projected to increase from the enacted amount of \$572.17 to \$629.70. Enrollments as of November 30, 2024, were 47,150 in the individual/family group and 8,382 in the small business group. At the end of FY 2024, there was \$1.0 million available from assessment receipts. The revised request includes general revenue savings of \$1.5 million by shifting expenses to these receipts. The request assumes a surplus balance of \$0.3 million for FY 2026.

In December 2024, the state was notified of a cybersecurity attack on the enrollment system, which was subsequently taken offline. HealthSource extended the open enrollment period from January 31 to February 28, and extended the call center hours. It also offered direct enrollment through Blue Cross and Blue Shield, and Neighborhood Health Plan, with a no-cost option for January and February. The state will also reimburse the entities for administrative expenses. *The Governor concurred with projected receipts. The recommendation does not address any expenses related to the cyberattack.*

Subsequently, Deloitte provided the state with \$5.0 million to help pay for expenses related to the attack. The administration later reported that it had identified \$6.9 million in expenses associated with the RIBridges data security event through early June. While this estimate is subject to change, it will attempt to reconcile these and any additional costs with Deloitte. This process remains a legal matter. The Department's third quarter report projected \$4.5 million for direct premium assistance and noted it has incurred other direct and indirect costs above that.

The Assembly concurred with the projected receipts and provided \$0.7 million from general revenues in FY 2025, to cover some of the direct expenses identified in the report that exceed the allocation from Deloitte.

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 the enacted amount of \$10.8 million from federal funds. 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 concurred and added \$39,760 from restricted receipts, to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

UHIP and Other Expenses (1.0 FTE). The request includes \$13.8 million from all sources for HealthSource RI. This is \$19,525 more than enacted, including \$0.9 million less from general revenues to reflect the removal of one-time expenses for redetermination activities and HealthSource RI's share of expenses for the Unified Health Infrastructure Project. This is consistent with the current service estimate provided by the Budget Office.

HealthSource RI has been part of the Executive Office of Health and Human Services' cost allocation plan for several years and contributed to the state share of covered expenses. Prior to FY 2025, indirect expenses were not assumed in the plan; however, it was determined, and the Executive Office agreed, that these expenses should be included. It was also determined that it would receive a two-year retroactive credit for indirect expenses it previously paid. It had \$2.3 million in credits in the form of expenses allocated to the Executive Office, including \$1.4 million for FY 2024 and \$1.0 million for FY 2025. The request includes \$1.0 million more from restricted receipts, reflecting exhaustion of the credits. Salary and benefit expenses of \$1.6 million are \$0.5 million more than enacted, reflecting staffing costs and allocations, and includes \$156,846 for a senior budget and policy analyst position, for staffing of 16.0 full-time equivalent positions. HealthSource RI noted that the position will be responsible for documenting agency policy decisions and ensuring that decisions are clearly and appropriately communicated, tracking federal and state legislation pertaining to the agency's work, and providing support during the rate review process.

The constrained budget includes unidentified general revenue savings of \$141,692 for HealthSource RI's share of the target reduction.

The Governor's recommendation is \$0.6 million less from all sources than requested. This includes \$0.7 million less from general revenues, reflecting an updated plan for costs shared with the Executive Office of Health and Human Services. It adds \$132,051 from restricted receipts to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.**

Information Technology

Cybersecurity Federal Grant Match. The 2024 Assembly provided 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. The Department did not incur any expenses for FY 2024, reflecting a project delay and noted that before it can begin expending the fund, specific projects need to be approved by the Federal Emergency Management Agency.

A second grant for \$4.5 million has been awarded, for total federal funds of \$11.0 million; the Rhode Island Emergency Management Agency's budget assumes this expense. A state match, starting with 10.0 percent increasing to 40.0 percent is required, totaling \$3.5 million. The Infrastructure Investment and Jobs Act also 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 request includes the enacted amount of \$1.1 million for FY 2026. *The Governor recommended funding as requested. The Assembly concurred.*

IT Project Expenses. The request includes \$1.2 million from restricted receipts for information technology expenses for FY 2026. This is \$1.9 million less than enacted, based on anticipated project completion and available resources. At the end of FY 2024, the account had \$17.8 million remaining; the requests assume use of \$12.8 million, which would leave a balance of \$5.0 million. The account was previously supported with land sale receipts and surcharges for certified vital records. The 2024 Assembly adopted legislation requiring that the surcharges be deposited as general revenues, and excluding proceeds from land sales specifically related to state-owned group homes, or community residences from the account. *The Governor concurred. The Assembly concurred.*

Division of Purchases

Operations. Excluding expenses for centralized services, the request includes \$5.3 million from all sources, including \$3.8 million from general revenues for the Division of Purchases. This includes \$4.9 million for salary and benefit expenses for the authorized 34.0 full-time equivalent positions. It is \$378,156 more than enacted and \$320,745 more than the current service estimate; it restores the enacted turnover savings of \$0.1 million and reflects additional staffing cost allocations to the 1.0 percent assessed on master price agreements from vendors. The 2017 Assembly authorized the chief purchasing officer to establish, charge, and collect a statewide contract administrative fee not to exceed 1.0 percent of master price agreements from vendors. These restricted receipts would be used for the electronic procurement system. Collections started in July 2020 and receipts were \$0.2 million in FY 2021, \$0.7 million in FY 2022, \$1.0 million in FY 2023, and \$2.0 million in FY 2024. At the end of FY 2024, \$2.4 million of these receipts were available. The request also includes \$0.4 million for operating expenses, which is \$15,414 more than enacted for software licenses and staff training.

The constrained budget proposes to expand the master price agreements fee assessment to include all contracts, effective October 1, 2025. The Department noted that sufficient receipts would be generated and would result in a lower assessment to support the division, and includes savings of \$4.3 million from general revenues. Legislation to effectuate this change would be needed.

The Governor proposed legislation in Article 3 of 2025-H 5076 establishing a uniform 0.33 percent fee to be assessed on all state contracts, effective January 1, 2026. The receipts will continue to be deposited as restricted receipts to support operations of the division. The budget assumes a staggered rollout of the new fee with full implementation by FY 2027. It does not include the \$4.3 million of proposed savings.

The Governor recommended requested expenses and added \$0.3 million from all sources, including \$0.3 million less from general revenues, offset by \$0.5 million from currently available restricted receipts and \$44,479 from other sources, to account for statewide adjustments consistent with his recent labor agreements. The recommendation also includes savings of \$15,414 from staff training and software licensing fees, reflecting recent experience. The Assembly concurred.

Office of Management and Budget

Operations (1.0 FTE). The request includes \$13.3 million from all sources, including \$9.9 million from general revenues for the Office of Management and Budget, which serves as the principal agency of the executive branch for managing budgetary functions and performance management. The request includes \$11.6 million for salary and benefit expenses and 66.0 full-time equivalent positions to support the Offices of the Director of Management and Budget, State Budget, Internal Audit, Regulatory Reform, Pandemic

Recovery, and Performance Management. This is \$0.5 million more from all sources, including \$7,932 from general revenues and 1.0 more position than enacted.

The request includes \$0.3 million, primarily reflecting staffing costs and allocations 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 Department's FY 2025 request included staffing of 21.0 full-time equivalent positions. It eliminated four funded but vacant positions; the Department had reported issues with filling the positions. The current request is for 22.0 full-time equivalent positions. Salary and benefit expenses for the Office of the Director are \$236,136 more than enacted and \$227,887 more than current service estimates, restoring turnover savings for a vacant associate director of financial management position. The request also includes \$3.7 million for salaries and benefits for the State Budget Office. This is \$205,628 less than enacted and \$204,890 less than current service estimates, which removes funding for two policy interns, and several positions have been filled at entry levels. The request is for 21.0 full-time equivalent positions; however, it appears to fund 22 positions. Staffing for Pandemic Recovery, Performance Management and Regulatory Reform are essentially consistent with current service estimates. As of mid-December, the aforementioned offices had three vacancies.

Remaining expenses of \$1.3 million are \$3,000 more than enacted for software maintenance. It includes \$0.8 million from general revenues; these expenses are \$41,195 more than spent in FY 2024 and \$196,969 less than the revised request for FY 2025.

The Governor proposed legislation in Article 3 of 2025-H 5076 renaming the Office of Internal Audit to the Office of Internal Audit and Program Integrity, expanding the duties and authority of the Chief of the Office to include granting administrative subpoena powers, with prior approval from the Director of the Department of Administration. His recommended budget assumes savings of \$6.9 million, including \$2.9 million from general revenues, from payment recoveries related to increased efforts to reduce fraud, waste, and abuse in the Medicaid program. The budget adds \$1.2 million to support staff to achieve these savings; this includes \$0.3 million general revenues for 2.0 new positions in the Office of Internal Audit and Program Integrity.

*The recommendation also adds \$1.0 million, including \$0.7 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements. This is partially offset by \$0.1 million from additional turnover savings. **The Assembly concurred.***

Office of Accounts and Control

Operations (-1.0 FTE). The primary mission of the Office of Accounts and Control is to promote the financial integrity and accountability of state government through sound administrative and accounting controls and procedures. In 2019, functions of federal grants management were transferred from the Office of Management and Budget to the Office. Excluding expenses for centralized services, the request includes \$7.7 million from all sources, including \$5.1 million from general revenues. This is \$80,804 more than enacted, including \$47,169 from general revenues and \$33,635 from restricted receipts.

The request includes \$4.9 million for salaries and benefits and 41.0 full-time equivalent positions. This is \$2,030 less and 1.0 fewer position than enacted, reflecting the transfer of a finance-related position to the Information Technology Internal Service Fund for implementation of the Enterprise Resource Planning System. It should be noted that another \$1.3 million for salary and benefit expenses are allocated to other funds. The request is \$0.1 million less than current service estimates, reflecting staffing costs and allocations and benefit selection. It assumes \$0.1 million in turnover savings, essentially as enacted. As of mid-December, there were seven vacancies, including one assigned to the Grants Management Office.

Consistent with the revised request, the request includes \$2.2 million, or \$11,105 more than enacted, from restricted receipts for the grants management system. All remaining expenses of \$629,107 are \$67,669 more than enacted, including \$51,517 less for contracted temporary and risk management related services. This reduction is offset by \$110,656 for software used by agency chief financial officers to collect data for fiscal reporting. These are partially offset by adjustments for advertising and office supplies.

*The Governor recommended \$0.4 million more from all sources than requested, including \$0.3 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements. This is partially offset by additional turnover savings of \$34,594, and adjustments to grants management and software licensing fees expenses. The Governor also proposes legislation in Articles 2 and 3 of 2025-H 5076 transferring the Office of Risk Management functions from the Division of Capital Asset Management and Maintenance purview to the Controller. **The Assembly concurred.***

Other Programs

Centralized Services/Utilities. The request includes \$11.1 million from all sources for the Department's share of centralized services for FY 2026. This is \$0.3 million less than enacted, including \$26,735 less from general revenues. All of the reduction is for information technology support. The request includes enacted expenses of \$0.7 million for human resources and \$7.7 million for facilities management. These expenses are \$28,896 more than the revised request for FY 2025 and \$0.2 million less than FY 2024 spending. *The Governor recommended \$12.8 million from all sources, including \$12.5 million from general revenues. This is \$1.7 million more than requested, largely from general revenues, to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. **The Assembly concurred.***

Tort Court Awards - Settlements. The request includes \$950,000 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. This is \$0.4 million less than enacted and consistent with Budget Office current service estimates. Of the \$1.4 million provided for FY 2025, \$202,674 in expenses have been reported through December 18. *The Governor recommended \$0.8 million more than requested, reflecting updated estimates provided by the Office of the Attorney General. **The Assembly concurred.***

Wrongful Convictions Awards. The request includes \$0.4 million from general revenues for wrongful conviction awards. This is \$0.4 million less than enacted and consistent with Budget Office current service estimates. The 2021 Assembly adopted legislation to compensate individuals who were wrongfully convicted of crimes and incarcerated. Compensation for each year served is up to \$50,000. 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 2024, \$1.2 million in payments have been made. As of December 18, the Department had not reported any expenses for the \$0.8 million included in the enacted budget for FY 2025. *The Governor recommended \$0.6 million more than requested, reflecting updated estimates provided by the Office of the Attorney General. **The Assembly concurred.***

Division of Capital Asset Management and Maintenance. Excluding expenditures for centralized services, the request includes \$2.0 million from general revenues to support the Division of Capital Asset Management and Maintenance, which is responsible for overseeing all new construction and rehabilitation projects and providing periodic inspection, appraisal or inventory of all state buildings and property. The request includes \$1.8 million for the authorized 11.0 full-time equivalent positions. This is \$0.2 million less than enacted, primarily reflecting benefit selection. It restores \$0.2 million in turnover savings to fund a project manager position, offset by a like amount for staffing costs allocated to the Facilities Management Internal Service Fund. As of mid-December, there were no vacancies. The request includes \$0.2 million

for operating expenses, which is \$46,527 more than enacted for facility maintenance expenses for non-internal service funds buildings, such as the Expo Center. This is consistent with the revised request.

The constrained request proposes savings of \$1.8 million from salary and benefit expenses for 10.5 full-time equivalent positions, including project managers and architects, shifting these expenses from general revenues to Rhode Island Capital Plan funds. 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 2024 Assembly did not concur with this proposal when the Governor recommended it for FY 2025, and restored funding.

*The Governor concurred with the proposal and included the general revenue savings. Project expenses were not updated to reflect costs for salaries and benefits; it assumes these expenses can be absorbed. The administration noted that implementing this proposal without the Enterprise Resource Planning System will require that it amends its time tracking protocol, and its fiscal staff would have to ensure that the appropriate project accounts are billed. He subsequently requested an amendment to restore \$49,600 of inadvertently included administrative position expenses. **The Assembly did not concur with the original recommendation and restored the budgeted savings.***

Capital - State Office Property Acquisition. Subsequent to his original FY 2025 budget submission, the Governor requested an amendment, authorizing the issuance of \$33.7 million through Certificates of Participation to acquire a 210,000 square foot facility located at 115 Tripps Lane in East Providence. This includes costs to purchase as well as renovations to prepare the facility for occupancy. The property is located on 25 acres of land, has approximately 130,000 square feet of office space, a cafeteria, a data center and 849 parking spaces. The annual debt service would be \$4.5 million, assuming a 5.5 percent interest rate and a 10-year term, for total debt service of \$44.5 million. The Assembly did not recommend issuance of new debt for the facility.

In 2009, the state acquired property off Jefferson Boulevard with a data center. It completed major renovations, including security, bathroom, heating, ventilation and air conditioning, and elevator upgrades, and moved into the facility in November 2011. Office spaces were made available for the Treasurer's Office, State Police, and information technology staff. The Department's current request includes a total project cost of \$17.3 million for the Information Technology Operations Center, including new expenses of \$6.5 million to replace the roof and the rooftop heating, ventilation and air conditioning units.

The Governor recommended \$31.0 million from Rhode Island Capital Plan funds to acquire, renovate, and move various state operations to the new facility in East Providence. It would house operations for the Department of Environmental Management, currently in leased space, as well as the Division of Enterprise Technology Strategy and Services staff, and the Office of Energy Resources. The Governor's recommendation maintains funding essentially as approved for the current Information Technology Operations Center. The recommendation includes new expenses of \$1.5 million for FY 2026, as part of the State Office Reorganization and Relocation project for potential relocation costs for statewide agencies, including the Department of Environmental Management, Division of Statewide Planning, the Executive Office of Commerce and others. This may duplicate some costs included in the property acquisition project.

The Assembly did not concur; it provided an additional \$7.0 million from Rhode Island Capital Plan funds over two years to fund the updated project cost for the current information technology facility.

Other Capital Projects. The request includes \$117.7 million from Rhode Island Capital Plan funds for 31 approved projects. This is \$5.6 million less than enacted and consistent with the capital budget request. *The Governor recommended \$89.7 million, which is \$27.9 million less than requested. He subsequently*

requested several amendments, adjusting Rhode Island Capital Plan funds for several projects, reflecting project delays and updated project costs.

The Assembly concurred with the requested amendments and provided a total of \$68.2 million. This is \$21.6 million less than the amended recommendation, primarily reflecting a shift of \$26.1 million from FY 2026 to FY 2030 for the long-term care facility at the Zambarano Campus. Testimony during agency budget hearings noted that cost estimates were still being developed, and it would be several months before a clearer picture of the project's full cost would be available. A detailed description of the projects is included in the Capital Budget section of this publication.

Other Salaries and Benefits (-1.0 FTE). The request includes \$13.1 million from all sources, including \$9.0 million from general revenues for salary and benefit expenses in the following programs: Central Management, Legal Services, Human Resources, Personnel Appeal Board, Library and Information Services, Division of Statewide Planning, and Division of Equity, Diversity and Inclusion. The request includes 80.6 full-time equivalent positions, 1.0 fewer than enacted. This reflects the transfer of a Human Resources position to the Division of Enterprise Technology Strategy and Services internal service fund, related to the Enterprise Resource Planning System. In order to maintain staffing at the enacted level for non-internal service fund support, the Department allocated a vacant position to HealthSource RI, previously noted.

The request is \$0.9 million more than enacted, including \$0.5 million more from general revenues, and includes benefit rates consistent with FY 2026 planning values. It is \$0.7 million more than current service estimates, including \$0.4 million from restricted receipts for staffing costs and allocations, and \$0.3 million to restore turnover savings for approximately four positions. As of mid-December, the aforementioned programs had four vacancies. *The Governor recommended \$1.0 million more than requested from all sources, including \$0.7 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements. This is partially offset by \$0.1 million from additional turnover savings. The Assembly concurred.*

Indirect Cost Recovery. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through the application of a negotiated indirect cost rate. Current law mandates that all state agencies shall apply for the rate when it is allowed under the particular federal grant. In fall 2024, the federal rate was increased from 10.0 percent to 15.0 percent. Excluding State Fiscal Recovery and Capital Project funds, the Department's request includes \$12.4 million from federal funds. This includes \$10.8 million from the Centers for Medicare and Medicaid Services for the reinsurance program administered by HealthSource RI; a five-year grant renewal is in effect through December 31, 2029. This leaves \$1.7 million, of which \$1.6 million is for the Office of Library and Information Services. None of these grants currently have indirect cost recovery agreements.

The Governor's recommendation includes general revenue savings of \$193,701 to be achieved from applying a 15.0 percent indirect cost recovery on federal grants that the Department receives. The Assembly concurred.

Disparity Study. In 2021, a study that examined statewide procurement practices from July 1, 2014, to June 30, 2017, was issued. The 2023 Assembly adopted legislation requiring the study to be conducted every five years, beginning in FY 2025. The 2024 Assembly provided \$500,000 from general revenues to fund the study, based on the expense incurred for the 2021 study. A request for proposals was issued, and five responses were received; a review team is assessing the responses and most of the funding is not expected to be spent in FY 2025. The Department's request includes funding consistent with the enacted budget. *The Governor concurred. The Assembly reduced FY 2025 expenses by \$450,000 based on the current progress and availability of funding for the study in the FY 2026 budget.*

Other Expenses. The request includes \$5.9 million from all sources, including \$2.3 million from general revenues for all remaining expenses in the Department. This is \$31,214 more from general revenues than enacted. This includes \$26,596 to digitize records for the Division of Statewide Planning. *The Governor's recommendation is \$65,073 less than requested; he did not concur with the request to digitize records and further reduced expenses for training and software licensing fees.* **The Assembly concurred.**

Office of Energy Resources

	FY 2025 Enacted*	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 2,404,049	\$ 2,753,773	\$ 3,425,678	\$ 2,967,224
Contracted Services	1,990,400	3,056,190	2,432,964	2,432,964
Subtotal	\$ 4,394,449	\$ 5,809,963	\$ 5,858,642	\$ 5,400,188
Other State Operations	2,673,859	2,179,129	2,532,263	2,532,263
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	33,728,538	53,954,965	60,770,010	60,770,010
Capital	1,027,583	1,849,994	3,039,566	3,039,566
Capital Debt Service	-	-	-	-
Operating Transfers	4,000,000	4,580,100	4,570,000	4,570,000
Total	\$ 45,824,429	\$ 68,374,151	\$ 76,770,481	\$ 76,312,027
Sources of Funds				
General Revenue	\$ 500,000	\$ 500,000	\$ -	\$ -
Federal Aid	15,042,632	35,438,362	31,842,712	31,554,214
Restricted Receipts	25,217,475	26,431,400	39,258,984	39,089,028
Other	5,064,322	6,004,389	5,668,785	5,668,785
Total	\$ 45,824,429	\$ 68,374,151	\$ 76,770,481	\$ 76,312,027
FTE Authorization	16.0	16.0	20.0	17.0

*FY 2025 enacted duplicates operations transferred from the Department of Administration for reference

Summary. The Office of Energy Resources submitted its FY 2026 budget request as a standalone agency. Its budget is part of the Department of Administration for administrative purposes. The 2006 Assembly adopted a comprehensive energy legislation that created the Office of Energy Resources as a successor to the former State Energy Office and authorized the Office to be assigned to an existing department for administrative purposes. The 2007 Assembly concurred with Governor Carcieri's recommendation to include the Office as a distinct program in the Department of Administration's budget; it had formerly been included within the Department's facilities management program. The request includes \$83.5 million from all sources and 19.0 full-time equivalent positions. This is \$37.7 million and 3.0 positions more than the current allocation of the Department of Administration staffing.

The Governor's recommendation reflects the Office as a standalone agency and included \$76.8 million from all sources and staffing of 20.0 full-time equivalent positions. This is \$6.7 million less and 1.0 position more than requested. The recommendation is based on federal laws, grants and spending commitments in place prior to the change in the Presidential administration. The Infrastructure Investment and Jobs Act and the Inflation Reduction Act included increased funding as well as new grants to reduce greenhouse gas emissions. Based on recent executive orders, funding for several of these grant programs is uncertain.

The Assembly provided \$76.3 million from all sources and 17.0 full-time equivalent positions, one more than the final budget for FY 2025. It also included legislation that directs the administration to monitor the status of federal grants and develop options for the Governor and Assembly to consider that address federal funding changes.

Legal Counsel (1.0 FTE). The request includes \$157,452 from restricted receipts, including \$78,726 each from Regional Greenhouse Gas Initiative funds and existing energy surcharges to support a new senior legal counsel position. The Office noted that with the influx of federal funds for several energy projects, a dedicated attorney position is warranted in the areas of docket proceedings, regional energy subjects, and other matters. The Office currently receives legal support from the Division of Legal Services in the Department of Administration. *The Governor concurred and included \$12,504 to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly did not concur with the staffing expansion and reduced funding and the authorization accordingly.**

Solar for All (1.0 FTE). In April 2024, the state was awarded a \$49.3 million federal grant for the Solar for All program to reduce greenhouse gas and air pollutants. The requests include a total of \$15.1 million from these funds, including \$10.1 million for FY 2026. This includes \$133,913 for a new programming services officer position for program implementation and aid in the area of reporting. It also includes \$10.0 million budgeted as grants. The Office noted that seven financial assistance programs will be made available, including single and multi-family housing, and community solar projects. The Office anticipates using these funds in the next five to eight years. *The Governor concurred and added \$10,336 to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred, with the exception of funding the new position and reduced funding and the authorization.**

Home Energy Rebate Programs (1.0 FTE). 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. The Office anticipates spending these funds through September 2031. The request includes \$12.5 million, which is \$2.5 million more than enacted, for rebates. Salary and benefit expenses of \$0.5 million are \$16,098 more, reflecting staffing costs and allocations, and benefit selection. This includes \$133,913 for a new programming services officer for program implementation and aid in the area of reporting. Remaining program expenses of \$0.2 million are \$0.3 million less, reflecting the removal of one-time expenses. The appliance rebate program launched in September, and the Office notes that approximately 30 applications have been received; the amount of the rebate varies based on appliance type. For the electrification rebate program, the Office is currently going through a revision process with the U.S. Department of Energy and anticipates the program starting by February; the maximum rebate amount is \$14,000. *The Governor concurred and included \$10,336 to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred, with the exception of funding the new position and reduced funding and the authorization.**

State Facilities Benchmarking and Performance Standards Program. The 2021 Act on Climate established the Executive Climate Change Coordinating Council that is charged with developing plans to incrementally reduce climate emissions. The Office of Energy Resources serves as vice chair of the Council. The 2022 Assembly provided \$0.4 million from restricted receipts to fund 4.0 full-time equivalent positions to support the implementation of the act, including \$0.3 million in the Office of Energy Resources for 3.0 full-time equivalent positions and \$0.1 million in the Department of Environmental Management for 1.0 position. The Office's request did not include new positions relating to the Act on Climate. *The Governor recommended legislation establishing the State Facilities Benchmarking and Performance Standards program. This program would collect and report annual energy usage and greenhouse gas emission data for state-owned and state-occupied facilities and develop performance standards to reduce emissions. He recommended \$139,069 from restricted receipts and authorization for a new position to support the program.* **The Assembly did not adopt this proposal as part of the budget; it repurposed the funding and staffing authorization for other programs in the Office.**

Other Salaries and Benefits. The request includes \$2.5 million from all sources for remaining salary and benefit expenses. This is \$0.5 million more than enacted, including \$0.1 million for updated staffing costs and allocations, and benefits. It appears that the planning values used are not consistent with instructions

provided by the Budget Office; these expenses are understated by approximately \$50,000. The request also restores enacted turnover savings equivalent to two positions. As of early December, the Office had two vacancies, including the commissioner. *The Governor recommended \$0.5 million more than enacted, which is \$6,870 less than requested. This includes \$0.3 million for statewide adjustments consistent with his recent labor agreements, partially offset by a like amount of turnover savings. The recommendation reflects FY 2026 planning values.* **The Assembly concurred.**

E-Bike Rebates. The Office currently administers an electric bike rebate program, which 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 purchase. The request excludes the one-time expense of \$250,000 from general revenues provided for FY 2025; through December 16, 2024, \$96,324 has been spent. *The Governor concurred.* **The Assembly concurred and required unexpended funds from FY 2025 automatically be reappropriated.**

Electric Leaf Blower. The request excludes the one-time expense of \$250,000 from general revenues provided for FY 2025 for an electric leaf blower rebate program aimed at commercial landscapers. The program launched on November 21; and through December 16, no rebate applications have been submitted. The Office noted that it is focusing on outreach to eligible applicants. *The Governor concurred.* **The Assembly concurred and required unexpended funds from FY 2025 automatically be reappropriated.**

Centralized Services. The request includes \$204,497 from all sources for the Office's share of centralized services. Consistent with the revised request, it adds \$45,630 for information technology support. The request is \$55,806 more than FY 2024 expenses and \$45,306 more than projected for FY 2025 based on spending through the first quarter. *The Governor recommended \$15,040 less from restricted receipts than requested and \$2,530 more than the revised budget, primarily reflecting expenses for facilities management and human resources support.* **The Assembly concurred.**

Electric Vehicle Charging Stations - Operating. The 2024 Assembly authorized the Office to charge a fee to use electric vehicle charging stations on state properties. The fee was determined through the rules and regulations process and took effect on January 1, 2025. The revenues are deposited as restricted receipts and used to help offset the cost of electricity and maintenance of the charging stations. There were 68 charging stations located on state properties and with additional federal funds authorized in the Infrastructure Investment and Jobs Act, the Office anticipated adding more charging stations. 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. The Office instituted the fees, including \$0.28 per kilowatt hours for level 2 charging stations and \$0.39 per kilowatt-hour for fast charging stations. The request predates the implementation of the fees and did not include operating expenses for the charging stations. Subsequently, the Office noted that the daily average revenue is \$1,500. *The Governor's budget includes \$0.6 million from restricted receipts for operating expenses.* **The Assembly concurred.**

ARPA - Electric Heat Pump Grant Program. Based on projected spending, the requests include \$9.2 million for FY 2025 and \$7.4 million for FY 2026 from State Fiscal Recovery funds to support low-and moderate-income households, and community organizations to purchase and install energy efficient electric heat pumps. Combined with prior year spending, this totals \$27.0 million, which is \$2.0 million more than the approved amount. *The Governor's revised budget includes \$14.0 million for FY 2025. This will close out the program at \$24.4 million, \$0.6 million less than approved; the state has since received \$63.8 million for home electrification and appliance rebates.* **The Assembly concurred.**

Executive Climate Change Coordinating Council Projects. Consistent with current law, the request includes the annual amount of up to \$1.5 million from Regional Greenhouse Gas Initiative funds for Executive Climate Change Coordinating Council projects. This is \$1.1 million more than enacted. The

Council generally proposes its allocation plan in the fall. Once projects are approved, funds will be allocated and included in various agency budgets. *The Governor concurred.* **The Assembly concurred.**

Regional Greenhouse Gas Initiative. Excluding salaries and benefits, the request includes \$31.5 million from Regional Greenhouse Gas Initiative restricted receipts or \$11.9 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. It is projecting receipts of \$28.0 million for FY 2026; the last four auctions total \$31.9 million. The request includes \$29.3 million to provide grants to invest in projects that reduce long-term energy demands. The allocation and distribution plan for use of these proceeds is planned to be adopted by June 2025. It also includes \$1.5 million for energy conservation projects. Program expenses of \$0.8 million are \$0.3 million more than enacted, primarily for contracted services, including assistance for Public Utilities Commission docket proceedings, and benefit cost analyses for several programs. *The Governor recommended funding as requested.* **The Assembly concurred.**

Fiscal Year	Auction Proceeds
2009 - 2019	\$ 68,998,467
2020	8,000,141
2021	13,985,905
2022	20,016,922
2023	19,296,354
2024	27,679,499
2025	32,668,996
Total	\$ 190,646,285

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 is 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 of Transportation's budget; however, the federal funds are passed through to the Office. Excluding salaries and benefits, the request includes \$4.7 million or \$0.6 million more than enacted from funds that are passed through the Department of Transportation. Phase I was completed in July 2024; two level three fast chargers were installed each in Warwick and Hopkinton. Phase II, which will address public and private entities, launched in November. *The Governor concurred.* **The Assembly concurred.**

Capital - Energy Efficiency. The request includes the approved amount of \$1.0 million from Rhode Island Capital Plan funds for energy efficiency projects, including indoor and outdoor lighting projects; new heating, ventilation and air conditioning; renewable energy; and building automation systems. *The Governor recommended funding as requested.* **The Assembly concurred.** **A detailed description of the project is included in the Capital Budget section of this publication.**

Other Expenses. The request includes \$7.9 million from federal funds and \$3.4 million from restricted receipts for all remaining expenses for the Office of Energy Resources. This is \$4.1 million more than enacted; \$2.0 million is from a new grant to improve resilience of electric grids. This \$9.0 million grant program is funded through April 2032; the Office has received \$4.7 million and its requests assume use of \$2.0 million in each year. The request also includes \$3.0 million more for energy improvements in schools and public buildings. These increases are offset by a reduction of \$0.9 million, primarily reflecting the removal of one-time funding. *The Governor concurred.* **The Assembly concurred.**

Department of Business Regulation

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended*	FY 2026 Enacted*
Expenditures by Program				
Central Management	\$ 3,999,763	\$ 4,136,307	\$ 4,399,824	\$ 4,399,824
Banking Regulation	1,967,080	2,066,865	2,157,972	2,157,972
Securities Regulation	880,722	949,738	1,000,863	1,000,863
Insurance Regulation	6,717,199	7,240,111	6,743,077	6,743,077
Office of the Health Ins. Comm.	3,988,929	4,078,103	3,974,044	4,150,044
Board of Accountancy	5,490	5,490	5,490	5,490
Commercial Licensing, Gaming & Athletics	1,996,604	2,218,338	2,314,320	2,314,320
Building, Design & Fire Professionals	17,866,970	13,070,188	14,498,364	18,323,364
Office of Cannabis Regulation	6,697,782	7,047,829	-	-
Total	\$ 44,120,539	\$ 40,812,969	\$ 35,093,954	\$ 39,094,954
Expenditures by Category				
Salaries and Benefits	\$ 24,663,121	\$ 25,503,150	\$ 22,625,611	\$ 22,625,611
Contracted Services	4,334,991	4,698,291	3,620,824	3,796,824
Subtotal	\$ 28,998,112	\$ 30,201,441	\$ 26,246,435	\$ 26,422,435
Other State Operations	6,496,140	6,381,521	5,209,732	5,409,732
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	285,000	285,000	35,000	35,000
Capital	8,341,287	3,945,007	3,602,787	7,227,787
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 44,120,539	\$ 40,812,969	\$ 35,093,954	\$ 39,094,954
Sources of Funds				
General Revenue	\$ 24,091,628	\$ 24,496,492	\$ 25,593,781	\$ 25,769,781
Federal Aid	749,043	859,546	586,088	786,088
Restricted Receipts	12,156,568	12,906,525	5,486,102	5,486,102
Other	7,123,300	2,550,406	3,427,983	7,052,983
Total	\$ 44,120,539	\$ 40,812,969	\$ 35,093,954	\$ 39,094,954
FTE Authorization	181.0	181.0	155.0	155.0

*FY 2026 reflects the transfer of operations to the standalone Cannabis Control Commission

Summary. The Department of Business Regulation requested FY 2026 expenditures of \$37.0 million from all funds, including \$24.3 million from general revenues. The request is \$7.1 million less than enacted, including \$0.2 million more from general revenues, \$0.3 million less from federal funds, \$14,835 more from restricted receipts, and \$7.1 million less from other fund sources. The Department requested 183.0 full-time equivalent positions, 2.0 more than enacted for the Office of Cannabis Regulation.

The Governor's recommendation assumes the transfer of functions and operations of the Office of Cannabis Regulation to the Cannabis Control Commission, which is reflected as a standalone agency beginning in

*FY 2026. He recommended \$7.6 million from restricted receipts and 28.0 full-time equivalent positions for the Commission. He recommended \$35.1 million from all sources for the Department's remaining programs, including \$25.6 million from general revenues and the authorized level of 155.0 positions. Compared to the enacted budget for these programs, this is \$2.3 million less, including \$1.5 million more from general revenues, \$0.2 million less from federal funds, \$27,316 more from restricted receipts, and \$3.7 million less from other funds. He subsequently requested an amendment to add \$0.4 million, including \$0.2 million each from general revenues and federal funds. **The Assembly concurred and provided \$3.6 million more, including \$24,000 less from general revenues and \$3.6 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 Department, this produced a general revenue target of \$22.5 million, including a current service adjustment of \$0.1 million and a 7.5 percent reduction of \$1.6 million, adjusted for certain exclusions. The constrained budget submitted by the Department is \$2.7 million more than the Budget Office target. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor's recommendation is \$4.3 million above the target. **The Assembly provided funding essentially consistent with the Governor's recommendation.***

Staffing. The 2024 Assembly authorized 181.0 full-time equivalent positions for FY 2025. The request includes 183.0 positions, adding 2.0 for the Cannabis Office. 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 constrained request includes 178.0 positions, removing 3.0 from Insurance Regulation. *The Governor recommended 155.0 full-time equivalent positions, 26.0 less than enacted to reflect positions transferred to the Cannabis Control Commission. **The Assembly concurred.***

Office of the Health Insurance Commissioner

Dental Insurance Loss Ratio. The 2024 Assembly passed legislation requiring the Office of the Health Insurance Commissioner to provide recommendations on comprehensive dental health plans and a minimum percentage of dental premium dollars to be spent on patient care. The difference is defined as the dental insurance loss ratio. The report covers 2023 through 2025 and must be submitted by October 1, 2026. The Assembly authorized the Office to levy a maximum of \$150,000 in total in each year from dental insurers for associated costs. The Office requested the maximum amount of \$150,000 from general revenues for contractors to perform this work.

The constrained request excludes funding for this initiative. *The Governor recommended funding as requested. **The Assembly provided \$24,000 less based on the Office's third quarter report, that indicated a total of \$150,000 is required to produce the report, including \$24,000 for FY 2025 and \$126,000 for FY 2026. There are also corresponding revenue adjustments.***

Health Spending Accountability and Transparency Program. The Office requested the enacted amount of \$0.5 million from general revenues for contracted technical assistance and data analysis of healthcare claims and spending. Work supports the Cost Trend Steering Committee's Rhode Island Healthcare Cost Trend Project to design and implement plans for healthcare businesses to lower prices. The Office's initial FY 2023 request proposed legislation modeled after the Massachusetts Health Policy Commission to codify its authority to benchmark cost growth targets, require entities that exceed targets to submit annual performance improvement plans, as well as a July 1, 2027 sunset. The 2022 Assembly approved funding without any of these responsibilities and limitations. From FY 2018 to FY 2022, this program was funded by a grant from the Peterson Center on Healthcare through Brown University. *The Governor recommended funding as requested. **The Assembly provided \$0.2 million less to reflect a reduced scope of work.***

Human Service Programs Rates and Benefit Analysis. The Office requested \$0.6 million from general revenues, which is \$0.1 million less than enacted from general revenues and \$0.3 million less from federal funds, 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 Office receives Medicaid reimbursement under an agreement with the Executive Office of Health and Human Services for expenses associated with analyzing rates and developing the report. The next final report is due in September 2025 and most work will be conducted in FY 2025. The request reflects off-year funding for FY 2026 for public meetings and budget planning, which are not eligible for Medicaid reimbursement.

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

The Office submitted its report in September 2023, with some omissions explained within. 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. The 2024 Assembly provided \$163.4 million to fully fund the recommended rate increases.

*The Governor recommended \$17,260 more than requested for rate review work, including \$82,740 less from general revenues, to account for statewide adjustments consistent with his recent labor agreements. The recommendation also shifts \$100,000 from general revenues to federal funds, which reflects new confirmation from the Office that a portion of off-year work is in fact eligible for Medicaid match. He subsequently requested an amendment to add \$0.4 million, including \$0.2 million each from general revenues and federal funds to support proposed legislation to require a one-time report on primary care rates due September 1, 2026. **The Assembly provided funding consistent with the amended recommendation. It concurred with the one-time report but did not add primary care rates to the biennial review and specified that the report shall review Medicaid, Medicare, commercial and alternative contract projects.***

RI REACH. The Office requested \$587,401 from all sources for its contracted consumer assistance helpline and outreach vendor. The request is \$14,327 more than enacted, including \$27 from general revenues, which reflects current service adjustments for call center personnel and operating costs and increased federal matching funds. 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.

The constrained request is \$14,327 less, including \$10,027 from general revenues. *The Governor recommended funding consistent with the unconstrained request. **The Assembly concurred.***

OHIC - Other Personnel and Operations. The Office requested \$2.0 million from all sources, including \$1.4 million from general revenues, for all other operations and its remaining 9.0 full-time equivalent positions. The request is \$61,467 more than enacted, including \$27,741 from general revenues and \$33,726 from restricted receipts, which represents current service adjustments and changes to medical benefit selections. *The Governor recommended \$145,464 more than requested. This primarily reflects \$150,273*

more, including \$105,383 from general revenues, to account for statewide adjustments consistent with his recent labor agreements, partially offset by updated projections for centralized services. **The Assembly concurred.**

Revenue Enhancement - OHIC Restricted Assessment. The Office proposed a revenue enhancement that would provide the Health Insurance Commissioner the authority to levy an assessment against all domestic insurance companies offering health care, vision, dental, or catastrophic plans up to an aggregate amount of 55.0 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 \$209,582 for FY 2026 were 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 did not recommend this initiative.* **The Assembly concurred.**

Building, Design, and Fire Professionals

E-Permitting Expansion. The Department requested 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 by July 1, 2023; as of November 2024, West Greenwich and Charlestown 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 and shift the cost and responsibility of compliance onto municipalities. *The Governor recommended \$0.4 million less for operating costs to more closely reflect FY 2024 spending, which the Department indicated as resulting from temporary delays. The impact of funding at the recommended level is unclear.* **The Assembly provided \$0.2 million more, which supports expanding the program to additional permit types effective October 2025, as required by the 2024 Assembly.**

State Building Office Staffing and Operations. The Department requested \$3.2 million, including \$1.8 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 \$26,113 less than enacted and shifts \$94,068 from general revenues to restricted receipts. The Contractors' Registration and Licensing Board collects restricted receipts from annual registrations, which are projected to be more than sufficient for requested expenses. The request reflects current service adjustments, offset by exclusion of a one-time vehicle purchase. The enacted budget includes turnover savings equivalent to an average of 0.7 vacancies, which is maintained in the request. *The Governor recommended \$244,656 more than requested, which primarily reflects an increase of \$245,672, including \$156,819 from general revenues, to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Fire Marshal Staffing and Operations. The Department requested \$6.4 million for all staffing and operations of the State Fire Marshal, including \$5.4 million from general revenues, \$0.3 million from federal funds, \$0.6 million from Fire Academy restricted receipts, and \$48,642 from Quonset Development Corporation funding. Funds support the Fire Marshal's 39.0 full-time equivalent positions, including 3.0 positions allocated for the Fire Safety Inspection and Review Unit. The request is \$79,862 more than enacted, including \$98,520 more from general revenues for state fleet vehicle replacements and \$18,658 less from corporation funds based on planned work. The Department subsequently indicated that its request understates personnel expenses by \$0.1 million. *The Governor recommended \$0.4 million more than requested, primarily from general revenues to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Cannabis Office

Office of Cannabis Regulation. The Office of Cannabis Regulation was established by the 2019 Assembly to oversee the state's medical marijuana and industrial hemp programs. The 2022 Assembly authorized an adult use marijuana program to be overseen by the Office under a new three-member Cannabis Control Commission. Once that body issues final rules and regulations, the Office will be renamed the "Cannabis Office" and administrative authority will transfer from the Department to the Commission. The Commission released draft regulations in January and the public comment period ended on February 7.

*The Governor's recommendation assumes the transfer of functions and operations of the Office of Cannabis Regulation to the Commission, which is reflected as a standalone agency beginning in FY 2026. For the Commission's budget, the Governor recommended total funding of \$7.6 million from restricted receipts and the requested level of 28.0 full-time equivalent positions, 2.0 more than the authorized level. **The Assembly concurred with the establishment of a standalone Cannabis Control Commission and provided total funding of \$7.3 million and the authorized level of 26.0 positions. Final rules and regulations became effective on May 1.***

Adult Use Restricted Receipts. The state collects a 10.0 percent excise tax on all retail adult use cannabis sales. The request assumes collections of \$4.3 million will be received in FY 2026 for requested expenditures totaling \$6.2 million for cannabis-related regulatory activities in six state agencies. FY 2024 spending from associated accounts was \$2.7 million, of which \$1.9 million was spent by the Office. 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 ending carryforward balance for FY 2025 is estimated at \$2.1 million based on FY 2025 revised receipts and expenditures. A simple model based on collections as of October 2024 and adjusted for inflation suggests revenues will be \$9.9 million and will be more than sufficient for requested expenses.

*The Governor proposed additional expenses totaling \$0.8 million across all agencies and the transfer of \$0.6 million to general revenues based on underspending within the Judiciary for expungement activity; changes are within available resources. **The Assembly concurred with the fund transfer and budgeted \$0.3 million less in expenses for the Commission.***

New Positions (2.0 FTE). The Department's request includes \$0.3 million from restricted receipts to support 2.0 new full-time positions for the Cannabis Office. The request includes \$0.1 million for a new administrative position and \$0.2 million for a new legal support position. As of November 16, the Office has 4.0 vacancies, including an administrative officer position. It had 2.0 filled legal positions as of December and indicated that additional in-house legal staff will help it solidify the legal framework for workers' cooperative and social equity applicants and more rapidly respond to compliance, litigation, and contract issues likely to arise when it begins to issue the 24 statutorily-authorized retail licenses. The constrained request excludes these positions. *The Governor recommended positions and funding as requested. **The Assembly did not concur.***

Other Operations. The Department's request includes \$6.7 million from restricted receipts for its existing 26.0 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 \$4,492 more than enacted to reflect current service adjustments, however it appears to understate personnel costs associated with the Chairperson by \$248,969. The 2024 Assembly added 1.0 position authorization for an administrator role to oversee the Office, which was filled immediately. As of November 2024, the Office has four vacancies.

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 supports program administration and cannabis-

related services across five state agencies. Based on agency requests and revenue projections as of October 2024, the Fund is expected to end FY 2026 with a positive balance of \$15.6 million. *The Governor recommended \$0.6 million more than requested, which corrects for the understatement and adds \$0.3 million to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Other Business Regulation Programs

Other Salaries and Benefits. The Department requested \$11.5 million, including \$10.7 million from general revenues and \$0.9 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 \$26,831 less than enacted and shifts \$0.2 million from general revenues to restricted receipts based on planned work. The request assumes \$0.8 million of turnover savings, \$0.5 million more than enacted and equivalent to an average of 5.8 vacancies. This is partially offset by current service adjustments and changes to medical benefit selections. The Department subsequently indicated that turnover savings are overstated by \$0.2 million.

The constrained request proposes \$0.4 million of savings from eliminating 3.0 full-time positions within the Insurance Division. *The Governor recommended \$0.9 million more than requested, including \$0.8 million more from general revenues. The request adds \$1.0 million, including \$0.9 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements, partially offset by \$45,372 of additional turnover savings. The Assembly concurred.*

Capital Projects. The Department's capital request includes \$2.2 million from Rhode Island Capital Plan funds for capital projects. This includes \$0.7 million to expand the State Fire Academy in Exeter, consistent with the approved plan, as well as \$0.2 million for an evidence repository, \$0.3 million to renovate Division of Commercial Licensing workspace, and \$1.0 million for various information technology projects. The Department's operating request inadvertently excludes funding for capital projects; it intended to request funding consistent with its capital request. *The Governor recommended \$3.4 million more than requested. The Assembly provided \$3.6 million more than recommended. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Department requested \$3.9 million from all sources, \$0.1 million less than enacted, for all other expenses, including \$2.1 million from general revenues and \$1.8 million from restricted receipts. Expenses include \$1.8 million for centralized services provided through the Department of Administration, \$1.5 million for actuarial services associated with insurance rate filings, \$0.1 million for travel, and \$0.5 million for office supplies and a variety of other expenses. The request includes \$54,000 more from general revenues, primarily for a security guard based on actual contract expenses, and \$0.2 million less from restricted receipts based on planned work. The Department subsequently indicated that its request understates restricted receipts by \$30,000.

The Governor recommended \$0.3 million more than requested, including \$0.2 million from general revenues. The increase reflects \$31,500 from restricted receipts to correct the understatement and \$280,483 from general revenues to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. The Governor also included savings of \$39,014 from assuming an indirect cost recovery rate increase from 10.0 percent to 15.0 percent and shifted general revenue expenditures to restricted receipts and reduced federal funds accordingly. The Assembly concurred.

Rhode Island Cannabis Control Commission

	FY 2025 Enacted*	FY 2025 Final*	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 3,815,610	\$ 4,165,657	\$ 4,674,454	\$ 4,421,391
Contracted Services	275,750	275,750	275,750	275,750
Subtotal	\$ 4,091,360	\$ 4,441,407	\$ 4,950,204	\$ 4,697,141
Other State Operations	1,308,922	1,308,922	1,308,922	1,308,922
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	250,000	250,000	250,000	250,000
Capital	1,047,500	1,047,500	1,047,500	1,047,500
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 6,697,782	\$ 7,047,829	\$ 7,556,626	\$ 7,303,563
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	-	-	-	-
Restricted Receipts	6,697,782	7,047,829	7,556,626	7,303,563
Other	-	-	-	-
Total	\$ 6,697,782	\$ 7,047,829	\$ 7,556,626	\$ 7,303,563
FTE Authorization	26.0	26.0	28.0	26.0

*FY 2025 duplicates operations transferred from the Department of Business Regulation for reference

Summary. The 2022 Assembly adopted the Rhode Island Cannabis Act, which provides that the Office of Cannabis Regulation within the Department of Business Regulation shall be transferred to the authority of the Cannabis Control Commission following final issuance of rules and regulations for the adult use recreational cannabis industry. The Commission released draft regulations in January and the public comment period ended on February 7. The request retains the Office within the Department for budgetary purposes and includes a total of \$7.0 million from restricted receipts and 28.0 full-time equivalent positions, which is \$0.3 million and 2.0 positions more than enacted.

The Governor's recommendation assumes the transfer of functions and operations of the Office of Cannabis Regulation to the Commission, which is reflected as a standalone agency beginning in FY 2026. He recommended \$7.6 million from restricted receipts for the Commission, which is \$0.9 million more than enacted and \$0.6 million more than requested. The recommendation contains the requested level of 28.0 full-time equivalent positions, 2.0 more than enacted. **The Assembly concurred with the establishment of a standalone Cannabis Control Commission and provided total funding of \$7.3 million and the authorized level of 26.0 positions. Final rules and regulations became effective on May 1.**

Adult Use Restricted Receipts. The state collects a 10.0 percent excise tax on all retail adult use cannabis sales. The request assumes collections of \$4.3 million will be received in FY 2026 for requested expenditures totaling \$6.2 million for cannabis-related regulatory activities in six state agencies. FY 2024 spending from associated accounts was \$2.7 million, of which \$1.9 million was spent by the Office. 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 ending carryforward balance for FY 2025 is estimated at \$2.1 million based on FY 2025 revised receipts and expenditures. A simple model

based on collections as of October 2024 and adjusted for inflation suggests revenues will be \$9.9 million and will be more than sufficient for requested expenses.

*The Governor proposed additional expenses totaling \$0.8 million across all agencies and the transfer of \$0.6 million to general revenues based on underspending within the Judiciary for expungement activity; changes are within available resources. **The Assembly concurred with the fund transfer and budgeted \$0.3 million less in expenses to reflect no new positions for the Commission.***

New Positions (2.0 FTE). The Department's request includes \$0.3 million from restricted receipts to support 2.0 new full-time positions for the Cannabis Office. The request includes \$0.1 million for a new administrative position and \$0.2 million for a new legal support position. As of November 16, the Office has 4.0 vacancies, including an administrative officer position. It had 2.0 filled legal positions as of December and indicated that additional in-house legal staff will help it solidify the legal framework for workers' cooperative and social equity applicants and more rapidly respond to compliance, litigation, and contract issues likely to arise when it begins to issue the 24 statutorily-authorized retail licenses. The constrained request excludes these positions. *The Governor recommended positions and funding as requested. **The Assembly did not concur.***

Other Operations. The Department's request includes \$6.7 million from restricted receipts for its existing 26.0 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 \$4,492 more than enacted to reflect current service adjustments, however it appears to understate personnel costs associated with the Chairperson by \$248,969. The 2024 Assembly added 1.0 position for an administrator role to oversee the Office, which was filled immediately. As of November 2024, the Office has four vacancies.

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 supports program administration and cannabis-related services across five state agencies. Based on agency requests and revenue projections as of October 2024, the Fund is expected to end FY 2026 with a positive balance of \$15.6 million. *The Governor recommended \$0.6 million more than requested, which corrects for the understatement and adds \$0.3 million to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.***

Executive Office of Commerce

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Executive Office of Commerce	\$ 2,264,703	\$ 2,315,343	\$ 2,369,982	\$ 2,369,982
Quasi-Public Appropriations	26,501,060	71,494,379	18,307,421	19,307,421
Economic Dev. Initiative Funds	35,235,000	35,235,001	31,735,000	31,735,000
Commerce Programs	6,776,400	80,426,479	3,745,421	5,420,421
Total	\$ 70,777,163	\$ 189,471,202	\$ 56,157,824	\$ 58,832,824
Expenditures by Category				
Salaries and Benefits	\$ 1,064,115	\$ 1,099,683	\$ 1,152,792	\$ 1,152,792
Contracted Services	-	-	-	-
Subtotal	\$ 1,064,115	\$ 1,099,683	\$ 1,152,792	\$ 1,152,792
Other State Operations	195,338	210,410	211,940	211,940
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	24,226,400	143,512,469	20,476,400	20,476,400
Capital	9,401,430	8,758,759	5,305,250	6,305,250
Capital Debt Service	452,553	452,553	105,094	105,094
Operating Transfers	35,437,327	35,437,328	28,906,348	30,581,348
Total	\$ 70,777,163	\$ 189,471,202	\$ 56,157,824	\$ 58,832,824
Sources of Funds				
General Revenue	\$ 40,380,983	\$ 40,431,623	\$ 31,857,824	\$ 33,532,824
Federal Aid	22,000,000	141,286,070	20,000,000	20,000,000
Restricted Receipts	-	-	-	-
Other	8,396,180	7,753,509	4,300,000	5,300,000
Total	\$ 70,777,163	\$ 189,471,202	\$ 56,157,824	\$ 58,832,824
FTE Authorization	5.0	5.0	5.0	5.0

Summary. The Executive Office of Commerce requested total expenditures of \$67.3 million for FY 2026, including \$36.9 million from general revenues, \$22.0 million from federal funds, and \$8.4 million from Rhode Island Capital Plan funds. The request is \$3.5 million less from general revenues than enacted and includes the enacted level of 5.0 full-time equivalent positions. *The Governor recommended \$11.1 million less than requested from all sources, including \$5.1 million less from general revenues, \$2.0 million less from federal funds, and \$4.1 million less from Rhode Island Capital Plan funds. The Assembly added \$1.7 million from general revenues and shifted \$1.0 million from Rhode Island Capital Plan funds from FY 2025 to FY 2026.*

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 \$30.0 million, including a current service reduction of \$8.7 million and a 7.5 percent reduction of \$1.6 million, adjusted for certain exclusions. The constrained budget submitted by the Executive Office is \$17,851 more than the Budget Office target. The proposals to achieve those reductions are noted among the items described below where appropriate. *The Governor's recommendation is \$1.8 million above the target. The Assembly provided \$3.5 million more than the target.*

I-195 Redevelopment Fund. The Executive Office’s request does not include funding for real estate development incentives for construction on former I-195 land. The 2015 Assembly created the I-195 Redevelopment Project Fund to be administered by the I-195 Redevelopment District Commission to provide developers and businesses with financing for capital investment, including land acquisition in order to promote the development of the land. 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 2024, the Commission had active commitments of \$25.7 million, of which \$23.7 million has been disbursed, which suggests available funding is \$4.3 million. The 2024 Assembly extended the program’s sunset date one year to December 31, 2025, but did not provide additional funding. The Commission may not enter into any agreement for funding or incentives after that date.

During FY 2017, Wexford Science and Technology was awarded \$19.8 million, or 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 Governor recommended no additional funding as requested and proposed extending the sunset date one year to December 31, 2026.* **The Assembly concurred.**

Rebuild Rhode Island Tax Credit. Consistent with the enacted budget, the Executive Office requested \$10.1 million from general revenues for the Rebuild Rhode Island Tax Credit program, a real estate development tax credit for qualified construction for which tax credits are redeemed over time. The design of the program is to forward fund credits, thereby reducing uncertainty for state sources in the future when those credits begin to be redeemed; current project credits are estimated to be redeemed through at least FY 2038. The 2024 Assembly maintained the award cap of \$225.0 million and raised total program funding to \$184.6 million by appropriating \$10.1 million. The current limit requires \$10.1 million annually for the next four years to fully fund; a somewhat lower level would be required if more years were assumed. As of November 2024, the Commerce Corporation had 52 active approved awards valued at an estimated \$201.3 million inclusive of the sales and use tax exemptions, adjusted for certain agreements. *The Governor recommended funding as requested and proposed extending the sunset date one year to December 31, 2026.* **The Assembly concurred.**

Innovation Initiative. The Executive Office requested \$1.0 million from general revenues, consistent with the enacted budget and \$1.0 million more than the Budget Office current service estimate, 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.

For the FY 2016 through FY 2024 period, the program averaged about 19 awards each year, of which about 14 were for vouchers. As of November 2024, the Corporation had awarded four vouchers for the current fiscal year. The program has awarded a total of 134 vouchers to 108 recipients, with awards averaging \$50,145. It also awarded 44 matching grants to 28 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 September 30, 2024, the Corporation paid out \$5.5 million for vouchers, around 81 percent of awarded voucher funding, and \$4.1 million of the awarded matching grant funds, around 80 percent of its matching grant awards.

Since FY 2016, appropriations to the program total \$12.5 million; the Corporation awarded \$11.9 million against it as of November 2024, and has \$0.6 million remaining in addition to any resources available for projects which have closed or paid out at a lesser amount than awarded. 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. The 2024 Assembly expanded network matching grant eligibility to employee-owned or transitioning businesses, established a new \$5,000 grant to defray patent application costs, and extended the program's sunset date one year to December 31, 2025. The Corporation may not enter into any agreement for funding or incentives after that date.

The constrained request excludes this funding. *The Governor did not recommend new funding, but proposed extending the sunset date one year to December 31, 2026.*

He also recommended \$250,000 from general revenues for a new innovation ecosystem initiative intended to strengthen collaboration between Rhode Island's higher education institutions and private industry to support workforce development. These funds may support research partnerships, internships, training programs, workforce assessments, business recruitment, and relocation incentives. The Assembly concurred.

First Wave Closing Fund. The Executive Office's request does not include funding to recapitalize the First Wave Closing Fund. For the FY 2016 through FY 2018 period, the Assembly appropriated \$15.3 million; prior to FY 2021, the Corporation awarded \$2.6 million to seven recipients. Only \$1.3 million of awarded funding had been disbursed as of November 2024. 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 \$7.8 million to support redevelopment of 111 Westminster Street, although the Corporation notes this amount is subject to change. It made two awards in FY 2024, including \$0.7 million to 136 Westminster Street and \$6.9 million to a mixed-use development on Dexter Street in Pawtucket. It has made one award in FY 2025 of \$1.0 million to Regent Craft, Inc. The 2023 Assembly provided \$10.0 million to recapitalize the fund. The 2024 Assembly extended the program's sunset date one year to December 31, 2025. As of November 2024, the program had \$0.5 million in reserves from which to draw awards.

The Fund was enacted in 2015 to provide financing to ensure that certain transactions that are critical to the state's economy occur, subject to the Commerce Corporation's Board approval. The funds can be used for working capital, equipment, furnishings, fixtures, construction, rehabilitation, purchase of property, or other purposes approved by the Corporation. Reported uses include office fit-out and occupancy, talent attraction, and a Stay Invested in RI Wavemaker Fellowship-style student debt loan relief for one awardee. *The Governor did not recommend new funding, but proposed extending the sunset date one year to December 31, 2026. The Assembly concurred.*

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

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 of Rhode Island, other institutions of higher education, and employers to offer courses towards high school diplomas, internships, and associate degrees. Six programs were approved in FY 2016 and FY 2017; one program was approved in FY 2021. The Office reported that \$330,233 remains available for awards through FY 2024; no awards have been made since FY 2022. The 2024 Assembly extended the program's sunset date one year to December 31, 2025, but appropriated no funds.

The Commerce Corporation Board of Directors approved funding for three districts in FY 2016: Newport, Providence, and Westerly. It 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 of Rhode Island for administrative purposes related to its participation in the program; during FY 2018, it increased the allocation 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 allocation to the Community College of Rhode Island of \$30,000. *The Governor did not recommend new funding and retained the sunset date of December 31, 2025. The Assembly concurred.*

ARPA - Small Business and Technical Assistance. The 2022 Assembly authorized \$31.3 million from State Fiscal Recovery funds to provide grants and technical assistance to businesses impacted by the pandemic and for Washington Bridge-related business support. The FY 2023 final budget allocated \$12.2 million in direct grants; \$15.0 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. Additionally, the FY 2024 final budget allocated \$2.6 million to alleviate the impacts caused by the partial closure of the Washington Bridge, including \$1.2 million for East Providence, \$0.8 million for Providence, and \$0.6 million for the Commerce Corporation.

The Executive Office's request does not include funding. According to the Pandemic Recovery Office, \$2.4 million remained unspent as of October 31, 2024. The Executive Office indicated that remaining funds largely reflect Washington Bridge-related business support. Any unspent funds are automatically reappropriated. *The Governor recommended the remaining \$2.5 million for FY 2025. The Assembly concurred.*

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 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. The 2024 Assembly added \$2.0 million for FY 2025 for public place making improvements and event programming for a total of \$15.0 million. The Executive Office's request includes an additional \$2.0 million. *The Governor did not recommend additional funding; he recommended the remaining \$2.0 million from federal funds for FY 2025. The Assembly concurred.*

Small Business Promotion. The Executive Office's request does not include funding to support the small business promotion program known as SupplyRI, consistent with the Budget Office current service estimate. The Corporation approved the program in December 2017 with a \$325,000 budget, assuming no state funding. The FY 2019 through FY 2023 budgets each provided \$300,000 from general revenues. The FY 2024 enacted budget provided \$700,000 more for a five-year planning study, additional staff at the Commerce Corporation, website upgrades, and additional programming and grants. The FY 2025 enacted budget provided \$750,000 to support the program. The Corporation projected the program will have

sufficient carryforward funds to continue operating through FY 2026. *The Governor excluded funding as requested. The Assembly concurred.*

Small Business Assistance. The Executive Office’s request does not include new funding for the Small Business Assistance Program authorized by the 2015 Assembly, consistent with the enacted budget. 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 November 2024, the Corporation reported \$9.3 million in appropriations leveraged \$36.4 million in loans with \$1.6 million still 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 2023, the Assembly provided \$3.8 million to recapitalize the program. The 2024 Assembly did not provide additional funding, but extended the program’s sunset date one year to December 31, 2025. The Corporation may not enter into any agreement for funding or incentives after that date. *The Governor excluded funding as requested and proposed to repeal the sunset date, making the program permanent. The Assembly concurred with no new funding and extended the sunset date three years to December 31, 2028.*

State Small Business Credit Initiative. The Executive Office requested the enacted amount of \$20.0 million from federal funds provided under the American Rescue Plan Act to recapitalize the State Small Business Credit Initiative to support small businesses impacted by the economic effects of the coronavirus pandemic. Rhode Island received one-time funding of \$62.5 million from the State Small Business Credit Initiative. 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; Rhode Island received \$0.8 million.

The Executive Office reported that as of November 2024, \$11.9 million had been spent from the first tranche; the remaining funds from the first tranche are expected to be paid by the end of FY 2025. The second tranche of \$20.5 million will only be available after 80.0 percent of the first tranche has been awarded, and the third tranche will function in the same manner. The Executive Office’s current request reflects its uncertainty regarding when funds will be disbursed both to the state and to businesses. *The Governor recommended funding as requested. The Assembly concurred.*

Main Streets Revitalization. The Executive Office’s request does not include funding to recapitalize the Rhode Island Streetscape Improvement Fund, for which the enacted budget includes \$1.0 million from general revenues. This is consistent with the Budget Office current service estimate, which excludes the one-time funding. 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 June 2024. As of November 2024, \$2.2 million had been disbursed. The 2022 Assembly provided \$5.0 million from general revenues to recapitalize the program. The 2023 Assembly provided \$1.0 million and expanded allowable uses to include technical assistance. The 2024 Assembly provided \$1.0 million and extended the sunset date one year to December 31, 2025. *The Governor excluded funding as requested and proposed*

extending the sunset date one year to December 31, 2026. The Assembly provided \$125,000 to recapitalize the program and extended the sunset date one year to December 31, 2026.

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.

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's request includes no funding; any unspent funds are automatically reappropriated. FY 2024 expenditures totaled \$2.0 million, leaving \$43.0 million available. Subsequently, the Executive Office reported that a subaward contract has been executed with the Rhode Island Life Science Hub for the remaining funds. *The Governor's revised budget includes the remaining funds. The Assembly concurred.*

Destination Marketing. The Executive Office's request does not include funding 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. The request is consistent with the Budget Office current service estimate. The 2024 Assembly provided \$1.4 million from general revenues, as well as the enacted amount of \$3.0 million from State Fiscal Recovery funds, for this initiative. FY 2024 spending was \$2.1 million, consistent with the enacted budget. *The Governor's recommendation includes the enacted amount of \$1.4 million from general revenues to continue the program. The Assembly concurred.*

Other Commerce Programs

Air Service Development Fund. The Executive Office requested \$2.7 million from general revenues, \$1.5 million more 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 and 2023 Assemblies each provided \$2.3 million to recapitalize the program. The 2024 Assembly provided \$1.2 million and extended the sunset date three years to December 31, 2027. 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, which includes \$1.5 million for destination marketing. *The Governor recommended funding as requested and retained the sunset date of December 31, 2027. The Assembly concurred.*

Wavemaker Fellowships. The Executive Office requested the enacted amount of \$4.1 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 2024 Assembly approved total funds of \$4.1 million, which was \$0.5 million more than the Governor's recommendation, with these additional funds reserved for awards to primary care medical doctors, nurse practitioners, and physician assistants. The current request continues the higher level of support for the expanded program.

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 to permanent residents of the state. It also requires that recipients 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. The program has been appropriated \$21.4 million across the FY 2016 through FY 2025 enacted budgets. The Corporation also allocates staffing costs for a program director. The Corporation indicated that an additional application round will launch and a new cohort will be announced in early 2025. The 2024 Assembly extended the program's sunset date one year to December 31, 2025. The Corporation may not enter into any agreement for funding or incentives after that date.

The constrained request includes \$3.1 million less. The Executive Office indicated that this would require the program to be recapitalized in FY 2027 to support its current operations. *The Governor's recommendation includes \$1.0 million, consistent with the constrained request, and proposes extending the sunset date one year to December 31, 2026. This is estimated to provide sufficient funding for existing cohorts and allow approximately 85 new fellows to be added during FY 2026. The Assembly provided \$1.6 million more from general revenues, which is estimated to provide approximately 180 additional awards.*

Stay Invested in Wavemaker Fellowship Program - Cash Flow						
Fiscal Year Awards	2016-2021	2022	2023	2024	2025 Final	2026 Enacted
Balance Forward	\$ -	\$ 3,231,737	\$ 4,223,326	\$ 6,788,132	\$ 8,789,778	\$ 9,275,519
Appropriation	8,550,000	1,600,000	3,200,000	4,000,000	4,076,400	2,566,621
Total Resources	\$ 8,550,000	\$ 4,831,737	\$ 7,423,326	\$ 10,788,132	\$ 12,866,178	\$ 11,842,140
Awards Anticipated	\$ (5,907,780)	\$ (1,474,375)	\$ (1,053,738)	\$ (1,729,351)	\$ (1,295,679)	\$ (2,566,621)
Administrative Costs*	(594,416)	(123,171)	(237,408)	(246,904)	(256,780)	(267,052)
Award Utilization*	(4,723,847)	(485,240)	(397,786)	(1,751,450)	(3,333,879)	(2,566,621)
Balance Forward	\$ 3,231,737	\$ 4,223,326	\$ 6,788,132	\$ 8,789,778	\$ 9,275,519	\$ 9,008,467

*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 requested \$0.1 million from general revenues, \$0.3 million less than enacted, 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. The request is consistent with the Budget Office current service estimate. 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 indicated that by July 1, 2026, the total outstanding debt will be \$489,900, and that monthly payments are scheduled through February 2030; it intends to

request general revenues for the remaining balance over the life of the bond. *The Governor recommended funding as requested. The Assembly concurred.*

Commerce Corporation Operations. The Executive Office requested \$8.7 million from general revenues, \$0.2 million more than enacted, for Commerce Corporation's operations. Though not a direct appropriation, the Corporation also receives a share of the 5.0 percent hotel tax to support tourism and marketing. The Corporation received \$7.2 million for FY 2024. It should be noted that current law requires these funds be spent 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 of \$0.2 million would provide a five percent cost-of-living adjustment for all existing positions, consistent with adjustments pending for most state employees. The constrained request is \$0.2 million less, which is consistent with the enacted budget and excludes the requested cost-of-living adjustment. *The Governor recommended funding consistent with the enacted budget. The Assembly concurred.*

ARPA - Port of Davisville. The 2023 Assembly provided \$65.0 million from State Fiscal Recovery funds to support infrastructure at the Port of Davisville. The project supports the port's master plan and current area businesses through the construction of a new pier at terminal 5, rehabilitation of Pier 1, dredging, heavy project laydown space, and activities to support the anticipated development of offshore wind project cargo and logistics. The project is intended to reconfigure the port to provide additional berthing and growth capacity.

Through FY 2024, \$19.4 million had been spent; \$45.6 million remains to be disbursed. The request includes no additional funds for FY 2026; however, the capital request includes \$5.6 million for FY 2026. Any unspent funds are automatically reappropriated. *The Governor recommended the remaining \$45.6 million for FY 2025. The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.*

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

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 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. As additional property is developed, those proceeds will grow. Consistent with legislation passed by the 2021 Assembly, the Commission also authorized an agreement for parkland naming rights with Twin River which generates \$100,000 annually. *The Governor recommended funding consistent with the request. The Assembly concurred.*

Polaris Manufacturing Extension Partnership. The Executive Office requested \$500,000 from general revenues, consistent with the enacted budget, 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 indicated that Polaris had received a three-year grant for tech scouting.

Polaris is under the hierarchy of the University of Rhode Island Foundation, and is affiliated with 401 Tech Bridge, a non-profit economic development organization 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 Governor recommended funding consistent with the request.* **The Assembly concurred.**

Small Business Innovation Research. The Executive Office requested \$1.0 million from general revenues, consistent with the enacted budget, to support the Innovate RI Small Business Fund and the Bioscience and Engineering Internship programs. The Science and Technology Advisory Council developed guidelines to administer the programs. 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 Governor recommended funding as requested.* **The Assembly concurred.**

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

Minority Business Accelerator. Consistent with the enacted budget, the Executive Office requested \$0.5 million from general revenues for a minority business accelerator grant program which was originally supported by 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 2022 Assembly provided \$6.0 million from American Rescue Plan Act federal funds 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 discussions 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. Through FY 2024, \$3.6 million from federal funds has been disbursed; the Executive Office expects the remaining federal funds to be disbursed in FY

2025. 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 the general revenue funding. *The Governor did not recommend continuing the \$500,000 from general revenues for an additional year, consistent with the constrained request.* **The Assembly concurred.**

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

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

The constrained request excludes this funding. *The Governor recommended funding as enacted.* **The Assembly concurred.**

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

Science and Technology Advisory Council. The request includes the enacted amount of \$0.9 million for participation in the National Science Foundation's Experimental Program to Stimulate Competitive Research. 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 recommended funding as requested.* **The Assembly concurred.**

Chafee Center. The request includes the enacted amount of \$476,200 from general revenues for the Chafee Center at Bryant University. The Chafee Center is the state's designated 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 recommended funding as requested.* **The Assembly concurred.**

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

Municipal Infrastructure Grant Program. The 2018 Assembly established a program within the Department of Administration to support publicly-owned infrastructure projects intended to support job creation and expansion, housing development and rehabilitation, and other community development projects. The 2021 Assembly transferred the program to the Infrastructure Bank. The Executive Office's request does not include funding to recapitalize this program, which is \$3.0 million less than enacted and consistent with the Budget Office current service estimate. *The Governor excluded funding as requested. The Assembly concurred.*

Statewide Coastal Resiliency Plan. The 2024 Assembly provided \$750,000 from one-time general revenues for FY 2025 for the Infrastructure Bank to prepare a statewide coastal resilience plan. In accordance with Rhode Island General Laws 46-23.4-2, the plan shall be completed by June 30, 2025. The Executive Office's request excludes these one-time funds. *The Governor excluded funding as requested. The Assembly concurred.*

Ocean Tech Hub. The Executive Office requested a new appropriation of \$2.0 million from general revenues to support the development of ocean-based technologies by expanding access to digital and water-based testing facilities. Rhode Island is part of a consortium that has been designated as a "tech hub" by the U.S. Economic Development Administration for ocean-based technologies, and the Executive Office indicated that this designation would allow it to compete for federal funding. The request would fund three projects which would develop career pathways programs in ocean tech fields, support an Ocean Tech Business Accelerator and Challenge, and build at least one in-water "test bed" in Narragansett Bay. Associated administrative costs are expected to be \$750,000 annually from general revenues beginning in FY 2027; FY 2026 expenses are supported by a one-time federal grant received by the Corporation.

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

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. In October 2024, three grant proposals totaling \$12.9 million were awarded, and a second request for proposals was issued to award the remaining funds. Municipalities, public housing authorities, businesses, and internet service providers can use these funds to expand access to reliable, high-speed internet to unserved and underserved communities; however, matching funds and a five-year statewide strategic plan are required.

The 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 position was filled in July 2022 and the strategic plan was submitted in December 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 Executive Office did not request additional funds for FY 2026. It did not indicate how funds should be distributed between years, but any unspent funds are automatically reappropriated. *The Governor recommended \$25.8 million for FY 2025, \$0.8 million more than enacted, to incorporate administrative costs associated with the project that were previously budgeted separately. The Assembly concurred and removed language that would designate Capital Projects funds as a state match for the federal Broadband Equity, Access, and Deployment program. A detailed description of the projects is included in the Capital Budget section of this publication.*

Site Readiness. The Executive Office requested 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 \$40.0 million from new general obligation bonds to fund an industrial site development program overseen by the Quonset Development Corporation.

The program began accepting applications on October 1, 2019. Funding is awarded for two categories; site specific improvement and municipal assistance. Improvements considered by the Corporation include engineering, environmental, and survey studies, infrastructure improvements, land clearing, and building improvements. Minimum acreage thresholds for urban projects are two acres or 0.1 million square feet; projects in other areas should be at least one acre. Municipal assistance could include streamlining land use and permitting processes, zoning and planning board member or building code official training, assistance writing zoning ordinances or planning documents or marketing support. As of November 2024, the Commerce Corporation had awarded \$3.7 million to 56 projects with 48 distinct recipients. The Corporation reported that five additional projects were chosen through the latest funding round, and \$4.1 million in funding is committed. *The Governor recommended funding as requested. The Assembly concurred.*

Other Personnel and Operations. The Executive Office requested \$1.3 million from general revenues, \$28,613 more than enacted, for operations and personnel expenditures associated with 5.0 full-time equivalent positions. The requested increase reflects current service adjustments. As of November 2024, all 5.0 authorized full-time equivalent positions were filled. *The Governor recommended \$76,666 more than requested. The recommendation adds \$60,064 for statewide adjustments consistent with his recent labor agreements and \$16,602 to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. The Assembly concurred.*

Capital. The Executive Office requested \$8.4 million from Rhode Island Capital Plan funds for the Executive Office's capital projects. This includes the enacted amount of \$0.6 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 Executive Office also requested \$7.8 million for all other capital projects, consistent with the enacted budget. This request is inconsistent with the Executive Office's capital submission; it indicated that that the capital submission is correct.

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, and \$15.0 million from general obligation bonds for one project approved by voters on the November 2024 ballot. This includes \$75.0 million for three projects overseen by the Quonset Development Corporation, \$20.0 million for land acquisition for the Port of Providence, and \$4.0 million for the parks located in the I-195 Redevelopment District. *The Governor recommended \$4.3 million from Rhode Island Capital Plan funds, \$4.1 million less than requested. The Assembly shifted \$1.0 million from Rhode Island Capital Plan funds for I-195 park improvements from FY 2025 to FY 2026 based on an updated project schedule. A detailed description of the projects is included in the Capital Budget section of this publication.*

Department of Housing

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 5,150,450	\$ 4,034,263	\$ 5,766,617	\$ 5,766,617
Contracted Services	347,625	437,625	437,625	437,625
Subtotal	\$ 5,498,075	\$ 4,471,888	\$ 6,204,242	\$ 6,204,242
Other State Operations	1,879,001	1,150,847	1,198,390	1,323,390
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	46,853,340	129,129,428	31,141,101	37,551,824
Capital	105,000	355,000	355,000	-
Capital Debt Service	-	-	-	-
Operating Transfers	4,000,000	78,528,563	4,000,000	-
Total	\$ 58,335,416	\$ 213,635,726	\$ 42,898,733	\$ 45,079,456
Sources of Funds				
General Revenue	\$ 9,840,596	\$ 5,167,713	\$ 10,719,465	\$ 6,464,465
Federal Aid	35,830,670	190,310,070	15,096,037	15,596,037
Restricted Receipts	12,664,150	18,157,943	17,083,231	23,018,954
Other	-	-	-	-
Total	\$ 58,335,416	\$ 213,635,726	\$ 42,898,733	\$ 45,079,456
FTE Authorization	38.0	38.0	38.0	38.0

Summary. The Department of Housing requested \$67.4 million from all sources, including \$36.7 million from general revenues, \$15.6 million from federal funds, and \$15.2 million from restricted receipts. This is \$9.1 million more than enacted, including \$26.8 million more from general revenues, \$20.3 million less from federal funds, and \$2.5 million more from restricted receipts. The request includes staffing of 44.0 full-time equivalent positions, 6.0 more than the enacted budget. A number of housing programs are in partnership with the Rhode Island Housing and Mortgage Finance Corporation, also known as RI Housing. Voters also approved \$120.0 million from new general obligation bond funds in November for housing programs; these funds expand on existing Department programs but are not reflected in its operating budget.

The Governor recommended \$42.9 million from all sources, including \$10.7 million from general revenues, and the enacted staffing level of 38.0 positions. The recommendation is \$15.4 million less than enacted, including \$0.9 million more from general revenues, \$20.7 million less from federal funds, and \$4.4 million more from restricted receipts. He subsequently requested an amendment to reclassify \$4.0 million from general revenues allocated to the Low Income Housing Tax Credit as a fund transfer and add \$0.5 million from federal funds. The Assembly provided \$5.7 million more than the amended recommendation, including \$0.3 million less from general revenues and \$5.9 million more from restricted receipts. Additional information regarding housing programs and policy structure is included in the Special Reports section of this publication.

Housing Organization Plan. The 2022 Assembly established the role of the Secretary of Housing and required a housing organization plan for all state and quasi-state entities by November 1, 2022, including the structure of a new Department of Housing. The submitted reorganization plan lacked required elements, including formal commentary from other state agencies and the advantages and disadvantages of proposed

changes. Under that plan, the Department would assume authority over the Housing Resources Commission, administer all state and federal housing funds currently administered by the Commission and RI Housing, and be transferred several programs housed within other state agencies. It also recommended that the Secretary be made ex officio chair of the RI Housing Board. The 2023 Assembly did not implement the proposed changes, but did codify the Department's role and transferred the Office of Housing and Community Development and several reporting requirements. The 2024 Assembly required a new version of the housing organization plan by November 1, 2024, including suggested statutory revisions. The Department submitted the report on time, but noted within that it is still drafting possible statutory revisions.

Under this new plan, the Department would be reorganized into the Executive Office of Housing, and the Housing Resources Commission into an Advisory Council on Housing and Homelessness without direct programmatic responsibilities. The Housing Resources Coordinating Committee would be dissolved and its authority transferred to the new Executive Office, including formal administration of the Housing Production Fund. To improve state agency coordination, it proposes establishing a new Interagency Council on Housing Production and Preservation and reactivating the Interagency Council on Homelessness, which would serve as the ratification committee for the federally mandated Continuum of Care. It also recommends that the Secretary be made ex officio chair of the RI Housing Board, but replaces the Director of the Department of Business Regulation to maintain the board's current size and balance. The Department notes that the proposed changes should be implemented in phases over time and that it will coordinate with RI Housing to determine where federally funded programs are best located.

*The Governor's recommendation does not include any new legislation to effectuate organizational changes. He subsequently requested an amendment to incorporate the plan's recommendations. **The Assembly included the requested language in Article 9 of 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 Department, this produced a general revenue target of \$9.5 million, including a current service increase of \$60,676 and a 7.5 percent reduction of \$0.4 million, adjusted for certain exclusions. The constrained budget submitted by the Department is \$0.4 million more than the Budget Office target and reflects removing only newly requested initiatives. *The Governor's recommendation is \$1.2 million above the target. **The enacted budget is \$3.0 million less than the target.***

Housing Production Fund. The Department requested the enacted amount of \$3.0 million from Housing Production Fund restricted receipts to provide financial and technical assistance to support the creation and preservation of affordable housing. The 2021 Assembly enacted a second tier of the Real Estate Conveyance Tax, which doubled the tax's top effective rate to 0.96 percent 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 2024 collections were \$3.9 million. The 2021 Assembly also provided \$25.0 million from general revenues to capitalize the fund. As of December 2024, RI Housing has made awards totaling \$25.0 million, issued a consolidated request for proposals with the Department for \$10.0 million in October, and has an additional \$0.2 million in available funds. *The Governor recommended funding as requested.*

The Assembly provided \$0.3 million more made available from an increase to the dedicated portion of the real estate conveyance tax. The tax changes include increasing both the first and second tier from 0.46 percent to 0.75 percent, effective October 1, 2025, for a top effective rate of 1.5 percent. The second tier splits the rate allocation at 0.50 percent for the Housing Production Fund, up from the current 0.46 percent, and 0.25 percent for the Housing Resources and Homelessness restricted account.

Low-Income Housing Tax Credit. The Department requested the enacted level of \$4.0 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 Assembly provided \$28.0 million from general revenues for FY 2024 and \$4.0 million for FY 2025 to prefund the credits against an existing award maximum of \$120.0 million based on the current sunset date. The Department did not establish the program in time to issue any tax credits in FY 2024. It would require \$14.7 million annually until FY 2031 to fully fund the existing limit; a somewhat lower level would be required depending on the award timeline. RI Housing and the Department issued a consolidated request for proposals in October, which included up to \$30.0 million of these tax credits.

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. It should be noted that the state controller reclassified the allocation of these credits as a fund transfer rather than an expenditure based on current accounting standards. *The Governor maintained the enacted amount as an expenditure. He then requested an amendment to correct the classification, which appears as a \$4.0 million reduction to spending, though there is no change to the funding committed. The Assembly concurred with the amended recommendation. It also created a non-owner occupied non-rental residential property tax of 0.5 percent annually on the portion of values exceeding \$1.0 million, subject to an inflation adjustment beginning July 1, 2027. All revenue is dedicated to the Fund. There is no FY 2026 impact as the tax becomes effective July 1, 2026.*

ARPA - Targeted Housing Development. The Assembly provided \$26.0 million from State Fiscal Recovery funds for a program that allows the Secretary of Housing discretion to target projects for funding. The program is intended to provide additional gap financing necessary for critical affordable and mixed unit developments to proceed. Of this amount, \$4.0 million supports development near public transit and \$22.0 million supports priority projects, defined as permanent supportive housing, housing dedicated to vulnerable populations, individuals transitioning out of state care, and extremely low-income Rhode Islanders. The 2024 Assembly reallocated \$5.0 million for priority projects from this program to the Homelessness Assistance Program. No funds were spent in FY 2024; awards were announced in May 2024 and all funds have been obligated. The request includes use of the full \$26.0 million for FY 2025; any unspent funds are automatically reappropriated. *The Governor concurred. The Assembly concurred.*

ARPA - Housing Related Infrastructure. The Assembly provided \$3.0 million from State Fiscal Recovery funds for the Infrastructure Bank to support municipal infrastructure associated with affordable housing development, such as road and utility connections. The program provides additional resources to municipalities for pre-development and development work associated with adjusting or expanding infrastructure to accommodate additional housing that meets affordable housing price and income criteria. No funds were spent in FY 2024; awards were announced in October 2024 and all funds have been obligated. The request includes the full \$3.0 million for FY 2025; any unspent funds are automatically reappropriated. In November 2024, voters also approved a \$120.0 million general obligation housing bond, of which \$4.0 million is for housing-related infrastructure. *The Governor concurred. The Assembly concurred.*

ARPA - Municipal Planning. The Assembly provided \$2.3 million from State Fiscal Recovery funds for grants and technical assistance to municipalities to reduce barriers to development caused by a lack of staff time and expertise. Of this amount, \$1.3 million supports municipal fellowships and \$1.0 million supports grants to study and implement zoning changes that encourage development near public transit. The Department opened applications for municipal fellowships in March 2024 and as of December, all funds have been obligated; no transit-oriented development funds have been obligated. The Pandemic Recovery Office did not approve the initial program design, and the Department instead issued a joint request to

augment RI Housing's existing municipal technical assistance services. The Department's FY 2026 request contains \$1.0 million from general revenues to continue this program.

In November 2024, voters also approved a \$120.0 million general obligation housing bond, of which \$1.0 million is for municipal planning assistance. The constrained request includes no funding. *The Governor recommends federal funds as requested and no general revenues.* **The Assembly concurred.**

ARPA - Proactive Housing Development. The Assembly provided enabling legislation and \$1.4 million from State Fiscal Recovery funds to create a proactive development subsidiary of RI Housing. Other states, such as Massachusetts, have a quasi-public agency to help developers with land acquisition, to assemble financing, and navigate regulatory and legal processes. These funds are intended to provide initial staffing and setup costs for a similar organization to reduce these barriers to housing production. The subsidiary was formally established in January 2024 and a president was appointed in September. The request includes use of the full \$1.4 million for FY 2025; any unspent funds are automatically reappropriated. *The Governor concurred.* **The Assembly concurred.**

ARPA - Preservation of Affordable Units. The Assembly provided \$0.5 million from State Fiscal Recovery funds to preserve affordable housing units at risk of foreclosure or blight. 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 awarded all funds to the Community Housing Land Trust to manage a revolving fund. Initial funds will purchase one affordable unit for resale that is at-risk of imminent foreclosure; proceeds will recapitalize the fund. The request includes use of the full \$0.5 million for FY 2025; any unspent funds are automatically reappropriated. *The Governor concurred.* **The Assembly concurred.**

ARPA - Development of Affordable Housing. The Assembly provided \$100.0 million from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments. The FY 2025 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. Legislation requires that funds be distributed with the federal tax credit and bond funding administered by RI Housing under the existing application process. The remaining \$10.0 million supports a pilot program for low income public housing vouchers and financing; all pilot funds have been obligated. The 2021 Assembly provided \$15.0 million. The 2022 Assembly added \$85.0 million and authorized the pilot program. The 2024 Assembly expanded allowable uses to site acquisition and predevelopment expenses to ensure all funds are obligated by the federal deadline.

In November 2024, voters also approved a \$120.0 million general obligation housing bond, including a total of \$80.0 million to continue support for affordable housing development, of which \$10.0 million may be used to support a program for public housing development. RI Housing and the Department issued a consolidated request for proposals in October 2024, which includes the remaining \$0.3 million of unobligated funds. The Department requested \$60.1 million for FY 2025 to reflect unspent FY 2024 funds; any unspent funds are automatically reappropriated. *The Governor concurred.* **The Assembly concurred.**

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 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 2024, all funds have been obligated and \$0.3 million remains unspent. The request assumes use of the remaining funds in FY 2025; any unspent funds are automatically reappropriated. *The Governor concurred. The Assembly concurred.*

ARPA - Workforce Housing. The Assembly provided \$20.0 million from State Fiscal Recovery funds to increase the housing supply for Rhode Island families earning up to 120 percent of area median income. The program is similar to others run by RI Housing and uses nearly identical eligibility requirements. It will manage this program to increase or make additional awards. RI Housing and the Department issued a consolidated request for proposals in October 2024, which includes the remaining \$1.5 million of unobligated funds. The Department requested use of the remaining \$16.3 million in FY 2025; any unspent funds are automatically reappropriated. *The Governor concurred. The Assembly concurred.*

ARPA - Affordable Housing Predevelopment. The Assembly provided \$10.0 million from State Fiscal Recovery funds to reduce pre-construction barriers to housing development. Funds support predevelopment, including prerequisite environmental studies and legal work, to build a pipeline of new projects and the capacity of affordable housing developers. RI Housing manages this program and makes awards on a rolling basis to supplement awards it already provides. As of the end of FY 2024, \$1.9 million remains to be disbursed, of which only \$0.6 million remains to be obligated and is subject to a request for proposals issued in August 2024. The request includes no funding for FY 2026. *The Governor concurred. The Assembly concurred.*

ARPA - Home Repair and Community Revitalization. The Assembly provided \$24.5 million from State Fiscal Recovery funds to support RI Housing's acquisition and revitalization program. Of these funds, \$20.0 million is allocated for the acquisition and revitalization program, which was originally created using \$10.0 million from 2016 general obligation bonds. As of the end of FY 2024, all of these funds have been obligated to a total of 13 projects and \$13.0 million remains to be disbursed. Consistent with the Governor's recommendation, the 2023 Assembly allocated \$4.5 million specifically for critical home repairs. The Department contracted with the Providence Revolving Fund to manage the program, which opened in summer 2024. As of September, five rehabilitation loans have closed but no funds have been officially awarded. The Department requested use of the remaining \$17.5 million in FY 2025; any unspent funds are automatically reappropriated. *The Governor concurred. The Assembly concurred.*

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

Neighborhood Stabilization Grant. Consistent with the Department's FY 2025 request, the enacted budget includes \$0.2 million for personnel costs for federal Neighborhood Stabilization Program-eligible activities. The Department previously reported that there is no new funding for this program and all remaining funds were exhausted at the end of FY 2023. It then incorrectly indicated that additional funds were needed and available to close out the program. The request excludes \$0.2 million to reflect that the program ended in FY 2023. *The Governor excluded funding as requested. The Assembly concurred.*

Pathways to Removing Obstacles. The Department received a new grant in May 2025 to identify and remove barriers to affordable housing production and preservation. Total funding of \$3.8 million also supports work in the Executive Office of Health and Human Services. *The Governor did not recommend funding associated with this grant. He subsequently requested an amendment to add \$1.1 million for FY*

2026, including \$0.5 million for the Department and \$0.6 million for the Executive Office. **The Assembly concurred with the amended recommendation.**

Emergency Housing Assistance (1.0 FTE). The Department requested \$1.0 million from general revenues and 1.0 new full-time equivalent position for a new pilot 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 to around 100 households for rent or utilities, onetime costs that threaten employment, and moving expenses. This program is based on a similar program in Massachusetts. The intent is to prevent households experiencing unexpected short-term costs or income reductions from needing to draw upon homelessness assistance resources, such as shelter beds, which are also limited and costlier. The Department's FY 2025 request included \$12.0 million for an identical initiative; neither the Governor nor Assembly concurred. The constrained request excludes this initiative. *The Governor's recommendation excludes this initiative.* **The Assembly concurred.**

Legal Assistance. The Department requested \$2.3 million from general revenues to continue a federally funded program to provide legal representation to households at or below 80.0 percent of area median income that are threatened with eviction. Rhode Island Legal Services runs the current program, which is supported by \$3.1 million from federal pandemic relief funds only available until December 2024. The Department indicates that in FY 2024, legal counsel was provided to 4,546 households, around half of which contained minor children. Its FY 2025 request included \$1.6 million for six months of funding for an identical initiative that was not adopted. The constrained request excludes this initiative. *The Governor's recommendation excludes this initiative.* **The Assembly concurred.**

Community Based Housing. The Department requested \$1.0 million for a pilot program to provide community-based supportive housing for high-needs individuals at or below 30.0 percent of area median income. The request includes \$0.5 million each from general revenues and federal Medicaid matching funds, assuming this use is approved. The intent of this program is to determine if the provision of housing subsidies to this population can reduce the burden on more expensive hospital, treatment, and homelessness services. The Department indicated that local and national studies have shown this to be the case and that it would utilize health, homelessness, and Medicaid data to document the financial impact. It anticipated awarding subsidies to 100 individuals for FY 2026. The constrained request excludes this initiative. *The Governor's recommendation excludes this initiative.* **The Assembly concurred.**

ARPA - Homelessness Infrastructure. The Assembly provided \$45.0 million from State Fiscal Recovery funds to increase facility capacity for individuals experiencing homelessness. Fund uses include acquisition or construction of new temporary or permanent housing for those at risk of homelessness, as well as additional wraparound services and administrative costs. Of this amount, \$10.0 million supports Crossroads Rhode Island-sponsored housing developments. The 2022 Assembly provided \$15.0 million. The 2023 Assembly added \$30.0 million and explicitly expanded allowable uses to prevention and stabilization programs. As of the end of FY 2024, \$27.4 million has been disbursed, and the Department indicates that \$13.5 million remains unobligated as of September 2024. The request assumes the use of \$35.1 million in FY 2025, \$17.5 million more than available, in error; any unspent funds are automatically reappropriated. *The Governor's recommendation includes \$17.6 million for FY 2025, correcting the overstatement.* **The Assembly concurred.**

ARPA - Homelessness Assistance Program. The Assembly provided \$38.8 million from State Fiscal Recovery funds to provide housing navigation, stabilization and mental health services for people experiencing homelessness. The 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. The 2024 Assembly removed language regarding operating subsidies and added \$17.3 million for FY 2025. As of the end of FY 2024, the \$15.7 million has been disbursed and all remaining funds are being awarded through the Consolidated Homelessness Fund. The request assumes the use of \$28.4 million in FY 2025, \$5.3 million more than available, in error; any unspent funds are automatically reappropriated. *The Governor's recommendation includes \$23.1 million for FY 2025, correcting the overstatement.* **The Assembly concurred.**

ARPA - Site Acquisition. The Assembly provided \$25.0 million from State Fiscal Recovery funds to continue a site acquisition program which began during 2020 in response to the coronavirus pandemic. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. The 2021 Assembly specified RI Housing as the managing entity and required that projects have a minimum deed restriction of at least 30 years and a non-recourse financing structure. The 2021 Assembly provided \$12.0 million. The 2022 Assembly added \$13.0 million. As of the end of FY 2024, all funds have been obligated and \$1.5 million remains to be disbursed by RI Housing. In November 2024, voters also approved a \$120.0 million general obligation housing bond, of which \$5.0 million is for site acquisition. The request includes no funding for FY 2026. *The Governor concurred.* **The Assembly concurred.**

ARPA - Municipal Homelessness Support Initiative. The Assembly provided \$2.2 million from State Fiscal Recovery funds to award grants to municipalities to help pay for community services that support homeless individuals. Municipalities hosting shelters bear a financial burden of trash collection, ambulance calls, and other costs, which this program is intended to partially offset. This burden is a common objection to state plans to address siting of services to homeless populations. The 2024 Assembly reallocated \$0.3 million from this program to the Homelessness Assistance Program. As of the end of FY 2024, \$0.3 million has been disbursed; only \$65,000 remains unobligated as of December 2024. The request includes \$0.5 million from general revenues to continue this program. The constrained request includes no funding. *The Governor's recommendation contains federal funds as requested; it does not contain general revenues to continue the program.* **The Assembly concurred.**

Homelessness Assistance Grants. The Department requested \$4.6 million, \$1.3 million more than enacted, 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 concurred.* **The Assembly concurred.**

Indirect Cost Recovery. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through a negotiated indirect cost rate. Current law mandates that all state agencies apply for the rate when it is allowed. In fall 2024, the minimum federal rate was increased from 10.0 percent to 15.0 percent. The Department does not appear to charge this to its grants. *The Governor's recommendation does not assume this charge to its grants, as required by law.* **The Assembly provided \$125,000 from restricted receipts from applying indirect cost recovery to the Department's grants.**

Housing Resources and Homelessness Account. The Department requested \$29.8 million from all sources for lead hazard reduction abatement, rental subsidy and shelter operations. This is \$20.1 million more than enacted, including \$17.6 million from general revenues. The associated account is supported by a dedicated portion of the Real Estate Conveyance Tax. The November 2024 Revenue Estimating Conference estimated state collections of \$17.2 million and \$18.2 million in each FY 2025 and FY 2026, which should equate to a \$5.7 million and \$6.1 million yield in each year, respectively, for the account.

The Governor requested an amendment to his FY 2025 recommendation to rename the account from the Housing Resources Commission Account, transfer oversight to the Department of Housing with consultation from the Housing Resources Commission Coordinating Committee, and dedicate a new source of restricted revenues from the elimination of the whole unit short-term rental exemption from the 5.0

percent State Hotel Tax effective January 1, 2025. This was anticipated to generate \$2.5 million for FY 2025 and annualize to \$5.0 million thereafter. The 2024 Assembly did not concur with the proposed tax changes, renamed the account, authorized a one-time transfer of \$10.0 million from general revenues, and provided that oversight be transferred to the Department with consultation from the Commission on December 31, 2024, provided the Department submits a state housing organization plan. The Department submitted the report on time, but noted within that it was still drafting proposed statutory revisions.

The Department's FY 2026 request includes \$9.7 million from existing resources, adds \$2.5 million from restricted receipts from identical proposed legislation to eliminate the whole unit short-term rental exemption, and adds \$17.6 million from a new one-time general revenue transfer. The constrained request excludes proposed legislation and contains funding consistent with the enacted budget.

The Governor did not recommend a one-time general revenue transfer but included \$4.4 million more than enacted from two new dedicated revenue sources. He extended the 5.0 percent state hotel tax to whole unit short-term rentals effective January 1, 2026, assumed to generate \$2.1 million for FY 2026 and annualize to \$4.7 million for FY 2027. He also proposed increasing the second tier of the real estate conveyance tax from 0.46 percent to 0.79 percent on the portion of a residential property's purchase price above \$800,000, effective October 1, 2025. Combined with the first tier, the effective tax rate for the portion of properties above \$800,000 would increase from 0.92 percent to 1.25 percent. The proposal assumes revenue of \$2.3 million for FY 2026 from this change, annualizing to \$3.4 million for FY 2027.

The Assembly provided \$5.5 million more than recommended for FY 2026, resulting from a number of changes. First, it shifted \$4.0 million from FY 2025 to FY 2026 based on the Department's third quarter report. Second, it transferred \$2.5 million from general revenues; these funds are intended to bridge the gap for FY 2026 while revenue initiatives are implemented and are not an increase to anticipated spending. Third, it concurred with extending the state hotel tax to whole-unit short-term rentals, but dedicated only 50.0 percent of revenue, instead providing 25.0 percent each for the municipality and tourism district in which the rental occurs. This results in \$1.0 million for FY 2026 and \$2.4 million for FY 2027. Fourth, it increased both the first and second tier of the real estate conveyance tax from 0.46 percent to 0.75 percent, effective October 1, 2025, for a top effective rate of 1.5 percent. Revenue from the first tier is allocated according to a statutory formula, essentially unchanged from current law, including \$3.1 million more for the account for FY 2026 and annualizing to \$4.2 million for FY 2027. The second tier rate allocation is split at 0.50 percent for the Housing Production Fund and a new 0.25 percent allocation for the account. This results in in \$1.8 million more for the account for FY 2026, annualizing to \$2.6 million for FY 2027. The Assembly also provided that the \$800,000 threshold be indexed to inflation beginning January 1, 2026.

Community Development Block Grants. The Department requested \$9.3 million from federal Community Development Block Grant funds, \$4.9 million less than enacted to reflect available 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 concurred. The Assembly concurred.*

Coordinators (2.0 FTE). The Department requested \$0.2 million from general revenues and 2.0 new full-time equivalent positions to improve its ability to coordinate with the public and other state agencies. The Department indicates that one position will provide support for the Interagency Council on Homelessness. The Council was established in 1987, consists of 20 members, and comprises the leadership of most state agencies but did not meet for at least seven years prior to reconvening in December 2024. The second position would provide outreach to stakeholders and constituents, such as landlords, tenants, developers, and municipalities to explain and raise awareness of available resources and relevant state and federal laws. It should be noted that the Department has 17.0 vacant positions as of December and could fill these

functions within its existing authorization but has prioritized other roles. The constrained request excludes this initiative. *The Governor's recommendation excludes this initiative.* **The Assembly concurred.**

Property Management (1.0 FTE). The Department's request adds \$0.6 million from general revenues and 1.0 new full-time equivalent position for property management work. It oversees two properties, 100 Randall Street and 662 Hartford Avenue, the former sites of Charlesgate Nursing Center and a group home, respectively. The Department received oversight over 662 Hartford Avenue in November 2022 from the Division of Capital Asset Management and Maintenance, and subsequently awarded funding to Crossroads Rhode Island for an emergency couple's shelter in January 2023. It finalized purchase of 100 Randall Street in October 2024. It intends to use both facilities as shelters, and its capital request includes \$2.2 million from asset protection funds for work necessary to convert these buildings. The request represents \$0.1 million for a facilities manager and \$0.5 million for contracted support. It should be noted that the Department has 17.0 vacant positions as of December and could fill these functions within its existing authorization but has prioritized other roles. The constrained request excludes this initiative. *The Governor's recommendation excludes this initiative.* **The Assembly concurred.**

Data and Planning (2.0 FTE). The Department requested \$0.4 million from general revenues and 2.0 new full-time equivalent positions to provide additional data analytics. The request includes \$0.3 million for the new positions, \$50,000 for temporary contracted services, and \$50,000 to create a public-facing housing data dashboard. The Department indicated that data is currently spread across federal sources, state agencies, municipalities, and non-profit organizations and that these funds will help standardize, centralize, and complete this information so that it can be analyzed and inform policy decisions. The Department has 17.0 vacant positions as of December and could fill these functions within its existing authorization but has prioritized other roles. The constrained request excludes this initiative. *The Governor's recommendation does not contain new personnel or specific funding for this initiative.* **The Assembly concurred.**

Other Salaries and Benefits. The Department requested \$5.3 million from all sources, including \$4.5 million from general revenues and \$0.8 million from federal funds, for personnel expenses for its existing 38.0 full-time equivalent positions. The request is \$0.4 million more than enacted, including \$54,470 from general revenues. As of December, the Department has 17.0 vacancies. The request includes \$1.2 million of turnover savings, \$0.1 million more than enacted, which is equivalent to an average of 7.3 vacancies. This is offset by current service adjustments, title upgrades, and changes to medical benefit selections.

Positions by Function	FY 2023 Enacted	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Governor	FY 2026 Gov. Change to Enacted	FY 2026 Enacted	FY 2026 Enacted Chg. To Gov.
Analysis	3.0	6.0	10.0	7.0	(3.0)	7.0	(12.0)
Implementation	6.0	21.0	19.0	17.0	(2.0)	17.0	(22.0)
Administration	5.0	3.0	4.0	8.0	4.0	8.0	(5.0)
Legal Services	-	3.0	-	1.0	1.0	1.0	-
Public Relations	-	2.0	1.0	1.0	-	1.0	(1.0)
Executive Leadership	2.0	3.0	4.0	4.0	-	4.0	(4.0)
Total	16.0	38.0	38.0	38.0	-	38.0	(44.0)

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 2024 Assembly reallocated staffing among functional duties, consistent with the Department's request and Governor's recommendation. The request again reallocates staffing among functional duties compared to the enacted assumption, as shown in the prior table. *The Governor recommended the enacted staffing authorization, duty reallocations as requested, and adds \$443,435, including \$415,010 from general revenues, to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Statewide GIS Database. The Department requested \$2.5 million from general revenues for one-time startup costs associated with developing a statewide Geographic Information System. Work would be conducted in partnership with the Division of Statewide Planning and the Rhode Island Geographic Information System. Funding would pay for a consultant to standardize parcel data and create a housing database connecting geographic and tax assessment information. The Department indicated that this would provide a critical tool for housing planning and future development and is based on a system currently employed by Massachusetts. The constrained request excludes this initiative. *The Governor's recommendation does not contain specific funding for this initiative.* **The Assembly concurred.**

Accessibility Study. The Department's 2023 Integrated Housing Report noted difficulties collecting data to assess the number of Americans with Disability Act compliant special needs units and with determining the number of units needed versus produced under status quo conditions. Consistent with the Governor's recommendation, the 2024 Assembly replaced these annual requirements with a report due every three years, beginning on December 31, 2026, assessing the accessibility of the state housing stock and the number of units required to meet estimated growth. The Department now estimates a cost of \$150,000 for contracted support to produce this report, although its request excludes funding in error. *The Governor's recommendation does not contain specific funding for this initiative.* **The Assembly concurred.**

ARPA - Statewide Housing Plan. The Assembly provided \$2.0 million from State Fiscal Recovery funds to support municipal planning efforts and to develop a statewide comprehensive housing plan to assess current and future housing needs, consider barriers to home ownership and affordability, and identify services needed for increased investments toward disproportionately impacted individuals and communities. The Department contracted with vendors for training and implementation support and four reports: the statewide housing plan, the housing reorganization plan, a vacant and underutilized property assessment, and a school cost study. As of the end of FY 2024, all funds have been obligated and \$38,650 has been spent. The request includes \$250,000 from general revenues for FY 2026 to continue contracted support to create iterative versions of the statewide housing plan. The constrained request includes no funding. *The Governor recommended federal funds as requested but did not provide specific general revenue funding to continue this work.* **The Assembly concurred.**

Sojourner House. Sojourner House is a Providence-based nonprofit founded in 1976 that focuses on providing safe housing and supportive services to survivors of abuse. It receives federal grants to support this work, which require matching funds. *The recommendation does not fund these match requirements. 2025-H 5323 and 2025-S 0262 proposed \$0.5 million for Sojourner House for supportive housing.* **The Assembly provided \$0.1 million for its supportive housing and rapid rehousing programs.**

Other Operations. The Department requested \$1.4 million from general revenues, \$66,884 more than enacted, for all other operations. The request adds \$90,000 to reflect actual contract amounts for security services and a review of federal funding accounts and controls. This is partially offset by adjustments to more closely reflect FY 2024 spending. The Department provides financial and operational support for the Housing Resources Commission, nonprofit homeless service providers, and Community Development Block Grant administration for most of the state's communities. The request includes the enacted amount of \$0.1 million for office equipment associated with transitioning office locations; the revised request includes \$0.4 million. The Department relocated to the Shepard Building in Providence in January 2024, but no funds were spent for this purpose in FY 2024 as a result of procurement and hiring delays.

The Governor's recommendation is \$342,505 more than requested. It includes \$250,000 to expand analytics capacity and \$92,505 to account for decentralizing utility billings, increases in those expenses, and adjustments to other centralized services based on anticipated expenses. This funding is in lieu of the several separate items for which the Governor does not recommend specific funding. **The Assembly provided \$355,000 less, which reflects exclusion of analytics capacity and relocation expenses.**

Department of Labor and Training

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Central Management	\$ 1,869,210	\$ 2,032,747	\$ 2,150,384	\$ 2,150,384
Workforce Development Services	24,945,883	27,991,705	20,191,387	19,991,387
Workforce Regulation and Safety	4,833,768	5,020,106	5,347,291	5,347,291
Income Support	526,895,968	543,953,198	567,884,196	567,884,196
Injured Workers Services	10,630,130	10,990,768	11,233,092	11,233,092
Labor Relations Board	541,797	558,087	556,737	556,737
Governor's Workforce Board	24,354,506	36,930,150	29,654,596	25,104,596
Total	\$ 594,071,262	\$ 627,476,761	\$ 637,017,683	\$ 632,267,683
Expenditures by Category				
Salaries and Benefits	\$ 53,589,517	\$ 54,985,486	\$ 58,082,481	\$ 58,082,481
Contracted Services	8,978,104	9,335,399	8,813,634	8,813,634
Subtotal	\$ 62,567,621	\$ 64,320,885	\$ 66,896,115	\$ 66,896,115
Other State Operations	12,413,282	18,892,648	14,230,883	13,986,883
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	512,485,594	537,484,578	549,278,430	544,772,430
Capital	104,765	278,650	112,255	112,255
Capital Debt Service	-	-	-	-
Operating Transfers	6,500,000	6,500,000	6,500,000	6,500,000
Total	\$ 594,071,262	\$ 627,476,761	\$ 637,017,683	\$ 632,267,683
Sources of Funds				
General Revenue	\$ 17,790,653	\$ 20,198,193	\$ 20,379,242	\$ 18,179,242
Federal Aid	42,711,594	58,967,295	41,996,527	41,996,527
Restricted Receipts	31,962,084	38,577,324	37,961,768	35,411,768
Other	501,606,931	509,733,949	536,680,146	536,680,146
Total	\$ 594,071,262	\$ 627,476,761	\$ 637,017,683	\$ 632,267,683
FTE Authorization	461.7	461.7	461.7	461.7

Summary. The Department of Labor and Training requested \$628.6 million from all fund sources, including \$17.9 million from general revenues. Requested expenditures are \$34.5 million more than enacted, including \$72,624 more from general revenues, \$2.9 million more from restricted receipts, and \$34.3 million more from other funds, partially offset by a reduction of \$2.8 million from federal funds. The request includes the authorized level of 461.7 full-time equivalent positions.

The Governor recommended \$637.0 million from all sources, including \$20.4 million from general revenues. This is \$8.4 million more than requested, including \$2.5 million more from general revenues. He included the authorized level of 461.7 full-time equivalent positions. The Assembly provided \$632.3 million, including \$18.2 million from general revenues. This is \$4.8 million less than recommended, including \$2.2 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 Department, this produced a general revenue target of \$16.9 million, including a current service adjustment of \$72,624 and a 7.5 percent reduction of \$0.9 million, adjusted for certain exclusions. The constrained budget submitted by the agency is consistent with the Budget Office target by reducing general revenues for Real Jobs Rhode Island. *The Governor's recommendation is \$3.4 million above the target. The enacted budget is \$1.2 million above the target.*

Staffing. The Department requested \$53.7 million from all sources to support the authorized staffing level of 461.7 full-time equivalent positions; the staffing allocation is consistent with its revised request. This includes increases of \$227,603 from general revenues and \$272,677 from restricted receipts, partially offset by reductions of \$128,919 from federal funds and \$286,080 from other funds. The request includes \$154,979 more from general revenues than the Budget Office current service estimate; this is offset by decreased operational costs from general revenues. 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 recommended \$4.4 million more than requested from all sources, including \$0.4 million more from general revenues, for the authorized staffing level to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.

Function	FY 2025 Enacted	FY 2026 Request	Chg. to Enacted	FY 2026 Governor	Chg. to Request
Governor's Workforce Board	21.9	21.4	(0.5)	21.4	-
Workforce Development	84.0	68.9	(15.1)	68.9	-
Unemployment Administration	153.5	155.6	2.1	155.6	-
Temporary Insurance	81.3	93.9	12.6	93.9	-
Workers' Compensation	39.8	41.0	1.2	41.0	-
Employer Tax	41.3	40.6	(0.7)	40.6	-
Police and Fire	1.1	1.1	-	1.1	-
Workforce Regulation and Safety	36.0	36.7	0.7	36.7	-
Other Staffing	2.7	2.6	(0.1)	2.6	-
Total	461.7	461.7	-	461.7	-

Centralized Services. The Department requested \$9.1 million from all sources for its share of centralized services for FY 2026. This is \$0.4 million more than enacted, including \$46,911 more from general revenues, \$0.3 million more from federal funds, and \$0.1 million more from restricted receipts, primarily for information technology support. The request is \$55,611 more than the revised request.

The Governor recommended \$8.6 million from all sources, \$0.5 million less than requested, including \$40,855 more from general revenues, to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. This includes \$0.5 million more than requested for decentralized utility billings, offset by \$1.0 million less than requested for centralized services. The Assembly concurred.

Real Jobs Rhode Island. The Department requested \$11.0 million from all sources for the Real Jobs Rhode Island program, which is \$4.6 million less than enacted. This includes \$5.5 million from general revenues and \$5.5 million from restricted receipts. Compared to the enacted budget, this is \$0.6 million less from restricted receipts and excludes the \$4.0 million of limited Quality Jobs, Equity, Strategy and Training, or QUEST grant funds; general revenues are as enacted.

The restricted receipts reflect the allocation approved for FY 2025 at the May 2024 Governor’s Workforce Board meeting. The Department noted that the workforce board’s restricted receipts support multiple programs and the final resource allocation is subject to actual utilization. The program places participants in job openings, advances skills of employed people, and creates a talent pipeline for businesses. Processes and programs offered vary by participant and partnership.

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

Real Jobs RI - Spending by Source				
Source/Fiscal Year	General Revenues	Federal Funds	Restricted Receipts	Total
FY 2016	\$ -	1,111,149	1,064,653	\$ 2,175,802
FY 2017	\$ -	6,066,831	2,964,284	\$ 9,031,115
FY 2018	\$ -	4,510,071	7,607,314	\$ 12,117,385
FY 2019	\$ 3,950,000	3,915,207	10,846,691	\$ 18,711,898
FY 2020	\$ 5,450,000	5,038,985	8,357,602	\$ 18,846,587
FY 2021	\$ 4,905,737	2,605,092	501,813	\$ 8,012,642
FY 2022	\$ 5,450,000	1,260,954	3,228,230	\$ 9,939,184
FY 2023	\$ 5,450,000	13,326,275	5,300,000	\$ 24,076,275
FY 2024	\$ 5,450,000	31,115,132	6,158,404	\$ 42,723,536
FY 2025 Enacted	\$ 5,450,000	4,000,000	6,158,404	\$ 15,608,404
FY 2025 Revised	\$ 5,450,000	9,660,635	5,548,349	\$ 20,658,984
FY 2026 Request	\$ 5,450,000	-	5,548,349	\$ 10,998,349
FY 2026 Governor	\$ 5,450,000	-	7,854,349	\$ 13,304,349
FY 2026 Enacted	\$ 5,450,000	-	5,548,349	\$ 10,998,349

The constrained request reduces the general revenues appropriation by \$0.9 million. *The Governor recommended \$2.3 million more than the unconstrained request from his proposals for new Job Development Fund assessments. The Assembly did not concur with the new assessment and added language to require that at least \$150,000 from restricted receipts would be used to support hospitality industry workforce training grants.*

Real Jobs Rhode Island - Nursing Facility Staff. Consistent with the enacted budget, the request includes \$600,000 from general revenues for enhanced training for direct care and support services staff pursuant to Rhode Island General Laws, Section 23-17.5-36. Funds are used to improve resident quality of care and to address the changing health care needs of nursing facility residents due to higher acuity and increased cognitive impairments. The Department reported having worked to define the funding requirements and targeted the University of Rhode Island to provide existing certified nursing assistants medication aide training, enhancing their skills and allowing nursing staff to focus more on patient care. In FY 2024, spending was \$312,081; the Governor reappropriated unspent funds to FY 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Governor’s Workforce Board Grants. The Department requested \$6.5 million, \$1.0 million more than enacted from restricted receipts to support the various 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 that the workforce board’s restricted receipts are used to fund multiple programs and the final allocation of resources is subject to actual utilization. *The Governor recommended funding as requested. The Assembly concurred.*

Governor's Workforce Board Staffing and Operations. The Department requested \$4.5 million, \$23,411 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 21.4 full-time equivalent positions, which is \$46,763 less and 0.5 less full-time equivalent positions than the enacted assumptions. All other spending is \$1.4 million or \$23,352 more than enacted, which primarily reflects increased information technology costs.

The Governor recommended \$0.2 million more than requested. This includes \$0.2 million more to account for statewide adjustments consistent with his recent labor agreements and \$43,971 less to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. The Assembly concurred.

Year Up. Consistent with the enacted budget, the Department requested \$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 each year of the FY 2018 to FY 2020 period, Governor Raimondo provided support to Year Up from the Governor's Contingency Fund. The 2022 Assembly provided a \$0.2 million direct appropriation in the Department of Labor and Training's budget to continue these efforts. *The Governor recommended funding as requested. The Assembly excluded funding. The organization no longer maintains a physical location in Rhode Island.*

Growing the Renewable Energy Employment Network. The Department requested \$0.6 million from federal funds to develop and launch a new workforce and career development program which would provide job training and employment opportunities to support local job seekers in starting careers in the clean energy sector. In September 2023, the Department received a \$2.0 million federal grant from the Building Pathways to Infrastructure Jobs Grant Program to develop a program targeting unemployed and underemployed Rhode Islanders to provide a pipeline into renewable energy infrastructure careers.

The request for \$550,000 is consistent with the Department's revised request and largely reflects contract costs associated with potential employment partners. The Department reported that no funds had been awarded as of December 2024, but it anticipated that partnerships would be in place in FY 2025. The life of the grant will be four years, beginning in FY 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Workforce Development Grants. The Department requested \$6.6 million from all fund sources, including the enacted level of \$704,517 from general revenues, to support the multiple workforce development initiatives of the Governor's Workforce Board. Federal funds include \$5.9 million from the Workforce Innovation and Opportunity Act, which is \$0.9 million less than enacted. Programming reductions include \$0.4 million for youth programs, and \$0.2 million each for adult programs, for displaced worker programs, and from Trade Adjustment Act funds, partially offset by \$2,264 more for apprenticeships. This is \$3.0 million less than the revised request, most of which reflects the end of certain grant fund cycles.

General revenues support apprenticeships for non-trade employment and work immersion programming, which provides subsidized employment. Workforce Innovation and Opportunity Act funds support subsidized on-the-job training, employment services 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 recommended funding as requested. The Assembly concurred.*

Work-Based Learning. The Governor's 2030 plan includes a Rhode to Prosperity initiative that supports opportunities for individuals to receive experience and assistance to prepare them to attain higher-paying jobs. The Department's budget request does not contain any new program funds related to this.

*The Governor recommended \$2.0 million from general revenues for a new initiative to expand programming to include the promotion of work-based learning opportunities to supplement existing programs such as Real Skills for Youth and the PrepareRI High School Internship. **The Assembly did not concur with the new initiative.***

Workforce Development Staffing and Operations. The Department requested \$12.2 million from all sources of funds, of which \$0.2 million is general revenues and \$12.1 million is federal funds for remaining workforce development staffing and expenses. This is \$39,559 less than enacted from general revenues and \$0.9 million less from federal funds. The staffing request of \$9.4 million is \$0.3 million less than enacted and includes the allocation of 68.9 positions, 15.1 less than the enacted assumptions and consistent with its revised request. The request would fully fund 68.9 positions, 3.9 positions less than the enacted budget. Its remaining expenses total \$2.8 million, which is \$0.7 million less than enacted, and includes a shift of \$0.6 million of existing liabilities from federal funds as part of an intradepartmental transfer to update the Department's cost allocation, and \$0.3 million reflects the cancellation of netWORKri renovations, partially offset by increased software maintenance agreement and security expenses.

*The Governor recommended \$0.6 million more than requested, including \$8,887 more from general revenues. He added \$0.7 million, including \$10,376 from general revenues, to account for statewide adjustments consistent with his recent labor agreements. The recommendation also includes a decrease of \$0.1 million, including \$1,489 from general revenues, to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. **The Assembly concurred.***

Employer Tax Unit. The Department requested \$7.1 million, \$0.9 million more than enacted from all sources for the staffing and operations of the employer tax unit. The unit administers the taxes that support Unemployment Insurance benefits to eligible jobless workers and Temporary Disability Insurance benefits to eligible workers idled by non-work-related injuries or illnesses. It shifts \$1.4 million of existing liabilities from federal unemployment funds to job development restricted receipts, and includes an increase of \$0.9 million for disability insurance other funds as part of an intradepartmental transfer to update the Department's cost allocation.

The staffing request of \$5.3 million is \$28,247 more than enacted, and includes the allocation of 40.6 full-time equivalent positions, 0.7 positions less than the enacted assumptions and consistent with the revised request. Both the request and the enacted budget exclude turnover savings. All other spending totals \$0.9 million, of which \$0.6 million is for centralized services provided by the Department of Administration.

*The Governor recommended \$0.3 million more than requested. This includes \$0.4 million more to account for statewide adjustments consistent with his recent labor agreements and \$52,273 less to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. **The Assembly concurred.***

Unemployment Benefits. The Department requested \$249.3 million or \$26.5 million more than enacted from federal and unemployment insurance funds for payment of benefits. This includes \$0.2 million less for state employee benefits and \$35,005 less from federal funds, offset by \$26.7 million more from unemployment trust fund proceeds. This is \$18.3 million, or 7.9 percent, more than the revised request, and 11.9 percent more than the enacted budget. The Department's request is based on its Labor Market Information unit's projections.

This program is financed through employer payroll taxes which are experience-rated; employers with a higher percentage of former employees who receive unemployment benefits pay a higher tax rate. There are several different schedules of applicable rates, and the trust fund balance determines which schedule is used. As of January 1, 2025, the taxable wage base for most employers is \$29,800, and \$31,300 for employers at the highest tax rate; the new employer rate is 1.21 percent. Compared to rates from calendar year 2024, the taxable wage base increased by 2.1 percent for most employers and 2.0 percent for employers at the highest tax rate. Tax schedule G remains in use. *The Governor recommended funding as requested. The Assembly concurred.*

Unemployment Administration. The Department requested \$23.1 million or \$1.7 million more than enacted from all sources for the administration of the unemployment insurance program. This is \$1.2 million more than enacted from federal funds and \$0.5 million more from restricted receipts. The staffing request of \$15.7 million is \$37,079 less than enacted, and includes the allocation of 155.6 full-time equivalent positions, or 2.1 positions more than the enacted assumptions and consistent with the revised request. The request would fund 127.8 positions, 4.4 fewer positions than the enacted budget. The request for all other expenses is \$7.3 million, which is \$1.7 million more than enacted, including \$1.2 million from federal funds and \$0.5 million from restricted receipts. This increase largely reflects a \$1.3 million shift of existing liabilities as part of an intradepartmental transfer to update the Department's cost allocation and \$0.5 million more for expenses supporting the protection of the Department's digital operations.

The Governor recommended \$1.5 million more than requested. He added \$1.4 million to account for statewide adjustments consistent with his recent labor agreements and \$0.2 million for employment security from increased Job Development Fund assessments. He also included a decrease of \$0.2 million to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. The Assembly excluded the \$0.2 million from expanded Job Development Fund assessments and concurred with the remainder of the recommendation.

Temporary Disability Insurance Benefits. The Department requested \$240.0 million, \$10.0 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 a 4.3 percent increase over the enacted budget and \$22.7 million, or 10.5 percent, more than FY 2024 spending of \$217.3 million. The Department requested benefit amounts based on its Labor Market Information unit's projections.

This program is funded exclusively by contributions from employees paid into the Temporary Disability Insurance Fund; no general revenue funding or employer support is provided for any portion of program costs. Workers' contributions are determined annually and based on earnings while the overall tax rate is determined by the costs and reserves needed for continued solvency of the program. For calendar year 2025, the contribution rate is 1.3 percent for taxable wages up to \$89,200. Compared to calendar year 2024, the taxable wage base increased 2.5 percent and the maximum contribution increased \$2.22 per week. *The Governor recommended funding as requested. The Assembly concurred.*

Temporary Caregiver Insurance Benefits. Consistent with the enacted budget, the Department requested \$32.3 million 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, as of January 1, 2023. This is \$4.2 million, or 11.5 percent, less than the revised request of \$36.5 million and \$2.1 million, or 6.9 percent, more than FY 2024 spending of \$30.2 million. The Department requested benefit amounts based on its Labor Market Information unit's projections.

This program is funded exclusively by contributions from employees paid into the Temporary Disability Insurance Fund; no general revenue funding or employer support is provided for any portion of program

costs. Workers' contributions are determined annually and based on earnings while the overall tax rate is determined by the costs and reserves needed for continued solvency of the program. For calendar year 2025, the contribution rate is 1.3 percent for taxable wages up to \$89,200. Compared to calendar year 2024, the taxable wage base increased 2.5 percent and the maximum contribution increased \$2.22 per week. *The Governor recommended funding as requested.* **The Assembly concurred.**

Temporary Insurance Staff and Operations. The Department requested \$12.5 million, or \$174,515 less than enacted from temporary disability funds for staffing and operations of the temporary disability and caregiver programs. The staffing request of \$8.9 million is \$177,842 less than enacted, and includes the allocation of 93.9 positions, 12.6 positions more than the enacted assumptions and consistent with its revised request, but would only fund 75.2 positions, 1.4 fewer than the enacted budget. The request for all other expenses is \$3,327 more than enacted for contracted security services.

The Governor recommended \$0.7 million more than requested. This includes \$0.8 million more for salaries and benefits to account for statewide adjustments consistent with his recent labor agreements and \$0.1 million less to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. **The Assembly concurred.**

Workers' Compensation Staffing. The Department requested \$5.5 million, \$0.3 million more than enacted, from workers' compensation restricted receipts to support staffing costs for the workers' compensation program. The request includes the allocation of 41.0 full-time equivalent positions, which is 1.2 more full-time equivalent positions than the enacted assumptions. The request fully funds all allocated positions, consistent with the enacted budget. *The Governor recommended \$0.4 million more than requested to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Workers' Compensation Operations. The Department requested \$5.9 million or \$0.2 million more than enacted from restricted receipts for workers' compensation program operations. This includes \$0.4 million more for Arrigan Center operational costs and \$0.1 million more for centralized services provided by the Department of Administration, partially offset by \$0.4 million less for other information technology spending. *The Governor recommended \$0.1 million less than requested to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses.* **The Assembly concurred.**

Police and Fire Relief Funds. The Department requested \$3.7 million from general revenues for the Police and Fire Relief funds, which pay benefits to surviving spouses of deceased police and firefighters and education benefits for spouses and children of deceased or disabled officers and firefighters, as well as disabled workers. This assumes \$3.0 million for survivor payments and \$460,247 for educational benefits. The request is \$14,228 less than enacted, including \$5,539 more for staffing costs and \$20,000 less for survivor benefits. *The Governor recommended \$6,581 more than requested. This includes \$10,435 more to account for statewide adjustments consistent with his recent labor agreements and \$3,854 less to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses.* **The Assembly concurred.**

Other Workforce Regulation and Safety Staffing and Operations. The Department requested \$5.0 million, \$163,186 more than enacted from general revenues, for staffing and operations of the workforce regulation and safety division. The staffing request of \$5.1 million is \$360,011 more than enacted, and includes the allocation of 36.7 positions, 0.7 more than the enacted assumptions and consistent with the revised request. The request would fully fund 36.7 positions, 0.9 more than the enacted budget. The request reduces other spending by \$196,825, which largely reflects a shift of existing liabilities as part of an intradepartmental transfer to update the Department's cost allocation.

*The Governor recommended \$0.4 million more than requested. This includes \$0.4 million more to account for statewide adjustments consistent with his recent labor agreements and \$28,241 less to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. **The Assembly concurred.***

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. Funding supports cultural competency training and outreach. The Department requested the enacted level of \$100,000, of which \$72,000 is for its community engagement partners, and \$28,000 is for training and travel. *The Governor recommended funding as requested. **The Assembly concurred.***

Other Staffing and Operations. The Department requested \$2.0 million, \$36,775 less than enacted, from general revenues for all other staffing and operations. The staffing request of \$478,398 is \$95,440 less than enacted and includes the allocation of 2.6 full-time equivalent positions, 0.1 positions less than the enacted assumptions and consistent with the revised request. The request would fund 2.6 positions, 0.1 less than the enacted budget. All other requested expenses total \$1.5 million, \$58,665 more than the enacted budget, primarily for centralized services provided by the Department of Administration.

*The Governor recommended \$0.2 million more than requested. This includes \$28,810 more to account for statewide adjustments consistent with his recent labor agreements and \$0.1 million more to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. **The Assembly concurred.***

Department of Revenue

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Office of Director	\$ 2,883,605	\$ 2,930,770	\$ 3,168,518	\$ 3,168,518
Office of Revenue Analysis	1,015,848	1,101,548	1,173,041	1,173,041
Lottery Division	423,671,930	447,881,003	448,042,227	448,042,227
Division of Municipal Finance	2,241,697	1,825,843	2,045,839	2,045,839
Taxation	40,974,285	40,987,256	42,916,969	43,166,969
Registry of Motor Vehicles	35,672,051	39,848,766	41,296,967	41,296,967
State Aid	327,180,745	325,083,979	324,049,781	333,360,262
Collections	965,438	948,761	994,263	994,263
Total	\$ 834,605,599	\$ 860,607,926	\$ 863,687,605	\$ 873,248,086
Expenditures by Category				
Salaries and Benefits	\$ 67,495,448	\$ 69,480,208	\$ 74,165,510	\$ 74,415,510
Contracted Services	11,675,089	12,072,625	13,463,275	13,463,275
Subtotal	\$ 79,170,537	\$ 81,552,833	\$ 87,628,785	\$ 87,878,785
Other State Operations	421,598,322	446,956,644	445,844,569	445,844,569
Aid to Local Units of Government	332,241,224	330,144,458	329,110,260	338,420,741
Assistance, Grants, and Benefits	822,377	1,022,377	1,022,377	1,022,377
Capital	773,139	931,614	81,614	81,614
Operating Transfers	-	-	-	-
Total	\$ 834,605,599	\$ 860,607,926	\$ 863,687,605	\$ 873,248,086
Sources of Funds				
General Revenue	\$ 400,471,730	\$ 402,288,592	\$ 403,892,388	\$ 413,452,869
Federal Aid	805,667	728,092	493,061	493,061
Restricted Receipts	9,481,272	9,535,239	11,084,929	11,084,929
Other	423,846,930	448,056,003	448,217,227	448,217,227
Total	\$ 834,605,599	\$ 860,607,926	\$ 863,687,605	\$ 873,248,086
FTE Authorization	599.5	599.5	604.5	605.5

Summary. The Department of Revenue requested expenditures of \$867.1 million for FY 2026, including \$409.9 million from general revenues, \$0.5 million from federal funds, \$9.5 million from restricted receipts, and \$447.2 million from other sources, primarily lottery funds. The request is \$32.5 million more than the enacted budget. This includes \$9.4 million more from general revenues, \$53,967 more from restricted receipts, \$23.4 million more from lottery funds, and \$333,832 less from federal funds. The Department requested 599.5 full-time equivalent positions, consistent with the authorized level.

The Governor recommended \$863.7 million from all sources, which is \$3.4 million less than requested. General revenues are \$403.9 million, \$6.0 million less than requested. The recommendation adds 5.0 full-

time equivalent positions to support revenue initiatives. The Assembly provided \$873.2 million, including \$413.5 million from general revenues. It added \$9.6 million from general revenues to the recommendation, mostly for local aid.

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 \$403.9 million, including a current service adjustment increase of \$0.8 million and a 7.5 percent reduction of \$5.1 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$5.3 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 essentially consistent with the target. The enacted budget is \$9.5 million above the target.*

Director's Office

Staffing and Operations. The Department requested \$2.9 million from general revenues for Director's Office staffing and operations, including centralized services provided by the Department of Administration. The request is \$39,392 more than enacted to support 10.0 full-time equivalent positions, increased medical insurance costs based on employee selection, and current service adjustments. The request includes \$0.3 million of turnover savings, consistent with the enacted amount. All other spending totals \$1.3 million, including \$1.3 million for centralized services and \$20,238 for all other operations.

The Governor recommended \$0.2 million more than requested from general revenues. He added \$0.1 million to account for statewide adjustments consistent with his recent labor agreements and \$0.1 million for adjustments to centralized services based on anticipated expenses. The Assembly concurred.

Revenue Analysis

Staffing and Operations. The Department requested \$1.1 million from general revenues for Office of Revenue Analysis staffing and operations. Staffing expenses are \$43,276 more than enacted to reflect current service adjustments. The request supports the Office's 6.0 full-time equivalent positions and includes \$32,258 of turnover savings, consistent with the enacted amount. All other spending totals \$0.1 million, primarily for data analysis and software licensing. *The Governor added \$0.1 million to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Lottery Division

Problem Gambling Expenses. Consistent with its revised request, the Department requested \$0.8 million, or \$0.2 million more than enacted from lottery funds, for problem gambling programming mandated by state law. The Department reports an increased need for problem gambling services related to sports betting and iGaming. Both of these services cater to different demographics that require outreach services and treatment, and increased funding will address this higher level of need. Twin River and Twin River-Tiverton Casinos must reimburse the Division at least \$200,000 annually for compulsive and problem gambling programs established by the Division. Additionally, the Division must provide up to \$150,000 from self-excluded gamblers' winnings to the Rhode Island Council on Problem Gambling for its research, education, and prevention of teenage gambling addiction activities, with the balance transferred to the general fund. The enacted budget includes \$0.6 million for these services. *The Governor recommended funding as requested. The Assembly concurred.*

Commission Payments. The Department requested \$419.1 million from lottery funds for Lottery commission payments. Consistent with its revised request, this is \$23.3 million more than enacted and represents an estimate of payments which corresponds to the May 2024 Revenue Estimating Conference adopted estimate. The appropriations act historically includes language authorizing the payment of winning

prize funds and commission payments to the local casinos for the fiscal year. *The Governor recommended funding as requested. The Assembly concurred.*

Casino Staffing and Operations. The Department requested \$7.8 million from lottery funds for casino staffing and operations, including \$0.8 million more for salaries and benefits and \$45,160 for operating expenses at Lincoln, consistent with the enacted amount. This assumes 60.0 full-time equivalent positions, including 37.0 positions at Lincoln and 23.0 positions at Tiverton, consistent with the authorized number of positions. The request reflects current service adjustments and adds approximately 0.9 positions of turnover savings. The enacted budget funds about 59 positions. As of the beginning of December, there were nine vacancies. *The Governor added \$0.6 million to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Other Lottery Staffing and Operations. The Department requested \$18.9 million from lottery funds for all other casino staffing and operations, including \$0.7 million less than enacted for iGaming staffing and \$0.2 million more for central administration staffing. This supports 54.0 full-time equivalent positions within central administration and 11.0 full-time equivalent positions for iGaming. The request includes \$345,960 of turnover savings within central administration, consistent with the enacted budget. The 2023 Assembly authorized casino gambling through digital media for participants aged 21 and older, located within the state, including table gaming hosted by a person and slot gaming, presented via the internet or other computer applications. During July 2023, Bally's announced a partnership with Stakelogic, a Netherlands-based live casino software and studio technology supplier, to launch online games in 2024.

The 2024 Assembly authorized 19.0 full-time equivalent positions in the FY 2025 enacted budget for iGaming along with \$2.1 million for salaries and benefits, funding about 16.0 positions.

The Department requested \$1.4 million, or \$0.7 million less than enacted from lottery funds, to fund 11.0 full-time equivalent iGaming positions. Salaries and benefits are reduced by funding fewer positions. The request assumes no turnover. The other full-time equivalent positions authorized in the enacted budget are still dedicated to iGaming, but are based in Cranston and are being charged to the main lottery account as they are not considered front-line staff.

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

The Governor recommended \$0.8 million more than requested for all other lottery staffing and operations. He added \$0.7 million to account for statewide adjustments consistent with his recent labor agreements. He recommended funding as requested for legal expenses and added \$0.1 million to account for decentralizing utility billings and increases in those expenses. The Assembly concurred.

Capital. The Department requested \$0.4 million from Rhode Island Capital plan funds, or \$0.3 million less than enacted to purchase a generator to support operations and expand the functionality of the lottery building. The Department's operating request is inconsistent with its capital request, which includes approved projects to develop additional office space and to replace the Lottery's heating, ventilation, and air conditioning system. The request has been updated based on current information regarding a delay in the supply chain and the timeline for the request for proposals. *The Governor recommended \$0.7 million less than enacted, excluding funds for the generator project. The Assembly concurred. 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 requested \$220,000 from general revenues for payments by the state to Central Falls pensioners affected by the city's bankruptcy. The request is consistent with the Department's revised request and the enacted budget; however, the Department expects that this payment will actually be lower for FY 2026. 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 General Treasurer will provide the Division with the final figure in June 2025 for payment to be made at the beginning of FY 2026. *The Governor recommended funding as requested.* **The Assembly concurred.**

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

Staffing and Operations. The Department requested \$1.8 million from general revenues for its 10.0 authorized full-time equivalent positions and other operations. This is \$0.2 million less than enacted to reflect increased turnover savings and current service adjustments. The enacted budget assumes turnover savings equivalent to about one position, and the request doubles that. As of the first pay period in January 2025, the Division had 7.0 full-time equivalent positions filled. The request also includes \$0.1 million for other operations, consistent with the enacted budget.

The Governor recommended \$32,255 more than requested from general revenues, including \$32,964 more for salaries and benefits. He added \$0.2 million to account for statewide adjustments consistent with his recent labor agreements, offset by an additional \$0.2 million of turnover. The recommendation also includes a decrease of \$709 to account for adjustments to other centralized services based on anticipated expenses. **The Assembly concurred.**

Local Aid

Motor Vehicles Excise Tax Phase-Out Program. The Department requested \$243.6 million from general revenues to reimburse local governments for revenues lost from phasing out the motor vehicle excise tax. The request is \$8.9 million more than enacted and is consistent with the anticipated current service level that accounts for the statewide growth calculation. The 2022 Assembly enacted legislation ending the tax for each local government's FY 2024; East Providence entered the phase-out one year behind and ended the same way. After the phase-out is complete, the Director of Revenue must calculate and report to the executive and legislative branches the sales tax revenue growth to be distributed to local governments in the second fiscal year following the phase-out. The Governor's FY 2025 budget proposed eliminating this indexing, but the Assembly did not concur. *The Governor recommended \$234.9 million, which is \$0.1 million more than enacted and \$8.7 million less than requested. This assumes passage of Article 5 of his recommended budget eliminating future increases, and that the amount be based on the higher of FY 2024 or FY 2025 distributions. This is \$9.7 million less than the current law estimate.*

The enacted budget maintained current law to allow growth, but capped the increase at 2.0 percent. It also held communities harmless for any decreases based on rounding values as part of the indexing to the sales tax. It added \$4.7 million to provide a total of \$239.5 million.

Payment in Lieu of Taxes. Consistent with the enacted budget, the Department requested \$49.2 million from general revenues for the Payment in Lieu of Taxes program, which reimburses cities and towns for

property taxes that would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility. These property types are exempt from taxation by state law. Reimbursement is statutorily based on 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. The FY 2025 enacted budget includes \$49.2 million, which represents 26.7 percent reimbursement, and is \$0.6 million less than full funding. At the time of the request, the cost of the full entitlement was not calculated. *The Governor recommended funding as requested. It represents 25.9 percent. The Assembly added \$2.1 million to fully fund the program. A detailed description of the program and community data is included in the Special Reports section of this publication.*

Distressed Communities. The Department requested the enacted level of \$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 Rhode Island 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. Since FY 2006, up to eight communities that fall into the lowest 20.0 percent for at least three of the four indices are eligible for assistance under the program. For FY 2025, eligible communities include Central Falls, North Providence, Pawtucket, Providence, West Warwick, and Woonsocket. FY 2026 data was not available at the time of the budget request. *The Governor recommended funding as requested and included Coventry as a newly qualified community. The Assembly added \$2.5 million to provide a total of \$14.9 million. A detailed description of the program and community data is included in the Special Reports section of this publication.*

Property Tax Revaluation Program. The Department requested \$0.7 million, which is \$1.2 million less than enacted from general revenues to reimburse communities conducting scheduled property revaluations or statistical updates for FY 2026. The request reflects anticipated expenses for maximum allowable reimbursements for communities scheduled to complete revaluations. Expenditures fluctuate annually on a triennial cycle. Actual expenditures for FY 2024 and FY 2023 totaled \$0.7 million and \$0.5 million, respectively. *The Governor recommended funding as requested. The Assembly concurred. A detailed description of the program and community data is included in the Special Reports section of this publication.*

Tangible Tax Exemption. Consistent with the enacted budget, the Department requested \$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.

The 2023 Assembly established 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 shifted \$28.0 million of funds from the FY 2024 enacted budget to FY 2025, when payments will be made. The Assembly concurred and included revisions to the calculation to ensure that cities and towns are reimbursed for the value of the exemption. *The Governor recommended \$25.9 million, or \$2.1 million less than enacted, based on the final FY 2025 cost. The Assembly concurred. A detailed description of the program and community data is included in the Special Reports section of this publication.*

Car Rental/Surcharge - Warwick Share. The Department requested 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 2024 spending totaled \$0.9 million, as proceeds continue to recover to the pre-pandemic level, which reached \$1.0 million during FY 2019. *The Governor recommended funding as requested. The Assembly concurred.*

Division of Taxation

Enhanced Collections. Consistent with the enacted budget, the Department requested \$0.5 million from general revenues for contracted data mining and legal services for out-of-state collections.

Rhode Island General Law, Section 44-1-34 previously allowed the posting of the top 100 delinquent individual and business taxpayers, measured by the largest outstanding tax liabilities in excess of 90 days. The 2024 Assembly removed the numerical limit and established a liability floor of \$50,000 in order to incentivize more voluntary compliance. The 2024 Assembly authorized \$0.7 million for implementation costs including \$0.2 million for 3.0 full-time equivalent taxpayer assistance representatives and \$0.5 million for contracted data mining and legal services for out-of-state collections. As of January 2025, these positions have been offered and will start before the end of the month. The Division is currently drafting a request for proposals for a technology vendor to leverage data available to enhance tax collections. *The Governor recommended funding as requested. The Assembly concurred.*

Adult Use Marijuana. The Department requested \$0.1 million, or \$0.2 million less than enacted, from restricted receipts for compliance with the implementation of adult use marijuana tax provisions. The enacted budget authorizes 2.0 full-time equivalent positions to support compliance; however, the request does not include funds for staffing, consistent with the revised request. The Department is unable to assign specific individuals to the implementation of this tax provision, as no employees have dedicated their full work hours to it. In FY 2024, \$87,162 of staff expenses were charged. Other operational spending is maintained at \$100,000, which is placeholder funding for miscellaneous expenses related to cannabis enforcement. Possible uses of these funds include training, mileage reimbursement when not using a state vehicle, seizure and destruction, if applicable, and other general operating expenses. *The Governor recommended funding as requested. The Assembly concurred.*

Integrated Tax System Maintenance and Support. Consistent with the enacted budget, the Department requested \$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 that digitize documents for the system's use, which were at end-of-life; the request reallocates funding between accounts to reflect the shift. *The Governor recommended funding as requested. The Assembly concurred.*

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

Other Staffing and Operations. The Department requested \$41.1 million, primarily from general revenues, for all other expenses. This includes \$26.1 million from general revenues to support the Division's 227.0 full-time equivalent positions, which is \$0.4 million more than enacted and includes decreased turnover equivalent to about 7.0 positions and \$0.1 million to annualize the 5.0 new full-time

equivalent positions within the division that were added by the 2024 Assembly and assumed a September start date. This includes 2.0 positions for the implementation of electronic nicotine-delivery systems compliance and 3.0 positions for the enhanced collections initiative. The request also includes \$4.3 million from all funds for all other operations, programming \$20,000 more for computer software and equipment, offset by \$20,000 less for office supplies and equipment, as well as \$500 more for interpreters, offset by \$500 less for stenographers, and \$1,800 less for security services.

The Governor recommended \$1.7 million more than requested. The recommendation includes \$2.2 million to account for statewide adjustments consistent with his recent labor agreements offset by \$1.6 million of turnover savings. The recommendation also includes a decrease of \$37,976 for adjustments to other centralized services based on anticipated expenses.

*He recommended \$0.6 million and 5.0 new full-time equivalent positions and dedication of a current vacancy to support his two new revenue initiatives. This equates to three positions each to support the administration of the digital advertising tax and the administration of the whole home short-term rental tax. His budget also includes \$0.2 million for legal services for the whole home short-term rental tax and \$0.3 million for information technology for the digital advertising tax. **The Assembly did not enact the digital advertising tax proposal but did adopt other new revenue initiatives. It added 1.0 position and \$250,000 to the recommendation, providing a total of \$0.7 million for the implementation costs of new revenues.***

Target - Financial Institution Data Matching Program. As part of its constrained request, the Division of Taxation proposed to expand its statutory authority to allow it to match, lien, and levy state tax debts. This would enable the Division to receive information quickly, securely, and accurately from over 13,000 financial institutions regarding bank accounts for potential levy against large tax debtors. Currently, the Division must manually contact each potential bank to verify if an account exists before issuing a levy. This program could be implemented and administered using the Division's contingent fee contracting option. The statutory authority would require financial institutions to participate in this process.

With this proposal, the Division anticipates collecting \$5.2 million in FY 2026 and \$8.0 million in FY 2027. Rhode Island currently allows financial institution data matching for child support, as outlined in Rhode Island General Laws, Section 15-22-3. The Department notes that several vendors offer data exchange programs that utilize an established model to match existing tax liabilities. Where a match is found, the information is captured as a bank account asset subject to levy. The Division would be prepared to initiate an appropriate procurement process with an expected start date of October 15, 2025, for the issuance of levies based on the matched data. There would be licensing and administrative costs for utilizing the system each year, which are currently unknown. *The Governor's budget includes the revenues and legislation to implement the proposal as requested. **The Assembly concurred.***

Division of Motor Vehicles

Rhode Island Motor Vehicle System. The Department requested \$5.1 million, \$0.9 million more than enacted, for contractual support for the Rhode Island Motor Vehicle System based on a new contract effective May 23, 2024. The request includes \$0.7 million more from general revenues and \$0.2 million more from restricted receipts. 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 \$1.00 provided to the Division to pay for additional development costs. The entire fee became available to the Division as of July 1, 2022.

The Department's constrained request proposes increasing the technology fee by \$1.00 per transaction to \$3.50 to maintain this system and cover the increased technology costs within the system's contract. The increased fee would allow for general revenues to be reduced by \$0.7 million in FY 2026 and would

generate \$1.5 million of restricted receipts, allowing this fund to cover the information technology expenses. The FY 2025 starting restricted receipt fund balance for this system is \$1,467. All Division of Motor Vehicles transactions, except inspections, would be subject to the increased technology surcharge. *The Governor recommended the increased fee and included \$1.8 million more than enacted, including \$23,824 from general revenues and the rest from restricted receipts.* **The Assembly concurred.**

Federal CDL Grants. The Department requested \$0.5 million from federal funds, or \$0.3 million less than enacted for 4.0 full-time equivalent positions and information technology expenses to support its ongoing Commercial Driver's License Improvement Grants. The Department notes that there are currently 2.0 full-time equivalent positions dedicated to this work, as the grant requirements vary. It utilizes more contracted information technology staff than full-time equivalent positions, based on the technical requirements of the grants, and accounts for this through turnover. At the time of the request, the Department had filled 2.0 of these positions. Operations spending is \$0.2 million less than enacted for contracted information technology services. These grants support Rhode Island's efforts to improve the accuracy, timeliness, and sharing of commercial driver violation data, ensuring that unsafe drivers are identified and that licensing agencies have complete and accurate driving histories to uphold eligibility requirements for commercial driver's licenses. *The Governor recommended \$21,266 more than requested to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Other Staffing. The Department requested \$21.3 million from general revenues for the division's remaining 212.5 full-time equivalent positions. This is \$0.8 million more than enacted, about half of which reflects salary increases approved in November 2023. The FY 2025 revised request notes that during the close of FY 2024, it did not account for the salary increases that were approved since they had not been effectuated by human resources yet. *The Governor recommended \$2.6 million more than requested. He added \$1.9 million to account for statewide adjustments consistent with his recent labor agreements and restored \$0.8 million of turnover savings.* **The Assembly concurred.**

Other Operations. Consistent with its revised request, the Department requested \$9.4 million from general revenues, or \$49,431 less than enacted, for all other expenses of the Division of Motor Vehicles. This includes \$5.1 million for centralized services. Other expenses include the enacted \$0.5 million for stock plates and \$1.2 million for mailing notices and non-reissuance plates. Adjustments include \$48,397 less for utilities, mileage reimbursements, and rental of outside properties. *The Governor recommended an increase of \$0.7 million, of which \$0.3 million is to account for decentralizing utility billings and increases in those expenses, and \$0.4 million is for adjustments to other centralized services based on anticipated expenses.* **The Assembly concurred.**

Central Collections Unit

Staffing and Operations. The Department requested \$0.9 million for the staffing and operations expenses of the Central Collections Unit. This is \$29,175 less than enacted to reflect current service adjustments for its authorized 8.0 full-time equivalent positions offset by additional turnover savings. The request funds 7.1 positions and operating expenses consistent with the enacted budget. The 2022 Assembly extended the unit's sunset provision to 2033. The unit's annual reporting requirement has consistently been fulfilled. *The Governor recommended \$58,000 more than requested. He included \$76,123 more to account for statewide adjustments consistent with his recent labor agreements, offset by \$18,123 less for adjustments to other centralized services based on anticipated expenses.* **The Assembly concurred.**

Legislature

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
General Assembly	\$ 8,341,687	\$ 11,460,560	\$ 8,749,179	\$ 8,749,179
Fiscal Advisory Staff	2,490,826	2,617,371	2,688,479	2,688,479
Legislative Council	5,433,534	5,866,668	6,046,683	6,046,683
Joint Comm. On Legislative Affairs	32,141,261	38,929,049	35,774,281	35,774,281
Office of the Auditor General	7,368,723	7,849,725	8,152,398	8,152,398
Special Legislative Commissions	13,900	13,900	13,900	13,900
Total	\$ 55,789,931	\$ 66,737,273	\$ 61,424,920	\$ 61,424,920
Expenditures by Category				
Salaries and Benefits	\$ 46,571,935	\$ 49,668,278	\$ 51,521,527	\$ 51,521,527
Contracted Services	1,118,770	3,388,770	1,613,800	1,613,800
Subtotal	\$ 47,690,705	\$ 53,057,048	\$ 53,135,327	\$ 53,135,327
Other State Operations	4,929,926	10,249,525	5,075,093	5,075,093
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,300,000	2,300,000	2,300,000	2,300,000
Capital	869,300	1,130,700	914,500	914,500
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 55,789,931	\$ 66,737,273	\$ 61,424,920	\$ 61,424,920
Sources of Funds				
General Revenue	\$ 53,358,280	64,146,864	\$ 58,734,623	\$ 58,734,623
Federal Aid	-	-	-	-
Restricted Receipts	2,431,651	2,590,409	2,690,297	2,690,297
Other	-	-	-	-
Total	\$ 55,789,931	\$ 66,737,273	\$ 61,424,920	\$ 61,424,920
FTE Authorization	298.5	298.5	298.5	298.5

Summary. The Legislature estimated FY 2026 expenditures of \$58.0 million and 298.5 full-time equivalent positions. This includes \$55.5 million from general revenues and \$2.5 million from restricted receipts. *The Governor added \$3.3 million, including \$3.2 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements. He also included an adjustment of \$52,026 from general revenues to centralized services based on anticipated expenses.* **The Assembly concurred.**

Office of the Lieutenant Governor

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 1,239,116	\$ 1,153,533	\$ 1,305,099	\$ 1,305,099
Contracted Services	43,000	48,000	48,000	48,000
Subtotal	\$ 1,282,116	\$ 1,201,533	\$ 1,353,099	\$ 1,353,099
Other State Operations	164,149	168,570	166,120	166,120
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	750	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,447,015	\$ 1,370,103	\$ 1,519,219	\$ 1,519,219
Sources of Funds				
General Revenue	\$ 1,447,015	\$ 1,370,103	\$ 1,519,219	\$ 1,519,219
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,447,015	\$ 1,370,103	\$ 1,519,219	\$ 1,519,219
FTE Authorization	8.0	8.0	8.0	8.0

Summary. The Office of the Lieutenant Governor requested total expenditures of \$1.6 million from general revenues, or \$125,983 more than enacted, for FY 2026. *The Governor recommended \$1.5 million from general revenues, or \$72,204 more than enacted.* **The Assembly concurred.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Office of the Lieutenant Governor, this produced a general revenue target of \$1.4 million, including a current service adjustment increase of \$17,035 and a 7.5 percent reduction of \$102,852. The constrained budget submitted by the Office is \$108,948 more than the Budget Office target. The proposals from the agency to achieve these reductions are noted below, where appropriate. *The Governor's recommendation is \$0.2 million above the target.* **The Assembly concurred.**

Seasonal Policy Interns. Consistent with its revised request, the Office requested \$78,370, or \$12,850 more than enacted for seasonal policy interns. The seasonal policy interns will continue to pursue federal fund opportunities for 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. The Office's request funds two seasonal policy interns, reflecting raises for both. *The Governor recommended \$23,920 less than enacted, consistent with his revisions to FY 2025.* **The Assembly concurred.**

Other Salaries and Benefits. The Office requested \$1.3 million, or \$113,133 more than enacted, to fully fund 8.0 full-time equivalent positions. The request involves a reworking of staff titles, resulting in a

\$77,705 increase in total salaries. The Office's request inadvertently decreases the salary for the Lieutenant Governor position by \$7,385.

The Office's constrained budget includes \$37,852 of turnover savings. At the time of the request, it had two vacancies.

*The Governor recommended \$89,903 more than enacted. His recommendation provides \$81,596 from general revenues to account for statewide adjustments consistent with his recent labor agreements, and \$8,307 for current service adjustments to fully fund staff. **The Assembly concurred.***

Other Operations. The Office requested \$0.2 million for other operations, consistent with what was enacted in FY 2025. This includes legal expenses, centralized services charges, office supplies, and state fleet expenses.

The constrained request proposed savings of \$65,000 by excluding legal expenses and staff training expenses.

*The Governor recommended \$6,221 more than enacted. He included an increase of \$1,971 from general revenues, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses. He also added \$18,000 for legal services, and recommended \$750 less for computer equipment and \$13,000 less for staff training to provide overall funding at a current service level. These adjustments are consistent with his revisions to FY 2025. **The Assembly concurred.***

Office of the Secretary of State

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Administration	\$ 5,076,740	\$ 5,461,012	\$ 5,975,167	\$ 5,975,167
Corporations	2,807,730	2,844,181	2,913,879	2,913,879
State Archives	1,233,909	1,248,294	761,449	761,449
Elections and Civics	4,691,197	4,672,091	3,357,040	4,107,040
State Library	649,250	651,736	668,263	668,263
Office of Public Information	913,969	849,739	865,724	865,724
Total	\$ 15,372,795	\$ 15,727,053	\$ 14,541,522	\$ 15,291,522
Expenditures by Category				
Salaries and Benefits	\$ 8,040,117	\$ 8,629,190	\$ 8,850,050	\$ 8,850,050
Contracted Services	1,158,980	1,038,980	1,113,980	1,113,980
Subtotal	\$ 9,199,097	\$ 9,668,170	\$ 9,964,030	\$ 9,964,030
Other State Operations	4,918,998	4,853,421	3,619,792	4,369,792
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	418,000	418,000	418,000	418,000
Capital	836,700	787,462	539,700	539,700
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 15,372,795	\$ 15,727,053	\$ 14,541,522	\$ 15,291,522
Sources of Funds				
General Revenue	\$ 12,462,241	\$ 12,807,184	\$ 12,111,732	\$ 12,861,732
Federal Aid	2,001,207	2,001,207	2,000,000	2,000,000
Restricted Receipts	409,347	418,662	429,790	429,790
Other	500,000	500,000	-	-
Total	\$ 15,372,795	\$ 15,727,053	\$ 14,541,522	\$ 15,291,522
FTE Authorization	62.0	62.0	62.0	62.0

Summary. The Office of the Secretary of State requested FY 2026 expenditures totaling \$16.4 million, including \$14.1 million from general revenues. Compared to the enacted budget, the request includes \$1.6 million more from general revenues and \$0.5 million less from Rhode Island Capital Plan funds, and one new position for a total of 63.0 full-time equivalent positions. *The Governor recommended \$1.9 million less than requested from all sources, including \$2.0 million less from general revenues. The Assembly provided \$15.3 million from all sources, including \$12.9 million from general revenues. This is \$750,000 more from general revenues than recommended.*

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 \$10.3 million, including a current service reduction of \$1.4 million and a 7.5 percent reduction of \$0.8 million, adjusted for certain exclusions. The Office did not submit a constrained budget.

The request does include new initiatives totaling \$2.4 million. *The Governor's recommendation is \$1.8 million above the target.* **The enacted budget is \$2.6 million above the target.**

Help America Vote Act. The Office requested \$2.0 million, \$1,207 less than enacted, from federal Help America Vote Act election security grant funds. A total of \$9.2 million was awarded from five election security grants, with \$3.7 million available for FY 2026. Funding can be used for a variety of information technology and security expenses, election administration training grants, and risk limiting audits. The Office has indicated that funds will be used to conduct voter registration system enhancements, voting equipment upgrades, and cybersecurity improvement projects. However, the Office reported that the request is a placeholder as it does not have an estimate for expenses in FY 2026. FY 2024 expenditures totaled \$519,579. *The Governor recommended funding as requested.* **The Assembly concurred.**

Statewide Voter List Maintenance Mailing. The Office requested \$0.8 million from general revenues for a new one-time expense to conduct a statewide mailing to update the state's voter registration list. The Office reported that this involves mailing a form to every registered voter in Rhode Island to ensure that voter rolls are as accurate as possible. *The Governor did not recommend this project.* **The Assembly provided funding as requested.**

Other Election Expenses. The Office requested \$1.4 million from general revenues for the expenses of the elections and civics division, which is \$1.3 million less than enacted. Staffing expenses total \$0.6 million, which is \$51,391 more than enacted to reflect current service adjustments and changes to position grades. The request fully funds 4.0 full-time equivalent positions, and includes \$12,000 for summer fellowships, \$6,750 more than enacted. All other spending is \$1.4 million less than enacted, including \$1.3 million less for advertising and printing costs and \$145,000 less for postal services without an election in FY 2026, partially offset by \$75,000 for increased information technology expenses. *The Governor recommended \$3,162 less than requested. The recommendation adds \$51,120 to account for statewide adjustments consistent with his recent labor agreements. It also decreases various operating expenses by \$54,282; these savings appear to be shifted to salaries and benefits, reducing turnover savings.* **The Assembly concurred.**

Semiquincentennial Commission. The Office requested \$597,949 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 \$273,539 more than the enacted budget and the revised request. The request includes \$250,000 for operating costs and \$97,949 to fund a full-time equivalent coordinator position, which is \$23,539 more than enacted. It also adds \$250,000 to offer expanded programming such as a heritage festival, a lecture series, and returning Tall Ships to Narragansett Bay. *The Governor did not recommend funding for additional programming and added \$7,123 to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Deputy State Archivist (1.0 FTE). The Office requested \$126,756 from general revenues for a new full-time equivalent Deputy State Archivist position. The Office indicated that this new position would improve response times for requests for service, manage increasing accessions and processing of records, grow the Office's digital archives, and support other agencies with the review of regulations. *The Governor did not recommend funding.* **The Assembly concurred.**

Other State Archives Operations. The Office requested \$891,612 from all sources, including \$554,788 from general revenues and \$336,824 from restricted receipts, for the staffing and operations of the Archives. This is \$157,703 more than enacted, including \$205,226 more from general revenues. The staffing request for the 3.4 full-time equivalent positions totals \$468,716 from all sources, which is \$92,373 more than enacted, including \$134,696 more from general revenues. All other spending is \$422,896, of which

\$312,496 is from general revenues. This is \$65,330 more than enacted, including \$70,530 from general revenues, largely for a one-time purchase of \$50,000 for a new overhead scanner. Excluding that item, expenses are \$37,943 more than FY 2024 spending.

The staffing allocation is 0.6 positions more than the enacted assumptions and represents 100 percent of one position of the archives and 40.0 percent of six positions of the archives, Records Center, and Office of Public Information. The Office distributed more costs to general revenues because restricted historical records trust revenues have declined in recent years, and current projections predict that revenue will be insufficient for current and requested funding levels. The request would require \$336,824 from historical trust revenues to support all staffing and operational costs. Adjusted for an estimated negative \$27,173 balance forward, the request exceeds resources by \$121,438. 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 since lost a third of its value.

*The Governor recommended \$0.1 million less than requested, including \$0.2 million less from general revenues. The recommendation adds \$31,181, including \$8,573 from general revenues, to account for statewide adjustments consistent with his recent labor agreement. The recommendation also shifts 0.6 full-time equivalent positions to the Records Center to reflect the enacted staffing allocation, and excludes funding for the overhead scanner. **The Assembly concurred.***

New State Archives Facility. The enacted budget includes \$500,000 from Rhode Island Capital Plan funds to conduct an analysis regarding the development of a new state archives facility, including site selection and options for a facility that could be expanded in phases over time. The enacted budget also maintained \$4.5 million for FY 2027 pending the outcome of that study. Consistent with the approved capital plan, no funds are requested for FY 2026. *The Governor's recommendation is consistent with the approved plan. **The Assembly concurred.***

Records Center. The Office requested \$1.1 million from other funds, or \$75,473 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 \$87,575 less than enacted to fund 3.6 full-time equivalent positions, which reflects 60 percent of six positions of the archives and Records Center, and 60 percent of one position from the Office of Public Information. This allocation is 0.6 positions fewer than the enacted budget. The request also adds \$8,707 for clerical services and \$4,395 for electronic security expenses. It is \$86,637 less than the revised request and excludes \$90,035 from salaries and benefits to fund 0.6 fewer positions. *The Governor recommended \$0.1 million more than requested, including \$46,767 to account for statewide adjustments consistent with his recent labor agreements. He also shifted 0.6 full-time equivalent positions from the State Archives to reflect the enacted staffing allocation. **The Assembly concurred.***

Tours and Visitors Center. The Office requested \$98,250, including \$73,250 from general revenues, for tour offerings to enhance the visitor experience at the Rhode Island State House and educational engagement, and to fund the State House Visitor Center and Gift Shop and its online retail site. The request is \$10,000 more than enacted from general revenues to update its online application for booking tours. The total includes \$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 \$18,000 for all other supplies and equipment to fund State House tours. The request assumes \$25,000 from restricted receipts supported by merchandise sales. *The Governor recommended funding consistent with the enacted budget. **The Assembly concurred.***

State Grants. The Office requested the enacted level of \$318,000 from general revenues for state grants to four local cultural organizations and for Rhode Island students to attend a national competition. This includes \$168,000 to support the historical libraries of the Rhode Island Historical Society, the Rhode Island

Black Heritage Society, and the Newport Historical Society in accordance with Chapter 29-2 of the General Laws, for the purpose of caring for, preserving, and 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 recommended funding as requested. The Assembly concurred.*

Server Replacement. The Office requested \$250,000 from general revenues for a new expense to replace an existing server that houses the Office's technical infrastructure, which will reach the end of support in June 2026. The Office indicated that maintaining the existing server beyond its end of support risks failure of the device and a lack of security patches, which the Office reported would pose both productivity and cybersecurity risks. *The Governor recommended funding as requested. The Assembly concurred.*

OpenGov Application and Website. The Office requested \$0.7 million from general revenues for a new expense to rewrite the codes for the state's OpenGov application and website to improve and modernize three functions which share an integrated interface: the government directory, open meetings portal, and quasi-public board and commission appointments functions. The Office reported this requires rewriting existing code, new programming, and designing a new website to integrate these functions, partly because there is no pre-built system to satisfy these requirements. *The Governor did not recommend funding. The Assembly concurred.*

Contracted Interpreter. The Office requested \$50,000 from general revenues for a new expense for contracted interpreting services to assist non-English speaking users in navigating its website, business service forms, election materials, and other documents. The Office indicated that existing staff members currently fulfill these duties, but the current practice is insufficient and responsibilities are outside the scope of existing employees' duties. *The Governor did not recommend funding. The Assembly concurred.*

Compensation Study. The Office requested \$65,000 from general revenues for a new expense to conduct a compensation study, which would reduce the number of job titles and update job classifications to optimize staff positions and responsibilities. The Office indicated the study would be a one-time expense. *The Governor did not recommend funding. The Assembly concurred.*

Other Salaries and Benefits. The Office requested \$7.3 million or \$291,145 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 2026. The Office reported that this increase is entirely the result of current service adjustments, including step increases. The request also includes \$36,000 for summer fellowships, \$69,910 less than enacted. *The Governor recommended \$264,987 more than requested. The recommendation adds \$0.5 million to account for statewide adjustments consistent with his recent labor agreements and appears to increase turnover savings by \$0.3 million. The Assembly concurred.*

Other Operations. The Office requested \$2.0 million, which is \$259,859 more than enacted from general revenues for all other operations, including utilities, maintenance repairs, and centralized services. This increase includes \$91,300 for software maintenance agreements, of which three are new and total \$78,000; \$41,324 for increased expenses supporting digital operations; and \$9,550 to hire a part-time librarian assistant, likely in partnership with the University of Rhode Island. *The Governor recommended \$138,550 more than enacted, which is \$121,309 less than requested. He added \$51,653 to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses and did not fund some of the other requested increases. The Assembly concurred.*

Office of the General Treasurer

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
General Treasurer	\$ 4,959,013	\$ 5,131,985	\$ 4,666,238	\$ 4,666,238
Unclaimed Property	2,981,837	3,105,525	3,338,043	3,338,043
Employees' Retirement System	14,245,648	14,737,162	16,318,192	16,318,192
Crime Victim Compensation	1,700,376	1,614,447	1,652,443	1,652,443
Subtotal	\$ 23,886,874	\$ 24,589,119	\$ 25,974,916	\$ 25,974,916
Expenditures by Category				
Salaries and Benefits	\$ 13,294,432	\$ 13,872,957	\$ 14,952,022	\$ 14,952,022
Contracted Services	5,134,752	5,313,252	6,543,252	6,543,252
Subtotal	\$ 18,429,184	\$ 19,186,209	\$ 21,495,274	\$ 21,495,274
Other State Operations	2,838,772	2,898,992	3,010,724	3,010,724
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,462,993	2,347,993	1,372,993	1,372,993
Capital	155,925	155,925	95,925	95,925
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 23,886,874	\$ 24,589,119	\$ 25,974,916	\$ 25,974,916
Sources of Funds				
General Revenue	\$ 4,915,333	\$ 5,100,717	\$ 4,600,223	\$ 4,600,223
Federal Aid	763,030	786,809	833,127	833,127
Restricted Receipts	17,607,485	18,092,687	19,906,235	19,906,235
Other	601,026	608,906	635,331	635,331
Total	\$ 23,886,874	\$ 24,589,119	\$ 25,974,916	\$ 25,974,916
FTE Authorization	91.0	91.0	92.0	92.0

Summary. The Office of the General Treasurer requested \$26.4 million, which is \$2.5 million more than enacted and includes \$0.8 million more from general revenues. The Office requested 92.0 full-time equivalent positions, one more than the authorized level. *The Governor recommended \$26.0 million, which is \$2.1 million more than enacted and \$0.5 million less than requested. General revenues are \$0.3 million less than enacted and \$1.1 million less than requested. The Governor recommended 92.0 full-time equivalent positions as requested. The Assembly concurred.*

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Office, this produced a general revenue target of \$3.7 million including current service reductions of \$0.8 million and a 7.5 percent target reduction of \$272,351, adjusted for certain exclusions. The Office did not submit a constrained budget. *The Governor's recommendation is \$0.9 million above the target. The Assembly concurred.*

Staffing. The Office requested \$14.2 million for 92.0 full-time equivalent positions. This is \$0.9 million and one position more than enacted. General revenues of \$3.0 million are \$0.2 million more than enacted. Adjusting for the new position and the double-counting of another position, the request is \$0.5 million more

than enacted. This includes current service adjustments of \$0.2 million and \$0.3 million to restore turnover savings. The equivalent of 0.3 positions is shifted from other programs to the Office's general program.

*The Governor recommended \$1.7 million more than enacted, including \$0.2 million from general revenues. This is \$0.8 million more than requested from all sources. The recommendation adds \$1.2 million, including \$0.1 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements. It also increases turnover savings by \$0.4 million, of which \$0.2 million is from general revenues. **The Assembly concurred.***

Crime Victim Compensation. The Office requested \$1.6 million for the crime victim compensation program, which is \$0.1 million less than enacted from all sources, including \$30,132 more 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. Claims are \$0.1 million less than enacted but \$0.1 million more than the FY 2025 revised request and \$0.3 million more than spent in FY 2024. 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 2026 and FY 2025 revised requests assume \$250,000 of receipts; FY 2024 receipts were \$209,990.

*The Governor recommended \$11,935 more than requested from general revenues. This includes \$50,876 for statewide adjustments consistent with his recent labor agreements and \$434 for centralized services based on anticipated expenses. He did not recommend the additional \$30,000 requested for claims and reduced out-of-state travel and computer expenses by \$9,375 to align expenses with the Budget Office estimate of current services. **The Assembly concurred.***

Retirement System Personnel. The Office requested \$8.4 million from Retirement System restricted receipts for the Retirement System's 43.0 full-time equivalent positions, plus cost allocations of another 28 positions. This is \$0.3 million more than enacted and assumes turnover equivalent to approximately one position and minor revisions to cost allocations. *The Governor recommended \$0.7 million more than requested, primarily to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.***

Retirement System Computer System. The Office requested \$3.1 million from Retirement System restricted receipts for its computer system, which is \$1.0 million more than enacted. The annual service agreement for FY 2026 is \$1.4 million. The request also includes \$1.7 million for system enhancements and upgrades. These include \$1.0 million to upgrade the payroll system, \$0.2 million in required updates related to the pension plan changes made by the 2024 Assembly, and \$0.5 million for other enhancements. *The Governor recommended funding as requested. **The Assembly concurred.***

Other Retirement System Expenses. The Office requested \$4.0 million from Retirement System restricted receipts for all other expenses for the System, including Board legal counsel, postage and printing associated with the distribution of the System newsletter, insurance, and facilities expenses for the building on Service Avenue. The request is \$22,859 more than enacted. *The Governor recommended \$71,628 less than requested. This includes \$61,604 more to account for decentralizing utility billings and increases in those expenses, offset by \$133,232 less for centralized facilities management services. **The Assembly concurred.***

Unclaimed Property. The Office requested \$3.1 million from restricted receipts to administer the Unclaimed Property program. This includes \$1.9 million to support the 9.0 full-time equivalent positions assigned to the program and cost allocations of a portion of 18 other positions, \$0.8 million for audit firms that remit revenues to the program, and \$0.5 million for other expenses, including information technology, advertising, and data validation services. This is \$0.2 million more than enacted, almost all of which is for

salaries and benefits and reflects restoring about \$0.1 million of turnover savings assumed in the enacted budget, as well as current service adjustments. *The Governor recommended \$0.2 million more than requested, primarily to account for statewide adjustments consistent with his recent labor agreements. He also added \$710 to account for decentralizing utility billings, increases in those expenses, and adjustments to other centralized services based on anticipated expenses.* **The Assembly concurred.**

Relocation. The Office requested \$350,000 as a placeholder for a possible relocation, including \$175,000 from general revenues. The Office indicated that it was notified by the Division of Capital Asset Management and Maintenance during FY 2024 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 renovated. It appears that the Division has made a subsequent decision not to move out the building's tenants during the renovation. *The Governor did not recommend funding.* **The Assembly concurred.**

Cash Management Assessment. The state's FY 2022 and FY 2023 financial statements found that the complexity of Treasury operations has increased substantially over the years without significant modifications to the investment in technology and personnel to support those efforts and ensure internal control best practices are maintained. The FY 2024 enacted budget added \$0.1 million and one new cash management risk mitigation coordinator based on the recommendations. A deputy cash manager was hired during FY 2024. Additionally, the Office released a request for proposals seeking a consultant to inventory and assess cash-related activity and provide recommendations on technology and processes to improve this activity. The FY 2025 revised request includes \$140,000 from general revenues for a consultant to assess and provide recommendations for existing processes, service contracts, and fee analysis as a first phase. The FY 2026 request includes \$150,000 from general revenues for a request for proposals for banking services and proposal evaluation, phase two of the work. *The Governor recommended funding as requested.* **The Assembly concurred.**

Debt Affordability Study. The Office requested \$160,000 from general revenues for FY 2026 for the Public Finance Management Board's debt affordability study. The Board is required, at least every two years, to oversee the undertaking of a debt affordability study, including recommended debt capacity limits. The last study was done in December 2023, which is FY 2024. *The Governor recommended funding as requested.* **The Assembly concurred.**

Medical Debt. The Office's FY 2026 request maintains the new one-time appropriation of \$1.0 million from general revenues provided for FY 2025 to discharge certain medical debt for eligible Rhode Islanders. To be eligible, residents must have outstanding medical debt that equals 5.0 percent or more of their annual income and more than \$600, or have a household income that is not more than 400 percent of the federal poverty level. The General Treasurer entered into an agreement with a qualified nonprofit to purchase the medical debt of Rhode Island residents that has gone into collections and is being sold by the original or any subsequent creditor.

The FY 2025 appropriations act includes reappropriation language so that any unspent funds from FY 2025 are available for FY 2026. The Treasurer is requesting a second \$1.0 million appropriation for FY 2026 in the event that the program runs a deficit. *The Governor did not recommend additional funding.* **The Assembly concurred.**

Cybersecurity (1.0 FTE). The Office requested \$191,119 from general revenues and 1.0 new position to support its cybersecurity needs. This position was requested in the prior two years but not recommended by the Governor or approved by the Assembly. *The Governor recommended \$0.2 million from all sources and 1.0 new position as requested, including \$41,342 from general revenues. His recommendation assumes that Retirement System restricted receipts would fund half the cost, and the rest would be split between unclaimed property funds and general revenues.* **The Assembly concurred.**

Other Salaries and Benefits. The Office requested \$3.1 million for all other salaries and benefits for the other 33.0 full-time equivalent positions. This is \$0.2 million more than enacted and includes \$0.1 million more from general revenues. The request reflects current service adjustments, restoration of \$0.1 million of enacted turnover savings, and minor revisions to cost allocations among programs.

The Governor recommended \$0.1 million less than requested. The general revenue increase is similar to the request, but with different assumptions. The Governor added \$0.2 million to account for statewide adjustments consistent with his recent labor agreements, partially offset by an additional \$0.1 million of turnover savings. The Assembly concurred.

Other Operations. The Office requested \$0.8 million for all other expenses, which is \$32,000 more than enacted. The request includes the enacted level of \$0.9 million from general revenues, of which \$0.2 million is for bank fees. The request also includes \$0.2 million from tuition savings fees to administer that program. *The Governor recommended \$0.2 million more than requested from general revenues to account for decentralizing utility billings, increases in those expenses, and adjustments to other centralized services based on anticipated expenses. The Assembly concurred.*

Rhode Island Board of Elections

	FY 2025 Enacted	FY 2025 Revised	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 2,194,009	\$ 2,064,413	\$ 1,929,510	\$ 1,929,510
Contracted Services	1,601,309	1,601,309	1,406,497	1,406,497
Subtotal	\$ 3,795,318	\$ 3,665,722	\$ 3,336,007	\$ 3,336,007
Other State Operations	1,885,297	1,558,916	1,136,924	1,136,924
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	2,000	502,000	2,000	2,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 5,682,615	\$ 5,726,638	\$ 4,474,931	\$ 4,474,931
Sources of Funds				
General Revenue	\$ 5,682,615	\$ 5,726,638	\$ 4,474,931	\$ 4,474,931
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 5,682,615	\$ 5,726,638	\$ 4,474,931	\$ 4,474,931
FTE Authorization	13.0	13.0	13.0	13.0

Summary. The Board of Elections requested \$4.9 million from general revenues, or \$0.8 million less than enacted. Its request includes the enacted authorization of 13.0 full-time equivalent positions. *The Governor recommended \$4.5 million from general revenues, which is \$1.2 million less than enacted and \$0.4 million less than requested.* **The Assembly concurred.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Board of Elections, this produced a general revenue target of \$4.2 million, including a current service adjustment reduction of \$1.3 million and a 7.5 percent reduction of \$187,759, adjusted for certain exclusions. The constrained budget submitted by the agency is \$44,003 less than the Budget Office target achieved by excluding newly requested initiatives and increasing turnover savings. *The Governor's recommendation is \$0.3 million above the target.* **The Assembly concurred.**

Seasonal Elections Expenses. The enacted budget includes \$1.8 million to conduct the 2024 primary and general elections. This includes \$375,000 for staffing expenses and \$1.4 million for all other spending, of which \$750,000 is for equipment delivery. The Board requested \$1.2 million less from general revenues than enacted. The request excludes funding for seasonal staff and includes \$0.5 million for election operating expenses for FY 2026. Compared to the Budget Office current service estimate, the request includes \$100,000 more for express delivery services and \$11,587 less for other services, including poll pad programming. *The Governor recommended \$114,000 less than requested. These changes reflect the Budget Office estimate of current service adjustments, primarily the exclusion of expenses for voting equipment delivery services.* **The Assembly concurred.**

Elections Equipment Contracts. The Board requested \$1.2 million from general revenues, \$11,886 less than enacted, to fulfill two contractual obligations for elections equipment. The 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 current contract for voter tabulation equipment costs \$638,680 in FY 2026 and contains an option to purchase upon completion of the agreement in FY 2028. The accessible voting contract incorporates election support services, network maintenance, software upgrades, and supplies; the contract costs \$516,043 in FY 2026 and runs through FY 2028. *The Governor recommended funding as requested.* **The Assembly concurred.**

New Poll Pads. The Board requested \$200,000 from general revenues to purchase 275 poll pads with a service life of six to eight years. The Board previously requested \$700,000 to purchase 400 poll pads in FY 2025, but this request was not approved. In FY 2024, the state utilized \$153,953 from unspent general revenues to purchase 150 poll pads. The Board reported that the state currently has 1,300 poll pads that will need replacement over multiple years. The constrained request excludes this funding. *The Governor's recommendation excludes this funding.* **The Assembly concurred, but provided \$500,000 from general revenues for FY 2025 to support election-related technology upgrades; this may include the purchase of new poll pads. Any unspent funds for this purpose are automatically reappropriated.**

Campaign Finance System Replacement. The Board requested \$250,000 from general revenues to replace its current campaign finance system, which dates back to 2002. The Board indicated that a replacement is necessary to meet the reporting needs of future campaign finance report filings. The project would go out to bid upon approval with the implementation cost incurred in FY 2026. Ongoing maintenance costs are expected to be \$125,000 for each FY 2027 and FY 2028. The constrained request excludes this funding. *The Governor's recommendation excludes this funding.* **The Assembly concurred, but provided \$500,000 from general revenues for FY 2025 to support election-related technology upgrades; this may include upgrades to the campaign finance system. Any unspent funds for this purpose are automatically reappropriated.**

Rent and Utilities. The Board requested \$666,000 from general revenues for its Cranston facility, including \$570,000 for rent and \$96,000 for utilities. This is \$10,000 more than enacted, and reflects increased heating costs. FY 2024 spending was \$552,053 for rent and \$85,779 for utilities. The Board's rent agreement has three components: offices, warehouse, and expenses that reflect a monthly renovation reimbursement with a five-year term, which has been increasing over time. *The Governor recommended \$4,000 more than requested to reflect increased utility costs.* **The Assembly concurred.**

Staffing. The Board requested \$1.8 million from general revenues for its regular staff and commissioners during FY 2026. This is \$22,216 less than enacted and reflects current service adjustments and corrects for overstated salaries in the enacted budget. The request would fund 13.0 full-time equivalent positions, consistent with the enacted budget. As of November 2024, 11.0 full-time equivalent positions are filled, and 11.1 positions have been filled on average.

The constrained request includes \$0.3 million from turnover savings for approximately two positions. *The Governor's recommendation adds \$0.1 million to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Other Operations. The Board requested \$290,297 or \$4,000 more than enacted from general revenues to fully fund all other operating expenses. The increase reflects additional travel expenses. This request is \$68,627 more than FY 2024 spending levels, including \$12,403 more for office supplies, \$5,783 more for postage, and \$37,876 more for centralized services, all consistent with the enacted budget. The request is also \$4,571 more than FY 2024 spending for travel expenses. *The Governor recommended \$22,627 more than requested, including \$29,527 more for centralized services based on anticipated expenses, which is \$67,403 more than FY 2024 spending levels.* **The Assembly concurred.**

Rhode Island Ethics Commission

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 1,756,136	\$ 1,887,941	\$ 1,978,046	\$ 1,978,046
Contracted Services	62,275	62,275	62,275	62,275
Subtotal	\$ 1,818,411	\$ 1,950,216	\$ 2,040,321	\$ 2,040,321
Other State Operations	406,765	455,669	368,985	368,985
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	9,326	9,326	10,326	10,326
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,234,502	\$ 2,415,211	\$ 2,419,632	\$ 2,419,632
Sources of Funds				
General Revenue	\$ 2,234,502	\$ 2,415,211	\$ 2,419,632	\$ 2,419,632
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,234,502	\$ 2,415,211	\$ 2,419,632	\$ 2,419,632
FTE Authorization	12.0	12.0	12.0	12.0

Summary. The Rhode Island Ethics Commission requested \$2.2 million from general revenues, which is \$22,001 less than enacted; it included the authorized level of 12.0 full-time equivalent positions. *The Governor recommended \$2.4 million from general revenues, which is \$0.2 million more than requested to account for statewide adjustments.* **The Assembly concurred.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Ethics Commission, this produced a general revenue target of \$2.0 million, including a current service reduction of \$70,144 and a 7.5 percent reduction of \$144,852, adjusted for certain exclusions.

The constrained budget submitted by the agency is \$2,069 lower than the Budget Office target, achieved by laying off 1.5 full-time equivalent positions. *The Governor's recommendation is \$0.4 million above the target.* **The Assembly concurred.**

Salaries and Benefits. The Commission requested \$1.8 million from general revenues to fund its authorized 12.0 full-time equivalent positions. The enacted budget assumed savings equal to 0.1 vacant positions, but as of October 2024, all positions are filled. The request is \$59,643 more than enacted to reflect the restoration of turnover savings, changes to benefit selection, and updated planning values.

The Commission's constrained request includes savings of \$195,064 from laying off an administrative position for a full year and an investigator starting in the second quarter of FY 2026. *The Governor's recommendation adds \$162,267 from general revenues to the unconstrained request to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Operations. The Commission requested \$0.4 million from general revenues for operations. This is \$81,644 less than enacted to reflect \$86,644 less for completion of the case management system and \$5,000 more for leased equipment and licensing expenses. The request includes \$0.1 million for rent and utilities, \$0.1 million for centralized information technology charges, and \$0.2 million for various office expenses and contracted legal services. *The Governor's recommendation adds \$44,864 from general revenues to the request to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses.* **The Assembly concurred.**

Office of the Governor

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 7,819,375	\$ 8,209,066	\$ 8,571,283	\$ 8,571,283
Contracted Services	500	13,000	13,000	13,000
Subtotal	\$ 7,819,875	\$ 8,222,066	\$ 8,584,283	\$ 8,584,283
Other State Operations	484,290	596,879	595,761	595,761
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	150,000	150,000	150,000	150,000
Capital	17,100	4,874	4,874	4,874
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 8,471,265	\$ 8,973,819	\$ 9,334,918	\$ 9,334,918
Sources of Funds				
General Revenue	\$ 8,471,265	\$ 8,973,819	\$ 9,334,918	\$ 9,334,918
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 8,471,265	\$ 8,973,819	\$ 9,334,918	\$ 9,334,918
FTE Authorization	45.0	45.0	45.0	45.0

Summary. The Office of the Governor requested FY 2026 expenditures of \$8.6 million from general revenues, which is \$80,309 more than enacted; it includes the authorized level of 45.0 full-time equivalent positions. *The Governor recommended \$9.3 million, which is \$0.9 million more than enacted and \$0.8 million more than requested.* **The Assembly concurred.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Office of the Governor, this produced a general revenue target of \$7.9 million, including current service adjustments of \$80,310 and a 7.5 percent reduction of \$624,953, adjusted for centralized services information technology charges. The constrained budget submitted by the Office is consistent with the Budget Office target, achieved by eliminating the contingency fund and increasing turnover savings by \$474,953. *The recommendation is \$1.4 million above the target.* **The Assembly concurred.**

Salaries and Benefits. The Office requested \$7.9 million from general revenues for salary and benefit expenses for its 45.0 authorized positions. The request is \$80,309 more than enacted from general revenues, consistent with the Budget Office's current service adjustments. The request funds 42.2 full-time equivalent positions, 0.8 positions less than the revised request. It also includes salary step increases for some positions, partially offset by additional turnover savings. As of early December 2024, the Office had averaged 43.5 positions filled for FY 2025.

The Office's constrained budget request further increases turnover savings by \$474,953. *The Governor recommended \$671,599 more than requested to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

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

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

Other Operations. The Office requested FY 2026 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 request shifts funding to more closely align with FY 2024 spending, consistent with the FY 2025 revised request. *The Governor included an increase of \$111,745 to account for adjustments to centralized services based on anticipated expenses.* **The Assembly concurred.**

Rhode Island Commission for Human Rights

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 2,038,174	\$ 2,231,644	\$ 2,275,210	\$ 2,275,210
Contracted Services	42,250	92,914	54,750	54,750
Subtotal	\$ 2,080,424	\$ 2,324,558	\$ 2,329,960	\$ 2,329,960
Other State Operations	420,802	442,299	439,727	439,727
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	4,500	3,000	3,000	3,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,505,726	\$ 2,769,857	\$ 2,772,687	\$ 2,772,687
Sources of Funds				
General Revenue	\$ 2,055,616	\$ 2,221,997	\$ 2,249,158	\$ 2,249,158
Federal Aid	450,110	547,860	523,529	523,529
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,505,726	\$ 2,769,857	\$ 2,772,687	\$ 2,772,687
FTE Authorization	15.0	15.0	15.0	15.0

Summary. The Rhode Island Commission for Human Rights requested \$2.7 million from all sources, which is \$230,941 more than enacted, including \$138,369 more from general revenues and \$92,572 more from federal funds. The request includes 16.0 full-time equivalent positions, 1.0 more than enacted. *The Governor recommended \$36,020 more than requested, including \$55,173 more from general revenues, and the authorized level of 15.0 positions.* **The Assembly concurred.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Commission for Human Rights, this produced a general revenue target of \$1.9 million, including a current service increase of \$21,184 and a 7.5 percent reduction of \$135,019, adjusted for certain exclusions. The constrained budget submitted by the Commission is \$52,700 more than the Budget Office target. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor's recommendation is \$0.3 million above the target.* **The Assembly concurred.**

Federal Receipts. The Commission's request assumes federal receipts of \$398,192 for FY 2026 and expenditures totaling \$542,682, which is \$120,674 more than enacted. The Commission spent \$309,698 in FY 2024. 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 historically only spent new Housing and Urban Development receipts and does not spend down excess funds. The carryforward balance for FY 2026 is estimated at \$165,640 based on FY 2025 revised receipts and expenditures, which assumes that it will spend \$102,971 of its carryforward balance. *The Governor recommended \$19,153 less than requested.* **The Assembly concurred.**

Paralegal (1.0 FTE). The Commission requested \$129,090 from all sources, including \$64,545 each from general revenues and federal funds, for 1.0 new full-time equivalent paralegal position. The Commission indicated the paralegal will save time for the Commission's existing two staff attorneys, benefiting due process, enforcement of antidiscrimination laws, and the speed with which cases are processed. It contracted with an agency to provide temporary paralegal services in May 2024, for which its revised request includes \$50,960.

The constrained request is \$129,090 less and excludes the requested position. The Commission subsequently indicated that its constrained request should be only \$78,130 less, as contracted costs are expected to recur if the position is not approved. *The Governor's recommendation excludes this initiative.* **The Assembly concurred.**

Salaries and Benefits. The Commission requested \$2.2 million from all sources for salaries and benefits for its 15.0 authorized full-time equivalent positions. The request is \$0.1 million more than enacted, including \$0.1 million more from general revenues and \$28,220 more from federal funds for current service adjustments and an upgrade for one position approved in FY 2024.

The constrained request includes \$134,959 less from general revenues achieved by laying off 1.5 full-time equivalent positions. The Commission reported that this proposal would eliminate its ability to enforce anti-discrimination laws and estimated a \$56,942 loss of federal funds annually. *The Governor recommended \$0.1 million more than requested. This reflects adding \$0.2 million, including \$0.1 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements, partially offset by changes to medical benefit selections and \$30,000 of turnover savings equivalent to an average of 0.2 vacancies.* **The Assembly concurred.**

Other Operations. The Commission requested \$0.4 million from all sources, including \$0.4 million from general revenues and \$0.1 million from federal funds, for all other expenses. The request is \$23,353 less than enacted, including \$23,160 from general revenues and \$193 from federal funds. The request reflects \$30,697 less for centralized services provided through the Department of Administration, partially offset by adjustments to more closely reflect FY 2024 spending. It also shifts \$23,188 from general revenues to federal funds for parking space rental costs that are eligible for reimbursement.

The Governor recommended \$53,278 more than requested, which primarily reflects \$53,277 more from general revenues based on updated estimates for information technology centralized services. The recommendation also shifts an additional \$12,000 from general revenues to federal funds for rental costs. The Governor also proposed relocating the Commission from 180 Westminster Street to the Shepard building once its current lease ends on August 31, 2026; no expenses are assumed for the relocation in FY 2026 within the Commission's budget. **The Assembly concurred.**

Public Utilities Commission

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 9,610,767	\$ 10,207,702	\$ 10,707,411	\$ 10,707,411
Contracted Services	3,773,836	3,631,475	3,606,475	3,606,475
Subtotal	\$ 13,384,603	\$ 13,839,177	\$ 14,313,886	\$ 14,313,886
Other State Operations	1,092,917	1,108,800	1,099,388	1,099,388
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	130,000	95,000	95,000	95,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 14,607,520	\$ 15,042,977	\$ 15,508,274	\$ 15,508,274
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	711,984	726,117	753,555	753,555
Restricted Receipts	13,895,536	14,316,860	14,754,719	14,754,719
Other	-	-	-	-
Total	\$ 14,607,520	\$ 15,042,977	\$ 15,508,274	\$ 15,508,274
FTE Authorization	57.0	57.0	57.0	57.0

Summary. The Public Utilities Commission requested FY 2026 expenditures of \$14.9 million, which is \$0.3 million more than enacted from all sources, primarily restricted receipts. Restricted receipts are generated from billing the regulated utilities for 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 requested 57.0 full-time equivalent positions, which is consistent with the authorized level. *The Governor recommended \$15.5 million, which is \$0.9 million more than enacted and \$0.6 million more than requested.* **The Assembly concurred.**

Salaries and Benefits. The Commission requested \$10.0 million, or \$0.4 million more than enacted for salaries and benefits to reflect pay grade changes for 25 of its union employees, other current service adjustments, and slightly less turnover savings than assumed in the enacted budget. The enacted budget includes about \$0.1 million of turnover savings. The Commission requested 57.0 full-time equivalent positions, consistent with the FY 2025 authorized level. The pay grade changes equated to raises between \$5,000 and \$8,000 per employee and were approved following a public hearing conducted by the Department of Administration on May 29, 2024.

The Governor recommended \$0.7 million more than requested. The recommendation adds \$0.8 million to account for statewide adjustments consistent with his recent labor agreements, offset by an additional \$0.1 million of turnover savings. **The Assembly concurred.**

Microgrid Consultant. The Commission requested \$100,000 from restricted receipts in the enacted budget for a consultant to advise it in developing a rate structure to integrate microgrids into the state's power system. A consultant began work in July. *The Governor concurred.* **The Assembly concurred.**

Affordable Clean Energy Security. The Commission requested the enacted level of \$200,000 from restricted receipts for expert consultants and legal counsel to review the procurement activities of electric distribution companies seeking renewable energy resources, particularly offshore wind energy. Under the Affordable Clean Energy Security Act, 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. For FY 2023, \$90,344 was spent and \$35,779 was spent in FY 2024. *The Governor recommended funding as requested. The Assembly concurred.*

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

Transportation Network Company Regulatory Oversight. Consistent with its revised request, the Commission requested \$4,250, which is \$19,779 less than enacted from restricted receipts for the operating costs associated with the 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 overall expenses such as supplies, printing, and staff training. *The Governor recommended funding as requested. The Assembly concurred.*

Dual Party Phone Relay Service. The Commission requested \$168,415 from restricted receipts from the Dual Party Phone Relay Service account. This is \$150,000 less than enacted to reflect fund transfers correctly and how they were treated previously. State law requires that the Commission remit \$100,000 to the Commission on the Deaf and Hard of Hearing and \$50,000 to the Department of Human Services for telephone equipment and the emergency and public communication access program. Expenses appear in those budgets. The Commission collects a surcharge from its telecommunications service providers to manage this service. *The Governor recommended funding as requested. The Assembly concurred.*

Rate Case Reserve Account. The Commission requested the enacted level of \$2.0 million from restricted receipts for expenses incurred for hearings and investigations of rate case applications and other filings. Expenditures are for materials, external legal counsel, 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 recommended funding as requested. The Assembly concurred.*

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

Other Operations. The Commission requested \$2.1 million from restricted receipts for all other operations, or \$14,578 more than enacted. It included the same changes as its FY 2025 revised request, including \$46,686 more for centralized services, \$11,392 more for property and casualty insurance, and omits the \$35,000 assumed in the enacted budget for motor vehicle purchases. *The Governor recommended \$40,689 less than requested, including \$15,361 less for expenses such as financial services, groundskeeping, and information technology system support to align with the FY 2024 experience and a decrease of \$25,328 for adjustments to other centralized services based on anticipated expenses. The Assembly concurred.*

Executive Office of Health and Human Services

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Central Management	\$ 316,417,203	\$ 267,115,510	\$ 288,656,140	\$ 249,104,658
Medical Assistance	3,701,334,670	3,647,097,305	3,913,445,550	3,977,332,126
Total	\$ 4,017,751,873	\$ 3,914,212,815	\$ 4,202,101,690	\$ 4,226,436,784
Expenditures by Category				
Salaries and Benefits	\$ 38,558,041	\$ 41,347,303	\$ 44,562,245	\$ 44,562,245
Contracted Services	219,989,536	154,308,516	196,505,478	154,630,445
Subtotal	\$ 258,547,577	\$ 195,655,819	\$ 241,067,723	\$ 199,192,690
Other State Operations	21,669,274	12,721,380	15,181,217	15,504,768
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	3,737,417,001	3,705,799,856	3,945,813,390	4,011,699,966
Capital	118,021	35,760	39,360	39,360
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 4,017,751,873	\$ 3,914,212,815	\$ 4,202,101,690	\$ 4,226,436,784
Sources of Funds				
General Revenue	\$ 1,416,418,232	\$ 1,388,921,238	\$ 1,469,676,177	\$ 1,490,421,244
Federal Aid	2,543,855,296	2,468,135,086	2,708,539,855	2,709,529,994
Restricted Receipts	57,478,345	57,156,491	23,885,658	26,485,546
Other	-	-	-	-
Total	\$ 4,017,751,873	\$ 3,914,212,815	\$ 4,202,101,690	\$ 4,226,436,784
FTE Authorization	233.0	233.0	243.0	243.0

Summary. The Executive Office requested \$4,342.3 million from all sources, including \$1,513.6 million from general revenues, \$2,803.4 million from federal funds, and \$25.3 million from restricted receipts and a staffing level of 243.0 full-time equivalent positions. The request is \$324.6 million more than enacted, including \$97.2 million more from general revenues, \$259.6 million more from federal funds, and \$32.2 million less from restricted receipts. The staffing request adds 11 new positions and excludes an existing one, in error.

The Governor recommended expenditures of \$4,202.1 million from all sources, including \$1,469.7 million from general revenues. This is \$184.3 million more than enacted and \$140.2 million less than requested from all sources. It is \$53.3 million more than enacted and \$44.0 million less than requested from general revenues. The Governor included 243.0 full-time equivalent positions, which is 10.0 more than enacted. He subsequently requested several amendments to adjust funding between fiscal years and recognize a newly awarded grant.

The Assembly provided \$4,226.4 million from all sources, including \$1,490.4 million from general revenues, \$2,709.5 million from federal funds, and \$26.5 million from restricted receipts. The Assembly increased the Governor's original recommendation by \$24.3 million, including \$20.7

million from general revenues, \$1.0 million from federal funds, and \$2.6 million from restricted receipts.

The Assembly concurred with some of the requested amendments, updated for the May caseload conference estimate, added \$48.9 million for additional primary care and provider rate increases, \$37.8 million more for payments to the hospitals, \$7.1 million to increase eligibility for the Medicare Savings Program, and adjusted other programs for projected spending. It also included 243.0 positions, consistent with the recommendation.

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 \$1,396.2 million, including a current service adjustment increase of \$92.8 million and a 7.5 percent reduction of \$113.1 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$73.0 million 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 \$124.1 million above the target. The enacted budget is \$144.9 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 2022 Medicaid spending using the Medicaid and Children's Health Insurance Program Payment and Access Commission (MACPAC) MACStats Data Book (December 2024). It shows spending for all enrollees, including individuals who receive Medicare and for whom the state provides a partial Medicaid benefit, including co-payments, deductibles and Part D drug coverage. Full benefit enrollees have access to all Medicaid benefits. It also divides the enrollees into population groups.

Medicaid Expenses/Cost Per Enrollee				
	All Enrollees		Full Benefit Enrollees	
Population	US	RI	US	RI
Children	\$ 2,786	\$ 6,706	\$ 3,798	\$ 6,698
Adults	5,443	5,125	6,431	5,182
Expansion	7,569	6,567	7,641	6,567
Blind/Disabled	25,483	21,977	28,363	22,958
Aged	19,191	11,917	25,177	13,854
Average	\$ 8,813	\$ 8,623	\$ 9,361	\$ 8,762

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

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. Expenses for disabled individuals 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. Per person costs for this population are below the national average when comparing only full-benefits enrollees and all enrollees.

Finally, per person expenses for the aged population are also lower 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 Access Final Rule - Federal Changes. The Centers for Medicare and Medicaid Services released three final rules in May 2024 ensuring access to Medicaid services and establishing national standards for services provided through managed care plans or through the state's fee-for-service program.

The first rule, *Ensuring Access to Medicaid Services and Medicaid & Children's Health Insurance Program Managed Care Access, Finance & Quality*, establishes new requirements for states to engage people enrolled in Medicaid to inform policy and program design. States must create and support a Beneficiary Advisory Council composed solely of current and former Medicaid enrollees, family members, and paid and unpaid caregivers. The Access Rule also calls for a Medicaid Advisory Committee, comprising diverse stakeholders, including members drawn from the Beneficiary Advisory Council. Both Councils will replace the current requirement that states establish a Medical Care Advisory Committee and will take effect July 9, 2025, with some requirements phased in over a longer time period.

The second rule includes requirements for home- and community-based services and other fee-for-service programs. This includes person-centered planning, establishing a grievance system, and, in three years, states will report on their readiness to collect data on the portion of Medicaid payments spent on direct care workers providing homemaker, home health aide, personal care, and habilitation services so that in four years a report can be submitted with this information. The final rule requires that in six years, states ensure that 80 percent of Medicaid payments for these services are spent on direct care workers.

The third rule, *Fee-For-Service*, requires the state to publish the fee-for-service schedule on a publicly available website, compare payment rates for primary care, obstetrical and gynecological care, and outpatient mental health and substance use disorder services to Medicare rates, and publish the analysis every two years. States must establish an advisory group for direct care workers, beneficiaries, and other interested parties to meet at least every two years to consult on payment rates. Finally, states must demonstrate access sufficiency through an initial analysis when submitting a state plan with a rate reduction or a restructuring that might diminish access to all services.

To meet these requirements, the Executive Office requested \$8.0 million, including \$2.3 million from general revenues, for ten new positions and contracted services, discussed separately. *The Governor included \$0.4 million, of which \$0.2 million is from general revenues for waiver evaluation only. The Assembly concurred.*

Medicaid Access Final Rule (10.0 FTE). The Executive Office's request includes \$8.0 million, of which \$2.3 million is from general revenues, to implement the federal Medicaid Access Rule and Medicaid Managed Care Rules, finalized in May 2024. The request includes \$1.3 million, of which \$0.6 million is from general revenues, for ten positions. Other expenses totaling \$6.7 million, of which \$1.7 million is from general revenues, include actuarial support for new rates and payment rules, stipends for members serving on the advisory councils, support for the new quality measures and reporting, and system changes.

The new positions assume a September 1, 2025 start date, including three to collect metric data and reporting and one to support grievance and incident management systems. There is also one position to work on the development and oversight of grievances systems and coordinate incident management work; there are no such statewide coordinated systems among the health and human service agencies. Other positions include three for compliance efforts to address existing gaps and the new rules. There is also a health program administrator for the Medicaid finance program to assist with rate reporting and analysis as outlined in the new Medicaid rules and with other financial work under the new state-directed payment rules. The request also includes a project manager to work on implementing the new rules. The following

table shows the new positions requested for FY 2026 and anticipated positions for FY 2027 and FY 2028 to implement the final rule and assist with other program staffing needs.

Purpose	FY 2026	FY 2027	FY 2028	Total
Support Advisory Council & Medical External Grievance	1.0	-	-	1.0
Collecting Quality Metric Data & Reporting	3.0	2.0	-	5.0
Support Grievance & Incident Management Systems	1.0	1.0	-	2.0
Support Compliance Efforts & Compliance with New Rules	3.0	-	2.0	5.0
Administrator to Support Medicaid Finance Program	1.0	-	-	1.0
Manage/Support for Overall Implementation	1.0	1.0	-	2.0
Total	10.0	4.0	2.0	16.0

This proposal is excluded from the constrained request. *The Governor included \$0.4 million, of which \$0.2 million is from general revenues for contracted evaluation and monitoring services for the waiver. The Assembly concurred.*

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 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 6, 2024, and based on current law, set the FY 2026 medical assistance expenditures at \$3,917.0 million, including \$1,418.7 million from general revenues. This is \$249.1 million more than enacted, including \$60.6 million more from general revenues. The following table itemizes medical assistance expenditures enacted by the 2024 Assembly, adopted by the caseload estimators, recommended by the Governor, adopted by the May conference and enacted by the 2025 Assembly. Each category is discussed separately.

The Governor recommended \$3,886.3 million, including \$1,403.5 million from general revenues, which is \$30.7 million less than the conference estimate, including \$15.2 million from general revenues. Any program changes requiring Assembly approval are contained in Article 8 of 2025-H 5076. Article 10 contains changes to the certificate of need process and nursing home minimum staffing levels that also impact providers, but not payments.

The Assembly provided \$3,941.0 million, including \$1,426.4 million from general revenues, \$2,507.3 million from federal funds, and \$7.4 million from restricted receipts. This is \$54.7 million more from all sources than recommended, including \$22.9 million more from general revenues, \$32.7 million

more from federal funds, and \$1.0 million less from restricted receipts. It is \$39.2 million less than the May caseload estimate, including \$18.1 million more from general revenues and \$21.1 million more from federal funds to reflect budget initiatives. The Assembly increased primary care and provider rates and made several program changes, discussed separately.

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

The Assembly also decreased the May consensus caseload expenses for the Community Health Worker Program by \$15.0 million, including \$4.4 million from general revenues. The adjustment recognizes an overstatement in the underlying projections that maintained some anomalous expenses that were found to be improper and led to a recent rule-making process to ensure the integrity of the program.

Any program changes requiring legislation are contained in Articles 8 and 10 of 2025-H 5076, Substitute A, as amended, and included in *Section VI: Special Reports* of the publication. The legislation includes language that directs the Secretary to convene an advisory working group to assist with reviewing the potential impact of any federal actions related to the Medicaid program. The group will develop options for consideration with a report due by October 31, 2025.

Medical Assistance	FY 2025 Enacted	FY 2025 Final	FY 2026 Nov. CEC	FY 2026 Gov. Rec.	FY 2026 May CEC	FY 2026 Enacted
Hospitals						
State Directed Payments	\$ 286.8	\$ 286.8	\$ 303.3	\$ 333.8	\$ 300.3	\$ 331.3
Regular Payments	40.4	41.8	48.9	47.9	44.2	51.7
DSH Payments	21.7	27.6	21.7	13.9	21.7	13.9
Upper Payment Limit Reimbursements	18.3	18.3	18.3	-	25.2	25.2
Total	\$ 367.1	\$ 374.5	\$ 392.2	\$ 395.6	\$ 391.4	\$ 422.1
Long Term Care						
Nursing/Hospice Care	\$ 393.8	\$ 425.0	\$ 467.8	\$ 461.1	\$ 474.4	\$ 477.3
Home & Community Care	221.2	248.6	270.5	265.4	302.2	293.8
Total	\$ 615.0	\$ 673.6	\$ 738.3	\$ 726.6	\$ 776.6	\$ 771.1
Managed Care						
Rlte Care	\$ 1,036.4	\$ 979.6	\$ 1,065.7	\$ 1,057.8	\$ 1,035.5	\$ 1,052.4
Rlte Share	2.3	2.1	4.2	4.2	3.2	3.2
Fee For Service	31.4	55.9	64.2	64.2	61.9	61.9
Total	\$ 1,070.1	\$ 1,037.6	\$ 1,134.1	\$ 1,126.2	\$ 1,100.6	\$ 1,117.5
Rhody Health Partners	\$ 338.5	\$ 311.4	\$ 340.3	\$ 339.1	\$ 330.5	\$ 341.2
Medicaid Expansion	\$ 733.0	\$ 705.1	\$ 725.4	\$ 723.5	\$ 728.4	\$ 730.8
Rhody Health Options	\$ 220.5	\$ 212.4	\$ 234.9	\$ 230.0	\$ 225.2	\$ 220.4
Pharmacy	\$ (0.3)	\$ 2.7	\$ 2.0	\$ 2.0	\$ 7.8	\$ 7.8
Pharmacy Part D Clawback	\$ 96.8	\$ 92.2	\$ 98.4	\$ 98.4	\$ 96.4	\$ 96.4
Other Medical Services	\$ 227.1	\$ 207.7	\$ 251.4	\$ 244.9	\$ 237.1	\$ 233.8
Medical Assistance Total	\$ 3,667.9	\$ 3,617.2	\$ 3,917.0	\$ 3,886.3	\$ 3,894.4	\$ 3,941.0
Federal Funds	\$ 2,301.5	\$ 2,269.0	\$ 2,490.1	\$ 2,474.6	\$ 2,471.9	\$ 2,507.3
General Revenues	1,358.1	1,339.8	1,418.7	1,403.5	1,415.2	1,426.4
Restricted Receipts	8.3	8.5	8.3	8.3	7.4	7.4

\$ in millions

Federal Poverty Guidelines. The federal poverty guidelines are used to determine financial eligibility for certain state and federal programs, including several programs in state agencies under the Executive Office of Health and Human Services. The 2025 guidelines are shown in the following table.

Percent of Federal Poverty Level Based on Annual Income								
Family Size	100%	138%	175%	185%	200%	225%	250%	261%
1	\$15,650	\$21,597	\$27,388	\$28,953	\$31,300	\$35,213	\$39,125	\$40,847
2	21,150	29,187	37,013	39,128	42,300	47,588	52,875	55,202
3	26,650	36,777	46,638	49,303	53,300	59,963	66,625	69,557
4	32,150	44,367	56,263	59,478	64,300	72,338	80,375	83,912
5	37,650	51,957	65,888	69,653	75,300	84,713	94,125	98,267
6	43,150	59,547	75,513	79,828	86,300	97,088	107,875	112,622
7	48,650	67,137	85,138	90,003	97,300	109,463	121,625	126,977
8	54,150	74,727	94,763	100,178	108,300	121,838	135,375	141,332

For families with more than 8 members, add \$6,880 for each additional member for the 100 percent calculation.

Budget Proposals

The Executive Office's request includes nine proposals impacting the medical assistance program for savings of \$93.0 million, including \$40.6 million from general revenues.

Proposal	Caseload Programs	Unconstrained Request Gen. Rev.	Unconstrained Request Total	Governor's Recommendation Gen. Rev.	Governor's Recommendation Total	Assembly Action
Eligibility Changes	Multiple	\$(25,013,157)	\$(56,778,763)	\$ -	\$ -	Concurred
State Directed Payments		10,061,251	32,299,733	10,061,251	48,795,022	Concurred
DSH Payment Reduction		(6,182,452)	(14,443,348)	(6,076,629)	(13,738,872)	Concurred
DSH Payment to Eleanor Slater Hospital	Hospitals	-	-	2,596,590	5,900,000	Concurred
Hospital Rates Freeze		(9,607,698)	(29,888,952)	(1,671,155)	(5,313,307)	Did not concur
Eliminate Outpatient UPL		(3,351,416)	(7,694,894)	(6,682,298)	(18,333,386)	Did not concur
Home and Community Based Services Rate Freeze	LTC	(2,150,106)	(4,992,119)	(4,274,868)	(10,125,507)	Concurred
Regulatory Alignment	MC	-	-	(1,929,150)	(4,500,000)	Concurred
Program Integrity	Other Medical	(2,693,009)	(6,251,907)	(2,943,226)	(6,877,097)	Concurred
RIte Share Enrollment	MC	(1,670,321)	(5,190,812)	-	-	Concurred
e-Consults Program		(38,997)	(122,658)	(152,283)	(594,768)	Concurred
Organ Transplant Fund	Other Medical	-	15,000	-	-	Concurred
Total		\$(40,645,905)	\$(93,048,720)	\$(11,071,768)	\$ (4,787,915)	

There is also a proposal to transfer the organ transplant fund expenses to the Department of Human Services that is reversed in the constrained request. Each proposal is described in the following sections or the specific program where the savings would occur.

The Governor recommended program changes totaling \$4.8 million less than enacted, which is \$11.1 million less from general revenues. The prior table shows the Executive Office's request and the Governor's recommendation. The proposals are also noted in the specific programs affected. The Assembly added \$54.7 million, including \$22.9 million from general revenues, to the Governor's original recommendation. This includes updates for the May caseload conference estimate, increases to primary care and other provider rates, and other program changes.

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. These individuals are not eligible for the Supplemental Security Income program because their income is too high or they are individuals with high medical bills otherwise not eligible for Medicaid. The Executive Office's constrained request proposes six months of savings totaling \$56.8 million, of which \$25.0 million is from general revenues, from making changes to eligibility impacting RIte Care parents and individuals receiving services under two other optional programs; each is discussed separately. The reduction includes expenditure savings of \$60.8 million offset by \$3.9 million in additional state costs for the loss of Medicaid

funding for the cost of maintaining other programs for which a federal match will no longer be allowed if this change is approved. *The Governor did not recommend the proposal.* **The Assembly concurred.**

Optional Population - Nursing Home Residents. For nursing home residents, the income limit is up to 225 percent of poverty after meeting their required contribution, also known as the cost of care. The Executive Office proposed lowering that to 175 percent of poverty for savings of \$55.9 million, including \$24.0 million from general revenues, impacting about 1,700 residents. *The Governor did not recommend the proposal.* **The Assembly concurred.**

Optional Population - Medically Needy. As noted above, individuals approved for a federal disability benefit receive state Medicaid benefits primarily through the Rhody Health Partners program. Those who are not disabled and have an income of around \$20,100 can also have Medicaid benefits through the expansion program. The state also provides a path for Medicaid eligibility if someone does not fit either criteria but has high medical bills. This population is referred to as “medically needy,” and there are about 900 individuals enrolled this way. The Executive Office proposed eliminating this optional population for savings of \$2.7 million, including \$1.2 million from general revenues. Beneficiaries would be able to get subsidized coverage through HealthSource RI. *The Governor did not recommend the proposal.* **The Assembly concurred.**

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, which for a family of four is \$38,295. The Executive Office proposed lowering that to 116 percent, or \$34,800 for that family of four, for savings of \$2.0 million, including \$0.9 million from general revenues. This change would impact approximately 900 parents. Beneficiaries would be able to get subsidized coverage through HealthSource RI. *The Governor did not recommend the proposal.*

He did include savings of \$4.5 million, of which \$1.9 million is from general revenues, for a technical correction to properly reflect parents’ eligibility at 138 percent. The Executive Office reported an inconsistency in its eligibility threshold in its regulations compared to state law. Recent corrective action by the Executive Office will likely lower expenses, and the Governor’s budget assumes there will be savings compared to the November caseload estimate. The change is reflected in the May Caseload Conference estimate.

Medicaid CNOM Programs. The enacted budget includes \$17.1 million, of which \$7.3 million is from general revenues, for health and human service agency programs for which the state leverages federal funds because of special approval through the Medicaid waiver. These include home care, adult day, home modification, personal care attendant, and transportation programs through the Department of Human Services. It also includes residential programs in the Department of Children, Youth and Families and early intervention services in the Executive Office’s budget.

The agencies request a total of \$20.6 million, including \$8.9 million from general revenues, for these programs in FY 2026. The services were previously state-only, and the state must maintain its optional populations to continue to receive these federal funds. If the proposals for eligibility changes described above are accepted, the state will no longer be able to claim Medicaid match for these services. The constrained budget assumes the need to replace \$3.9 million of federal funds with general revenues to keep these programs, effective January 2026. That cost annualizes to \$7.8 million for FY 2027. Savings do not reflect the November caseload estimate, which may alter the total value of the initiatives and exclude any other initiatives being implemented.

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 Governor did not recommend the proposal. The Assembly concurred.*

Hospital Rates Freeze. The Executive Office's constrained request proposes savings of \$29.9 million from all sources, including \$9.6 million from general revenues, from eliminating inpatient and outpatient hospital rate increases in its constrained request, keeping rates at the FY 2025 level. The November Caseload Conference estimate included \$24.4 million, of which \$7.6 million is from general revenues, for the rate increases. This means the revised values of the freeze proposal are \$5.5 million lower, including \$2.0 million from general revenues.

These savings affect payments made by the state and through the managed care plans and require a statutory change and a federal change under the Medicaid waiver. It should be noted that if this proposal were to be accepted, there would be a potential cost shift to the outpatient upper payment limit reimbursement in the fee-for-service program, which pays the difference between Medicare and Medicaid payments. The proposal to eliminate the reimbursement is not.

The Governor included Section 3 of Article 8 to replace the current law price index applicable for July 1, 2025, with a 2.3 percent rate increase for inpatient and outpatient services for FY 2026 only. The budget includes savings of \$5.3 million, including \$1.7 million from general revenues, from reducing the rates included under current law in the November Caseload Conference estimate. The rates ranged from 2.9 percent for payments through managed care plans to 3.4 percent for fee-for-service reimbursements. The Assembly did not concur and added \$5.1 million, including \$1.6 million from general revenues, for the value of the increase compared to the May estimate.

Home and Community-Based Services Rate Freeze. The Executive Office proposed savings of \$5.0 million, including \$2.2 million from general revenues, by eliminating the annual increase and keeping rates at FY 2025 levels. Annualized savings would be \$6.7 million, \$2.9 million from general revenues.

The Governor included Section 6 of Article 8 to freeze home care rates at the FY 2025 level. These rates are part of the annual inflationary adjustment made in the Office of Health Insurance Commissioner's biennial review. Any further rate increase would be part of the FY 2027 budget process. The budget includes savings of \$10.1 million, including \$4.3 million from general revenues from the amounts assumed in the November Caseload estimate based on the current law, which calls for an increase based on the New England consumer price index for medical care. The Assembly concurred, and included \$16.9 million, \$7.2 million for an updated value.

Program Integrity. The Executive Office's constrained request proposes savings of \$6.3 million from all sources, including \$2.7 million from general revenues, by increasing recoveries through its Program Integrity Unit from provider fraud, waste, and abuse. This is offset by \$0.8 million, including \$0.4 million from general revenues, for five new positions, and an upgrade to an existing vacancy, and related expenses.

The savings will come from preventing (1) behavioral health agencies from billing unauthorized codes and telehealth visits and (2) home health agencies from billing for services that are more expensive than the ones provided. According to the Executive Office, the Unit has three full-time positions that can collect a conservative estimate of \$0.2 million for each position; aggressive estimates are \$1.9 million per position. The proposal assumes that the five new positions will each be able to collect \$1.9 million. The positions

will be hired and trained by January 1, 2026, with savings occurring in the third and fourth quarters of FY 2026. The proposals assume annualized savings of \$9.9 million, including \$4.3 million from general revenues.

Additionally, the Executive Office reports that some home- and community-based service agencies are not complying with wage pass-through requirements, which has resulted in program integrity, policy, and Medicaid finance staff implementing new rules and regulations to take enforcement action. This part of the proposal will not result in any savings, just compliance with current statutory requirements.

The Executive Office maintains an incident reporting hotline, and reports that the existing program integrity staff level does not allow for full oversight or coordination of incident reporting efforts across the health and human service agencies and managed care organization reports. The new staff will allow the Executive Office to proactively train providers to prevent fraud, waste, and abuse.

The Executive Office reports that the state is not in compliance with Centers for Medicare and Medicaid Services staffing requirements for the program integrity unit and is under a corrective action plan. The Executive Office notes that the upgrade is requested because it has not been able to hire staff to conduct the required federal program integrity responsibilities.

The Governor included savings of \$6.9 million, including \$2.9 million from general revenues from payment recoveries related to increased efforts to reduce fraud and waste in the Medicaid program. He added \$0.8 million to support staff to achieve these savings, including \$0.4 million from general revenues. This includes five positions, of which one is a current vacancy in the Executive Office's budget for the Program Integrity unit.

*The Governor recommended two more positions in the Department of Administration's Office of Internal Audit and Program Integrity, of which one is related to this initiative. Only \$0.6 million, including \$0.3 million from general revenues, of the savings is attributable to the Department of Administration's component. **The Assembly concurred.***

RIte Share. The RIte Share premium assistance program allows families eligible for medical assistance to remain on their employer-based health insurance plan. The state pays the health care premiums and co-payments for RIte Share eligible participants if coverage is similar to the cost and services offered through RIte Care. The November Caseload Estimating Conference assumed enrollment of about 2,900 between the managed care and expansion programs.

The constrained request includes savings of \$5.2 million, including \$1.7 million from general revenues, from increasing enrollment in RIte Share while maintaining full coverage.

The proposal requires a statutory change mandating employer compliance with information requests, such as employer-sponsored insurance rates and benefits, from the Executive Office starting October 1, 2025. This would include a provision for a compliance period and an as-yet-determined noncompliance penalty. The proposal addresses issues with data collection from employers that will increase the pool of available prospective individuals enrolled in RIte Share by proactively working with employees. The Executive Office reports that starting in calendar year 2024, it requested employer-sponsored insurance information from 7,688 employers but received responses from just over 1,000.

The proposal projects an average of three new Medicaid enrollees for each of the 768 assumed eligible employers, which would expand the number of potential RIte Share enrollees by about 2,300. It assumes approval for 64 new employers and 192 employees for 12 months. The savings are based on 12 months, but are inconsistent with other information that shows savings of \$3.9 million, including \$1.1 million from general revenues, for nine months. The savings are part of the proposal that adds two new positions with a

start date of September 2025. *The Governor did not recommend the proposal. **The Assembly concurred.***

e-Consults Program. The Executive Office proposed expanding the e-Consults program from the managed care plans to the fee-for-service program. This practice allows communication and care coordination between primary and specialty care providers, intended to improve access to specialists for patients and providers without needing a face-to-face visit. Physicians in the managed care plans can currently get consultations for dermatology, ophthalmology, pulmonary diseases, cardiovascular diseases, infectious diseases, critical care, and endocrinology.

The request includes savings of \$122,658, of which \$38,997 is from general revenues, to establish rates for these consultations in the fee-for-service program, potentially resulting in fewer in-person visits. The estimate includes \$1.9 million for the new benefit, effective October 1, 2025, offset by \$2.1 million in savings from avoiding an office visit. These values assume a five percent reduction in in-person referrals to specialists each year and a less than one percent annual increase in new utilization of referrals. The state already reimburses telemedicine services between the provider and patient; this reimbursement would be between providers. There is \$83,059 budgeted for system changes.

*The Governor included Section 8 of Article 8 for Assembly approval to implement this proposal for both fee-for-service and managed care plans and included savings of \$0.6 million, of which \$0.2 million is from general revenues, based on updated projections. The Governor's recommendation recognizes that the Executive Office's request incorrectly assumes that the managed care plans already provided the benefit. The proposal includes \$5.4 million for the new benefit, of which \$1.4 million is from general revenues, offset by savings of \$6.0 million, including \$1.5 million from general revenues. This also reflects the assumption of a 14 percent reduction in office visits from the policy change. **The Assembly concurred.***

Pharmacy Expenses. The medical assistance program includes pharmacy expenses for enrollees through the managed care plans for Rte Care, Rhody Health Partners, and expansion programs, and a fee-for-service program for the remaining enrollees. The November Caseload Estimating Conference does not specifically identify pharmacy expenses paid by the managed care plans but did adopt \$1.2 million for FY 2026 for the fee-for-service population. The Executive Office provides testimony for the anticipated rebates to be collected from the managed care plans that total \$149.3 million from all sources, including \$48.2 million from general revenues, for FY 2026.

*The Governor's recommendation adds \$0.6 million, of which \$0.3 million is from general revenues, for four positions to evaluate pharmacy expenses and develop strategies to address program costs. The budget includes out-year general revenue savings of \$3.7 million for FY 2027, growing to \$8.2 million in FY 2030. Savings are assumed to be achieved by establishing a single preferred drug list and reducing pharmacy expenses by ten percent. **The Assembly concurred and also included language in the resolution that allows the Executive Office to seek federal approval for any change needed to prohibit discrimination against 340B covered entities for drugs reimbursed by the Medicaid program.***

Hospitals

The November Caseload Estimating Conference estimate includes hospital expenses totaling \$392.2 million, of which \$126.9 million is from general revenues. It also includes \$67.2 million for direct medical services and supplemental hospital payments, \$303.3 million for state directed payments, and \$21.7 million for uncompensated care payments to state hospitals. *The Governor recommended \$3.4 million more than the caseload estimate, including \$1.2 million less from general revenues based on proposals that affect annual rate increases and supplemental payments, each discussed separately. **The Assembly provided \$422.1 million, including \$136.2 million from general revenues and \$285.9 million from federal funds. This is \$26.5 million more than the May caseload estimate and \$7.2 million less than the Governor's recommendation.***

Hospitals. The November Caseload Estimating Conference estimate includes FY 2026 expenditures of \$392.2 million, including \$126.9 million from general revenues. The estimate is \$19.1 million more than the revised estimate, including \$3.2 million more from general revenues, to reflect several adjustments. The estimate assumes a 3.4 percent increase for both inpatient and outpatient rates and a 2.5 percent increase in the aggregate number of patient days for payments totaling \$48.9 million, of which \$20.9 million is from general revenues. The following table shows the different payments made to the hospitals.

Hospital Payments	FY 2025 Enacted	FY 2025 Final	FY 2026 Nov. CEC	FY 2026 Gov. Rec.	FY 2026 May CEC	FY 2026 Enacted
State Directed Managed Care						
State	\$ 90,094,921	\$ 87,621,945	\$ 90,094,921	\$ 99,176,740	\$ 90,094,921	\$ 99,474,096
Federal	196,673,258	199,146,234	213,168,547	234,654,950	210,223,833	231,870,851
Subtotal	\$ 286,768,179	\$ 286,768,179	\$ 303,263,468	\$ 333,831,690	\$ 300,318,754	\$ 331,344,947
Regular Payments						
State	\$ 17,765,737	\$ 18,395,491	\$ 20,930,546	\$ 20,606,016	\$ 18,898,408	\$ 22,108,408
Federal	22,601,763	23,402,944	27,972,600	27,288,790	25,256,752	29,546,752
Subtotal	\$ 40,367,500	\$ 41,798,435	\$ 48,903,146	\$ 47,894,806	\$ 44,155,160	\$ 51,655,160
DSH/Community						
State	\$ 6,439,413	\$ 6,439,413	\$ 6,269,685	\$ 362,784	\$ 3,717,821	\$ 312,394
Federal	8,299,459	8,299,459	8,469,187	637,216	5,121,051	687,606
Subtotal	\$ 14,738,872	\$ 14,738,872	\$ 14,738,872	\$ 1,000,000	\$ 8,838,872	\$ 1,000,000
DSH/Eleanor Slater						
State	\$ 3,058,300	\$ 5,636,009	\$ 3,058,300	\$ 5,521,200	\$ 5,521,200	\$ 5,482,500
Federal	3,941,700	7,263,991	3,941,700	7,378,800	7,378,800	7,417,500
Subtotal	\$ 7,000,000	\$ 12,900,000	\$ 7,000,000	\$ 12,900,000	\$ 12,900,000	\$ 12,900,000
Upper Payment Limit						
State	\$ 6,882,718	\$ 6,609,490	\$ 6,682,298	\$ -	\$ 8,860,612	\$ 8,860,612
Federal	11,381,604	11,723,896	11,651,088	-	16,365,474	16,365,474
Subtotal	\$ 18,264,322	\$ 18,333,386	\$ 18,333,386	\$ -	\$ 25,226,086	\$ 25,226,086
Total	\$ 367,138,873	\$ 374,538,872	\$ 392,238,872	\$ 395,626,496	\$ 391,438,872	\$ 422,126,193

The estimate also includes \$303.3 million, of which \$90.1 million is from general revenues, for state-directed payments; \$21.7 million, of which \$9.2 million is from general revenues for uncompensated care payments; and \$18.3 million, of which \$6.7 million is from general revenues, for upper payment limit reimbursements made to the community hospitals.

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

The Governor recommended \$3.4 million more than the caseload estimate, including \$1.2 million less from general revenues, based on proposals that affect annual rate increases and supplemental payments, each is discussed separately. He later requested an amendment to add \$10.0 million, including \$4.3 million from general revenues, and the necessary statutory language, to establish a rate methodology for a 21-bed long-term care behavioral health inpatient unit at Fatima Hospital. This proposal assumes a July 1 start.

The Assembly provided \$422.1 million, including \$136.2 million from general revenues, which is \$26.5 million more than the May estimate. The Assembly included \$7.5 million, of which \$3.2 million is from general revenues, and the necessary rate methodology language, to fund inpatient behavioral health units at community hospitals, and assumes federal approval by October 1. The expense would annualize to \$10.0 million. The Assembly did not concur with limiting the annual rate increase or the elimination of the upper payment limit reimbursements.

State Directed Payments. The conference estimate includes \$303.3 million, of which \$90.1 million is from general revenues, for the state-directed payments made through the managed care plans to promote

quality improvements at the community hospital. General revenues are consistent with the enacted budget but the total increases by \$16.5 million after adjusting for the FY 2026 Medicaid rate among eligibility groups.

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. Although not current law for FY 2026, the hospitals made a \$211.7 million license fee payment in FY 2025 that offsets the general revenues portion of this payment. Current services estimates assume a similar fee for FY 2026.

The constrained request increases the payments by \$32.3 million, including \$10.1 million from general revenues, repurposes \$14.4 million in savings from reducing the uncompensated care payment, and assumes \$17.9 million in new revenue from advancing the base year for the hospital license fee. General revenue expenses would increase by \$2.5 million. *The Governor added \$16.8 million, including \$3.1 million more from general revenues, and consistent with the constrained request, repurposes some savings from the other hospital payments to increase this one. The Assembly concurred.*

Regular Payments. The conference estimate includes \$48.9 million, of which \$20.9 million is from general revenues, for the inpatient and outpatient services payments. This is \$8.9 million more than enacted, and \$2.6 million more than the revised estimate, including \$1.3 million more from general revenues, primarily an increase in inpatient activity.

The Governor recommended Section 3 of Article 8 to replace the current law price index applicable for July 1, 2025, with a 2.3 percent rate increase for inpatient and outpatient services for FY 2026 only. He included savings of \$1.0 million, including \$0.3 million from general revenues, in the fee-for-service program.

The overall savings, including the managed care plans, are \$5.3 million, of which \$1.7 million is from general revenues, from reducing the rates included under current law in the November Caseload Conference estimate. The rates range from 2.9 percent for payments through managed care plans to 3.4 percent for fee-for-service reimbursements. The Assembly provided \$51.7 million, of which \$22.1 million is from general revenues, and is \$3.8 million more than recommended and \$7.5 million more than the May caseload estimate. The Assembly did not concur with the rate limit and added \$5.1 million, of which \$1.0 million is from general revenues for the fee-for-service hospital payments.

AHEAD Model. The Executive Office applied for the States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model grant in August 2024. The grant was announced in late October and is therefore not included in the FY 2026 request. The ten-year grant consists of a two-year pre-implementation period from January 2025 through December 2026 with eight years of investments starting January 2027.

The AHEAD model is scheduled from 2024 through 2034. Each state participating will have a cooperative agreement with the Centers for Medicare and Medicaid Services. This agreement allows the state to receive up to \$12 million to support model implementation activities over the first five to six years of the model.

The grant through the Centers for Medicare and Medicaid Services is intended to allow states to address healthcare cost growth, improve population health, and advance health equity by reducing disparities in health outcomes. Funding will increase investments in primary care, provide financial stability for hospitals, and support beneficiary connections to community resources. Other participating states include Maryland, Vermont, Connecticut, and Hawaii.

States participating in the model should include a detailed sustainability plan as part of the budget narrative in their application. The Centers for Medicare and Medicaid Services recommend that states consider strategies to sustain funding and model activities throughout the implementation period. *The Governor's recommendation did not include this grant; however, he had signed the agreement. He requested an amendment to add \$2.0 million for the new federal grant. He also included \$0.6 million from the Executive Office of Health and Human Services to make changes to its system.* **The Assembly included the \$2.0 million from the federal grant only.**

Disproportionate Share Payments to Hospitals. The November caseload estimate includes \$21.7 million for disproportionate share payments to the state's hospitals for uncompensated care costs. This includes \$9.2 million from general revenues and matching federal funds. This total is consistent with the enacted budget and revised request, including a \$14.7 million payment to community hospitals and \$7.0 million for Eleanor Slater Hospital.

The state's federal allotment of \$95.1 million is matched by general revenues for a total of \$172.9 million for FY 2025. Rhode Island's federal payment is being lowered by about 90 percent to reflect the implementation of the long-scheduled federal reduction, which was delayed again until January 1, 2025, or FY 2025. The estimate is lower than the available funding to account for limits on total uncompensated care payments, including funding provided through the separate state-directed payment program.

The constrained request excludes the payment to the community hospitals for savings of \$14.4 million, including \$6.2 million from general revenues, which partially offsets a related proposal increasing the state directed payments. This would leave \$7.0 million for the Eleanor Slater Hospital payment and \$1.3 million for the remaining hospitals.

The Governor recommended \$5.9 million more than the conference estimate, including \$2.6 million from general revenues, to reflect a policy directive to maximize payments for uncompensated care costs at the state hospital. There is an offsetting revenue to the state. He included Section 5 of Article 8 for this change. **The Assembly concurred.**

Upper Payment Limit Reimbursements. The November caseload estimate of \$18.3 million, including \$6.7 million from general revenues, is consistent with the FY 2025 revised caseload estimate and \$0.1 million more than the enacted budget, which was increased based on updated information. The budget request was submitted prior to the November Caseload estimate.

Hospitals currently receive quarterly inpatient and outpatient supplemental Upper Payment Limit based reimbursements. The reimbursement provides adjustments to increase resources to community hospitals by paying a rate equal to what Medicaid would pay for the same services. Under current federal regulations, states have greater flexibility in setting the Medicaid rates they pay to nursing homes, hospitals, and other providers. The regulations establish that states may pay facilities a total amount up to the level 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 due to patient populations that are sicker and more likely to have no healthcare coverage.

The constrained request eliminates the outpatient upper payment limit reimbursement for savings of \$7.7 million, including \$3.4 million from general revenues. *The Governor included Section 5 of Article 8 to eliminate the payments and included savings of \$18.3 million, including \$6.7 million from general revenues.* **The Assembly did not concur with the elimination and, consistent with the May Caseload Conference estimate, added \$25.2 million, including \$8.9 million from general revenues.**

Hospital License Fee. The 2024 Assembly included 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 patients served. The rates are intended to average 5.78 percent for FY 2024 and FY 2025 for the base year 2022 and the budget assumes total revenues of \$215.7 million. This includes \$4.0 million from the Eleanor Slater Hospital fee, which has a separate rate of 5.25 percent for all services using base year 2023.

This hospital license fee structure was part of a larger plan to change how the state finances community hospitals. Other changes included moving away from uncompensated care payments in recognition of the pending federal reduction approval and establishment of the new Hospital State Directed Managed Care Payment program.

Hospital License Fee	FY 2025 Enacted			FY 2026 Governor/Enacted		
	Community Hospitals	Eleanor Slater	Combined	Community Hospitals	Eleanor Slater	Combined
Base Year	2022	2023		2023	2023	
Tax Rate	5.78%*	5.25%		5.81%	5.25%	
Total	\$ 211,684,677	\$ 4,035,606	\$ 215,720,283	\$ 228,514,027	\$ 4,035,606	\$ 232,549,633

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

The Governor included Section 1 of Article 8 to extend the three-tiered system for the community hospitals with FY 2026 payments totaling \$228.5 million based on updated 2023 revenue. This section also extends the hospital license fee for Eleanor Slater Hospital at a 5.25 percent rate based on 2023 revenues, totaling \$4.0 million. The budget assumes total revenues of \$232.5 million from both payments; FY 2025 revenues are \$215.7 million. **The Assembly concurred.**

Long Term Care

The Caseload Estimating Conference estimate includes fee-for-service long-term care expenses at \$738.3 million, of which \$316.0 million is general revenues. This includes \$467.8 million for nursing facilities and hospice care and \$270.5 million for home and community care. The estimate is \$123.3 million more than enacted, including \$45.5 million more from general revenues; it is \$88.8 million above the revised estimate for FY 2025. The increase includes the scheduled October 1, 2025 rate increase of 4.2 percent and updated utilization trends. Long term care fee-for-service costs combined with the \$234.9 million in Rhody Health Options are \$973.2 million, including \$416.5 million from general revenues.

The budget request was submitted before the November Caseload estimate; it contains earlier estimates of current service adjustments, and there is also a constrained request to change eligibility and freeze home care rates. *The Governor recommended \$11.7 million less than the conference estimate, including \$5.5 million less from general revenues, to reflect his proposed changes to the annual rate increases.* **The Assembly provided \$771.1 million, of which \$330.0 million is from general revenues, which is \$5.5 million less than the May caseload conference estimate and \$44.5 million more than recommended. It concurred with the recommended changes to the annual rate increases and added \$12.0 million, including \$5.0 million from general revenues, to provide a 3.0 percent rate increase in conjunction with changes that address safe staffing requirements in nursing facilities.**

Nursing Facilities and Hospice Care. The Caseload Estimating Conference estimate includes FY 2026 expenditures of \$467.8 million, of which \$200.2 million is from general revenues for the state's nursing facilities. The estimate is \$74.0 million more than enacted, including \$26.9 million more from general revenues and \$46.8 million more than the revised estimate for FY 2025. The estimate also includes the October 1, 2025 rate increase estimated at 4.2 percent, the annualization of rebased rates for FY 2025, 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 \$45.5 million, including \$19.5 million from general revenues from nursing home expenses.

The Governor recommended \$6.7 million less than the estimate, including \$2.8 million from general revenues, from the proposed rate change included in Section 4 of Article 8. He also proposed Section 2 of Article 10 to alter the state's nursing home minimum staffing requirements, including expanding the types of direct care workers that count towards meeting the staffing ratios. The proposal retains the hours of daily direct nursing care but lowers the time required by a certified nursing assistant. It removes the five-year requirement that the Department of Health consult with consumers and advocates to determine staffing sufficiency and amends the annual reporting required to reflect staffing changes. It also changes the current penalty structure and waives any penalties assessed before the third quarter of 2025.

The Assembly provided \$477.3 million, including \$204.3 million from general revenues, which is \$2.9 million more than the May caseload estimate and \$44.5 million more than recommended. This includes the recommended October 1 rate increase of 2.3 percent, as well as another 3.0 percent base adjustment to address safe staffing requirements. The additional increase totals \$12.0 million, including \$5.0 million from general revenues, and must be passed through to workers.

The Assembly made different changes to minimum staffing requirements with a smaller expansion to the types of workers that count toward ratio, reducing those daily hours, and excluding the separate requirement for certified nursing assistant hours. It changed the penalty structure and forgives fines assessed before January 1, 2026. Any penalties collected will be deposited into a new restricted receipt account to support workforce development and compliance assistance programs. The current law five-year requirement to determine staffing sufficiency is unchanged.

Home and Community Care. The November Caseload Estimating Conference estimate includes \$270.5 million for home and community care expenses, including \$115.8 million from general revenues for FY 2026. This is \$49.3 million more than enacted, including \$18.6 million more from general revenues and \$42.0 million more than the revised estimate. The estimate includes caseload and rate increases consistent with the Executive Office's testimony at the caseload conference. This includes the annualization of the conflict-free case management services and the FY 2025 rate increase.

The constrained budget freezes rates for savings of \$3.2 million, including \$1.4 million from general revenues, and includes savings of \$0.9 million, including \$0.4 million from general revenues, from eligibility changes. *The Governor recommended \$5.1 million less than the estimate, of which \$2.2 million is from general revenues from the proposed rate freeze included in Section 6 of Article 8. The Assembly concurred.*

Managed Care

The November Caseload Estimating Conference estimate includes managed care expenses of \$1,134.1 million, of which \$468.4 million is from general revenues. The estimate includes RItE Care expenses at \$1,065.7 million, RItE Share expenses at \$4.2 million, and fee-for-service expenses at \$64.2 million; a discussion of each follows. The November estimate is \$64.0 million more than enacted, including \$11.4 million more from general revenues, and \$75.6 million more than the FY 2025 revised estimate. This estimate assumes a 5.0 percent increase in the monthly cost per person and enrollment of approximately 180,000 individuals, about 1,000 more than the revised estimate.

The budget request was submitted before the November Caseload estimate; it contains earlier estimates of current service adjustments and several new proposals. The constrained budget proposes savings of \$19.3 million, including \$8.3 million from general revenues, changes to eligibility, hospital rate freezes, the RItE Share enrollment process, and e-Consults. *The Governor recommended \$7.9 million less than the*

conference estimate, including \$3.3 million less from general revenues, from proposals that include eConsults and changes to hospitals, and home and community care rates.

The Assembly provided \$1,117.5 million, including \$456.9 million from general revenues, which is \$16.9 million more than the May caseload conference estimate and \$8.8 million less than recommended. The Assembly added \$10.5 million, including \$4.0 million, to raise reimbursements provided to the federally qualified health centers. It also provided \$500,000 from general revenues, available only to match federal funds, to support Thundermist Health Center's Family Medicine Residency Program.

The Assembly also added \$10.0 million to account for the cost of the primary care rate increase through managed care, and \$2.1 million for the hospital rate increase. The Assembly also included \$3.0 million for the health assessment impact and reduced expenses by \$5.1 million for the adjustments to cost trends for community health workers program.

RIte Care. The Caseload Estimating Conference estimated RIte Care expenditures at \$1,065.7 million, including \$447.9 million from general revenues, to reflect revisions to the caseload enrollment, and demographics influencing program costs. This is \$29.4 million more than enacted, including \$12.6 million from general revenues. The estimate assumes an enrollment increase of about one percent compared to the revised estimate and a 5.0 percent increase to the monthly capitated rates.

The Governor recommended \$7.9 million less than the conference estimate, including \$3.3 million less from general revenues from proposals that include e-Consults and rate changes.

*The recommendation also includes savings of \$4.5 million, of which \$1.9 million is from general revenues, for a technical correction to properly reflect parents' eligibility at 138 percent. The Executive Office reports an inconsistency in its eligibility threshold shown in its regulations compared to state law. Recent corrective action by the Executive Office will likely lower expenses, and the Governor's budget assumes there will be savings compared to the November caseload estimate. **The Assembly provided \$1,052.4 million, including \$435.6 million from general revenues, which is \$16.9 million more than the May caseload conference estimate. This reflects primary care and provider rate increases, a health care assessment, and correction to community health worker program expenses.***

RIte Share. The Caseload Estimating Conference estimate includes RIte Share expenditures of \$4.2 million, including \$1.9 million from general revenues and is \$2.0 million more than the revised estimate. The 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 2,780 individuals. The revised estimate includes 1,581 participants.

The constrained request includes medical benefit savings of \$5.2 million, including \$1.7 million from general revenues from increasing enrollment in RIte Share. Five full-time equivalent positions staff the program. The proposal adds \$0.2 million, including \$0.1 million from general revenues for two positions, and assumes savings from increasing enrollment. However, as noted, the proposal assumes law and process changes that would result in adding approval for 64 new employers and 192 employees for 12 months for about 2,300 enrollees. This conflicts with the projected October start date meaning savings should be about \$3.9 million, including \$1.1 million from general revenues, for nine months.

The proposal also requires a statutory change mandating employer compliance with information requests, such as employer-sponsored insurance rates and benefits starting October 1, 2025. This would include a provision for a compliance period and an as-yet-undetermined noncompliance penalty. The proposal addresses issues with data collection from employers that will increase the pool of available prospective

individuals enrolled in RItE Share by proactively working with employees. The Executive Office reports that starting in calendar year 2024, it requested employer-sponsored insurance information from 7,688 employers but received responses from just over 1,000. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$3.2 million, consistent with the recommendation.*

Fee-Based Managed Care. The Caseload Estimating Conference estimate includes fee-based managed care expenditures of \$64.2 million, of which \$27.5 million is general revenues. This is \$34.2 million more than enacted and \$3.3 million more than the FY 2025 revised estimate. Expenses for additional services provided to those in the contracted managed care system are \$29.5 million more than enacted. The estimate reflects neonatal intensive care unit increased costs, lower rebates, delays in enrolling members in managed care plans, and higher than anticipated children's behavioral health services expenses. The Executive Office's request is consistent with the enacted budget and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$61.9 million, consistent with the May caseload estimate.*

Rhody Health Partners

The Caseload Estimating Conference estimate includes expenditures of \$340.3 million, of which \$140.2 million is from general revenues, for the Rhody Health Partners managed care program for adults with disabilities in FY 2026. The estimate is \$30.6 million more than the revised estimate, including \$7.1 million more from general revenues. The estimate includes a 5.0 percent increase in the monthly cost per person and enrollment of approximately 12,900, or 2.1 percent above the revised estimate. It also includes \$50.5 million, or \$18.8 million more than revised, for a full year of funding for the Certified Community Behavioral Health Clinic initiative at the enhanced Medicaid rates.

The constrained budget includes total savings of \$5.5 million, including \$2.3 million from general revenues, from proposals that change eligibility and hospital rates. *The Governor recommended \$1.2 million less than the conference estimate, including \$0.5 million less from general revenues, from proposals that include e-Consults and rate changes. The Assembly provided \$341.2 million, of which \$140.7 million is from general revenues, which is \$10.7 million more than the May estimate. This reflects the increases in primary care and hospital rates, as well as the new health assessment.*

Medicaid Expansion

The November caseload estimate includes \$725.4 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. This includes updated enrollment of approximately 96,000 enrollees and is \$56.2 million less than enacted. The estimate also includes \$81.6 million from general revenues for the state match, \$7.7 million less than enacted. It assumes a 5.0 percent increase in the monthly cost per person. The estimate also includes \$26.0 million for expenses related to a full year of the Certified Community Behavioral Health Clinic initiative.

The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments and a new proposal. The constrained budget includes savings of \$11.6 million, of which \$1.2 million is from general revenues, from proposals that make changes to hospital rates, the RItE Share program and includes the new e-Consults proposal.

The Governor recommended \$1.9 million less than the conference estimate, including \$0.2 million less from general revenues from proposals that include e-Consults and rate changes. The Assembly provided \$730.8 million, including \$78.7 million from general revenues, which is \$7.3 million more than the May caseload conference estimate. This reflects the increases in primary care and hospital rates, as well as the new health assessment. It also corrected overstated expenses for the community health worker program.

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 \$234.9 million, of which \$100.5 million is from general revenues, for the Rhody Health Options program. The estimate is \$14.4 million more than enacted and \$20.3 million more than the FY 2025 revised estimate, which assumes a 5.0 percent increase in the monthly cost per person and enrollment of 11,900 or about 100 more than the revised estimate.

The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments and a new proposal. The constrained budget includes savings of \$6.7 million, including \$6.6 million from general revenues and proposals that make changes to home care and hospital rates and eligibility. *The Governor recommended \$4.9 million less than the conference estimate, including \$2.1 million less from general revenues reflecting the proposed rate changes.* **The Assembly provided \$220.4 million, of which \$94.3 million is from general revenues, and is \$4.8 million less than the May caseload estimate. This reflects the program's portion of the minimum staffing rate increase.**

Pharmacy

The Caseload Estimating Conference estimate includes pharmacy expenses of \$100.4 million; this includes direct pharmacy costs and the state's estimated Medicare Part D clawback payment. It is \$3.9 million more than enacted, including \$2.7 million more from general revenues. The budget request was submitted prior to the November Caseload estimate and it contains earlier estimates of current service adjustments. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$104.2 million, consistent with the May caseload estimate, or \$3.8 million more than recommended.**

Fee-for-Service. The Caseload Estimating Conference estimate includes \$2.0 million for FY 2026 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 and a proposal to change eligibility related to pharmacy expenses, which assumes savings of \$0.1 million, including \$47,033 from general revenues. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly included \$7.8 million, consistent with the May caseload estimates which is \$5.8 million more than the November estimate.**

Medicare Drug Benefit - Part D Clawback. The Caseload Estimating Conference estimate includes the state payment for the Medicare Part D clawback provision at \$98.4 million, which is \$1.6 million more than enacted and \$6.5 million more than revised for a 5.2 percent increase in monthly costs and a 1.8 percent increase in enrollment to cover about 39,100 individuals.

The benefit provides coverage with deductibles and co-payments based on the recipient's income level. For individuals enrolled in Medicaid and Medicare, commonly referred to as dual eligibles, the state paid a portion of their drug costs matched by the federal participation rate. The state no longer directly pays for the drug costs; however, the state does pay a portion of the savings to the federal government or a clawback, calculated based on a nationwide formula. The dual eligibles do not pay any annual deductible but a \$1 co-payment for generic drugs or a \$3 co-payment for brand names. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$96.4 million, consistent with the May estimate and \$2.0 million less than the November estimate.**

Other Medical Services

The Caseload Estimating Conference estimate includes expenditures for other medical services at \$251.4 million, which includes \$88.5 million from general revenues, \$154.6 million from federal funds, and \$8.3 million from restricted receipts. The estimate is \$24.3 million more than enacted and \$42.0 million more than the revised estimate, including \$4.1 million and \$12.4 million more from general revenues, respectively.

Payments include the federal Medicare premiums made on behalf of qualified Medicare recipients so that they can retain the federal benefit and not be solely reliant on Medicaid for medical coverage. The total is \$117.3 million, or \$8.0 million more than the revised estimate and \$5.1 million less than enacted; this payment is 47.0 percent of other medical services expenses. This excludes \$12.5 million from federal funds included as part of the FY 2025 proposal to expand the Medicare Savings Program payment that cannot be implemented.

The estimate also includes \$69.4 million, or \$31.5 million more than enacted, for the Certified Community Behavioral Health Clinic initiative. Other payments for rehabilitation services, including physical and occupational therapy, dialysis, physician and optometry services, behavioral health care services, durable medical equipment, and transportation services, are \$64.7 million. The payments increased by \$5.4 million above the revised estimate to reflect projected spending.

The \$8.3 million from restricted receipts provides direct general revenue savings for the children's health account, consistent with the enacted budget. Every insurance provider that delivers certain services to children with special health care needs receives an assessment equivalent to the amount paid by the Executive Office of Health and Human Services for those services, not to exceed \$12,500 per service per child per year. Expenses that would otherwise require general revenues are paid from this account. The payments from insurance providers are assessments deposited in children's health restricted receipt accounts. The assessment covers program expenses in three categories: comprehensive, evaluation, diagnosis, assessment, referral, and re-evaluation services; home health services; and child and adolescent intensive treatment services, 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 several new proposals. This request transfers \$15,000 from organ transplant funds to the Department of Human Services. Under current law, these funds reside with the Department but were retained in the Executive Office's budget when the Medicaid program was transferred to it. The proposal is reversed in the constrained request. The constrained budget also includes savings of \$7.1 million, including \$3.1 million from general revenues, for proposals that change eligibility and enhance program integrity.

The Governor recommended \$6.5 million less than the estimate, of which \$2.7 million is from general revenues, from proposals that include e-Consults and enhanced program integrity. His recommendation also transfers the organ transplant funds as requested.

The Assembly provided \$233.8 million, of which \$82.1 million is from general revenues. This is \$11.1 million less than the May caseload estimate and corrects expenses for the community health worker program. The Assembly also included the necessary resolution language to seek federal approval to increase eligibility to 125 percent of poverty for the Qualified Medicare Beneficiary group and to 168 percent for the Qualified Individuals group starting January 1, 2026, and added \$7.1 million, including \$0.7 million from general revenues, for that change.

Administration 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 agency budget submissions. This allows for comparing expenses to the enacted budget and prior years. For FY 2026, those expenses are \$101.1 million, or \$2.2 million less than enacted from all sources, as shown in the following table.

It should be noted that the FY 2025 enacted budget included \$5.1 million from general revenues for time-limited expenses associated with the return to normal operations as part of the public health unwinding. This includes \$3.4 million in the Executive Office's budget and \$1.8 million in the Department of Human Services. The request retains these one-time funds for projects that have not specifically been identified. The request includes \$5.7 million for Deloitte to enhance applications, \$2.1 million for hardware and software purchases, and \$0.6 million for additional contracted staff from all sources of funds, including \$3.3 million from general revenues.

Unified Health Infrastructure Project/Contact Center	General Revenues	Federal Funds	Deloitte Settlement Funds	Other Restricted & HealthSource RI	Total
FY 2016 to FY 2024	\$ 135,144,207	\$ 468,529,678	\$ 49,783,569	\$ 25,734,587	\$ 682,955,805
FY 2025 Enacted					
EOHHS	\$ 15,094,971	\$ 52,400,438	\$ -	\$ -	\$ 67,495,409
DHS	12,722,083	16,076,881	520,708	-	29,319,672
HealthSource RI/Contact Center	1,497,552	-	-	5,013,568	6,511,120
Total	\$ 29,314,606	\$ 68,477,319	\$ 520,708	\$ 5,013,568	\$ 103,326,201
FY 2025 Final					
EOHHS	\$ 11,331,480	\$ 40,301,198	\$ 216,431	\$ -	\$ 51,849,109
DHS	12,680,039	17,942,751	520,708	-	31,143,498
HealthSource RI/Contact Center	1,500,038	-	-	5,295,917	6,795,955
Total	\$ 25,511,557	\$ 58,243,949	\$ 737,139	\$ 5,295,917	\$ 89,788,562
FY 2026 Request					
EOHHS	\$ 13,945,611	\$ 49,128,450	\$ -	\$ -	\$ 63,074,061
DHS	13,583,584	17,470,434	520,708	-	31,574,726
HealthSource RI/Contact Center	690,607	-	-	5,804,018	6,494,625
Total	\$ 28,219,802	\$ 66,598,884	\$ 520,708	\$ 5,804,018	\$ 101,143,412
FY 2026 Recommendation					
EOHHS	\$ 21,665,055	\$ 53,744,893	\$ 520,708	\$ -	\$ 75,930,656
DHS	3,618,132	9,140,548	-	-	12,758,680
HealthSource RI/Contact Center	-	-	-	5,793,588	5,793,588
Total	\$ 25,283,187	\$ 62,885,441	\$ 520,708	\$ 5,793,588	\$ 94,482,924
FY 2026 Enacted					
EOHHS	\$ 22,368,654	\$ 56,336,615	\$ 520,708	\$ -	\$ 79,225,977
DHS	3,618,132	9,140,548	-	-	12,758,680
HealthSource RI/Contact Center	-	-	-	5,793,558	5,793,558
Total	\$ 25,986,786	\$ 65,477,163	\$ 520,708	\$ 5,793,558	\$ 97,778,215
FY 2016 through FY 2026 Enacted	\$ 186,642,550	\$ 592,250,790	\$ 51,041,416	\$ 36,824,062	\$ 870,522,582

Other expenses support the eligibility system, including the Department of Human Services for dedicated eligibility technician staff time and other approved staff to enter the necessary information into the system

and review client information for eligibility determination, which are also budgeted in multiple agencies and considered part of the project.

The Executive Office requested \$63.1 million from all sources, including \$13.9 million from general revenues in its FY 2026 budget request. This is \$6.8 million less than enacted, including \$2.4 million less from general revenues, for anticipated expenses to operate the system. This includes \$22.5 million, including \$4.5 million for Deloitte for system support. Funding also includes \$13.4 million, or \$2.4 million less than enacted, for HealthSource RI to operate the call center and other administrative support.

The request reflects projected spending and shifts expenses from the development phase to project maintenance. It also includes \$3.5 million for salary and benefit expenses, \$1.1 million less than enacted, primarily from federal funds, for 23.7 full-time equivalent positions. The Executive Office requested \$8.8 million for FY 2026 in its capital request, discussed separately in the Capital Budget section of this publication.

The request includes \$4.8 million, including \$1.0 million from general revenues, for system enhancements, software and hardware purchases, and contracted staff. This is all new funding after accounting for one-time savings associated with the return to normal operations. The reason for the increase is not explained. The constrained request excludes these funds.

The Governor recommended \$12.2 million more than requested, including \$7.1 million more from general revenues, \$5.1 million more from federal funds, and \$0.5 million more from Deloitte Settlement funds. The recommendation overstates available settlement funds by \$1.0 million among all agencies.

He shifted \$17.0 million, including \$8.8 million from general revenues, from the Department of Human Services and HealthSource RI to consolidate spending, primarily for contracted services. Total expenses are \$8.8 million less than enacted, including \$4.0 million less from general revenues, and exclude one-time expenses for the return to normal operations.

*He requested an amendment to add \$4.2 million, including \$0.9 million from general revenues, shifted from FY 2025 to reflect a delay in system enhancements resulting from the data breach. The Governor did not request any changes to adjust for the excess requested funding from the settlement funds. **The Assembly concurred with the amended recommendation.***

The Work Number. The Executive Office's request includes \$9.9 million, of which \$2.5 million is from general revenues, for payments to Equifax for its income verification product, known as The Work Number. This allows the state access to another data source to determine eligibility for medical assistance benefits and programs through the Department of Human Services. The enacted budget assumed that the income verification tool would be incorporated into the Unified Health Infrastructure Project's March 2024 update, operational in July, with terminations starting by the end of August. The FY 2025 budget also included savings of \$21.5 million, including \$5.8 million from general revenues, in the medical assistance program, which has been reduced to \$8.2 million, of which \$2.0 million is from general revenues. The Executive Office testified at the November Caseload Estimating Conference that the savings had been adjusted downwards for FY 2025 to reflect the delayed implementation of this income verification tool into annual renewals and post-eligibility verification of income as of April 2025. The original savings are assumed for FY 2026. As of December 2024, no expenses have been incurred.

The FY 2025 enacted budget includes a monthly fee of \$687,583 for matched transactions up to 740,000. There is a \$13.38 fee for each transaction after that. There is also a \$2,500 monthly service fee and additional security monitoring and set-up fees. The one-year contract with Equifax, anticipated to end August 31, 2025, was not finalized. Caseload testimony noted that technical issues with the first batch run

caused the delay. The new contract, also not signed, would be from January 1, 2025, through December 31, 2025, with a one-year extension.

The request is \$1.4 million more than enacted, including \$0.3 million from general revenues, and \$1.6 million more than the revised request, including \$0.4 million from general revenues. The request assumes an increase in the current contract, although it is not clear what the increase represents.

This change addressed 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 Office recommended that the Executive Office correct operational deficiencies in the RIBridges income validation process and implement a technical solution that increases reporting frequency and improves the accuracy of wage data within the system. *The Governor recommended funding as requested. The Assembly reduced expenses by \$0.9 million, including \$0.2 million from general revenues, based on the value of the contract for FY 2026, which is not to exceed \$8.9 million, of which \$2.2 million is from general revenues for the required match.*

Medicaid Enterprise System. The Executive Office requested \$62.2 million, including \$6.2 million from general revenues, to re-procure the Medicaid Management Information System, the primary means for processing Medicaid claims, third-party liability review, and data management for FY 2026. This is \$10.1 million more than enacted, including \$1.0 million from general revenues. The request is \$5.0 million more than the capital budget submission for the surveillance and utilization model planned for FY 2027, for a total of \$57.2 million for FY 2026.

The request includes \$3.0 million, of which \$0.3 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 \$12.5 million over four years; the revised budget includes \$3.4 million for the third year.

The request also includes \$6.0 million for the third-party liability module, which would be the first part of the new system; this is consistent with the capital plan. Other expenses that make up the new system modules include \$26.0 million for system integrations, \$6.0 million for provider management, \$6.0 million for electronic visit verification, \$5.6 million for claims and finance, \$5.0 million for surveillance and utilization review, and \$4.6 million for testing services. It also excludes \$3.0 million, of which \$0.3 million is from general revenues for independent verification and validation activities associated with a new project included in the enacted budget, which appears to be an oversight.

FY 2026				
Module/Operation	Enacted	Request	Gov. Rec.	
Systems Integrator	\$ 15.0	\$ 26.0	\$ 26.0	
Third Party Liability	8.0	6.0	6.0	
Planning Vendor	6.1	3.0	3.0	
Claims and Finance	-	5.6	5.6	
Surveillance and Utilization	-	5.0	5.0	
Provider Management	4.0	6.0	6.0	
Test Management	5.0	4.6	4.6	
Electronic Visit Verification	1.3	6.0	6.0	
Data Storage	8.0	-	-	
Independent Verification & Validation	3.0	-	-	
Operational Effectiveness	1.7	-	-	
Total	\$ 52.1	\$ 62.2	\$ 62.2	
<i>General Revenues</i>	<i>\$ 5.2</i>	<i>\$ 6.2</i>	<i>\$ 6.2</i>	

\$ in millions

Another project excluded from the estimated cost of the new system is the eLTSS Modernization initiative, operated by WellSky. It is currently being incorporated into the Medicaid Management Information System and will be completed in FY 2026. The modernization project will need to be incorporated into the Medicaid Enterprise System, but the Executive Office has not identified which module will be used or the cost for that change. FY 2026 is the fourth year of the project, but it is not clear when there will be more precise estimates of expenses and schedule. *The Governor recommended funding as requested.*

The Assembly provided \$14.2 million, including \$1.9 million from general revenues, to reflect updated information on the project timeline and projected expenses. This is \$48.0 million less than recommended, including \$4.3 million less from general revenues. A similar change was made to the FY 2025 final budget.

Medicaid Management Information System Expenses. The Executive Office requested \$26.8 million, including \$6.4 million from general revenues, for Medicaid Management Information System expenses. The FY 2026 request is \$6.7 million less than enacted, including \$1.6 million less from general revenues. The enacted budget includes \$7.5 million, of which \$1.9 million is from general revenues for one-time expenses for FY 2025, including system changes for rate increases. After adjusting for these exclusions, the request is \$1.1 million above that for projected expenses; the Executive Office has not provided an explanation for the change.

The four-year contract with the system's operator, Gainwell Technologies, from April 1, 2021, to March 20, 2025, totals \$104.7 million. The contractor manages the data warehouse and performs prior authorization, utilization, and claims review, conducts training and outreach activities, and performs other core system functions. *The Governor recommended funding as requested. The Assembly concurred.*

HealthFacts RI/All Payer Claims Database. The Executive Office requested \$10.2 million, including \$0.4 million from general revenues, to support the state's All Payer Claims Database, known as HealthFacts RI, which is \$1.7 million more than enacted primarily from federal funds. The request adds \$1.2 million for contracted services, totaling \$7.4 million related to the Freedman Healthcare contracts for data enhancements, analytic functions, and reporting activities, and \$0.3 million to Knowledge Services for administrative support. The Department of Health's budget also supports the contracts, and its request includes \$0.2 million from restricted receipts.

The request includes \$0.8 million, or \$0.1 million more than enacted, for the equivalent of approximately six positions, including five currently filled. It also includes \$1.7 million for operating expenses or \$0.5 million more for system maintenance.

The Executive Office reports data requests have grown from 18 in calendar year 2020 to over 89 in 2022. The requests exceeded 200 in 2023 and 2024. Requests can be from state agencies and private providers. The revised request also includes \$0.6 million for four positions, of which \$0.1 million is from general revenues. Also referred to as the Data Ecosystem, it was initially funded through the federal State Innovation Models grant. It is managed by the Executive Office and subject to the Department of Health's rules and regulations.

The Governor added \$0.4 million, including \$0.1 million from general revenues to account for statewide adjustments consistent with his recent labor agreements and two positions as part of the statewide integrated data system proposal, which includes six new positions in three agencies. The Assembly concurred.

Health Information Exchange/Current Care. The Executive Office requested \$3.1 million to pay for the state's share for medical assistance recipients in CurrentCare, the state's electronic health information

exchange that gives medical professionals access to their patients' health information, which is operated by the Rhode Island Quality Institute.

The state payment is based on all its Medicaid beneficiaries already being enrolled in the exchange through the opt-in process. This is \$2.9 million less than with the revised request and \$1.6 million less than enacted, including \$0.3 million less from general revenues and reflects updated enrollment and expenses. *The Governor recommended funding as requested. The Assembly concurred.*

Health Information Exchange/Current Care Opt Out. The Executive Office's request includes \$1.9 million, of which \$0.2 million is from general revenues, to change the Current Care enrollment process from an opt-in process to an opt-out one to comply with a statutory change made by the 2021 Assembly. This is \$4.3 million less than enacted, including \$0.4 million less from general revenues, essentially consistent with the revised request. This includes \$1.4 million for CRISP Shared Services to provide the technology and \$0.5 million for the Rhode Island Quality Institute for management services to fund the project's first year in FY 2025; the project was initially funded in FY 2022 and delayed for two additional years. It should be noted that the capital request includes \$5.0 million for FY 2025, 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 recommended funding as requested. The Assembly concurred.*

RI Quality Reporting System. The Executive Office requested \$3.8 million, including \$0.4 million from general revenues, which is \$1.6 million less than enacted, including \$0.2 million more from general revenues, for updated expenses for the contract with IMAT Solutions for the Quality Reporting System. This was initially funded with time-limited Health System Transformation funds.

The system supports Medicaid providers to provide electronic clinical quality reporting through a centralized Quality Reporting System. Clinical data is collected and aggregated across the Accountable Entities and matched with enrollment from the managed care organizations. The information is sent to each organization for their members and used to calculate performance-based payments to the providers. *The Governor recommended funding as requested. The Assembly concurred.*

Policy and Planning

Home and Community-Based Support - ARPA. The Executive Office excluded \$31.6 million from federal funds and restricted receipts reflecting the expiration of time-limited funds available through the American Rescue Plan Act. The program required that general revenue savings be reinvested to fund expansionary home and community-based activities, and funding was to have been spent by March 31, 2025, but that deadline has been extended until June 30, 2026. The Executive Office submitted its final plan to the Centers for Medicare and Medicaid Services in August 2024. Actual and requested expenses are shown in the following table. The eLTSS Modernization Project started with these expired funds, and the request includes general revenues and federal Medicaid funds going forward. *The Governor reduced the request by \$2.9 million, leaving a negative appropriation; this is an error. He subsequently requested an amendment to correct the error. He also requested an amendment to shift \$5.2 million from FY 2025 to FY 2026 to reflect an updated project schedule for the modernization project, discussed separately.*

On April 29, the Governor announced there would be \$5.0 million in grant funding available for primary care practices to recruit and retain primary care providers. The Executive Office opened a grant process shortly thereafter, with the intent of most of the payments being made before the end of June. The grant awards, supporting 85 primary care providers, total \$6.7 million, were announced on June 18. The Governor did not submit an amendment to adjust expenditures, assuming that payments would be made from available funding. It is anticipated that a small portion of the awards will not be given out until the end of September. The Assembly concurred with the amended recommendation.

Olmstead Plan. The enacted budget includes \$0.7 million for Olmstead Planning as part of its equity component of planned spending. Part of these resources were used to fund a coordinator. The Executive Office's request does not include any funding from these time-limited resources. *The Governor recommended funding as requested.* **The Assembly included language requiring that \$150,000 from general revenues included in the enacted budget be used to fund an Olmstead Plan Coordinator.**

HCBS Plan - ARPA		EOHHS			
Proposals	October 2024 Submission	Pre-FY 2024	FY 2024	FY 2025	5-Year Total
1 Increasing Access to HCBS Services	\$ 62.8	\$ 60.2	\$ 1.9	\$ 0.7	\$ 62.8
Building Infrastructure to Expand					
2 Provider Capacity and Care Continuum	37.2	7.3	20.8	9.1	37.2
3 No Wrong Door Enhancement Initiative	24.0	2.4	4.3	17.3	24.0
4 Updating Technology	0.2	0.0	0.0	0.2	0.2
5 HCBS Workforce Training	6.1	1.3	1.9	2.9	6.1
6 Quality Improvement/Promoting Equity	5.5	-	0.5	5.0	5.5
7 HCBS Equity	0.7	-	0.1	0.7	0.7
8 Phase III & Overall Contracted Support	0.3	0.1	0.2	-	0.3
Total	\$ 136.9	\$ 71.4	\$ 29.7	\$ 35.9	\$ 136.9

\$ in millions

eLTSS Modernization Project. The Executive Office requested \$0.2 million from all sources, including \$22,909 from general revenues, for the eLTSS Modernization Project, previously funded through time-limited Home and Community Care-ARPA funds. The unified electronic long-term services and supports technology system will streamline the eligibility process, which is currently being performed through several entities, including the Department of Human Services' Long Term Services and Supports program and the Office of Healthy Aging. The cloud-based system also includes assessments and meets federal requirements for the state to provide person-centered planning and increase program choice and accessibility.

On February 28, 2022, a contract was signed with WellSky to operate the system, which will be fully functional in FY 2026. The Executive Office submitted a capital plan totaling \$23.6 million, including \$2.5 million, of which \$0.2 million is from general revenues for FY 2026. The request does not match the capital plan and reflects an updated schedule based on a project delay. *The Governor recommended funding as requested. He requested an amendment to shift \$5.2 million from FY 2025 to FY 2026 to reflect an updated project schedule.* **The Assembly concurred with the amended recommendation.**

Pay for Success. The Executive Office requested \$1.5 million from restricted receipts for the Pay for Success program and its one full-time position. This is \$1,800 less than enacted for updated benefit expenses. The contract between the Executive Office of Health and Human Services and the Rhode Island Coalition to End Homelessness was executed on January 30, 2023. There are contracts with four service providers: Crossroads, House of Hope, Open Doors, and East Bay Community Action Program.

The legislation authorizes a five-year pilot program 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 2022 budget included \$6.0 million to fund the restricted account. By August 2024, funding totaling \$1.3 million has been disbursed to the Coalition for obligations related to FY 2023 and FY 2024. *The Governor added \$13,899 to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

ARPA - Certified Community Behavioral Health Clinics. The Assembly provided \$30.0 million from State Fiscal Recovery funds for Certified Community Behavioral Health Clinics. The Executive Office

spent \$21.8 million in FY 2023 and FY 2024, and \$6.8 million is included in the FY 2025 revised request. The FY 2026 request of \$0.8 million assumes total project funding of \$29.5 million, leaving a balance of \$0.5 million. This request includes \$0.6 million for administrative, system support, and data analysis, \$0.3 million for staff support in other agencies, and \$0.2 million for a full-time equivalent position.

*The Governor recommended using \$0.2 million of the remaining balance for staffing. He also included \$6.9 million in FY 2025, for a total of \$29.0 million, which is \$1.0 million less than authorized. **The Assembly concurred.***

Children and Youth - Behavioral Health System of Care Grant. The Executive Office included \$2.1 million, or \$0.9 million less than enacted, from the federal grant supporting the children's behavioral health care system. This includes \$1.2 million for Community-Based Intensive Care Teams and \$0.2 million for Mobile Response Stabilization Services and Supports, or \$1.0 million less than enacted for programs. The project involves accepting referrals from the 24-hour 988 crisis hotline, schools, and primary care providers, with an in-person response within one hour of receiving the referral. The request also includes \$0.4 million, or \$0.3 million more than enacted, for strategic planning and project management.

The Executive Office originally received a four-year, \$10.6 million federal grant to expand services available to children and their families. However, the first year of the grant was reduced by \$1.0 million to \$1.6 million, lowering the total to \$9.6 million. The grant was awarded in October 2022, but the state did not complete its process to award funding until December 2023 and because of that, the Executive Office was not provided federal approval to carryforward the unspent funds. *The Governor recommended funding as requested.*

The Assembly concurred and also included language in Section 10 of Article 8 to seek federal approval to establish a Medicaid rate for Mobile Response and Stabilization Services by October 1, 2026. It also added \$900,000 from general revenues to provide additional funding for those services to support uninsured and underinsured and cover costs not reimbursed by Medicaid and other commercial insurers.

Pathways to Removing Obstacles. The Department of Housing received a new federal grant in May 2025 to identify and remove barriers to affordable housing production and preservation. Total funding of \$3.8 million also supports work in the Executive Office of Health and Human Services. The Executive Office's request does not include any funds. *The Governor's budget did not include funding from this grant. He subsequently requested an amendment to add \$1.1 million for FY 2026, including \$0.6 million for the Executive Office and \$0.5 million for the Department of Housing. **The Assembly concurred with the amended recommendation.***

Preschool Development Grant. The Executive Office's request excludes \$0.2 million from the recently expired federal preschool development grant that supported ongoing early childhood strategic planning and system-building efforts. *The Governor excluded funding as requested. **The Assembly concurred.***

Statewide Opioid Funds. The Executive Office included \$12.3 million from statewide opioid restricted receipt funds for FY 2026. This includes \$11.8 million from opioid abatement funds, \$0.4 million from opioid stewardship funds and \$24,000 from McKinsey Opioid Settlement funds. This request is \$9.8 million less than enacted, primarily from abatement funds for updated planned uses. The Executive Office is coordinating with the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals on distribution of the funds. Combining FY 2023 and FY 2024 expenses of \$9.1 million and \$18.7 million included in the FY 2025 revised request brings the four-year total to \$37.9 million from these sources.

The Assembly required an annual January 1 report to the Speaker of the House of Representatives, the President of the Senate, and the Attorney General on how the opioid abatement funds were spent. The

report from December 2024 shows spending and allocated funding of \$33.1 million from expenses totaling \$14.6 million for FY 2023 and FY 2024 and \$18.5 million for FY 2025. This includes \$3.1 million for program administration and \$1.1 million to expand data surveillance capacity and accelerate data collection and reporting on overdoses and fatalities.

The report also identified remaining funds to be spent on services and capital projects in FY 2025, including \$3.2 million for investments in school and community-based mental health services, \$1.2 million for homelessness prevention, medical respite and mobile medical respite services, \$1.0 million for the state's Overdose Prevention Center (also known as the Harm Reduction Center), and \$0.8 million for harm reduction and recovery programs. Funding also includes \$1.3 million for outreach and drop-in centers, \$2.0 million to build new treatment facilities, \$2.1 million to expand the availability of recovery supports and infrastructure, and \$0.5 million to treat substance-exposed newborns. *The Governor recommended \$0.4 million less than requested, including \$0.1 million less for both staffing expenses and contracted services and \$0.3 million less for programs. The Assembly concurred.*

Agency	Pre-FY 2025	FY 2025	FY 2026	5-Year Total
EOHHS	\$ 9,088,705	\$ 18,812,506	\$ 11,793,128	\$ 39,694,339
BHDDH	7,926,165	14,382,709	5,250,000	27,558,874
Health	7,625,270	8,169,853	6,880,872	22,675,995
Corrections	5,082,619	1,978,296	1,300,000	8,360,915
Total	\$ 29,722,759	\$ 43,343,364	\$ 25,224,000	\$ 98,290,123

Health Care System Transformation Project. The Executive Office requested \$3.5 million from Health Care System Transformation funds, which is \$0.1 million less than enacted to reflect the final amounts available from these expired 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 totals 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 \$0.6 million for staffing, or \$0.1 million less than enacted, which is essentially consistent with the revised request. It also includes \$1.3 million, or \$0.5 million less than enacted for contracted financial, evaluation, and staff support services.

The request also includes \$1.6 million for a behavioral health infrastructure project, which is also included in the revised request. The Medicaid Report in the Special Reports section of this publication provides a more detailed description of the program. *The Governor recommended \$1.0 million less than requested from federal funds and restricted receipts. Subsequent information from the Office of Management and Budget notes this reduction was inadvertent. The Governor requested an amendment to add \$1.1 million from both fund sources to correct for this. The Assembly concurred with the amended recommendation.*

Health System Planning and Oversight. The FY 2025 enacted budget includes \$0.4 million for two full-time equivalent 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, were anticipated to be \$1.5 million for FY 2026 and \$1.8 million for FY 2027 through FY 2029. The FY 2026 request is \$27,168 less than enacted from general revenues reflecting minor adjustments to all related expenses. *The Governor added \$21,459 to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Ladders to Licensure. The Executive Office requested \$750,000 from general revenues for the Ladders to Licensure Program, consistent with the enacted budget. The grant application was available starting September 3 with a November 1 due date. Funding awards were announced on November 19 to be spent between January 1 and June 30, 2025. The three partnership proposals are Rhode Island College and William James College, formerly Massachusetts School for Professional Psychology in Newton, for behavioral health career ladders and the Community College of Rhode Island for nursing career ladders.

The program includes up to six months of funding for partnerships to design one or more career ladders that meet minimum program requirements under the required Career Ladder Planning and Design phase. Tuition supports provide an average of \$5,000 for each employee of last-dollar funding for tuition and related expenses and the optional Career Ladder Implementation provides funds for career ladders that meet minimum program requirements. *The Governor recommended funding as requested. The Assembly concurred.*

Nursing Facilities Reimbursement System. The Executive Office excluded \$2.8 million, including \$1.1 million from general revenues, provided for FY 2025 for one-time expenses to redesign the Medicaid payment policy for nursing facilities to align with new federal requirements. The Centers for Medicare and Medicaid Services required states to shift from the current Resource Utilization Group Model used for reimbursements to the Patient-Driven Payment Model by October 1, 2025. The contractor assisted with the transition to the new system, which included a qualitative evaluation of the current rate-setting methodology, engaging stakeholders, and drafting the necessary Medicaid state plan changes. *The Governor excluded funding as requested. The Assembly concurred.*

Nursing Facilities Conversion Assistance. The Executive Office excluded one-time funding of \$275,000 from general revenues included in the enacted budget to assist non-profit nursing facilities transitioning currently licensed beds to assisted living ones, with \$200,000 designated for Linn Health and Rehabilitation. *The Governor excluded funding as requested. The Assembly concurred.*

Hospital Care Transitions. The enacted budget includes \$250,000 from general revenues to be matched by Medicaid at the administrative rate for a total of \$500,000 for the Hospital Care Transitions Initiative. The initiative was designed to address the more expensive institutional placements, such as nursing homes, by transferring eligible individuals to less expensive, more appropriate community-based alternatives. The revised request includes \$250,000 matched by \$750,000 from federal funds for \$1.0 million. It appears that funding was inadvertently excluded for FY 2026. This program was initially funded through the federal Money Follows the Person grant and is not statutorily required. *The Governor recommended funding at the enacted level. The Assembly concurred.*

Rhody Health Options Transition Plan. The FY 2025 enacted budget includes \$0.3 million, of which \$0.2 million is from general revenues for a transition plan to convert from the Neighborhood Health Plan of Rhode Island's Neighborhood Integrity Program for approximately 13,000 individuals who are eligible for both Medicare and Medicaid, which ended on December 31, 2023, to a Fully Integrated Dual Eligible Special Needs Plan. A final rule by the Centers for Medicare and Medicaid Services phased out these demonstration programs nationwide. Still, it allowed states to extend them until December 31, 2025, if a transition plan was submitted that details the intent to convert to a Fully Integrated Dual-Eligible Special Needs Plan. The Executive Office reported that the plan is no longer required. However, the revised and FY 2026 requests are \$0.2 million less than enacted, leaving an unnecessary balance of \$0.1 million.

The enacted budget also contains a related \$0.2 million, including \$0.1 million from general revenues, to support ombudsman services during this process. The request excludes that funding, which is not needed. *The Governor's recommendation excludes funds as intended. The Assembly added \$118,000, including \$59,000 from general revenues, to extend the transition program for a full year.*

Other Programs

HIV Treatment Services and Administration. The Executive Office requested \$15.7 million for HIV services and administration expenses, which is \$2.3 million more than enacted. The request is \$2.0 million more from pharmacy expenses for total funding of \$9.0 million. This is \$0.8 million more than FY 2024 spending and results from new medications added to the formulary. The request lowers salary and benefit expenses by \$0.1 million to fully or partially fund around 40 positions.

It also includes \$4.1 million for community supportive services, essentially as enacted, and \$0.5 million more than FY 2024 expenses. Services include housing, mental health, case management, health insurance premium assistance, emergency financial assistance, food bank, substance use outpatient, outpatient ambulatory health services, and outreach services. Providers include AIDS Care Ocean State, Community Care Alliance, Family Service of Rhode Island, Rhode Island Public Health Institute, and Thundermist. The program has an average monthly enrollment of about 580 individuals. *The Governor added \$71,216 to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Early Intervention Services. The Executive Office requested \$2.3 million for Early Intervention Services, including \$11,450 from general revenues. This is \$0.2 million more from all sources, including \$0.1 million less from general revenues, for direct funding available to the nine providers and contracted services. This includes \$0.6 million for the providers, \$0.7 million for Rhode Island College's Sherlock Center, \$0.6 million for the Rhode Island Parent Information Network, \$0.2 million for staff support from Knowledge Services, and \$0.2 million for data analysis through Welligent. The requested general revenue reduction appears to be an error. *The Governor added \$0.1 million to correct the error.* **The Assembly concurred.**

Long Term Services and Supports. The Executive Office requested \$1.0 million, or \$0.7 million less than enacted, from federal Money Follows the Person grant funds to reflect available funding. The request includes \$0.6 million for activities that have not been determined yet. However, the revised request includes \$0.7 million to the St. Elizabeth Community for senior living apartments and \$0.4 million for Faulkner Consulting to develop a sustainability plan for the affordable housing model. Funding supports individuals who are transitioning to community-based placements. *The Governor recommended funding as requested.* **The Assembly concurred.**

Consent Decree Court Monitor - BHDDH. The Executive Office requested \$200,000, including \$100,000 from general revenues, to pay for a court monitor 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 is consistent with FY 2024 expenses, which are \$200,000 less than enacted, excluding expenses for a consent decree coordinator that is no longer utilized. *The Governor recommended funding as requested.* **The Assembly concurred.**

Consent Decree Court Monitor - DCYF. The Department of Children, Youth and Families entered into a consent decree with the Department of Justice in December 2024, which stems from May 2024 findings that the state failed to provide services to children with behavioral health disabilities in the most integrated setting appropriate to their needs. *The Governor added \$175,000 from general revenues for a court monitor in the Executive Office's budget. He also included \$0.5 million for FY 2025 and \$0.8 million in FY 2026 in the Department of Children, Youth and Families' budget for consultant services to help comply with the consent decree.* **The Assembly concurred.**

External Quality Review Services. The Executive Office requested \$1.5 million, including \$0.4 million from general revenues, for the contract with Island Peer Review Organization for external quality review

services, which was extended in July 2024. The request is \$0.8 million more than enacted, including \$0.2 million from general revenues, more than doubling the expiring contract.

The contractor assists with reporting adult and child core measures to the Centers for Medicare and Medicaid Services and performs Pre-Admission Screening and Residential Reviews for individuals entering long-term care settings. The contractor also performs validation and verification services at the discretion of the Executive Office that could include non-emergency transportation vendors and Accountable Entities. The increase is for reviews of Certified Community Behavioral Health Centers, home- and community-based services and state-directed payments. *The Governor recommended funding as requested. The Assembly concurred.*

Actuarial and Financial Contracted Services. The Executive Office requested \$3.0 million, including \$1.4 million from general revenues, for contracted financial and management services provided through Milliman. This is for financial analytics and technical support and actuarial consulting and rate setting and is consistent with the enacted budget. The contract value totals \$5.6 million for March 1, 2024 through June 30, 2025, with extensions through 2035. *The Governor recommended funding as requested. The Assembly concurred.*

Asset Verification Services. The Executive Office requested \$0.4 million, including \$0.2 million from general revenues, for the contract with the New England State Consortium Systems Organization to provide asset verification services for all Medicaid renewals. The Centers for Medicare and Medicaid Services granted states a temporary waiver to suspend the verification process on repeat checks, and that ends June 30, 2025. This is \$0.2 million more than enacted and \$0.1 million more from general revenues for the resumption of the federal mandate, with all Medicaid renewals subject to an asset test. The verifications are currently run on new applicants. The request includes anticipated FY 2026 expenses that assume 4,250 monthly transactions at a per-transaction cost of \$6.71 for a total of \$342,720 and a maintenance fee that annualizes to \$45,210. *The Governor recommended funding as requested. The Assembly concurred.*

Waiver Evaluation Services. The Executive Office requested \$0.2 million, including \$0.1 million from general revenues, for the North American Research Center to provide an evaluation of the Medicaid waiver. The enacted budget includes \$0.1 million for the center to provide the required evaluations and \$0.1 million for Milliman to provide support during the renewal process. The request shifts funding from the Milliman contract to the research center. The increase is related to the delay in receiving approval for the Medicaid waiver. *The Governor recommended funding as requested. The Assembly concurred.*

Rhode Island Parent Information Network. The Executive Office requested \$2.0 million, including \$1.0 million from general revenues, for the Rhode Island Parent Information Network to provide care management and coordination services for high-risk populations who were previously enrolled in Phase I of the Integrated Care Initiative, or the Unity program, through Neighborhood Health Plan that was eliminated on October 1, 2018. Funding was originally included in the FY 2021 enacted budget. The current contract, ending in June 2025, has a monthly payment of \$187,500. For FY 2026, the payment will be reduced by about 12 percent or \$0.3 million, including \$0.1 million from general revenues. The Executive Office reports that this reduction is being proposed to achieve budget savings. *The Governor recommended funding as requested. The Assembly concurred.*

Staff Augmentation. The Executive Office requested \$1.1 million, including \$0.4 million from general revenues, for contracted administrative and staff support from Knowledge Services across the agency, including Medicaid finance, public affairs, legal, and policy. The request is \$0.5 million less than enacted, and \$0.1 million less from general revenues, for projected staffing needs. It is also \$0.2 million less than the revised request. *The Governor recommended funding as requested. The Assembly concurred.*

Other Contracted Services. The Executive Office requested \$1.8 million, including \$0.5 million from general revenues, for all other contracted services. This is \$0.1 million less than enacted, including \$6,763 less from general revenues for updated expenses. Funding includes \$0.9 million, of which \$0.2 million is general revenues, for electronic visit verification services through Sandata and \$0.4 million for Faulkner Consulting for management and analytic services. There is \$0.4 million for Stellaware for third-party insurance intercepts, \$0.1 million for an independent audit consultant that has not yet been determined, and \$0.1 million for security services. *The Governor recommended \$19,362 less than requested, including \$59,211 less from general revenues; the specific change has not been identified.* **The Assembly concurred.**

Pharmacy Staff. The 2023 Assembly added a Medicaid pharmacy director to develop strategies to manage pharmacy costs to include a comprehensive review of the current pharmacy benefits and rebate programs. While oversight of pharmacy expenses is done by the managed care plans for its enrollees and contractors for the fee-for-service program, oversight of the managed care contracts is a function done by current Medicaid staff. The new director was hired in January 2024 and a review was completed.

The Governor's recommendation adds \$0.5 million, of which \$0.3 million is from general revenues, for four positions to evaluate pharmacy expenses and develop strategies to address program costs. The out-year budget forecast assumes that this work will result in general revenue savings of \$3.7 million for FY 2027, growing to \$8.2 million in FY 2030. **The Assembly concurred.**

Legal Services (1.0 FTE). The Executive Office requested \$126,109, including \$81,971 from general revenues, for a new legal position to support the Department of Behavioral Healthcare Developmental Disabilities, and Hospitals, including its quality management unit, and assisting with the Certified Community Behavioral Health Clinics. There are six attorneys, and one assistant assigned to the Department. The Department reports that the incidents and investigations through the unit have required additional legal guidance, including cases where individuals have been abused, neglected, mistreated, or financially exploited. The cases increased from around 75 in 2020 to about 190 in 2022; there were 140 in 2023. The constrained budget excludes the funding and the new position. *The Governor did not recommend funding or the new position.* **The Assembly concurred.**

Other Salaries and Benefits. The Executive Office requested \$33.2 million for other salaries and benefits, including \$18.2 million from general revenues and \$15.0 million from federal funds. This is \$2.5 million more from all sources and \$1.3 million more from general revenues to fund approximately 202 positions, leaving seven vacant. The request assumes filling vacant positions and benefit changes consistent with FY 2026 planning values. 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 revised request is \$1.8 million or 5.9 percent more than enacted and FY 2026 is \$0.7 million or 2.2 percent above that. *The Governor added \$2.9 million, including \$1.6 million from general revenues to account for statewide adjustments consistent with his recent labor agreements. This is offset by overtime savings of \$0.3 million, including \$0.2 million from general revenues.* **The Assembly concurred.**

Special Education. The Executive Office requested \$38.5 million from federal funds for special education services provided by local education agencies. This includes the enacted level of \$29.5 million for direct services and \$9.0 million for administration costs. The budget includes \$9.5 million to increase rates paid, consistent with the rate review process recommendations that start October 1, 2024, to the local school districts for direct services provided through Individual Education Plans reimbursed through the Medicaid program. The Executive Office updated its reimbursement manual to reflect the new rates.

The Governor recommended funding as requested. He later requested an amendment to add \$145,215 from a new federal grant for FY 2025 and \$1.0 million for FY 2026. The Executive Office was awarded a \$2.5 million, three-year grant on June 25, 2024, to expand School-Based Medicaid Services. Funding will

*support consultants who will conduct a needs assessment and engage with community stakeholders. **The Assembly concurred with the amended recommendation.***

Capital Projects. The Executive Office requested \$451.6 million for six information technology projects, including \$402.4 million from federal funds, \$47.0 million from general revenues, and \$2.2 million from restricted receipts. The request includes \$363.7 million for FY 2026 through FY 2030. *The Governor recommended the technology projects in the operating budget. He did not include them in the capital plan.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Centralized Services. The Executive Office requested \$2.3 million, including \$1.5 million from general revenues for centralized services, excluding the Unified Health Infrastructure Project. This includes \$1.3 million for facilities management and \$0.5 million for both information technology and human resources and is \$52,109 less than enacted from federal funds.

*The Governor's recommendation includes an increase of \$1.9 million, including \$1.5 million from general revenues to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. **The Assembly concurred.***

Medicaid Proposals - Administrative Expenses. The Executive Office's constrained request adds \$0.5 million, including \$0.1 million from general revenues for one-time system changes for its constrained Medicaid proposals. This includes \$0.4 million for the eligibility changes and \$0.1 million for the e-Consults program. The proposals are explained in the medical assistance section of the analysis. *The Governor included \$83,059, of which \$20,765 is from general revenues for the e-Consults program.* **The Assembly concurred.**

Other Operations. The Executive Office requested \$2.0 million for all other operations, including \$0.3 million from general revenues. This is \$71,739 more than enacted, including \$52,783 more from general revenues for all other expenses. It includes \$1.3 million for operations, of which \$0.9 million is audit fees for the Medicaid program. There is also \$0.6 million from restricted receipts for nursing home penalties reinvestment funds, consistent with the enacted budget. *The Governor recommended \$12,624 more than requested, including \$6,312 from general revenues, for other operations, including staff training.* **The Assembly concurred.**

Department of Children, Youth and Families

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Central Management	\$ 25,484,285	\$ 37,044,574	\$ 33,384,813	\$ 33,174,813
Child Welfare	317,431,530	302,874,196	306,917,527	307,504,078
Youth Development Services	38,513,777	55,099,173	40,321,452	37,577,797
Children's Behavioral Health	17,425,671	21,074,620	16,376,738	15,933,706
Higher Education Incentive Grants	200,000	200,000	200,000	200,000
Total	\$ 399,055,263	\$ 416,292,563	\$ 397,200,530	\$ 394,390,394
Expenditures by Category				
Salaries and Benefits	\$ 95,684,982	\$ 104,979,566	\$ 106,139,270	\$ 105,868,134
Contracted Services	8,442,280	10,973,740	9,033,632	8,823,632
Subtotal	\$ 104,127,262	\$ 115,953,306	\$ 115,172,902	\$ 114,691,766
Other State Operations	19,308,293	21,781,129	22,499,609	22,709,609
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	257,169,708	240,103,088	234,791,210	236,252,210
Capital	18,450,000	38,455,040	24,736,809	20,736,809
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 399,055,263	\$ 416,292,563	\$ 397,200,530	\$ 394,390,394
Sources of Funds				
General Revenue	\$ 261,358,200	\$ 261,352,456	\$ 262,985,058	\$ 262,775,058
Federal Aid	121,743,506	124,493,928	117,430,501	118,620,365
Restricted Receipts	703,557	1,477,948	1,534,971	1,744,971
Other	15,250,000	28,968,231	15,250,000	11,250,000
Total	\$ 399,055,263	\$ 416,292,563	\$ 397,200,530	\$ 394,390,394
FTE Authorization	714.5	714.5	713.5	713.5

Summary. The Department of Children, Youth and Families requested \$404.6 million from all sources, including \$272.6 million from general revenues, \$115.2 million from federal funds, \$1.5 million from restricted receipts, and \$15.3 million from Rhode Island Capital Plan funds. This is \$5.6 million more than enacted, including \$11.3 million more from general revenues. The Department requested 713.0 full-time equivalent positions inadvertently. It intended to request 714.5 full-time equivalent positions, consistent with the enacted authorization. *The Governor recommended \$397.2 million, including \$263.0 million from general revenues. This is \$7.4 million less than requested, including \$9.6 million from general revenues. He recommended 713.5 positions, reflecting a transfer of one position to the Department of Human Services.*

The Governor subsequently requested five amendments totaling \$0.2 million less from general revenues, \$1.2 million more from federal funds, \$0.2 million more from restricted receipts, and a shift of \$4.0 million from Rhode Island Capital Plan funds from FY 2026 to FY 2027. The Assembly concurred with the amended recommendation.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department, this produced a general revenue target of \$254.0 million. The amount includes current service adjustments of \$13.1 million and a 7.5 percent target reduction, adjusted for certain exclusions, of \$19.9 million. The Department's constrained request is \$0.6 million less than the target. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor's budget is \$8.4 million more than the target.* **The enacted budget is \$8.4 million more than the target.**

Department of Justice Findings. On May 13, 2024, the Department of Justice issued a letter to the Governor and the Director of the Department of Children, Youth and Families, finding that the state failed to provide services to children with behavioral health disabilities in the most integrated setting appropriate to their needs. This resulted in children being routinely and unnecessarily segregated in an acute-care psychiatric hospital. The finding noted that the state could reasonably modify its service system aligned with its own laws and policies to provide the care these children need in more integrated settings, even though the appropriate level of care for many of these children would be long-term, high-intensity, and specialized.

Following that report, the Department provided information on the progress of its provider contract negotiations, which contained changes to programs responsive to the Department of Justice findings. The FY 2025 enacted budget added \$31.2 million to the Governor's original recommendation as suggested, including \$29.4 million in support of adoption and foster care programs, congregate care, and home-based services, along with \$1.5 million for a rate-setting consultant and \$300,000 for a comprehensive needs study. The Department's most recent budget request adds \$1.5 million from general revenues over two years, including \$1.0 million in FY 2026 for a consultant to support its negotiations with the Department of Justice and possible implementation of a consent decree. It also includes \$50,000 more for the needs study, based on the estimated cost of procuring a vendor.

On December 19, 2024, the state agreed to a five-year consent decree with the Department of Justice to resolve the May findings. The court approved the agreement on January 9, 2025. It would require the Department to conduct a review of its service array, including behavioral health and community-based services and therapeutic foster care capacity, to address shortages and improve monitoring and timeliness of services. The state will also be responsible for paying a court-appointed monitor up to \$250,000 a year for the duration of the consent decree.

The Governor recommended \$350,000 less than requested. He included \$750,000 for a consultant and \$250,000 for the comprehensive needs study. He also added \$175,000 for a court monitor in the Executive Office of Health and Human Services' budget for FY 2026.

He subsequently requested an amendment to shift \$0.2 million from general revenues to restricted receipts to reflect a new commitment of funding from the Annie E. Casey Foundation to support work related to the consent decree. **The Assembly concurred with the amended recommendation.**

Staffing. The Department requested \$99.6 million, which is \$3.9 million more than enacted and \$1.8 million more than the revised request for 713.0 positions inadvertently; it intended to request the enacted 714.5 full-time equivalent positions. The request intended to shift 8.0 positions to Child Welfare, offset by a similar number of positions within Youth Development Services. It also shifts positions between the Children's Behavioral Health and Child Welfare programs, which often overlap in duties and responsibilities; shifting positions between the programs is not uncommon. As of mid-November, 654.0 positions were filled, leaving 60.5 vacancies; the average number for the current year is 661.3 filled. By fund source, the request includes \$1.9 million less from general revenues and \$5.8 million more from federal funds. This reflects the Department's updated cost allocation plan, similar to FY 2024 spending and the FY 2025 revised request.

Full-Time Equivalent Positions					
Program	FY 2025 Enacted	FY 2026 Governor	Gov. Chg. to Enacted	FY 2026 Enacted	Enacted Chg. to Gov.
Central Management	76.0	76.0	-	76.0	-
Children's Behavioral Healthcare/Child Welfare	490.5	497.5	7.0	489.5	(8.0)
Youth Development Services	148.0	140.0	(8.0)	148.0	8.0
Total	714.5	713.5	(1.0)	713.5	-

The Governor recommended \$6.6 million more than requested, including \$7.9 million from general revenues for salaries and benefits. The changes are described in more detail in program-specific items on the following pages. He recommended 713.5 positions, reflecting the transfer of an Early Childhood coordinator position to the Department of Human Services.

*He subsequently requested an amendment to shift \$0.9 million and 8.0 Juvenile Program Worker positions back to Youth Development Services, which were incorrectly budgeted in the request and original recommendation. The amendment also reduced federal funding by \$0.3 million to reflect the accurate level of federal matching funding. **The Assembly concurred with the amended recommendation.***

Placements

Placement	Description/Services	Population				
		FY 2025 Enacted	FY 2025 Rev. Req.	Diff. from Enacted	FY 2026 Req.	October Average
Congregate Care	Residential Based Placement	335.8	396.7	60.9	412.0	366.6
Assessment and Stabilization Centers	Emergency placement centers with clinical assessments and support	17.1	18.7	1.6	19.6	14.0
Group Homes	Community-based homes with clinical treatment; 8 or fewer beds	98.7	125.4	26.7	131.7	110.3
Independent Living	Apartment program with supports for youth transitions to adulthood	51.2	66.5	15.3	69.8	54.5
Residential Treatment Centers	In-state, campus-based intensive treatment programs with onsite schooling	61.5	56.6	(4.9)	59.4	70.0
Semi Independent Living	Older adolescent treatment programs that allow for unsupervised community time	31.7	40.6	8.9	42.6	37.3
Out-of-State	Intensive residential treatment for children and youth with complex mental health or intellectual or developmental disabilities	75.6	88.9	13.3	88.9	80.5
Foster Care	Home Based Placements	1,319.1	1,162.0	(157.1)	1,195.0	930.5
Total		1,654.9	1,558.7	(96.2)	1,607.0	1,297.1

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 intensive treatment and services are

required. 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 placement referrals to residential services for approximately 400 children and youth. This includes in-state group homes, assessment and stabilization centers, 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 based on the services provided. For example, Groden Center and Boys Town New England both offer group home placements but vary in cost as Groden Center provides more extensive therapeutic treatments.

The FY 2026 request includes higher placement costs and 15.3 more placements than the revised request, including increases of 6.3 for group homes, 3.3 for independent living placements, 2.8 for residential treatment center placements, and 2.9 for all other residential care placements. This is in addition to the estimated 35 placement increase for group homes from FY 2024 to FY 2025 as the Department seeks to utilize less-intensive treatment options.

Foster Care Placements. The Department provides home-based placements to between 900 and 1,300 children and youth under its care. The Department first tries to place a youth in a kinship home with a relative or close family friend. If no appropriate placement is available, the Department places the youth in a non-kinship home. Within each of these, there are therapeutic foster homes for youth with more intensive treatment needs and traditional foster homes. The recruitment of foster homes is done by the Department and contracted private agencies. Many private agencies recruit therapeutic homes.

Through the first four months of FY 2025, the Department averaged 930.5 placements, which is 231.5 fewer than the 1,162.0 foster care placements assumed in the revised request and 388.6 fewer than the 1,319.1 assumed in the enacted budget. In FY 2024, the Department averaged 1,133.6 placements.

The FY 2026 request assumes 1,195.0 placements, or 33.0 more than the revised request. The FY 2025 enacted budget added \$5.5 million, including \$5.0 million from general revenues to support enhanced foster parent stipends to address Department of Justice findings. The Department anticipates greater availability of these less-intensive placements as a result of these additional resources.

The Department's constrained request includes savings of \$8.7 million from general revenues from placement changes, including expanding less intensive services such as foster care and reducing out-of-state and congregate care placements. These changes are also related to the Department of Justice findings in May, which noted that the state could reasonably modify its service system to provide these children's care in more integrated settings. The Department has included similar initiatives in its constrained requests for the last few years but has yet to effectuate the necessary changes.

The request indicates that the Department will begin to reduce its reliance on costly, more intensive congregate care placements by expanding wrap-around services for those in foster care and improving its care coordination with providers and strategic use of data. It also notes that improved rates for foster families will allow it to increase its capacity for children with higher needs. It is unclear why this proposal is presented as a constrained item if this is the current plan the Department is pursuing.

*The Governor did not identify specific population or cost per youth assumptions. His budget assumes savings of \$7.7 million, including \$7.0 million from general revenues, based on the placement changes described above. These changes are described in more detail in the following items. **The Assembly concurred.***

Congregate Care. The Department requested \$109.0 million from all sources, including \$85.0 million from general revenues, for congregate care placements excluding female residential facilities. This is \$8.0 million more than enacted from all sources, primarily from general revenues. The enacted budget included \$30.3 million for a rate increase negotiated for its congregate care provider contracts in FY 2024. The increase in placements is related to expected provider staff level increases assumed with the new rates. The request assumes 15.3 more placements than assumed in the revised request.

The request assumes a cost per youth in each congregate care placement adjusted based on FY 2024 costs, the rate increase provided in the enacted budget, and the experience in the first few months of FY 2025. The Department anticipated an average increase in cost per placement of 5.0 percent compared to the revised request.

*The Governor's recommendation includes savings of \$10.4 million, including \$9.1 million from general revenues achieved by reducing congregate care and out-of-state placements. The recommendation assumes 25 youth in congregate care placements and 16 youth in out-of-state placements will be transitioned to foster care placements with supportive services. **The Assembly concurred.***

Congregate Care							
Placement	FY 2024 Reported	FY 2025 Enacted	FY 2025 Rev. Req.	FY 2026 Request	FY 2026 Req. Chg. to Rev. Req.	FY 2026 Req. Chg. to Enacted	FY 2026 % Chg. to Rev. Req.
Assessment & Stabilization Centers	\$ 3,357,576	\$ 3,843,562	\$ 4,500,000	\$ 4,950,000	\$ 450,000	\$1,106,438	10.0%
Group Homes	16,682,910	23,830,867	22,800,000	25,150,000	2,350,000	1,319,133	10.3%
Independent Living	3,392,085	4,584,372	4,800,000	5,250,000	450,000	665,628	9.4%
Residential Treatment Centers	12,567,996	21,267,193	15,300,000	16,850,000	1,550,000	(4,417,193)	10.1%
Semi Independent Living	5,401,918	6,622,761	9,100,000	10,050,000	950,000	3,427,239	10.4%
POS Group Homes	896,442	661,122	1,250,000	1,300,000	50,000	638,878	4.0%
Out-of-State	25,510,668	32,331,799	33,100,000	34,850,000	1,750,000	2,518,201	5.3%
Bradley	6,709,701	6,006,323	7,560,000	7,940,000	380,000	1,933,677	5.0%
Individual Intensive Supervision	1,990,273	1,834,404	2,850,000	2,650,000	(200,000)	815,596	-7.0%
Total	\$76,509,570	\$100,982,402	\$101,260,000	\$108,990,000	\$ 7,730,000	\$ 8,007,598	7.6%

Female Residential Facilities. The Department requested \$1.1 million, including \$0.6 million from general revenues, to support placements at the new female residential facility in Exeter. This is \$2.2 million less than enacted, including \$0.8 million less from general revenues, and reflects the anticipated opening of the facility in April 2026.

The 2022 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. The Department awarded a non-competitive bid to St. Mary's Home for Children and a contract was signed in March 2023 to add 12 new beds for female youth. The Department spent \$1.7 million on this expansion before the project was halted as a result of concerns about safety and quality of care at St. Mary's. The Department engaged a new provider for the facility in May 2024, and the Assembly made no changes to the funding for the project as the Department was working through a change in providers. In August 2024, St. Mary's announced its closure. The request excludes the remaining funding, and a plan has not yet been developed to reallocate these funds for a similar purpose.

The request separately includes \$15.0 million from Rhode Island Capital Plan funds for the construction of a female residential treatment facility in Exeter. The Department spent \$0.9 million from State Fiscal Recovery funds to design the facility. *The Governor recommended funding as requested. **The Assembly concurred.***

Foster Care. The Department requested \$27.8 million from all sources, including \$23.0 million from general revenues, for home-based foster care placements. The request is \$4.0 million more than enacted, including \$2.2 million more from general revenues. The enacted budget includes \$5.5 million for rate increases and increased payments to foster families to address Department of Justice findings. Through October 2024, the Department has averaged 930.5 placements, 264.5 fewer than assumed in the request. The Department assumed a cost per placement of \$23,300, which is \$1,148 or 5.2 percent more than its revised request.

*The Governor's recommendation includes \$4.0 million more, including \$2.2 million more from general revenues. This reflects the proposal to transition 41 youth in out-of-state and congregate care placements to in-state foster care with supportive services. **The Assembly concurred.***

ARPA - Provider Workforce Stabilization Payments. The Assembly provided \$24.1 million from State Fiscal Recovery funds for wage stabilization payments to direct care staff of 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 can serve. Payments began in FY 2022. The Department's revised request is for \$1.2 million, consistent with the enacted budget and does not include the carryforward of \$0.8 million of unspent FY 2024 funds. The FY 2026 request includes no funding; any unspent funds are automatically reappropriated. *The Governor recommended funding as requested. **The Assembly concurred.***

Child Care. The Department requested \$6.9 million, including \$2.4 million from general revenues, for child care costs. The request is \$0.3 million less than enacted, including \$0.2 million more from general revenues, reportedly to be more consistent with FY 2024 spending and federal claiming expenses. In recent years, the Department has allocated Temporary Assistance for Needy Families funds to offset general revenue expenses for these youth; 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 recommended \$0.4 million less from general revenues and total funding consistent with the request, reflecting a small adjustment to available Temporary Assistance for Needy Families - Social Services Block Grant funding. **The Assembly concurred.***

Adoption and Guardianship. The Department requested \$36.3 million from all sources, including \$21.8 million from general revenues, for adoption and guardianship expenses. The request is \$2.6 million more than enacted, including \$1.0 million less from general revenues. This includes adoption subsidies, pre-adoption placements, and 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 \$10,632 per youth, which is 5.1 percent more than the revised request and 7.4 percent more than enacted. Guardianship costs are \$10,803 per youth, 4.7 percent more than the revised request and 8.1 percent more than enacted. It is worth noting that, unlike foster care rates, the rate agreed upon at the time of adoption does not change until that youth's 18th birthday. The request assumes a population of 3,398, essentially consistent with the revised request. *The Governor recommended funding as requested.*

*He subsequently requested an amendment to add \$1.1 million from federal funds to reflect a newly awarded grant to support adoption and kinship services through community-based providers. **The Assembly concurred with the amended recommendation.***

Home and Community Based Services. The Department requested \$55.3 million from all sources, including \$31.5 million from general revenues, for its home and community-based services. The request is \$27.0 million less than enacted from all sources, including \$7.2 million less from general revenues, to reflect updated utilization of its youth and family support services and contract costs reflecting updated

provider rates as of July 2024. The Department's request also identifies and excludes approximately \$15 million of overstated federal funds availability.

The request is \$1.6 million more than the revised request. The Department indicated that its estimates do not include possible increases associated with the rate review underway in FY 2025, although new rates are expected to be in place for FY 2026. These services include counseling, education programs, family support services for preparation for reunification, family-centered treatment, parent aides, the Youth Advocate Program, and Family and Community Care Partnerships. While the services primarily reflect foster care placements, they also include children in congregate care, other placements, and in-home populations.

*The Governor recommended \$2.0 million more than requested from general revenues. This reflects the assumption of more available funding for these services as a result of emergency housing expenses no longer being paid from general revenues. **The Assembly concurred.***

Voluntary Extension of Care. The Department requested \$1.5 million from general revenues for its Voluntary Extension of Care program for rent and other services. The request is \$88,210 more than enacted and \$50,000 more than the revised request, reflecting updated cost projections. The Department has been unable to claim federal funds for these youth because Title IV-E eligibility for this population is limited because of federal income requirements. The request reflects updated rent and service costs. The program lets individuals age 18 through 21 remain in state care, with the Family Court retaining oversight. *The Governor recommended funding as requested. **The Assembly concurred.***

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. It sought 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 paid to providers for education services exclusively. A lack of local reimbursement results in additional costs for the state.

The Department indicated that it expects to receive full reimbursement from local education agencies for payments to in-state residential treatment centers that provide education services, but it assumed that half of the payments for placements out of state would not be collected. However, this does not reflect education agency expenses included in the per-diem placement cost for out-of-state placements. The request identifies \$0.1 million more in reimbursements than assumed in the enacted budget and only \$0.2 million more in payments, indicating a shortfall of \$0.1 million is possible, including \$0.4 million from general revenues.

The constrained request includes general revenue savings of \$3.0 million from a proposal to remove the Department as a collection agency for education costs. This could require a change to Rhode Island General Law 16-64-1.1. *The Governor included funding consistent with the constrained request. The recommendation assumes that the Department will coordinate with the Department of Elementary and Secondary Education to develop a plan to improve collection rates from local education agencies for youth in residential treatment centers. **The Assembly concurred.***

Higher Education Incentive Grant. The Department requested \$565,526 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 \$365,526 from federal funds for Education and Training Vouchers, which is \$164,381 more than enacted. This represents the anticipated carryforward of funds and new awards for FY 2025. If FY 2025 spending matches the revised request, the available amount in FY 2026 will likely be lower. The Department spent \$291,304 in FY 2024, including \$137,005 from general revenues and \$154,299 from federal funds.

The Higher Education Incentive Grant is provided to former foster care youth who choose to attend the University of Rhode Island, Rhode Island College, or the Community College of Rhode Island. The FY 2025 enacted budget included changes to the program, including earlier notifications to eligible children and the qualification of more children by reducing the threshold for time spent in care to six months on or after their 14th birthday. It also extends coverage to part-time attendance and specified workforce development programs and adds a requirement to fill out applicable financial aid forms. As of December 2024, the Department has not submitted a report detailing the distribution of grants, which was due by September 1, 2024.

General revenues were historically paid to the Office of Postsecondary Commissioner during the fall. In March 2021, it was reported that the Department made payments directly to the youth's education institution. Like 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 recommended funding as requested. The Assembly concurred.*

Emergency Housing. The Department requested \$8.7 million from general revenues for emergency housing for families in which housing is a barrier to reunification, which is \$5.7 million more than assumed in the enacted budget, including \$6.9 million more from general revenues. The request is \$0.5 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 this practice appears to have increased.

After averaging about \$0.1 million annually, costs grew to \$0.9 million for FY 2022. They increased in FY 2023 to \$3.1 million and more than doubled again to \$7.3 million in FY 2024. The FY 2024 final budget was increased to \$6.3 million, with half of that to be paid by federal Temporary Assistance for Needy Families grant funds. Final expenses were \$1.0 million above the amount budgeted, and general revenues were \$3.3 million higher because only \$0.9 million of expenses were charged to the federal funds. The FY 2025 revised and FY 2026 requests exclude the full \$1.2 million in federal funds in the enacted budget. The Department indicated difficulty qualifying families for use of this funding.

The constrained request includes savings of \$5.8 million from general revenues from eliminating the Department's responsibility to provide emergency housing for families. How this would be achieved is unclear, as many placements are court-ordered. The Department indicated it is working with other state agencies that it believes would be more appropriate to address this issue.

The Governor recommended \$6.1 million from federal funds, which is \$2.6 million less than requested from all sources, including \$8.7 million less from general revenues. He programmed \$0.6 million from Temporary Assistance for Needy Families funding and \$5.4 million from Temporary Assistance for Needy Families - Social Services Block Grant funding. This funding does not have the same restrictions as standard Temporary Assistance for Needy Families funding. The recommendation estimates that 111 families will be housed by the Department in FY 2026, a decrease from 123 in FY 2025. The Assembly concurred.

All Other Placements and Services. The Department requested \$4.0 million from all sources, including \$3.6 million from general revenues, for all other placements and services. The request is \$0.9 million more than enacted, including \$0.5 million more from general revenues, based on FY 2024 expenses. The revised request includes a similar increase. The Department noted that most of these expenses are from special requests made by individual caseworkers. These costs include family nursing assistance and training for nursing and religious chaplains. It can also include medical treatments provided to children, a first and last month rent payment when it is the last barrier to reunification, parent aide services, including education

(tutoring, SATs, unfunded summer school, etc.), among other costs that are not covered by any other source. *The Governor recommended funding as requested. The Assembly concurred.*

Youth Development Services

Salaries and Benefits. The Department requested \$19.8 million from all sources, essentially all from general revenues, for authorized staff positions for Youth Development Services, which includes the Rhode Island Training School and Juvenile Probation and Parole. The request is \$1.1 million more than enacted, mostly from general revenues. This largely reflects \$1.2 million more for overtime, consistent with FY 2024 spending and the revised request. Adjusting for overtime, the request funds 136.2 of 140.0 positions.

It is worth noting that the Department requested additional funding of \$1.8 million for 14.0 additional positions in its FY 2025 request, which it indicated was necessary to staff the Training School. The enacted budget included 8.0 new positions and \$0.3 million, assuming overtime savings would offset the cost. The request transfers the added staffing authorization to its Child Welfare division, which the Department attributes to the lower population at the Training School and hiring difficulties. Average placements in FY 2023 were 47, declining to 40 in FY 2024. Through October, the school has an average population of 36.8. As of mid-November, Youth Development Services has averaged 121.9 filled positions or 14.3 fewer than funded in the request.

The Department's constrained request reduces overtime expenses for the Training School by \$736,483, although it does not identify how this would be achieved. *The Governor recommended \$0.9 million more than requested, primarily from general revenues. The recommendation adds \$1.5 million to account for statewide adjustments consistent with his recent labor agreements, which is partially offset by \$0.5 million less for overtime expenses. His budget assumes turnover consistent with the request.*

The Governor subsequently requested an amendment to shift 8.0 positions and \$0.9 million from general revenues back to Youth Development Services to correct an error in the Department's request that was maintained in his initial recommendation. The Assembly concurred with the amended recommendation.

Education Services. The Department requested \$205,313, including \$173,220 from general revenues, for non-payroll education expenses at the Rhode Island Training School. The request is \$43,693 more than enacted, including \$36,406 from general revenues. The largest expense is for temporary staff needs, including long-term substitute teachers and post-secondary instructors. The request includes \$96,583, \$17,226 more than enacted for these costs. Other expenses include classroom supplies, online education programs, and federal grants for vocational education programming. Educational services are provided to all residents of the Training School, both detained and adjudicated. Each teacher's class size is capped at 12 students. The services adhere to all Department of Elementary and Secondary Education regulations. Courses include academic, co-curricular, and career/technical work. The Community College of Rhode Island offers on-site courses and vocational classes to post-secondary students. *The Governor recommended funding as requested. The Assembly concurred.*

Institutional Support Services. The Department requested \$1.9 million, \$0.4 million more than enacted, essentially all from general revenues, for institutional support services at the Training School. During FY 2021, the population average reached an all-time low of 24; during FY 2024, it was 47; through October, its average for FY 2025 was 36.8. These expenses include legal costs, repairs and maintenance, food, non-prescription medicine, and juvenile clothing.

The request includes \$86,723 more for food, for a total of \$366,177. The request indicates that this is an estimate and appears to assume a higher average population. Through November, the Training School has spent \$93,947 for an annualized cost of \$225,473, indicating the increase may not be necessary. It includes

\$80,762 more for contracted support, including \$61,029 more for training and educational support, intended to be included under education services. It also includes \$121,018 more for maintenance than enacted for a total of \$832,935, which is \$0.5 million more than FY 2024 spending. *The Governor recommended \$61,029 less than requested from general revenues for training expenses to be consistent with FY 2024 spending. The Assembly concurred.*

Juvenile Probation and Parole. The Department requested \$0.5 million from general revenues, or \$0.1 million more than enacted and \$18,205 more than the revised request, for Juvenile Probation and Parole, reflecting a higher population. These services include the supervision of adolescents who are placed on probation by the Family Court. The request is typically based on the previous year's population, which was 212. Through the end of October, the population was 232, and the Department averaged 221 probation and parolees, which is 9 more than assumed in the enacted budget. *The Governor recommended funding as requested. He subsequently requested an amendment to add \$0.4 million from federal funds reflecting a newly awarded grant to support planning in developing a community-based continuum of prevention and intervention services. The Assembly concurred with the amended recommendation.*

Other Operations

Other Salaries and Benefits. The Department requested \$79.8 million from all sources, including \$52.7 million from general revenues, for all remaining staff expenses for its approved 574.5 positions. The request is \$2.9 million more than enacted from all sources, including \$2.9 million less from general revenues and \$5.8 million more from federal funds. This reflects updated federal fund availability based on the Department's cost allocation plan, which determines the amount of staffing costs attributable to federal funds. The request inadvertently excludes 1.5 positions in these programs that are assumed to be vacant. Adjusting to include these positions, the request assumes 0.6 vacancies in Central Management and 27.0 vacancies in the Child Welfare program. Through mid-November, the Department has averaged 539.4 of these positions filled, or 6.5 fewer than assumed in the request.

The Department's constrained request reduces overtime expenses by \$548,516, including \$263,516 from general revenues, but does not specify how this would be achieved. It also proposes savings of \$186,500 from transferring an early childhood coordination position to the Department of Human Services.

The Governor recommended \$5.7 million more than requested, including \$7.1 million from general revenues. This includes \$3.2 million more from general revenues and \$3.6 million less from federal funds based on available funding, which the recommendation assumes are overstated in the Department's request. He also added \$6.6 million, including \$4.5 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements, which is partially offset by \$0.2 million less for overtime. The recommendation includes the transfer of the position to the Department of Human Services.

He subsequently requested an amendment to shift 8.0 positions and \$0.9 million from general revenues back to Youth Development Services to correct an error in the Department's request that was maintained in his initial recommendation. He reduced federal funds by \$0.3 million to reflect an accurate level of matching federal funds. The Assembly concurred.

Temporary Staff. The Department requested \$2.6 million, including \$1.8 million from general revenues, \$0.8 million from federal funds, and \$0.1 million from restricted receipts for temporary staff, usually used to fill vacancies until permanent staff can be hired. This is \$0.8 million more than enacted, including \$0.5 million more from general revenues, \$0.1 million more from restricted receipts, and \$0.2 million more from federal funds. Excluding one-time spending to supplement the finance team in the Department for FY 2025, the request is nearly consistent with the revised request, with an increase of 4.0 percent. *The Governor recommended \$53,384 less than requested, including \$23,384 from general revenues, reflecting a slightly lower base level of funding for contracted staff. The Assembly concurred.*

Rate Setting Support. The request includes \$0.5 million from general revenues for the Department to extend the contract for an expert to conduct a rate review of congregate care and home- and community-based services. This is \$1.0 million less than enacted, including \$0.5 million less from general revenues. The 2024 Assembly added this funding to evaluate Medicaid and non-Medicaid services to address Department of Justice findings previously noted. The Department has contracted with Milliman to support the rate-setting process. This project aims to transition from individually contracted service rates to uniform rates for all providers for similar services by the beginning of FY 2026. The request does not include any funding for rate adjustments that result from this review process, but the Department indicated that costs could increase due to the new model. *The Governor did not recommend continuing this funding in FY 2026. The Assembly concurred.*

Cost Allocation Plan and Family First Compliance. The Department requested \$1.8 million, or \$70,598 more than enacted from federal funds, for cost allocation plan consulting. The Department uses Public Consulting Group to develop and maintain its cost allocation plan. The cost allocation plan determines what portion of staff salaries and benefits are attributable to Title IV-E and Medicaid and what other administrative federal claiming is reasonable and appropriate for the Department. The cost allocation plan determinations are made based on a random moment in time study that determines what portion of staff time is spent on functions and activities that are reimbursable through federal funds. The activities are reported to the Public Consulting Group, which then submits monthly reports to the Department. The newest contract, signed in 2021, added provisions to assist the Department with compliance with the Family First Prevention Services Act of 2018, specifically to include the sex trafficking provisions and for assistance with preventing youth from entering Department care unnecessarily through the expansion of home- and community-based services. *The Governor concurred. The Assembly concurred.*

Parking and Occupancy. The Department requested \$4.2 million from all sources, including \$4.1 million from general revenues, for its parking and rent expenses. The request is \$103,548 less than the enacted budget, almost entirely from general revenues, and is \$161,460 more than the revised request. It 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 recommended funding as requested. The Assembly concurred.*

Technology. The Department requested \$5.5 million, including \$3.2 million from general revenues, \$2.3 million from federal funds, and \$55,034 from restricted receipts, for computer supplies, software, and equipment. The request is \$0.6 million more than enacted, including \$0.3 million from general revenues and \$0.3 million from other sources. The request includes \$0.5 million for mobile phones, \$1.4 million for information technology systems contracts, \$1.3 million for software maintenance agreements, and \$0.5 million for other telephone expenses. The request is also \$0.2 million more than the revised request. *The Governor recommended \$82,300 less from general revenues than requested to be more consistent with anticipated spending. The Assembly concurred.*

Vehicles. The Department requested \$0.7 million from general revenues for FY 2026 vehicle expenses, which is essentially consistent with the enacted budget and revised request. The current vehicle replacement plan indicates that the Department will purchase seven vehicles for \$0.4 million. The remaining \$0.3 million will support leasing costs for 21 vehicles. Despite the previous plan to replace all state-owned vehicles with a leased fleet by FY 2030, it appears the Department intends to replace about a third of its 95-car fleet with purchased vehicles over the next five years. *The Governor recommended funding as requested. The Assembly concurred.*

Placement Monitoring. Consistent with the revised request, the Department requested \$2.1 million, mostly from general revenues, for mileage and other travel expenses for overseeing Department youth and their placement facilities, largely reflecting increases for out-of-state youth monitoring. The request is \$0.9 million more than enacted and \$0.1 million more than the revised request, mostly from general revenues.

Rhode Island General Law, Section 14-1-65 requires the Department to petition the Family Court for a placement hearing before being placed out-of-state and ensure that there are no suitable in-state facilities available for the placement of the child, that the child will receive an individualized treatment plan, and that the proposed placement is in the best interest of the child. The hearing is not required if the placement is less than 35 miles from the home of the parent previously having custody of the child. The request is essentially consistent with FY 2024 actual expenses. The Department subsequently provided additional information for these expenses, which included hotel and travel costs for staff, transportation for foster parents for visitation and medical appointments, and special arrangements for youth with severe needs. *The Governor recommended \$39,270 less than requested based on prior year spending.* **The Assembly concurred.**

Clothing. The Department requested \$340,686 from general revenues, which is \$80,686 more than enacted for gift cards to assist Department youth with obtaining clothing once they enter Department care. The Department provides these gift cards to foster parents who take in children who immediately require essential items. According to the Department, annual expenditures for these items used to be under \$50,000; however, the reliance on these cards had increased, with spending reaching \$0.6 million in FY 2019 and FY 2020. FY 2023 and FY 2024 expenses were \$0.3 million and \$0.2 million, respectively. For FY 2025, no funds have been spent as of December, which indicates that an increase may not be necessary. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital Projects. The Department requested \$24.7 million from all sources for its capital projects, including \$15.3 million from Rhode Island Capital Plan funds. The request is \$6.3 million more than enacted from federal funds, reflecting FY 2026 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. It appears to exclude a number of newly requested information technology projects. *The Governor recommended funding as requested. He subsequently requested an amendment to shift \$4.0 million from Rhode Island Capital Plan funds to FY 2027, reflecting savings in the Female Youth Facility project and an expanded project scope.* **The Assembly concurred with the amended recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.**

Centralized Services. The Department requested \$7.1 million, which is \$0.7 million more than enacted and \$0.3 million more than the revised request, for centralized services provided through the Department of Administration. By source, this includes \$0.6 million more from general revenues and \$0.1 million more from federal funds, consistent with the FY 2024 experience for federal funds and updated billings provided by the Department of Administration. The request includes \$1.8 million for human resources, based on the anticipated increase of filled positions, \$3.8 million for information technology, and \$1.5 million for facilities management. *The Governor recommended an increase of \$114,803, including \$222,095 more from general revenues and \$107,292 less from federal funds, to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. The federal fund reduction reflects statewide adjustments to human resources expenses.* **The Assembly concurred.**

Other Operations. The Department requested \$3.4 million from all sources, including \$2.6 million from general revenues for all other expenses. Expenses include \$0.4 million for insurance, \$0.3 million for security services, \$0.3 million for staff training, \$0.2 million for interpreters and translators, \$0.4 million for utilities, \$0.3 million for laundry services, and \$1.5 million for all other expenses. The request is \$0.8 million more from all sources than enacted, including \$0.4 million more from general revenues, and is \$0.1 million more than the revised request. Adjustments are primarily to reflect the FY 2024 experience. *The Governor recommended \$0.3 million more than requested, primarily from general revenues. This reflects a shift of operating support from federal Temporary Assistance for Needy Families funding to general revenues and appears to correct an error in the request.* **The Assembly concurred.**

Department of Health

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Central Management	\$ 33,879,399	\$ 26,777,902	\$ 29,044,554	\$ 32,456,554
Community Health and Equity	165,526,762	157,398,021	157,843,758	157,843,758
Environmental Health	19,566,006	22,862,174	22,374,870	22,374,870
Health Laboratories	-	-	20,945,066	20,945,066
State Medical Examiners	-	-	4,589,109	4,589,109
Healthcare Quality and Safety	-	-	15,814,446	15,814,446
Policy, Info. and Communications	6,906,738	6,744,551	9,221,944	9,221,944
Emergency Preparedness and				
Infectious Disease	-	-	17,104,380	17,104,380
COVID-19	68,869,887	96,627,041	15,176,647	15,176,647
Health Lab. and Medical Examiner	18,877,692	24,668,103	-	-
Customer Services	22,955,588	26,020,406	-	-
Preparedness, Response, Infectious				
Disease and Emergency Services	19,672,901	20,773,989	-	-
Total	\$ 356,254,973	\$ 381,872,187	\$ 292,114,774	\$ 295,526,774
Expenditures by Category				
Salaries and Benefits	\$ 80,998,024	\$ 85,684,030	\$ 89,902,683	\$ 89,902,683
Contracted Services	30,245,574	43,416,767	24,301,836	24,301,836
Subtotal	\$ 111,243,598	\$ 129,100,797	\$ 114,204,519	\$ 114,204,519
Other State Operations	141,188,859	117,671,211	116,171,154	116,833,154
Aid to Local Units of Government	-	280,000	-	-
Assistance, Grants, and Benefits	51,773,469	72,732,344	51,778,062	54,528,062
Capital	52,049,047	62,087,835	9,961,039	9,961,039
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 356,254,973	\$ 381,872,187	\$ 292,114,774	\$ 295,526,774
Sources of Funds				
General Revenue	\$ 40,053,947	\$ 38,533,357	\$ 38,075,075	\$ 40,825,075
Federal Aid	205,109,529	244,370,137	152,861,675	152,861,675
Restricted Receipts	108,069,735	90,964,570	92,414,141	93,076,141
Other	3,021,762	8,004,123	8,763,883	8,763,883
Total	\$ 356,254,973	\$ 381,872,187	\$ 292,114,774	\$ 295,526,774
FTE Authorization	572.6	572.6	572.6	572.6

Summary. The Department of Health requested FY 2026 expenses of \$285.7 million from all sources, including \$37.1 million from general revenues and the authorized level of 572.6 full-time equivalent positions. This is \$70.6 million less than enacted, including \$3.0 million less from general revenues, reflecting the removal of one-time expenses for the Primary Care Training Sites and the Statewide Landlord Registry. It also includes decreases of \$17.4 million from restricted receipts, \$55.9 million from federal funds and \$5.7 million from Rhode Island Capital Plan funds, primarily for the new health laboratory

facility. The Governor recommended expenditures of \$292.1 million from all sources, including \$38.1 million from general revenues, and staffing as requested. This is \$6.4 million more than requested, including \$1.0 million from general revenues. He subsequently requested an amendment to use \$0.7 million from restricted receipts for operational costs of the new health laboratory.

The recommendation was based on federal laws, grants and spending commitments in place prior to the change in the Presidential administration. In March, the Centers for Disease Control and Prevention notified the Department that approximately \$31 million of federal funds for COVID-19 related expenses were being terminated. The funds were subsequently released.

The Assembly concurred with the amended recommendation and provided \$295.5 million from all sources, including \$40.8 million from general revenues, or \$2.8 million more than recommended. This includes \$2.0 million for the Primary Care Training Sites Program, shifted from FY 2025 and \$750,000 for the Moms PRN information line. It also included legislation that directs the administration to monitor the status of federal grants and develop options for the Governor and Assembly to consider that address federal funding changes.

Reorganization. The budget request reflects the Department’s proposed reorganization of functions, which it indicates was guided by its three leading priorities: address the socioeconomic and environmental determinants of health; eliminate health disparities and promote health equity; and ensure access to quality health services for all Rhode Islanders, including the state’s vulnerable population. The request splits the Health Laboratories from the Office of State Medical Examiners, last merged as part of a reorganization in FY 2017. The Department noted that this is done to reflect that these functions will be performed in two separate facilities, Cumberland and Providence. The request renames the Division of Customer Services to Healthcare Quality and Safety; and certain functions, including the operations of Vital Records, are transferred to the Division of Policy, Information, and Communications; and centralizes functions for opioid overdose prevention in Central Management. It transfers functions of emergency medical services from the Division of Preparedness, Response, Infectious Disease and Emergency Medical Services, which is also renamed Emergency Preparedness and Infectious Disease. The proposed reorganization is detailed in the following table. *The Governor concurred. The Assembly concurred.*

Functions	FY 2025	FY 2026
Health Equity Institute	Central Management	Community Health and Equity
Opioid Overdose Prevention	Customer Services	Central Management
Vital Records	Customer Services	Policy, Information & Communications
Emergency Preparedness & Responses	Preparedness, Response, Infectious Disease, & Emergency Medical Services	Emergency Preparedness & Infectious Disease
Emergency Medical Services	Customer Services	Healthcare Quality and Safety
Health Facilities Regulation		
Health Professional Boards & Licensing		
Medical Examiners	Health Laboratories & Medical Examiners	Medical Examiners
Health Laboratories		Health Laboratories

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 \$34.6 million, including a current service adjustment reduction of \$0.5 million and a 7.5 percent reduction of \$2.4 million, adjusted for certain exclusions. The constrained budget exceeds the target by \$0.2 million. Proposals to achieve the reductions are noted among the items described below where appropriate. *The recommendation is \$3.4 million above the target. The enacted budget is \$6.2 million above the target.*

Staffing. The Department requested salary and benefit expenses of \$83.2 million from all sources and the authorized level of 572.6 full-time equivalent positions. This is \$2.2 million more than enacted, including increases of \$1.2 million from general revenues, \$1.3 million from restricted receipts and \$0.2 million less from federal funds. The request reflects staffing costs and allocations and benefit rates consistent with FY 2026 planning values. It is \$1.2 million more than the current service estimate, primarily to restore turnover savings equivalent to approximately ten positions; the enacted budget assumed turnover savings for approximately 15 vacancies. As of mid-November, the Department had 15 vacancies.

The Governor recommended salary and benefit expenses totaling \$89.9 million from all sources, which is \$6.7 million more than requested. This includes \$6.8 million, including \$2.0 million from general revenues to account for statewide adjustments consistent with his recent labor agreements, and an additional \$0.1 million of turnover savings. The recommendation shifts \$0.1 million of general revenue expenses to available restricted receipts, and eliminates general revenue funding for a position, consistent with the Department's proposal. The Assembly concurred.

Centralized Services. The Department requested \$9.2 million from all sources for its share of centralized services provided by the Department of Administration. This is \$0.8 million less than enacted, including \$12,276 less from general revenues, and is essentially consistent with the revised request for FY 2025. All of the reduction is for information technology services and is to align expenses with recent experience. Expenses in the first quarter total \$2.0 million, annualized they would be \$8.0 million, and the request is \$1.1 million above that. The request includes the enacted amount of \$2.6 million for facilities management. It should be noted that this does not include expenses for the Office of State Medical Examiners' new facility in Cumberland, which the Department anticipated occupying in January 2025. The Department of Administration projected annual expenses of \$321,442. It subsequently noted that facility management expenses may not be as high, since the facility is newly renovated. It further noted that the property is part of an association and its annual fee of \$33,669 covers snow removal and landscaping.

The Governor recommended expenses of \$8.0 million from all sources. This is \$1.1 million less than requested, including \$0.9 million less from general revenues; some of the savings are based on Chapin occupancy. The recommendation reflects decentralizing utility billings and decreases in those expenses and adjustments to other centralized services based on anticipated expenses. The Assembly concurred.

COVID-19

Capital - New Health Laboratory. The request includes \$8.4 million, \$42.0 million less than enacted from all sources for the new 80,000 square foot facility to house the Health Laboratories Program. This reflects the exhaustion of \$44.1 million from federal funds, \$4.0 million less from restricted receipts, and \$6.1 million more from Rhode Island Capital Plan funds, consistent with the approved plan. Construction, which started in August 2023 is ongoing and the Department anticipates occupancy of the facility in the third quarter of 2025. 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. *The Governor recommended funding as requested. The Assembly concurred.*

COVID Relief - Community Health Workers. In 2021, the Centers for Disease Control and Prevention made the Community Health Workers for COVID Response grant available; funds can be used for various training programs. The initial federal award was \$5.0 million for each of the first two years. It was subsequently increased to \$6.3 million for the third year, for a total of \$16.3 million, and the availability of funds expires on August 30, 2025. Through FY 2024, \$12.8 million has been spent, leaving \$3.5 million; the Department budgeted \$3.1 million for FY 2025 and \$0.4 million for FY 2026, which is \$2.5 million less than enacted. *The Governor concurred and added \$38,016 from federal funds to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

COVID Relief - Other Expenses. The request includes \$14.2 million from federal funds for all remaining COVID-19 expenses. This is \$9.4 million less than enacted, reflecting available grant balances. Based on requested expenses for FY 2025 and FY 2026, \$7.5 million of the funds would remain available. The request includes \$4.6 million for salary and benefit expenses of 28.5 full-time equivalent positions. This is \$0.1 million less and 3.7 fewer positions than enacted, reflecting staffing costs and allocations, and includes benefit rates consistent with FY 2026 planning values. It also includes updated expenses to support epidemiological operations, including case investigation and information technology. *The Governor concurred and added \$0.4 million from federal funds to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Emergency Preparedness and Response

Emergency Preparedness and Response. The request includes \$6.8 million from federal funds for the Center of Emergency Preparedness and Response, which is responsible for hospital preparedness and public health emergency response activities. This is \$1.5 million less than enacted, reflecting depletion of stimulus funds. It includes \$3.4 million for salary and benefit expenses of 21.9 full-time equivalent positions. This is \$1.3 million less and 11.4 fewer positions than enacted, reflecting staffing costs and allocations, and includes benefit rates consistent with FY 2026 planning values. Consistent with the enacted budget, the request does not assume any turnover savings; however, there were 1.3 vacancies at the time of the budget submission. 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 \$2.2 million are \$168,035 less than enacted, all but \$3,035 is for indirect cost charges. *The Governor recommended funding as requested and added \$0.3 million from federal funds to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Other Expenses. The request includes \$9.4 million for all remaining expenses for prevention and control of infectious, communicable diseases in the areas of HIV/AIDS, sexually transmitted diseases, viral hepatitis and tuberculosis. This is \$155,242 less than enacted, including \$13,150 more from general revenues. Of the requested amount, \$5.1 million is for salary and benefit expenses of 32.6 full-time equivalent positions. This is \$0.4 million less than enacted, reflecting staffing costs and allocations. It restores the enacted turnover savings of \$53,523, and includes benefit rates consistent with FY 2026 planning values. The request includes \$1.1 million for grants, essentially as enacted, including \$0.4 million from general revenues, of which \$0.1 million is for services provided by AIDS Care Ocean State, and \$0.3 million is for the state-funded tuberculosis specialty clinic at Miriam Hospital. The Department reported that annually, there are 8,500 patient visits. The request also includes \$0.7 million from federal funds for prevention services. Operating expenses are \$0.3 million more, primarily for software maintenance agreements associated with disease surveillance.

The constrained budget excludes funding for the tuberculosis clinic. *The Governor recommended funding consistent with the unconstrained request and added \$0.4 million from all sources, including \$0.1 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Central Management

Primary Care Training Sites. The 2024 Assembly adopted legislation establishing a Primary Care Training Sites Program, which would provide training for physicians, nurse practitioners and physician assistants; each site would be awarded no more than \$90,000. It provided \$2.7 million from general revenues for the program. Rules and regulations for the program are essentially complete. The revised request for FY 2025 includes \$0.4 million for operating expenses, including \$48,608 to fund partial authorization for two existing positions, and \$0.3 million for contracted services, such as curriculum development and Knowledge Services for program support. It also includes \$2.3 million budgeted as

grants; the Department was working with the Division of State Purchases to determine the method for awarding grants to the practices and formulating rules and regulations for the program. Subsequently, the Department noted that it will not be able to award the majority of the grants to the practices until summer 2025, based on programs being offered. The request excludes this one-time expense; however, the Department is now anticipating expenses of \$2.1 million for FY 2026. Any unexpended funds from FY 2025 will automatically be reappropriated.

*The Governor programmed all funds for FY 2025. **The Assembly provided \$0.7 million for FY 2025 and shifted \$2.0 million to FY 2026, reflecting anticipated expenses. It maintained the requirement that unexpended funds be reappropriated.***

Opioid Overdose Prevention. The Department's request includes \$6.4 million from restricted receipts for opioid treatment, rescue, recovery, and prevention programs. This is \$1.4 million more than enacted, including \$0.3 million less from the Opioid Stewardship Fund. The 2019 Assembly created an annual \$5.0 million fee assessed to manufacturers and distributors of opioids registered in the state. Companies are assessed their in-state market share of all distributed or manufactured opioids, subject to some exceptions. Funds are deposited as restricted receipts for programs that provide opioid treatment, recovery, prevention, and education services, subject to future appropriation.

The request also includes \$5.1 million or \$1.6 million more than enacted from settlement funds, reflecting an updated plan. This includes increases of \$0.6 million for outreach and \$0.1 million for harm reduction infrastructure funding and new expenses of \$0.4 million for post-overdose services and \$0.2 million for vending machines to hold Narcan supplies. It also includes an increase for operations, including data collection and surveillance. Salary and benefit expenses of \$1.1 million are \$76,950 more than enacted, reflecting staffing costs and allocations and including benefit rates consistent with FY 2026 planning values.

*The Governor recommended funding as requested and added \$0.4 million from settlement funds, reflecting an updated plan allocation. This includes \$0.3 million for data analytics, and \$0.1 million each for prevention campaigns and operating expenses. It also adds \$86,967 to account for statewide adjustments consistent with his recent labor agreements, and increases turnover savings by that amount. **The Assembly concurred.***

Other Expenses. The request includes \$15.9 million from all sources for all remaining expenses in Central Management. This is \$0.6 million more than enacted, including \$6,000 from general revenues. The request includes \$11.1 million or \$0.4 million more than enacted from indirect cost restricted receipts. The Department uses these 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 request assumes the indirect cost recovery rate of 20.1 percent; the same rate since FY 2022. Of the requested amount, \$9.6 million is for salary and benefit expenses of 57.4 full-time equivalent positions. This is \$0.2 million more than enacted, reflecting staffing costs and allocations and including benefit rates consistent with FY 2026 planning values. Consistent with the enacted budget, the request does not assume any turnover savings.

The request includes new expenses of \$250,000 from restricted receipts for parking fees for employees who will park in the Garrahy Parking garage. As previously noted, construction for the new health laboratory is scheduled to be completed in the third quarter of 2025. All remaining expenses are \$149,172 more than enacted, primarily from federal funds for the state to build its workforce and data systems to respond to future public health emergencies.

The Governor concurred and added \$1.2 million from all sources, including \$50,000 from general revenues to support the Gloria Gemma Breast Cancer Resource Foundation's new survivorship and well-being

center in Lincoln. The recommendation adds \$0.8 million for salaries and benefits, largely from indirect cost restricted receipts to account for statewide adjustments consistent with his recent labor agreements. It also adds \$198,500 from restricted receipts for unspecified operating expenses. **The Assembly concurred.** As part of the FY 2025 final budget, it shifted \$4.3 million of indirect cost restricted receipt expenses to Rhode Island Capital Plan funds. These receipts are being preserved for other uses. It also concurred with a requested amendment to use \$0.7 million of these restricted receipts for operational costs of the new health laboratory.

Community Health and Equity

Health Equity Zones. The FY 2025 enacted budget assumes the Department would use an additional \$900,000 from indirect cost restricted receipts to cover its projected shortfall 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. The request excludes this expense; the request does not include any infrastructure funding to support the zones. There were 15 Health Equity Zones, serving 26 cities and towns. The Department noted that the Blackstone Valley Health Equity Zone contract is not being renewed because of poor performance. *The Governor excluded funding as requested.* **The Assembly concurred.**

Maternal and Home Visiting Services. The request includes \$10.4 million from all sources, including \$0.5 million from general revenues and \$9.8 million from maternal and infant federal grant funds for home visiting and other services. The visiting programs are designed to work with pregnant women and children through age five. The programs include Healthy Families America, Nurse-Family Partnership, and Parents as Teachers, and they provide families with resources and services such as preventive health and prenatal practices, promoting positive parenting techniques, and finding employment and child care solutions. The request is \$0.9 million less than enacted, primarily reflecting the removal of one-time stimulus funds. It includes \$2.2 million for salary and benefit expenses of 14.8 full-time equivalent positions. This is \$0.5 million less, reflecting staffing costs and allocations and including benefit rates consistent with FY 2026 planning values. It also includes \$7.0 million or \$0.8 million for grants, which are awarded to various community organizations for services provided. Program expenses of \$1.1 million are \$1.2 million less, primarily for unspecified operating costs.

On September 3, the Department was notified of an \$8.6 million award for 2024. This includes \$8.0 million for base funding and \$0.6 million, which is subject to a state match; this is a new component for the program. The state is now required to provide a 25.0 percent non-federal match toward the matching fund with increasing amounts through FY 2027. The Department noted that the match is being provided with existing newborn screening receipts. *The Governor recommended funding as requested and added \$0.2 million from all sources, including \$33,783 from general revenues to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

PediPRN and MomsPRN Programs. Subsequent to enactment of the FY 2025 budget, the Assembly adopted separate legislation authorizing the Department to use \$850,000 each from available childhood and adult immunization resources for the existing Pediatric Psychiatry Resource Network and Rhode Island Maternal Psychiatry Resource Network information lines. The programs provide specialized clinical consultation and referral services related to mental health. The legislation also requires a report by March 1, 2025, regarding use of these funds as well as recommendations to support the programs beyond FY 2025. The request includes \$865,167 from a federal grant that was subsequently awarded and will be used to support the PediPRN information line. The request does not include funding for the MomsPRN information line; ongoing operating expenses have been updated to \$750,000. *The Governor concurred and added \$8,256 from federal funds to account for statewide adjustments consistent with his recent labor agreements.*

The Assembly provided \$750,000 from general revenues for the Moms PRN information line. It also adopted legislation establishing an assessment, similar to the child and adult immunization program assessments, to generate \$30.0 million annually to support primary care and other critical healthcare programs. The funds would be deposited as general revenues and the FY 2026 impact is \$15.0 million for half a year.

Immunization Programs. The Department requested \$86.7 million from all sources, including \$21.8 million from federal funds and \$64.9 million from restricted receipts, for immunization expenses for childhood and adult programs. The restricted receipts are generated based on a rate per person enrolled in fully-insured or self-insured plans. The Department projected receipts of \$62.6 million for FY 2026 or \$21.6 million less than enacted and \$5.0 million more than projected for FY 2025. The per-member per-month rates for FY 2025 are \$23.16 per child and \$5.04 for adults; the rates are generally set in April or May of each year. Traditionally, 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. Balances are calculated in rate setting for the following year and the programs had an average of \$17.8 million in the last three completed fiscal years. The request does not assume any reserve. The Department noted that it planned for a worst-case scenario for FY 2026 and will have a better projection in spring 2025.

The request includes \$79.0 million, or \$16.1 million less than enacted to reflect more accurate price per dose for COVID vaccines, and updated quantities based on required dosing and utilization. It includes \$4.4 million for salary and benefit expenses of 31.6 full-time equivalent positions. This is \$1.4 million and approximately 10 more positions than the enacted budget assumed. The Department noted that Covid vaccine funding is ending and it had to allocate these positions to these receipts. It should be noted that prior to the pandemic, the immunization programs were staffed with approximately 27 positions. All other expenses are \$0.6 million more, including \$160,000 to support an immunization clinic, and \$293,402 is for unspecified expenses. *The Governor recommended funding as requested and added \$0.1 million from federal funds and \$0.2 million from restricted receipts to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

WIC Nutrition Assistance. The request includes \$27.2 million from federal funds, \$0.5 million more than enacted, for the Women, Infants, and Children nutrition assistance program, which provides supplemental food, nutrition education and information, and referral and coordination services for eligible women, and children under the age of five who are at risk of poor health and development because of inadequate nutrition, health care or both. The request includes \$0.2 million more for benefit payments, based on program utilization; the request of \$23.5 million is \$0.4 million more than projected expenses for FY 2025, and \$1.9 million more than FY 2024 spending. It includes \$1.8 million for salaries and benefits of 12.5 full-time equivalent positions. This is \$0.1 million more than enacted, reflecting current service estimates. Program expenses of \$1.9 million are \$0.2 million more, primarily for indirect cost charges based on a new grant to increase outreach efforts. *The Governor concurred and added \$0.1 million from federal funds to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Other Expenses. The request includes \$30.0 million from all sources, including \$26.1 million from federal funds for all remaining expenses in the division. This includes \$7.9 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. It includes \$9.4 million for wellness programs, including suicide and rape prevention, and tobacco cessation; \$3.5 million for various cancer screening related programs; and \$4.5 million for perinatal and early childhood expenses, including newborn screening. The request is \$0.4 million more than enacted, including increases of \$0.4 million from federal funds and \$0.1 million from restricted receipts, and \$0.1 million less from general revenues.

The request includes \$11.7 million for salary and benefit expenses of 84.3 full-time equivalent positions. This is \$1.1 million more than enacted, reflecting staffing costs and allocations, and benefit rates consistent with FY 2026 planning values. It includes \$10.5 million, including the enacted amount of \$350,000 from general revenues from a multi-state settlement for marketing nicotine vaping products to youth. Pursuant to the settlement agreement, funds can be used for any lawful purpose.

*The Governor concurred and added \$1.0 million from federal funds and restricted receipts to account for statewide adjustments consistent with his recent labor agreements. This is partially offset by an additional \$0.1 million of turnover savings from general revenues. **The Assembly concurred.***

Environmental Health

Statewide Mandatory Rental Registry. The 2023 Assembly adopted legislation, requiring all landlords to register certain information with the Department by September 1, 2024, including a lead certificate of conformance for each dwelling unit built before 1978, individual landlords or the business entity responsible for leasing, telephone number and address, and other requirements; they are also required to re-register annually thereafter. A portal, allowing landlords to register their information, was established by the required date. By January 2025, the system will include enhancements to allow the Department to cross reference lead certificate data with landlord property data, fines, and other administrative tasks. The request includes \$0.7 million from general revenues for annual maintenance and operating costs of the registry. This is \$0.6 million less than enacted and is consistent with the current service estimate for FY 2026. *The Governor recommended funding as requested. **The Assembly concurred.***

Regional Poison Control Center. The Department requested the enacted amount of \$200,000 from general revenues to fund the Regional Poison Control Center, which aids medical diagnosis of poisonings. The Center receives calls from individuals, hospitals and health care centers. Rhode Island used to operate its own Poison Control Center at an annual cost of over \$0.4 million. Over a decade ago, it joined with Massachusetts and the required cost was reduced to \$0.2 million. The Center was funded with bioterrorism grants; however, these funds have been depleted.

The constrained budget removes the requested funding for the Poison Control Center. The Department indicated that if this proposal is accepted, it would not renew the contract that is set to expire on June 30, 2025. In 2023, there were 5,336 calls to the center. This proposal was included in the Department's last two operating requests; they were neither recommended by the Governor nor approved by the Assembly. *The Governor recommended funding consistent with the enacted budget. **The Assembly concurred.***

Food Protection Program. The request includes \$4.7 million from all sources for the food protection program, which is responsible for licensing and regulating more than 7,300 food establishments, including restaurants, caterers, food markets, bakeries, food processors, dairy producers, bottlers, and bottle beverage plants. The request includes reductions of \$29,584 from general revenues, and \$0.1 million from federal funds, primarily reflecting exhaustion of a grant for monitoring and notification program activities. The request includes \$4.3 million for salary and benefit expenses of 37.9 full-time equivalent positions; staffing authorization is essentially consistent with the enacted budget. Personnel costs are \$0.2 million more than enacted, including \$0.3 million from general revenues, reflecting a shift of a like amount from operating expenses budgeted for staffing costs, as the Department did not have room in its staffing cap. The request assumes turnover savings of \$0.5 million, essentially as enacted. Remaining expenses of \$299,453 for operating costs are \$6,820 less than enacted.

The constrained budget includes savings of \$127,874 from general revenues by shifting expenses for a food inspector to available drinking water and food protection restricted receipts, for which the Department is projecting a balance of \$0.7 million at the end of FY 2025. *The Governor concurred with the proposal; his out-year projections assume this to be one-time. He also added \$0.4 million from all sources, including*

*\$0.2 million from general revenues to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.***

Water Quality Protection Programs. The Department requested \$9.6 million and 32.4 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 \$2.5 million more than enacted, including \$85,871 more from general revenues. The Infrastructure Investment and Jobs Act authorized funding to address water infrastructure projects. The request includes \$4.6 million for salaries and benefits, which is \$0.6 million more than enacted to fund approximately two additional positions within the Department's existing staffing level, and for benefit rates consistent with FY 2026 planning values. It includes \$34,708 in turnover savings, \$15,847 more than enacted.

The request includes \$5.0 million for operating expenses, or \$1.9 million more than enacted, including \$1.2 million for contracted environmental and engineering services, and program support such as inspectors. It adds \$0.7 million for indirect cost charges based on additional federal funds, and \$0.1 million to provide assistance to small public water systems.

The constrained budget includes savings of \$117,931 from general revenues by shifting expenses for a swimming pool inspector position to available drinking water and food protection restricted receipts, for which the Department is projecting a balance of \$0.7 million at the end of FY 2025. *The Governor concurred with the unconstrained request and added \$0.4 million from all sources, including \$35,783 from general revenues to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.***

Occupational Health and Safety Program. The request includes \$0.7 million from all sources, including \$0.1 million from general revenues, for the state's match to support the Occupational Health and Safety Program, which works to eliminate hazardous conditions in the workplace. The Department works with occupational hazard consultants to visit businesses with fewer than 250 employees to help them find occupational hazards and recommend approaches to address these hazards. These services are provided to employers upon request and at no cost. The Department reported that in FY 2024, 79 businesses were consulted, impacting 3,847 employees. The request is \$12,039 less than enacted, including \$11,121 more from general revenues. It includes \$0.5 million for salaries and benefits of 4.0 full-time equivalent positions, the authorized level. This is \$3,647 less than enacted, reflecting staffing costs and allocations. All remaining expenses of \$0.2 million are \$8,392 less than enacted, reflecting expenses for indirect cost charges and advertising.

The constrained request proposes \$0.1 million in general revenue savings by eliminating the state program. Onsite consultation services are separate from enforcement and do not result in penalties or citations. This proposal was included in the Department's last two operating requests; they were neither recommended by the Governor nor approved by the Assembly. *The Governor concurred with the unconstrained request and added \$41,072 from all sources, including \$4,110 from general revenues to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.***

Blood Lead Poisoning Prevention. The Department requested \$1.5 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 \$138,006 less than enacted, including \$108,045 more from general revenues, reductions of \$105,918 from federal funds, and \$140,133 from restricted receipts, reflecting the exhaustion of prior year balances. The restricted receipts are from the Housing Resources Commission; the Department took on responsibility for enforcing the lead

mitigation rules in exchange for annual funding of \$0.5 million. The agreement ends in FY 2025, and the Department had anticipated it being renewed for another three years.

The request includes \$0.6 million for salaries and benefits of 4.3 full-time equivalent positions. It also includes \$0.8 million for operating expenses, primarily for contracted lead inspection and environmental services, and educational training.

*The Governor concurred and added \$50,732 from all sources, including \$1,539 from general revenues to account for statewide adjustments consistent with his recent labor agreements. He subsequently requested legislation transferring responsibility for the lead hazard mitigation program from the Housing Resources Commission to the Department. **The Assembly concurred with the amended recommendation and included the legislation in Article 9 of 2025-H 5076, Substitute A, as amended.***

Other Expenses. The request includes \$3.7 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 more than enacted, including \$0.1 million less from general revenues. It includes \$2.6 million for salaries and benefits of 17.3 full-time equivalent positions; this is \$0.4 million and 1.4 positions more than enacted, reflecting staffing costs and allocations and benefits consistent with FY 2026 planning values. It assumes turnover savings of \$57,715, which is \$36,267 more than enacted. At the time of the budget submission, there were 1.2 vacancies. Operating expenses of \$0.9 million are \$0.1 million less than enacted. *The Governor recommended funding as requested and added \$0.2 million from all sources, including \$60,305 from general revenues to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.***

Office of State Medical Examiners

Operations. The Department requested \$4.2 million from all sources to support the Office of State Medical Examiners. This is \$26,027 more than enacted, including \$29,317 more from general revenues. The request includes \$2.8 million for salary and benefit expenses of 16.0 full-time equivalent positions; this is \$148,139 more and 1.0 fewer position than enacted. The enacted budget included funding and authorization for 3.0 assistant medical examiner positions; the request removes funding and authorization for 1.0, and 1.0 was vacant at the time of the budget submission. The request does not assume any turnover savings, essentially restoring funding for the chief medical examiner. In March 2023, the Department of Administration held a public hearing to increase the wage for assistant medical examiners. In August 2023, the salary for the chief medical examiner was increased from \$295,000 to \$375,000. At the time of the budget submission the position was vacant, it has since been filled.

The request includes \$0.5 million, or \$0.1 million less than enacted for contracted medical examiners, based on the chief medical examiner position being filled. It includes \$0.5 million, essentially as enacted for other contracted services, such as livery, x-ray and histology. All remaining expenses of \$0.3 million are \$3,290 less than enacted. *The Governor concurred and added \$0.3 million from general revenues. This includes \$0.2 million to account for statewide adjustments consistent with his recent labor agreements, and \$0.1 million to reflect full funding for the chief medical examiner position. **The Assembly concurred.***

Health Laboratories

Breathalyzer Unit. The request includes \$0.7 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. For 2023, the Department reported 1,418 breathalyzer calibrations were performed, and 1,863 police officers were certified. Salary and benefit expenses of \$0.5 million are \$65,542 more than enacted, reflecting staffing costs and allocations, and benefits consistent with FY 2026 planning values.

Operating expenses of \$166,880 are \$30,050 less than enacted, primarily for the removal of one-time expenses for breath testing instruments.

The constrained request proposes to shift general revenue expenses of \$0.3 million for 2.0 full-time equivalent positions and operations to municipalities, using a tiered system based on the number of breathalyzer units calibrated and law enforcement officers trained. Statutory authority to effectuate this would be needed. This proposal was included in the Department's last two operating requests; they were neither recommended by the Governor nor approved by the Assembly. *The Governor concurred with the unconstrained request and added \$41,082 from all sources, including \$21,324 from general revenues to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Forensic Laboratories. The Department requested \$3.6 million from all sources 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. This is \$72,537 more than enacted, including \$74,218 from general revenues. The request includes \$2.3 million for salaries and benefits of 18.0 full-time equivalent positions, the authorized level. This is \$86,806 more than enacted, including \$0.2 million more in turnover savings; at the time of the budget submission, there was one vacancy. The request includes benefit rates consistent with FY 2026 planning values. It also includes \$1.2 million or \$14,269 less than enacted for operating expenses, and is essentially consistent with the FY 2025 revised request. It includes \$0.3 million for laboratory instruments, and medical supplies such as test kits and maintenance of laboratory equipment accounting for approximately 50 percent of expenses.

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 \$0.9 million from general revenues for 5.5 full-time equivalent positions and operating expenses. Under the proposal, which would require a statute change, 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 more than 500 cases. The Department reported that in FY 2023, 2,058 cases were processed by the labs at a cost per case of \$354. This proposal was included in the Department's last two operating requests; they were neither recommended by the Governor nor approved by the Assembly. *The Governor recommended funding consistent with the unconstrained request and added \$206,592, mostly from general revenues, to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Capital - Health Lab and Medical Examiners Equipment. The request includes \$0.4 million from Rhode Island Capital Plan funds to replace obsolete medical equipment in the following laboratories: Biological, Forensic and Environmental Sciences. This is \$0.4 million less than enacted and is consistent with the approved plan, which had delayed \$0.4 million of FY 2024 expenses to FY 2025. *The Governor concurred. The Assembly concurred. A detailed description is included in the Capital Budget section of this publication.*

Other Expenses. The Department requested \$6.9 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 \$54,832 more than enacted, including \$16,467 less from general revenues. Salary and benefit expenses of \$4.5 million for 34.5 full-time equivalent positions are \$0.2 million more and 2.5 fewer positions than enacted. It reflects staffing costs and allocations, and benefit rates are consistent with FY 2026 planning values. It includes \$0.5 million for turnover savings, essentially as enacted; there were no vacancies at the time of the budget submission. The request includes \$2.4 million for operating expenses, of which \$1.3 million is for medical supplies, such as test kits, chemicals, reagents and glassware. This is \$108,745 less than enacted, including \$81,253 for unspecified expenses, which could potentially be used for salaries and benefits or reduced turnover savings.

The constrained budget proposes to privatize blood lead laboratory operations and includes savings of \$0.3 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 six 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 pays 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 2023 were \$114,359 and \$102,432 for FY 2024; the net savings would be \$0.2 million. This proposal was included in the Department's request last year. It was not recommended by the Governor nor approved by the Assembly.

*The Governor recommended \$0.4 million more from all sources than the unconstrained request, including \$0.3 million from general revenues to account for statewide adjustments consistent with his recent labor agreements. This includes approximately \$40,000 of additional turnover savings. **The Assembly concurred.***

Healthcare Quality and Safety

Center for Emergency Medical Services. The Department requested \$1.6 million from all sources for the Center for Emergency Medical Services, which plans for and oversees licensing of emergency medical services in the state. It also administers the Comfort One pre-hospital EMS Do Not Resuscitate Program. The request is \$61,480 more than enacted, including \$11,367 from general revenues and \$50,113 from federal funds. The request includes \$0.7 million for salaries and benefits of 5.1 full-time equivalent positions. This is \$51,959 less and 0.9 fewer positions than enacted, and includes benefit rates consistent with FY 2026 planning values. All remaining expenses of \$0.9 million are \$0.1 million more, primarily for contracted physician consultation in the areas of emergency room medicine and first responders support. *The Governor recommended funding as requested, and added \$57,163 from all sources, including \$27,908 from general revenues to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.***

Adult Use Marijuana Program (1.0 FTE). The Office of Cannabis Regulation within the Department of Business Regulation oversees and coordinates activities related to cannabis with the assistance and cooperation of a variety of public health and safety agencies. The enacted budget includes \$0.2 million from restricted receipts in the Department of Health for two positions and operations support to assess and mitigate the public health impacts of adult use cannabis. The Department's request includes \$0.4 million, which is \$0.2 million more than enacted and funds a new data analyst position to increase cannabis product testing, respond to compliance investigations, and to ensure that products meet public health and safety standards. The Department noted that this proposal is in collaboration with the Office of Cannabis Regulation, which will provide funds for the new position.

The constrained budget excludes funding and authorization for the requested position. *The Governor concurred with the unconstrained request and staffing level and added \$44,581 from restricted receipts to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.***

Nursing Home Staffing and Quality Care. The request excludes \$174,802 from general revenues provided 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. The Department had originally hired consultants from the University of Massachusetts to assist with developing a database that would enable it to capture the hours from a Centers for Medicare and Medicaid Services database to determine if the staffing was within the statutory requirement. If not, the facility would be fined by the Department. Executive Order 23-11 noted that the estimated net costs of enforcing the

program would be approximately \$60 million. The Governor issued Executive Order 24-09, on May 24, 2024, suspending the penalties indefinitely.

The Governor concurred. He also proposed legislation in Article 10 of 2025-H 5076, to change the current penalty structure and waive any penalties assessed before the third quarter of 2025. The legislation changes the types of direct care workers that count towards meeting the staffing ratios. It also removes the five-year requirement that the Department consult with consumers and advocates to determine staffing sufficiency and amends the annual reporting required to reflect staffing changes.

The Assembly adopted legislation in Article 10 of 2025-H 5076, Substitute A, as amended, changing the current penalty structure and waiving and forgiving any penalties assessed prior to January 1, 2026. The penalty would be three percent of Medicaid reimbursements determined by the most recent financial period. Any funds recovered would be deposited into a restricted receipt account to be used for workforce development and compliance assistance programs.

Center for Health Facilities Regulation. The request includes \$7.3 million from all sources to support the Center for Health Facilities Regulation, which is responsible for ensuring that approximately 640 state licenses and federally Medicare/Medicaid certified health care facilities, health service agencies, assisted living residences and adult day care programs meet the applicable health, safety, and quality standards and regulations of state and federal law. The request includes \$6.2 million for salary and benefit expenses for 39.3 full-time equivalent positions. This is \$0.6 million more than enacted, to support two additional positions within the existing authorization, staffing costs and allocations, and current service adjustments. It should be noted that \$0.4 million of the increase is operating expenses budgeted for staffing costs, as the Department did not have room in its staffing cap for this expense. The request assumes turnover savings of \$0.1 million, essentially as enacted. At the time of the budget submission, 0.6 positions were vacant.

All other expenses of \$1.1 million are \$121,848 more than enacted, of which \$103,050 is for indirect cost charges based on additional federal funds. *The Governor recommended funding as requested and added \$0.5 million from all sources, including \$0.2 million from general revenues to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Center for Health Professional Boards and Licensing. The request includes \$3.8 million, \$0.2 million less than enacted, from general revenues 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. Of the requested amount, \$3.4 million is for salaries and benefits of 27.0 full-time equivalent positions, which is \$0.2 million less and 0.4 fewer positions than enacted, reflecting staffing costs and allocations. The request includes benefit rates consistent with FY 2026 planning values and assumes \$0.3 million in turnover savings, \$0.1 million more than enacted. At the time of the budget submission, there were no vacancies. It also includes \$0.4 million for operating expenses, which is \$83,416 less than enacted, primarily reflecting the removal of \$94,402 for unspecified expenses. *The Governor recommended funding as requested, and added \$0.3 million from general revenues to account for statewide adjustments consistent with his recent labor agreements. This includes approximately \$40,000 of additional turnover savings. The Assembly concurred.*

Other Expenses. The Department requested \$1.2 million from all sources for all remaining expenses in the Division. This is \$22,642 more than enacted, including \$64,131 more from general revenues. The request includes \$1.2 million for salary and benefit expenses of 7.3 full-time equivalent positions. This is \$31,122 and 0.1 more positions than enacted, reflecting updated staffing costs and allocations. It restores the enacted turnover savings of \$36,889, and contains updated medical benefit selections. The request also includes \$75,648 for operating expenses, which is \$8,480 less than enacted, primarily for postage, based on recent experience. *The Governor recommended funding as requested and added \$0.1 million from all*

sources, including \$37,826 from general revenues, to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.

Policy, Information and Communications

Center for Vital Records. The request includes \$3.2 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. This is \$164,657 more than enacted, including \$9,864 from general revenues. The request includes \$1.8 million to support 15.0 full-time equivalent positions. This is \$0.1 million and 0.4 positions more than enacted. It assumes turnover savings of \$107,855 or \$51,437 more than enacted. At the time of the budget submission, there were no vacancies. It also includes \$1.4 million or \$31,346 more for operating expenses, including contracted 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. *The Governor concurred and added \$0.2 million from all sources, including \$0.1 million from general revenues to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Center for Health Data and Analysis. The Center for Health Data and Analysis coordinates and oversees all efforts within the Department of Health and between the department and its external partners related to the assurance of health data quality and the provision of health-related data and analysis to inform health policy, monitor health statuses and health care quality, and support public health initiatives. The request includes \$2.5 million or \$0.6 million less than enacted from all sources, including \$15,297 less from general revenues for the center. It includes \$1.2 million for salaries and benefits of 8.3 full-time equivalent positions, \$0.1 million less and 1.5 fewer positions than enacted. The request includes benefit rates consistent with FY 2026 planning values and assumes \$57,713 in turnover savings, which is \$18,658 more than enacted; however, there were no vacancies at the time of the budget submission.

Operating expenses of \$1.2 million are \$0.5 million less than enacted, including \$0.2 million less for the annual survey that measures changes in the health of people in the state as part of the Behavioral Risk Surveillance System, and \$0.3 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. The request includes the enacted amount of \$53,000 from general revenues for contracted services, including analytics for the development of Health Care Quality Reporting. The state requires that licensed healthcare facilities make clinical outcomes and patient satisfaction public via the Department's website. The constrained budget excludes funding for the Health Care Quality Reporting. *The Governor concurred with the unconstrained request and added \$0.1 million from all sources, including \$17,776 from general revenues to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Health Professional Loan Repayment. The Department requested \$1.2 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 \$0.6 million less than enacted, \$0.3 million each from federal funds and restricted receipts. This primarily reflects the use of prior year funding. The federal program was amended; effective October 1, 2022, a state match was not required. However, effective September 1, 2025, a state match will be required. The match was previously covered by donated funds from UnitedHealthcare, the Rhode Island Health Center Association, Neighborhood Health, Delta Dental, Blue Cross Blue Shield, and the Rhode Island Foundation. Of the requested amount, \$1.2 million will be used for grants, and \$69,646 is for program expenses.

The Governor concurred and added \$204,093 from all sources, including \$200,000 from general revenues to match federal funds for loan repayment assistance for primary care physicians and pediatricians. He

*also included \$4,093 from federal funds to account for statewide adjustments consistent with his recent labor agreements. He subsequently requested an amendment to Article 10, shifting program administration to the Department of Health and authorizing the Director to implement legal proceedings against program participants who are in default or have breached their contracts. **The Assembly concurred with the recommendation.***

Other Expenses (-1.0 FTE). The Department requested \$1.7 million and staffing of 6.9 full-time equivalent positions for all remaining expenses in the Division. This is \$0.2 million less than enacted, including \$25,527 more from general revenues. Salary and benefit expenses of \$1.3 million for 7.9 full-time equivalent positions are \$0.3 million less and 1.0 fewer position than enacted, reflecting the authorization being repurposed for the data analyst position, noted previously. The request includes benefit rates consistent with FY 2026 planning values, and updated medical benefit selections. Remaining expenses of \$0.5 million are \$68,860 more than enacted, primarily for contracted program support based on the reduction of salaries and benefits.

The constrained budget includes savings of \$180,269 from all sources, including \$173,608 from the elimination of a senior research technician and temporary services. It appears that the position is currently filled; however, the Department noted that it will absorb the work performed by streamlining and consolidating administrative support. *The Governor concurred with the constrained request, and added \$0.1 million, including \$38,176 from general revenues to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.***

Department of Human Services

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Central Management	\$ 15,106,421	\$ 16,150,893	\$ 15,965,145	\$ 16,415,145
Child Support Enforcement	18,436,579	18,751,329	18,435,198	18,435,198
Individual and Family Support	176,688,255	192,772,304	164,092,731	164,002,454
Office of Veterans Services	52,173,754	52,822,313	51,943,036	51,943,036
Health Care Eligibility	27,456,677	27,238,879	27,173,506	27,173,506
Supplemental Security Income	16,588,320	16,673,780	16,638,000	16,680,780
Rhode Island Works	107,648,728	104,760,267	111,352,220	119,117,276
Other Programs	363,550,900	388,389,402	384,683,513	384,672,713
Office of Healthy Aging	37,091,920	35,879,233	38,898,518	38,948,518
Total	\$ 814,741,554	\$ 853,438,400	\$ 829,181,867	\$ 837,388,626
Expenditures by Category				
Salaries and Benefits	\$ 122,669,794	\$ 124,314,763	\$ 133,134,288	\$ 133,134,288
Contracted Services	45,448,267	51,571,262	28,406,095	28,406,095
Subtotal	\$ 168,118,061	\$ 175,886,025	\$ 161,540,383	\$ 161,540,383
Other State Operations	42,148,742	42,187,875	39,797,669	39,797,669
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	594,523,141	626,464,297	621,399,405	629,606,164
Capital	6,563,370	5,524,163	3,068,370	3,068,370
Capital Debt Service	-	-	-	-
Operating Transfers	3,388,240	3,376,040	3,376,040	3,376,040
Total	\$ 814,741,554	\$ 853,438,400	\$ 829,181,867	\$ 837,388,626
Sources of Funds				
General Revenue	\$ 142,790,800	\$ 142,053,994	\$ 135,580,989	\$ 136,022,692
Federal Aid	659,709,433	695,533,766	682,192,831	689,957,887
Restricted Receipts	6,243,767	9,900,575	6,010,641	6,010,641
Other	5,997,554	5,950,065	5,397,406	5,397,406
Total	\$ 814,741,554	\$ 853,438,400	\$ 829,181,867	\$ 837,388,626
FTE Authorization				
Department of Human Services	779.0	779.0	779.0	779.0
Office of Veterans Services	267.0	267.0	267.0	267.0
Office of Healthy Aging	33.0	33.0	33.0	33.0
Total FTE Authorization	1,079.0	1,079.0	1,079.0	1,079.0

Summary. The Department of Human Services, including the Office of Veterans Services and Office of Healthy Aging, requested total funding of \$838.0 million from all sources, including \$144.2 million from general revenues, \$681.5 million from federal funds, \$6.4 million from restricted receipts, and \$5.9 million from other funds. This is \$23.2 million more than enacted, including \$1.5 million more from general revenues, \$21.7 million more from federal funds, \$0.2 million more from restricted receipts, and \$0.1 million less from other funds.

The Department requested 1,085.0 full-time equivalent positions, 6.0 more than the enacted authorization. This includes 1.0 new position for a human services policy and systems specialist to license and inspect summer camp programs in the state, 1.0 position transferred from the Department of Children, Youth, and Families for an early childhood system coordinator, and 4.0 new positions at the Veterans' Memorial Cemetery. *The Governor recommended total funding of \$829.2 million from all sources, including \$135.6 million from general revenues. This is \$8.8 million more than requested, including \$8.7 million less from general revenues. His recommendation includes authorization for 1,079.0 full-time equivalent positions. He requested an amendment authorizing regulations for burial costs at the Veterans Cemetery.*

The Assembly provided \$837.4 million, or \$8.2 million more than recommended from all sources, including \$0.4 million more from general revenues, and concurred with the amendment. Among the changes are \$5.7 million more, almost entirely from federal funds, to reflect caseload revisions to extend the child care for child care workers pilot program, and increase infant rates and separate them from toddler rates. The Assembly added \$500,000 to increase support to local programs. The Assembly also included new reporting requirement for the Department's Supplemental Nutrition Assistance Program payment error rates.

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 \$131.1 million, including a current service adjustment decrease of \$1.9 million and a 7.5 percent reduction of \$9.9 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 \$4.5 million above the target. The Assembly provided \$6.4 million above the target.*

Federal Poverty Guidelines. The federal poverty guidelines are used for 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 2025 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	\$ 15,650	\$ 21,597	\$ 23,475	\$ 28,170	\$ 28,953	\$ 31,300	\$ 35,213	\$ 39,125	\$ 46,950
2	21,150	29,187	31,725	38,070	39,128	42,300	47,588	52,875	63,450
3	26,650	36,777	39,975	47,970	49,303	53,300	59,963	66,625	79,950
4	32,150	44,367	48,225	57,870	59,478	64,300	72,338	80,375	96,450
5	37,650	51,957	56,475	67,770	69,653	75,300	84,713	94,125	112,950
6	43,150	59,547	64,725	77,670	79,828	86,300	97,088	107,875	129,450
7	48,650	67,137	72,975	87,570	90,003	97,300	109,463	121,625	145,950
8	54,150	74,727	81,225	97,470	100,178	108,300	121,838	135,375	162,450

For families with more than 8 members, add \$6,880 for each additional member for the 100 percent calculation.

Staffing (6.0 FTE). The Department requested authorization for 1,085.0 full-time equivalent positions for FY 2026, 6.0 more than the enacted budget. This includes 1.0 new position for the addition of a human services policy and systems specialist to license and inspect summer camp programs in the state; 1.0 position transferred from the Department of Children, Youth, and Families for an early childhood system coordinator; and 4.0 new positions at the Veterans' Memorial Cemetery, including 3.0 cemetery specialists and 1.0 customer service specialist. The request provides funding for 1,058.0 positions, leaving 27.0 unfunded. As of the end of December 2024, the Department has 949.5 positions filled and is averaging 938.0 filled in FY 2025. Historical staffing patterns by entity are shown in the following table.

Fiscal Year	Average Filled Positions			
	DHS	OVS	OHA	Total
2024	671.0	221.0	31.0	923.0
2023	647.0	212.0	30.3	889.3
2022	627.2	215.2	28.1	870.4
2021	666.0	228.4	26.9	921.3
2020	681.3	231.5	27.1	939.9
2019	667.5	219.4	27.9	914.9
2018	627.8	217.7	27.9	873.4
2017	590.6	217.1	28.0	835.7
2016	623.8	218.1	27.3	869.3

The 2024 Assembly provided authorization for 10.0 new positions for the call center and transferred 1.0 full-time equivalent communications position to the Executive Office of Health and Human Services. In addition, Article 1 of 2022-H 7123, Substitute A, as amended, requires the Department to submit a report every 60 days, beginning August 1, 2022, on its progress in recruiting and retaining staff. 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 Department has reported filling 183 positions from January 1 through November 18, 2024 with 25 of those within the most recent reporting period, which includes lateral, promotional, and new hires at the agency. There are currently 66 in the recruitment process, meaning that the position posting has closed and the Department is reviewing candidates. *The Governor included the current authorized level. He included the position transfer from the Department of Children, Youth and Families offset by eliminating a vacant position.* **The Assembly concurred.**

Centralized Services. The Department requested \$12.5 million from all sources for centralized services the Department of Administration provides, including Veterans Services and Healthy Aging. The request is \$0.2 million more from general revenues for information technology expenses. This includes total funding of \$4.1 million for facilities management, \$2.2 million for human resources, \$5.8 million for information technology services, and \$0.4 million for fuel and utilities. The changes relate to billings paid by the Department for its share of Unified Health Infrastructure Project expenses.

The Governor recommended \$0.5 million more than requested, including \$0.8 million more from general revenues, to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. It should be noted that the recommendation shifts non-staffing-related costs for the Unified Health Infrastructure Project to the Executive Office of Health and Human Services to consolidate expenses. This includes \$0.4 million in information technology expenses, of which \$0.2 million is from general revenues. **The Assembly concurred.**

Centralized Services by Entity						
Entity	FY 2024 Actual	FY 2025 Enacted	FY 2025 Final	FY 2026 Request	FY 2026 Enacted	Change to Enacted
Department of Human Services	\$ 7,864,367	\$ 7,932,665	\$ 8,252,083	\$ 8,126,392	\$ 8,472,935	\$ 540,270
Office of Healthy Aging	571,874	519,955	557,446	519,955	611,976	92,021
Office of Veterans Services	3,329,297	3,846,209	3,870,574	3,853,209	3,879,911	33,702
Total - All Funds	\$ 11,765,538	\$ 12,298,829	\$ 12,680,103	\$ 12,499,556	\$ 12,964,822	\$ 665,993
<i>General Revenues</i>	<i>\$ 7,369,706</i>	<i>\$ 7,969,900</i>	<i>\$ 7,921,359</i>	<i>\$ 8,183,466</i>	<i>\$ 8,977,429</i>	<i>\$ 1,007,529</i>

Central Management

Indirect Cost Recovery. The Department requested \$0.3 million from indirect cost recovery restricted receipts; this is consistent with the enacted budget. Revenues for the indirect cost recovery accounts are

based on the expenditure of certain federal grants. A portion of the Department's federal grants allow a percent cost recovery charge on the amount expended, and collections total about \$0.3 million yearly.

The Department did not spend any funds from FY 2021 through FY 2023 and spent \$0.5 million in FY 2024. The revised request includes \$0.8 million, of which \$0.5 million is for a business process redesign consultant to aid in the timeliness of completing the Department's corrective action plans and accuracy in benefit determination. *The Governor recommended funding as requested, and he included \$0.2 million in his revised recommendation for the business process redesign.* **The Assembly concurred.**

Staffing and Other Operations. The Department requested \$2.3 million, or \$0.1 million less than enacted for Central Management staffing and operations, primarily from general revenues. The request supports the program's 45.0 full-time equivalent positions allocated to the director's office, financial and other management services, and work implementing the Head Start grant. Staffing costs of \$1.1 million are \$17,059 less than enacted based on current service adjustments and other FY 2025 revisions. The Department also included \$0.3 million from restricted receipts, essentially as enacted.

Total operations spending is \$1.5 million, or \$0.1 million less than enacted, primarily from lower fees for the grant management office. *The Governor recommended \$64,906 more than requested, including \$54,503 more from general revenues, to account for statewide adjustments consistent with his recent labor agreements offset by additional turnover savings. He included the enacted amount from indirect cost recovery restricted receipts.* **The Assembly concurred.**

Cash Assistance Programs

The Caseload Estimating Conference estimate includes \$130.2 million from all sources, including \$28.8 million from general revenues for cash assistance programs, including Rhode Island Works, child care, state-only supplemental security income program payments, and general public assistance bridge program benefits. The caseload estimate is \$3.9 million more than enacted, including \$58,944 less from general revenues. The Department's request does not reflect the estimate adopted at the November Caseload Estimating Conference. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$138.0 million, of which \$28.8 million is from general revenues. Program changes made by the Assembly to subsidized child care included in Article 10 of 2025-H 5076 Substitute A, as amended, are noted separately.**

Maintenance of Effort Requirement. The Department is required to spend \$60.4 million from general revenues as its maintenance of effort requirement for the \$94.7 million temporary assistance to needy families' block grant, assuming it meets its work participation rates. The state has separate one-parent and two-parent participation rates but receives a penalty if either rate is not met. For Rhode Island, this requirement 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 percentage of qualified parents who are participating in work, work-like activities, or individualized employment plans. 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 when they are not in compliance with the individual employment plan, miss appointments, or refuse or quit employment. State law removed the full family sanction beginning July 1, 2024, which

previously allowed the termination of benefits for failure of a family member to enter into and comply with their individual employment plan.

The state can report any spending for its maintenance of effort requirement as long as it meets one of the four allowable 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.

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

Cash Assistance	FY 2025 Enacted	FY 2025 Final	FY 2026 Nov. CEC	FY 2026 Governor	FY 2026 May CEC	FY 2026 Enacted
Rhode Island Works						
Persons	9,278	9,415	9,700	9,700	9,875	9,875
Monthly Cost per Person	\$ 274.95	\$ 288.23	\$ 300.50	\$ 300.50	\$ 298.00	\$ 298.00
Total Costs/Federal Funds	\$ 32.7	\$ 34.7	\$ 37.3	\$ 37.3	\$ 37.6	\$ 37.6
Child Care						
Subsidies	6,571	6,324	6,500	6,500	6,578	6,818
Annual Cost per Subsidy	\$ 11,411	\$ 11,077	\$ 11,390	\$ 11,390	\$ 11,524	\$ 11,956
General Revenues	\$ 10.1	\$ 10.1	\$ 9.9	\$ 9.9	\$ 9.9	\$ 9.9
Federal Funds	64.8	59.9	64.1	64.1	65.9	71.6
Total Costs	\$ 75.0	\$ 70.1	\$ 74.0	\$ 74.0	\$ 75.8	\$ 81.5
SSI						
Persons	30,608	31,000	30,700	30,700	30,757	30,757
Monthly Cost per Person	\$ 45.00	\$ 44.50	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00
Total Costs/General Revenues	\$ 16.6	\$ 16.7	\$ 16.6	\$ 16.6	\$ 16.7	\$ 16.7
SSI Transition/Bridge						
Persons	725	578	790	790	780	780
Monthly Cost per Person	\$ 167.00	\$ 170.00	\$ 168.00	\$ 168.00	\$ 169.00	\$ 169.00
Total Costs/General Revenues	\$ 2.1	\$ 1.9	\$ 2.2	\$ 2.2	\$ 2.2	\$ 2.2
General Revenue	\$ 28.8	\$ 28.7	\$ 28.8	\$ 28.8	\$ 28.8	\$ 28.8
Federal Funds	97.5	94.6	101.5	101.5	103.5	109.2
Total Cash Assistance	\$ 126.3	\$ 123.3	\$ 130.2	\$ 130.2	\$ 132.3	\$ 138.0

\$ in millions

Rhode Island Works. The November Caseload Estimating Conference estimate includes program expenditures for Rhode Island Works of \$37.3 million, entirely from federal funds. The estimate increased the monthly caseload by 422 cases to a level of 9,700 and the monthly cost per person by \$25.55 to \$300.50. Total estimated expenditures are \$4.7 million more than the enacted budget, reflecting increases in both the number of persons and the cost per person as well as adjustments for clothing and other supportive services. The 2024 Assembly increased cash assistance payments by 20.0 percent, the income disregard from \$300 to \$525, and eliminated the full family sanction penalty. This penalty previously allowed the termination of benefits for the failure of a family member to enter into and comply with their individual employment plan. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$37.6 million, consistent with the May caseload estimate, which is \$0.3 million more than the November estimate. This includes a monthly average of 9,875 persons at a cost of \$298.00.*

Child Care. The November Caseload Estimating Conference estimate includes child care expenditures of \$74.0 million, of which \$9.9 million is from general revenues. This is \$0.9 million less than enacted, primarily from federal funds. The estimate assumes 71 fewer child care subsidies for an average of 6,500 subsidies and decreases the annual cost by \$21 to \$11,390.

The Department requests the enacted level of funding, which does not reflect the November adopted estimate as the request predates the conference. Eligibility for child care assistance is based on either participation in the Rhode Island Works cash assistance program, or based on income for families working or enrolled in an approved training or college degree program. Initial eligibility is available to families with income of up to 200 percent of the federal poverty level, and families become ineligible for assistance when the family income exceeds 300 percent of the federal poverty level.

As of January 1, 2025, families with income of up to 261 percent of the federal poverty level will be determined eligible at the first tier. The 2024 Assembly included Section 2 of Article 11 for this eligibility increase and added \$3.3 million for benefits and \$50,000 for necessary system changes.

Child care rates have been increased in five of the last six budgets. Most recently, the 2024 Assembly provided \$3.3 million in the FY 2025 budget to increase rates for child care centers by 5 percent, starting in July 2024. The 2022 Assembly increased the tiered reimbursement rates for center-based providers for all age groups by aligning payments for first-tier providers to the 50th percentile of the 2021 market rate survey and top-tier providers with the 80th percentile. Child care centers continue to be reimbursed based on the rating the provider has achieved in the state's quality rating system. Providers with higher rankings will receive additional funding compared to those in the lower tiers. The 2022 Assembly also established tiered reimbursement rates for school-age children. *The Governor recommended funding consistent with the caseload estimate.*

The Assembly provided \$81.5 million, or \$5.7 million more from federal funds than the May caseload conference estimate. It added \$3.0 million to provide an infant rate for center-based child care providers that is 20 percent higher than the toddler rate, which would be unchanged, starting July 1, 2025. It also added \$2.7 million for the pilot program and extended it another three years until July 31, 2028.

The enacted budget assumes 6,818 placements at an annual cost of \$11,956, which is 318 more subsidies at \$566 more per subsidy than the May estimate.

Supplemental Security Income Payments. The November Caseload Estimating Conference estimate includes direct supplemental security income expenditures of \$16.6 million from general revenues, or \$49,680 more than enacted. The caseload increases by 92 persons to a monthly level of 30,700. Estimators kept the enacted monthly cost per person at \$45. The estimate also includes transaction fees of \$60,000, consistent with the enacted level. The Department requests the enacted funding for the program as the request was submitted prior to the November caseload conference. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$16.7 million, consistent with the May caseload conference estimate, which is \$0.1 million more than the November estimate.**

The following table includes the separate categories and monthly payments for calendar year 2025.

Supplemental Security Income Payments	CY 2025		
	State	Federal	Total
Individual living alone	\$ 39.92	\$ 967.00	\$1,006.92
Couple living alone	\$ 79.38	\$1,450.00	\$1,529.38
Supplement	\$ 45.00	\$ 30.00	\$ 75.00

Assisted Living State Supplemental Payments. The Department requested \$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. The request is consistent with the enacted budget, and caseload testimony suggests that payments may total \$27,192 in FY 2026 based on an average of 11 individuals. *The Governor recommended funding as requested.* **The Assembly reduced expenses by \$90,277, reflecting testimony at the May Caseload Conference regarding expenses for FY 2026; this change was also made for FY 2025.**

Supplemental Security Income Transition/Bridge Program. The November Caseload Estimating Conference estimated expenditures for the supplemental security income transition/bridge program at \$2.2 million, entirely from general revenues. The estimate includes \$1.6 million for cash payments and \$650,000 for burials. The estimate assumes 790 monthly persons, or 65 more than the enacted budget, and increases the monthly cost per person from the enacted by \$1.00 to \$168.00. The estimate is \$0.1 million more than enacted. This program is designed for individuals who maintain an active application for the supplemental security income program. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$2.2 million, consistent with the May caseload conference estimate, which includes 780 persons at a monthly cost of \$169.00 and \$650,000 for burials.**

Other Programs

Program Eligibility Administration. The Department requested \$120.6 million from all sources, including \$50.1 million from general revenues, for personnel and operating expenses associated with administering programs that require eligibility determination. This includes Rhode Island Works, the child care assistance program, and the Supplemental Nutrition Assistance Program, as well as expenses associated with RIBridges, also known as the Unified Health Infrastructure Project. The request is \$5.1 million more than enacted from all sources, including \$0.8 million from general revenues. *The Governor recommended \$16.7 million less than requested, including \$10.6 million less from general revenues. He shifted non-staffing-related expenses for RIBridges to the Executive Office of Health and Human Services.* **The Assembly concurred.**

Staff and Other Expenses	General Revenues Eligibility			All Sources Eligibility		
	UHIP	Admin.	Total	UHIP	Admin.	Total
FY 2025 Enacted	\$ 12.7	\$ 36.5	\$ 49.2	\$ 29.3	\$ 86.1	\$ 115.4
Revised Request	\$ 13.4	\$ 37.6	\$ 51.0	\$ 30.9	\$ 91.6	\$ 122.5
Revised Chg. to Enacted	\$ 0.7	\$ 1.1	\$ 1.8	\$ 1.6	\$ 5.5	\$ 7.1
FY 2026 Request	\$ 13.5	\$ 36.5	\$ 50.0	\$ 31.2	\$ 89.3	\$ 120.5
Request Chg. to Enacted	\$ 0.8	\$ -	\$ 0.8	\$ 1.9	\$ 3.2	\$ 5.1

\$ in millions; excludes centralized services

Call Center Modernization. The Department requested \$1.0 million, including \$0.5 million from general revenues and \$0.5 million from federal funds for a new proposal to modernize the Department's call center. This would include enhancements to automate call center processes and improve wait times. The request also supports an on-demand model allowing individuals applying for Supplemental Nutrition Assistance Program benefits to complete interviews at their convenience. The on-demand model has already had its pilot launch and will be implemented beginning January 2025 through June 2025. The Department is in the process of developing an implementation timeline based on anticipated funding.

The Department's capital budget submission programs \$1.0 million each from federal funds and Information Technology Investment funds for FY 2026 and FY 2027 to modernize the call center. The FY 2026 spend in that request is consistent with the total in the FY 2026 operating request but assumes the use

of \$0.5 million from Information Technology Investment funds instead of general revenues. *The Governor did not recommend this initiative.* **The Assembly concurred.**

RIBridges Enhanced Funding. The Department requested \$3.4 million, including \$2.1 million from general revenues and \$1.3 million from federal funds, to enhance funding to the RIBridges program to levels that previously included limited funding to support the return to normal operations. The new proposal would reinstate some of these resources to continue with system improvements. Funding is programmed for application enhancement work through the existing Deloitte contract, hardware and software purchases, and Knowledge Services staff augmentation. *The Governor did not recommend this initiative and also shifted all non-staffing-related expenses to the Executive Office of Health and Human Services to consolidate expenses.* **The Assembly concurred.**

Child Care Assistance Program Youth Camp Licensing (1.0 FTE). The Department requested \$107,302, including \$53,651 each from general revenues and federal funds, to add a human services policy and systems specialist to license and inspect summer camp programs in the state. The 2024 Assembly passed legislation to license summer camp programs that accept Child Care Assistance Program payment rates. Summer camp programs that fall under this legislation must meet federal regulations. To be eligible for a youth camp license or renewal, the camp must meet requirements for water availability, building safety, qualified staff, criminal background checks, staff training, supervision of hazardous activities, first aid capabilities, camper records, and proper licensing and advertising.

The new position would cover the extra work to avoid more work for the current six licensing unit positions, each with a caseload of 130 programs. *The Governor did not recommend the position or the funding.* **The Assembly concurred.**

Early Childhood Systems Coordinator Position Transfer (1.0 FTE). The request includes \$0.2 million from general revenues to transfer an Early Childhood System Coordinator from the Department of Children, Youth, and Families to the Department of Human Services. The position will facilitate interagency coordination among the Departments of Human Services; Elementary and Secondary Education; Children, Youth and Families; Health; and the Executive Office of Health and Human Services. General revenues currently support the position. However, funding may shift if pending federal grants are awarded to the Department. *The Governor recommended the requested transfer.* **The Assembly concurred.**

All Other Staffing. The request for all other staffing totals \$59.9 million and is \$0.9 million more than enacted, including \$0.3 million more from general revenues, based on updated projections, including current vacancies. Staff time is typically allocated to specific programs based on the amount of time spent on each, including funding for portions of 284 eligibility staff and operating costs. Those funded from Unified Health Infrastructure Project expenses receive an enhanced Medicaid match rate for staff. The enhanced Medicaid match rate is 75.0 percent, whereas the regular match rate is only 50.0 percent.

The constrained request proposes a one-time shift of \$2.0 million in personnel expenses from general revenues to the administrative federal funding available from the Temporary Assistance for Needy Families Block Grant and the Social Services Block Grant.

The Governor recommended \$4.8 million more than requested, including \$0.2 million more from general revenues to account for statewide adjustments consistent with his recent labor agreements offset by additional turnover savings. He also included the constrained request to shift staffing expenses to federal funds. **The Assembly concurred.**

Rent for Satellite Offices. The Department requested \$3.4 million from all sources for office space rent, which is \$0.4 million less than enacted from general revenues and \$0.2 million less from federal funds, to bring costs closer to expected levels. The Department's total cost for rentals of outside property during FY

2026 is \$3.0 million. The Department reports that it usually requests the enacted level of funding or reduces its request when it is certain that rent is decreasing. Given the uncertainty of lease terms for the Providence field office locations, the surplus of funds for this request has been reserved. The request primarily includes \$434,437 for the Reservoir Avenue location, which the Department expects to vacate in March of 2026, \$485,520 for the Holden Street location, \$528,227 for Vocational Rehabilitation located on Fountain Street, and \$412,992 for Child Support Enforcement on Dorrance Street.

The Providence office on Elmwood Avenue closed in 2021, and staff moved to other locations occupied by state agencies. This includes the following locations in Providence: the Department of Labor and Training on Reservoir Avenue, the Office of Rehabilitation Services on Fountain Street, and the Department of Administration on Smith Street. The Reservoir Avenue and Fountain Street locations both serve clients. Staff were also moved to other field offices, including Pawtucket and the Pastore Campus in Cranston. *The Governor recommended funding as requested. **The Assembly concurred.***

Other Expenses. All other expenses total \$56.6 million, including \$2.0 million less from general revenues, \$2.4 million more from federal funds, and \$0.3 million less from restricted receipts. This primarily reflects current service adjustments that exclude one-time spending related to the return to normal operations and an increase related to new contracts issued through a request for proposals for the Rhode Island Works Program. The request for proposals expanded services, which is expected to increase total expenses. The constrained request reduces miscellaneous expenses by \$1.1 million, including \$0.5 million less from general revenues and \$0.5 million less from federal funds.

The Governor recommended \$16.9 million less than enacted, including \$10.2 million less from general revenues, \$5.9 million less from federal funds, and \$0.5 million less from restricted receipts, most of which represents a shift of Unified Health Infrastructure Project expenses to the Executive Office of Health and Human Services.

*All other expenses are \$1.2 million more than enacted, including \$0.7 million less from general revenues, \$2.1 million more from federal funds, and \$0.3 million less from restricted receipts. The recommendation includes the constrained request to reduce expenses by \$1.1 million, including postage, telephone, fees, and miscellaneous expenses. The Governor concurred with the requested federal funds for work and training programs. **The Assembly concurred.***

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.

For FY 2026, the Department requested \$0.4 million from unspent State Fiscal Recovery funds to increase the TEACH Early Childhood Program contract. The Department's revised request includes \$2.2 million for increases to the Rhode Island Start Early System and TEACH Early Childhood Program contracts. This reflects the use of unspent funds from FY 2024, as the Assembly authorized \$19.5 million from State Fiscal Recovery funds, and the Department spent \$16.7 million. The Department's request for FY 2025 and FY 2026 brings total expenses to \$41.5 million or \$0.5 million less than approved. *The Governor's recommendation assumes all funds will be exhausted in FY 2025. **The Assembly concurred.***

Enacted Child Care Support Initiatives	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Retention Bonus - \$3,000	\$ 12.5	\$ 9.3	\$ 15.1	\$ -	\$ -	\$ 36.9
Family-Based Provider Support	0.2	0.4	(0.1)	-	-	0.4
Workforce Registry & Quality Improvements	-	0.1	1.5	-	-	1.6
TEACH Program	-	0.0	0.4	-	-	0.4
Total Authorized	\$ 12.6	\$ 9.8	\$ 16.8	\$ -	\$ -	\$ 39.3
<i>FY 2025 Revised/FY 2026 Request</i>	<i>\$ 12.6</i>	<i>\$ 9.8</i>	<i>\$ 16.8</i>	<i>\$ 2.2</i>	<i>\$ 0.4</i>	<i>\$ 41.9</i>
Change to Authorized Plan	\$ -	\$ -	\$ -	\$ 2.2	\$ 0.4	\$ 2.6

\$ in millions

Child Care Quality Improvements. The Department requested \$7.6 million, or \$0.1 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 client services. 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. *The Governor recommended funding as requested. The Assembly concurred.*

Child Support Enforcement Program - Lien Network. Consistent with its revised request, the Department requested \$3.7 million from restricted receipts to support the Lien Network operated by the Child Support Enforcement program. This is \$0.1 million less than enacted to reflect updated estimates. This program 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. Consistent with the revised request, the request includes increased expenditures for unplanned activities needed to migrate to the new platform. *The Governor recommended \$0.1 million more than requested for technology support. The Assembly concurred.*

Child Support Services Transition off Mainframe. The Department requested \$0.3 million, including \$0.1 million from general revenues and \$0.2 million from federal funds for a strategic vendor to aid in the transition of the Child Support Case Management system to a web-based platform. RIKidsBridge is the Child Support Case Management system of record, which is predominantly a legacy mainframe-based application. The Department anticipated 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 reported 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 noted that system enhancements are needed to accommodate compliance with future federal regulations. For FY 2026, the Department requested total project funding of \$2.6 million.

The Governor reappropriated \$70,833 of unspent funds to FY 2025 to support the transition of the Child Support Services' RIKidsBridge case management system off the mainframe platform. The FY 2024 final budget allocated \$600,000 for this project. Including the reappropriation, the Department requested \$80,693 from general revenues and \$0.2 million from federal funds for this project. A delay in vendor hiring prevented the transition from proceeding as scheduled in FY 2024. The Department's capital budget submission is consistent with its operating request. *The Governor recommended the total request but included restricted receipts in lieu of the general revenues. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Child Support Enforcement Staffing and Other Operations. The Department requested \$13.9 million from all sources, or \$0.7 million less than enacted, including \$0.4 million less from general revenues for all other child support enforcement expenses. The request includes \$7.3 million to support the Department's 62.0 full-time equivalent staff dedicated to child support enforcement and increases turnover savings equivalent to about 1.5 positions. Spending for all other operations totals \$6.3 million and is \$0.6 million less than enacted. Changes include \$0.2 million more for property rental costs, and \$0.2 million more for

financial services related to maintaining the child support lien network, and new hire reporting. This is offset by \$0.5 million less for information technology system support, \$0.1 million less for information technology services and miscellaneous fees, and the exclusion of \$0.3 million for the transition off the mainframe project. *The Governor recommended \$0.4 million more than requested, including \$0.1 million more from general revenues, to account for statewide adjustments consistent with his recent labor agreements offset by additional turnover savings.* **The Assembly concurred.**

Preschool Development Grant. The enacted budget includes \$1.1 million from federal preschool development funds for information technology expenses and implementation costs for the workforce registry for professionals who work with children in early childhood education. The Department received an extension to spend these funds, and its FY 2025 revised request reflects that current spending will exhaust all remaining funds. *The Governor excluded funding as requested.* **The Assembly concurred.**

Supplemental Nutrition Assistance Program - Benefits. The Department requested \$365.1 million from federal funds for direct benefit payments for the Supplemental Nutrition Assistance Program, which is \$15.7 million more than enacted. The request reflects the exhaustion of all funds for the pandemic electronic benefits transfer card program, a special benefit granted by the United States Department of Agriculture's Food and Nutrition Service for additional assistance to eligible families during the public health emergency. *The Governor recommended funding as requested.*

The Assembly concurred and included Section 5 of Article 10 of 2025-H 5076 Substitute A, as amended, to require the Department of Human Services, in coordination with the Department of Administration, to submit a plan, as part of its annual budget submission, with initial recommendations to reduce the state's payment error rate so that it is below six percent. As of January 18, 2026, the Department will report monthly on its progress to implement the recommendations. The report will be part of its current reporting requirement to the General Assembly.

Supplement Nutrition Assistance Program - Summer Benefit. The Department requested \$14.8 million from all sources for the Summer Electronic Benefits Transfer Program, including \$13.8 million, or \$3.6 million more than enacted from federal funds for direct benefit payments. The enacted budget also provided \$0.4 million for administrative expenses, half from general revenues. Consistent with the revised request, the FY 2026 request increases costs by \$0.2 million to process a higher volume of benefits.

The federally authorized program provides a \$40 monthly benefit per child during the summer or three months of benefits to families of school-age children who are eligible for free or reduced-price school meals during the school year. The payment is adjusted for inflation annually. *The Governor recommended funding as requested to account for statewide adjustments consistent with recent labor agreements.* **The Assembly concurred.**

Supplemental Nutrition Assistance Program - Supportive Programs. The Department requested \$6.5 million from federal funds and \$0.2 million from general revenues for employment, training, and nutrition education programs to support Supplemental Nutrition Assistance Program participants. This is \$2.5 million more than enacted, including \$0.2 million from general revenues. 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 recommended \$22,000 more than requested to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Supplemental Nutrition Assistance Program - Healthy Incentives Pilot. Article 13 of 2022-H 7123, Substitute A, as amended, created a retail Supplemental Nutrition Assistance Program pilot program in which eligible households would receive an incentive payment of \$0.50 for every \$1.00 spent on fruits and vegetables on their electronic benefits transfer card, with incentive thresholds to be determined by the Department of Human Services. The Department's request retains the \$0.2 million from general revenues that was budgeted for contracted services to create a new benefit type for each incentive program. Why this expense continues is unclear. *The Governor did not recommend the funding.* **The Assembly concurred.**

LIHEAP, Water and Weatherization Assistance Programs. The Department requested \$32.8 million from federal sources for benefits related to the low-income home energy, water, and weatherization assistance programs based on projected expenditures. This is \$3.7 million less than enacted to reflect remaining energy assistance grant awards, offset by \$0.7 million more for weatherization activities. The low-income home energy assistance program provides funds to help 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 improvements. It also provides low-income individuals, particularly the elderly, persons with disabilities, families with children, high residential energy users, and households with a high energy burden, with weatherization improvements to lower utility costs. New water assistance funding will help low-income households with water and wastewater bills. *The Governor recommended \$0.1 million more than requested to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Community Services Block Grant. The Department requested \$4.5 million from federal funds for community services block grant expenses. Nearly all funding is used to support local community agencies and programs through the community action agencies and is \$21,343 more than the enacted budget. *The Governor recommended funding essentially as requested.* **The Assembly concurred.**

Rhode Island Alliance of Boys and Girls Clubs. The Department included the enacted amount of \$450,000 from general revenues for the Alliance's Project Reach program. The Department's constrained request reduces funding by \$360,000. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Institute for the Practice and Study of Non-Violence. The Department requested the enacted level of \$250,000 from general revenues to support the Institute's Violence Reduction Strategy program. The Department's constrained request reduces funding by \$200,000. *The Governor recommended funding as enacted.* **The Assembly concurred.**

United Way - 211. The Department requested the enacted level of \$200,000 from general revenues for the United Way-211 system, a free, confidential service providing information and referrals for food, housing, job training, and other community resources. The Department's constrained request reduces funding by \$160,000. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Substance Use and Mental Health Leadership Council. The Department included the enacted amount of \$100,000 from general revenues for the Substance Use and Mental Health Leadership Council. The Department's constrained request reduces funding by \$20,000. *The Governor recommended funding as enacted.* **The Assembly added \$50,000 to bring total funding to \$150,000.**

Rhode Island Community Food Bank. The Department requested \$550,000 from general revenues, or \$250,000 less than enacted, for food collection and distribution through the community food bank. The 2024 Assembly provided one-time funding of \$250,000, bringing the total to \$0.8 million. The Department's constrained request includes \$110,000 for the grant and reduces funding by \$440,000. *The Governor recommended funding as enacted.* **The Assembly added \$400,000 for funding of \$950,000.**

Community Action Agencies. The Department included the enacted level of \$600,000 to support services provided by the state's seven community action agencies. The Department's constrained request reduces funding by \$480,000. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Crossroads. The Department requested the enacted level of \$860,000 from general revenues to support activities provided by Crossroads Rhode Island that address homelessness and other related issues. This includes \$500,000 directly appropriated in Article 1 and \$360,000 for emergency shelters. Crossroads Rhode Island is the state's largest homeless services organization that provides 24-hour assistance, seven days a week. The Department's constrained request eliminates funding for emergency shelters by \$288,000 and reduces funding for other services by \$400,000 for total savings of \$688,000. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Domestic Violence Prevention Activities. The Department requested \$1.3 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 \$0.6 million from expired 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 recommended funding as requested; he did not include the constrained reduction.* **The Assembly concurred.**

Day One. The Department requested \$0.5 million from all sources, including \$0.3 million from general revenues, for outreach programs and supportive services programs at Day One. The American Rescue Plan Act authorized \$200.0 million in 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 request is \$352,000 less than enacted from these federal funds, based on available grant funding. The Department's constrained request reduces funding from general revenues by \$240,000. *The Governor recommended funding as requested; he did not include the constrained reduction.* **The Assembly concurred.**

Center for Southeast Asians. The Department requested the enacted amount of \$25,000 from general revenues for the Center for Southeast Asians, a community-based organization that provides education and job development, small business support, translation, and other social services to Rhode Island's Southeast Asian community in the Providence area. The constrained request reduces funding by \$11,250. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Refugee Assistance. The Department requested \$7.5 million from federal funds to support refugee assistance programs. The request is \$1.5 million more than enacted to reflect newly awarded grants and costs associated with vendors for the new grants management system. The request also includes \$3.5 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 recommended \$14,076 more than requested to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Head Start. The Department requested \$4.2 million for the state's Head Start programs, consistent with the enacted budget. This includes \$1.2 million from general revenues for 130 seats in programs across the state. The request includes \$3.0 million from Temporary Assistance for Needy Families block grant funds

to provide additional support to existing programs. The constrained request reduces general revenues by \$952,000. *The Governor recommended the enacted level of funding.* **The Assembly concurred.**

Vocational Rehabilitation Services. The Department requested \$29.9 million from all sources for staffing and operational expenses to provide vocational rehabilitation services, including \$4.2 million from general revenues and \$25.6 million from federal funds. This is \$54,479 more than enacted, including \$0.1 million more from general revenues. Expenses include \$16.6 million for salaries and benefits for the 135.0 authorized positions that support these services. The request increases turnover from the enacted budget by \$0.3 million, equivalent to about 4.0 positions. The Office provides resources and services to residents with disabilities through three program areas: vocational rehabilitation, supported employment services, and disability determination services. The request increases expenditures by \$0.2 million each for contracted medical and all other client services. It also includes \$0.1 million less for other temporary services. *The Governor recommended \$1.4 million more than requested, including \$0.2 million more from general revenues, to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Medicaid Rehabilitative Services. The Department requested \$2.0 million, or \$0.3 million more than enacted for social services to the blind. The Office of Rehabilitation Services manages three programs that provide services eligible for federal matching funds under provisions of the Medicaid waiver. The services include social services for the blind, personal care attendants, and home modifications; these services are aimed at helping an individual maintain independence. *The Governor recommended funding as requested, with sources updated for the Medicaid match rate.* **The Assembly concurred.**

Transfer Organ Transplant Fund. The Department requested \$15,000 from restricted receipts to transfer the Organ Transplant Fund from the Executive Office of Health and Human Services to the Department of Human Services to align with Rhode Island General Law, Section 42-11-13. Resources help to defray any expenses for human organ transplants incurred by Rhode Island residents and their families. Revenues are generated from the statutory allowance for residents to contribute to the fund directly from their tax refunds. The Executive Office's FY 2025 budget includes \$15,000; the fund's current balance is \$39,165. *The Governor recommended the requested transfer.* **The Assembly concurred.**

Services for the Blind and Visually Impaired. The Department requested \$1.1 million from all sources, including \$1.0 million from general revenues, for services to the blind and visually impaired. The request is \$0.2 million less than enacted, which reflects a statewide savings offset of \$0.3 million and a \$0.1 million increase in staffing costs. *The Governor recommended \$0.1 million more than requested to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Capital - Blind Vending Facilities. Consistent with the enacted budget, the Department requested total funding of \$165,000 from Rhode Island Capital Plan funds for the ongoing construction and renovation of statewide vending facilities. Its capital budget submission is consistent with the operating request for FY 2026. *The Governor recommended funding as requested.* **The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.**

Office of Veterans Services

The Office of Veterans Services comprises three program areas, each serving Rhode Island's veterans and their families in different capacities. The Veterans' Home in Bristol can serve approximately 192 veterans daily as a nursing home and provides supportive services for residents. The Home has six neighborhoods; each can house 32 individuals and the domiciliary rooms can house 16. The Home's estimated census for FY 2026 is 142 individuals. The census for the Home as of January 2025 is 140 individuals. 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 2025 rates, for a total of \$13.1 million. The per diem reimbursement varies to include: \$590.27 for those with a service-connected disability, \$144.10 for those in a nursing home, and \$59.07 for those in the dormitory setting. The current service adjustment provided by the Budget Office includes general revenue savings of \$1.4 million from shifting expenses to these resources, assuming the current census will remain steady through FY 2026; the Office's request does not include this adjustment. *The Governor's recommendation assumes an additional \$0.3 million to offset general revenue expenses based on updated rates.* **The Assembly concurred.**

Restricted Receipts. The Office of Veterans Services collects restricted receipts from residents at the Veterans' Home 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.

In FY 2024, the Office collected \$0.6 million from Veterans' Home resident restricted receipts and anticipates collecting \$0.7 million in both FY 2025 and FY 2026. The request reflects a significant decline in the Home's census. As of December 1, the census is 95 residents.

Veterans' Home. The Office requested \$43.7 million from all sources, including \$29.0 million from general revenues, for expenses at the Veterans' Home and its 248.0 authorized positions. This is \$0.8 million more than enacted, including \$0.6 million less from general revenues, \$0.3 million more from restricted receipts, and \$1.1 million more from federal funds. It reflects current service adjustments and increases turnover by \$1.1 million, equivalent to about 16.5 full-time equivalent positions. The request assumes 97 residents, which is consistent with its revised request. As of January 3, 2025, the Home has 199.5 positions filled.

The constrained request proposes savings of \$1.7 million from general revenues by eliminating 16.0 full-time equivalent contracted direct patient care workers at the Veterans' Home starting July 1, 2025. This would reduce the Veterans' Home census, ultimately shut down the home's Alpha-1 neighborhood, and increase the waiting list for the Home. The Office would have to cease admissions, wait for ten current residents to expire, and move five people to open rooms in the Bravo and Charlie neighborhoods. There are currently 219 veterans on the Home waitlist. This proposal does not freeze hiring if current full-time equivalent positions leave the agency, but allows the Home to replace full-time equivalent positions if positions become vacant.

The Governor recommended \$2.3 million more than requested, including \$1.2 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements. As noted, the recommendation shifts \$0.3 million in operating expenses from general revenues to federal per diem reimbursements. He did not recommend the constrained request. **The Assembly concurred.**

Veterans' Community Service Grants. The Office requested the enacted amount of \$350,000 from general revenues for grants to organizations that provide services to veterans. This includes \$200,000 to

support organizations providing 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 recommended funding as requested. The Assembly concurred.*

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. The Office requested \$344,111 from general revenues for four new positions, including three cemetery specialists and one customer service specialist, in anticipation of an increase in burials. Congress passed the Burial Equity for Guards and Reserves Act as part of the federal Omnibus Bill, which was signed by President Biden on March 15, 2022. There is no federal funding, reimbursements from the Veterans Affairs National Cemetery Administration for interment costs, nor any support for ancillary services for the newly eligible groups of service members. *The Governor did not recommend the funding or new positions.*

The Governor later sought an amendment to regulate the existing grave liner fees, permitting a fee waiver if federal reimbursement is available to cover the cost. This amendment was in response to recent federal updates that broadened reimbursements for qualified spouses and dependents of specific veterans. The Assembly concurred with the amended recommendation and included Section 3 of Article 10 of 2025-H 5076 Substitute A, as amended, for the fee change.

Other Staffing and Operations. The Office requested \$3.2 million from general revenues for all other expenses, which is \$0.2 million less than enacted. This largely reflects adjustments for the remaining 21.0 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 \$425,450 annually to be collected in the Veterans' Cemetery Memorial Fund by charging a \$948 plot allowance for each spouse or dependent burial. This initiative would require a budget article. *The Governor recommended \$0.2 million more than requested from general revenues to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Capital Projects. The Office requested \$2.8 million from all sources for projects at the Rhode Island Veterans' Memorial Cemetery in Exeter and the Veterans' Home in Bristol. This is \$3.1 million less than enacted and includes changes to several projects consistent with the capital budget request. *The Governor recommended \$0.2 million less than requested. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

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. It 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.

Excluding centralized services, the FY 2026 request is \$38.2 million, including \$14.6 million from general revenues, \$19.0 million from federal funds, \$4.5 million from other funds, and \$46,200 from restricted receipts. The request is \$1.7 million more than enacted, including \$0.9 million more from general revenues, \$0.5 million more from federal funds, and \$0.3 million more from other funds. *The Governor recommended*

*\$46,817 more than requested, including \$0.3 million more from general revenues offset by \$0.3 million less from restricted receipts and federal funds. **The Assembly concurred.***

Home and Community Care Services. The Office requested \$11.5 million from all sources, including \$4.9 million from general revenues and \$6.5 million from federal funds, for home care, adult day care, and case management services. This is \$2.1 million more than enacted, including \$0.9 million from general revenues. The increase includes \$1.6 million for current service adjustments, of which \$0.7 million is from general revenues. This will annualize the impact of the rate increases enacted for FY 2025, adjust the federal match for updated rates, and adjust for utilization.

The request also includes \$0.5 million, including \$0.2 million from general revenues and \$0.3 million from federal funds, to expand eligibility to the At-Home Cost Share program for older adults aged 60-64, meeting the existing level of care and financial criteria. Rhode Island General Law, Section 42-66.3-4, sets an age threshold for service eligibility at 65, preventing adult protective services clients ages 60 to 64 access to home care services. There were 713 of these clients in 2023.

The Office reports that the base-adjusted cost not otherwise matchable projections for FY 2026 will provide sufficient funding for this adjustment without requiring an increase to the enacted appropriation. *The Governor included the requested increase for the annualization of the rate increase but did not recommend expanding the program. **The Assembly concurred.***

Paratransit Services for the Elderly. The Office requested \$9.3 million from all sources, including \$4.1 million from general revenues, \$0.7 million from federal funds, and \$4.5 million from dedicated gas tax funds for paratransit services. This is \$0.5 million more than enacted, including \$0.2 million more from general revenues based on expected costs, available resources, and matching funds. The Executive Office of Health and Human Services holds the transportation contract with Medical Transportation Management and allocates expenses for eligible participants without Medicaid to the Office.

The constrained request includes \$0.8 million of general revenue savings from a 20.0 percent reduction to the general revenue-funded portion of the contract with Medical Transportation Management for paratransit services for the elderly. This would be a 15.0 percent reduction to the contract for FY 2026, the last year this agreement would be in effect.

*The Governor recommended \$10,714 more than requested, including \$0.3 million more from general revenues and \$0.3 million less from gas tax proceeds. He assumed \$4.3 million from the gas tax, consistent with the estimated yield for FY 2026. **The Assembly concurred.***

Supportive Services. The Office requested \$2.9 million from federal funds for supportive services for older and disabled individuals. This is \$46,053 less than enacted, which reflects \$0.2 million less from limited American Rescue Plan Act funds. All Title III American Rescue Plan Act funds were scheduled to end on September 30, 2024. However, the Office received approval for a no-cost extension through September 30, 2025. Its request represents the final three months of the performance period in FY 2026. *The Governor recommended funding as requested. **The Assembly concurred.***

Elder Abuse Prevention. The Office requested \$0.2 million from federal funds for adult protective services. This is \$0.2 million less than enacted, primarily from funds authorized in response to the coronavirus public health emergency to reflect the end of available American Rescue Plan Act funds. *The Governor recommended funding as requested. **The Assembly concurred.***

Elder Nutrition Programs. The Office requested \$4.4 million from federal funds for elder nutrition programs, including home-delivered and congregate meals. This is \$0.6 million less than enacted, reflecting the availability of funds. Total funding includes the enacted level of \$680,000 from general

revenues for elder nutrition programs as identified in Article 1 of the FY 2025 enacted budget, of which \$630,000 is for a grant to Meals on Wheels.

The constrained request reduces general revenues provided to Meals on Wheels by \$75,600. General revenues are used exclusively for the direct cost and delivery of meals. After the reduction, the award for this grant would total \$554,400. The Office would still be able to meet the maintenance of effort requirement with this grant if general revenues were to be reduced. With reduced funding effective July 1, 2025, the Office estimated that 13,000 fewer meals would be delivered annually. *The Governor recommended funding as requested.* **The Assembly added \$50,000 to bring total funding for Meals on Wheels to \$680,000 and concurred with the remainder of the recommendation.**

Family Caregiver Support. The Office requested \$1.0 million from federal funds authorized in response to the coronavirus public health emergency for family caregiver support. This is \$70,009 less than enacted. Title III American Rescue Plan Act funds were scheduled to end on September 30, 2024. However, the Office received a no-cost extension through September 30, 2025. Its request is what it projects to spend for the last three months of the performance period ending in FY 2026. 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 \$325,000 from general revenues for the Diocese of Providence to support the respite care program as identified in Article 1 of the FY 2025 enacted budget. *The Governor recommended funding as requested.* **The Assembly concurred.**

Preventative Health and Vaccines. The Office requested \$155,347 from federal funds for preventative health services and vaccine access for elderly residents. This is \$26,241 less than enacted and includes \$37,241 less to reflect available American Rescue Plan Act funds authorized in response to the coronavirus public health emergency, as funding was extended through September 30, 2025. The request also includes \$11,000 more for preventative services outlined in Title III, Part D of the Older Americans Act. The Office received a no-cost extension on its Title III federal award and is utilizing available Title III D federal funding. *The Governor recommended funding as requested.* **The Assembly concurred.**

Senior Services Support. The Office requested \$1.4 million from general revenues for senior services support through a grant process, consistent with Article 1 of the FY 2025 enacted budget. The constrained request reduces funding by \$168,000. *The Governor added \$0.2 million for a total of \$1.6 million from general revenues.* **The Assembly concurred.**

Elderly Housing Security. The Office requested 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 that 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 excludes this funding. *The Governor recommended the constrained request; however, he did not propose any changes to the program in state law, which appear not to be needed.* **The Assembly concurred.**

Long Term Care Ombudsman. The Office requested \$0.2 million from all sources, including the enacted amount of \$40,000 from general revenues, for the Long Term Care Ombudsman. The request includes \$109,002 from federal Title VII funds, and \$14,421 less from federal funds authorized in response to the coronavirus public health emergency for projected award payments. The Long Term Care Ombudsman, Alliance for Better Long Term Care, advocates on behalf of residents of nursing homes, assisted living residences and certain other facilities, as well as recipients of home care services and it fills the state's responsibility contained in Rhode Island General Law, Chapter 42-66.7. The Ombudsman program

identifies, investigates, and resolves complaints raised by the aforementioned parties. *The Governor recommended funding as requested. The Assembly concurred.*

Volunteer Guardianship Program. The Office requested \$43,058 from general revenues for the volunteer program, which provides guardianship services to low-income, older, at-risk persons residing throughout the state who a referral source has identified as needing these advocacy services; guardianships under this program do not involve decision-making regarding the person's property or finances. The request is \$3,058 more than enacted. *The Governor recommended funding as requested. The Assembly concurred.*

Senior Companion Program. The Office requested \$0.6 million, of which \$0.1 million is from general revenues for the senior companion program. Senior companion volunteers are people age 55 and older who provide companionship for frail older adults in the home, at day centers, or other community sites. Companions assist with daily tasks, helping those served to live in the community longer. This includes \$24 more from all sources, including a \$60,901 shift from general revenues to federal funds. The Office allocated 1.0 full-time equivalent position, a community relations liaison, to this work; its request includes \$0.2 million for salaries and benefits. *The Governor recommended funding as requested to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Other Staffing. The Office requested \$3.5 million for the remaining other staffing expenses, including \$2.1 million from general revenues. The request is \$13,049 less than enacted, including \$0.2 million less from general revenues and \$0.2 million more from federal funds. The funding supports the 18.0 authorized positions not allocated to the other federal grants noted above. *The Governor recommended \$0.4 million more than requested, including \$0.2 million from general revenues. The Assembly concurred.*

Other Operations. The Office requested \$3.2 million for remaining grants and expenditures, including \$1.2 million from general revenues, \$1.9 million from federal funds, and \$46,000 from indirect cost restricted receipts collected on federal grants. The request is \$49,299 more than enacted, primarily from general revenues. Remaining expenses for other operations include \$0.2 million for its Public Consulting Group cost allocation, excluding administrative match and Wellsky Annual, and \$44,830 for the Wellsky maintenance. The request also includes \$0.2 million less for remaining grant expenditures. The constrained request includes reducing general revenue funding for discretionary administrative expenses by \$10,400. These include out-of-state travel, mobile phones, and general office expenses. *The Governor recommended funding consistent with the constrained request. The Assembly concurred.*

Dept. of Behavioral Healthcare, Developmental Disabilities and Hospitals

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Services for the Dev. Disabled	\$ 474,946,968	\$ 494,116,295	\$ 496,043,926	\$ 507,086,713
Hospital & Comm. Rehab.	111,154,234	117,873,588	120,173,795	120,173,795
Rhode Island Psychiatric Hospital	33,499,422	34,729,109	33,687,552	33,687,552
Behavioral Healthcare Services	46,672,770	56,276,212	43,039,886	44,501,085
Central Management	4,056,674	11,192,478	11,249,454	11,249,454
Hosp. & Comm. System Support	2,031,484	-	-	-
Total	\$ 672,361,552	\$ 714,187,682	\$ 704,194,613	\$ 716,698,599
Expenditures by Category				
Salaries and Benefits	\$ 47,856,758	\$ 56,798,191	\$ 55,714,989	\$ 55,714,989
Contracted Services	11,462,541	15,073,528	12,934,159	12,595,358
Subtotal	\$ 59,319,299	\$ 71,871,719	\$ 68,649,148	\$ 68,310,347
Other State Operations	23,831,359	22,836,695	17,660,073	16,778,161
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	588,207,377	617,960,504	616,949,227	630,673,926
Capital	1,003,517	1,518,764	936,165	936,165
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 672,361,552	\$ 714,187,682	\$ 704,194,613	\$ 716,698,599
Sources of Funds				
General Revenue	\$ 305,694,995	\$ 320,841,750	\$ 316,304,980	\$ 318,778,838
Federal Aid	353,159,441	368,465,135	376,934,950	385,365,078
Restricted Receipts	12,907,116	24,070,361	10,454,683	12,054,683
Other	600,000	810,436	500,000	500,000
Total	\$ 672,361,552	\$ 714,187,682	\$ 704,194,613	\$ 716,698,599
FTE Authorization	1,221.4	1,221.4	1,223.4	1,223.4

Summary. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals requested \$717.3 million from all sources, including \$326.1 million from general revenues, \$381.8 million from federal funds, \$9.1 million from restricted receipts, and \$0.4 million from Rhode Island Capital Plan funds for FY 2026. The request is \$44.9 million more than the FY 2025 enacted budget. It includes \$20.4 million more from general revenues, \$28.6 million more from federal funds, \$3.9 million less from restricted receipts, and \$0.2 million less from Rhode Island Capital Plan funds.

The request includes 1,222.2 full-time equivalent positions, 0.8 more than enacted to reflect one new position and removal of a 0.2 vacant position consistent with the revised request.

The Governor recommended \$704.2 million from all sources, including \$316.3 million from general revenues. The recommendation is \$31.8 million more than enacted and \$13.1 million less than requested. General revenues are \$10.6 million more than enacted, and \$9.7 million less than requested. The Governor recommended 1,223.4 full-time equivalent positions, 2.0 more than enacted, for positions transferred from

the Department of Administration for oversight of the properties in the state-run system for adults with developmental disabilities.

The Assembly provided \$716.7 million, including \$318.8 million from general revenues, and 1,223.4 positions. This is \$12.5 million more than recommended, including \$2.5 million more from general revenues. The Assembly made further adjustments based on the May caseload conference estimate, along with other program changes.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department, this produced a general revenue target of \$312.2 million, including a current service adjustment increase of \$14.0 million and a 7.5 percent reduction of \$7.5 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$2.8 million above the Budget Office target and the proposals to achieve those reductions are noted among the items described below where appropriate. *The Governor's recommendation is \$4.1 million above the target.* **The Assembly provided \$6.5 million more than the target.**

Departmentwide

Program Reorganization/Staffing. The Department requested 1,222.4 full-time equivalent positions for FY 2026, which is 1.0 more than the revised request. The FY 2024 enacted budget transferred staff among divisions primarily to reflect requested reallocations based on need. The FY 2025 enacted budget further shifted administrative positions among divisions and adjusted staffing needs for Eleanor Slater Hospital and the newly separate state psychiatric facility.

The FY 2025 revised and FY 2026 requests eliminate the Hospital and Community System Support division, with staff responsibilities including data analytics, hospital billings, and quality management for its 69.0 positions reallocated to Central Management and shift other staff to the remaining divisions. The requests also transfer 4.0 positions assigned to the forensic outpatient clinic from Eleanor Slater Hospital to Central Management. Staff analysis for some of these changes in both years is hampered by a lack of information to identify the specific personnel shifts between divisions.

The Governor added two positions transferred from the Department of Administration for oversight of properties in the state-run system for adults with developmental disabilities. The changes are shown in the following table. **The Assembly concurred.**

Division	FY 2025 Enacted	FY 2025 Final	FY 2026 Request	FY 2026 Governor	FY 2026 Enacted	Change to Final
Central Management	42.0	114.0	114.0	114.0	114.0	-
Hospital & Community System Support	69.0	-	-	-	-	-
Developmental Disabilities	325.0	323.8	323.8	325.8	325.8	2.0
Behavioral Healthcare Services	46.0	47.0	48.0	47.0	47.0	-
Eleanor Slater Hospital	607.0	601.2	601.2	601.2	601.2	-
State Psychiatric Hospital	132.4	135.4	135.4	135.4	135.4	-
Total	1,221.4	1,221.4	1,222.4	1,223.4	1,223.4	2.0

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 mainly applicable to administrative staff responsibilities that are spread departmentwide. The enacted budget includes \$236,932 from general revenues to pay for the cost allocation plan. The request increases the payment by \$89,469 to \$326,401, which is \$32,176 less than FY 2024 expenses, to reflect anticipated expenses. This is consistent with the revised request. The contract value is \$385,760 annually and it is unclear why it is not budgeted correctly.

The FY 2025 enacted budget included 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 every quarter to the contractor to spread across programs. The Department's administrative staff then verifies the information to use throughout the budget process. This process can often take six to eight weeks to complete each quarter. *The Governor recommended funding as requested. The Assembly concurred.*

Security Services. The Department requested \$2.1 million more than enacted for total funding of \$5.7 million; the expenses are almost entirely funded from general revenues. This is \$0.7 million less than spent in FY 2024. The primary changes reflect the projected addition of \$1.0 million at the state psychiatric hospital, \$0.8 million for Eleanor Slater Hospital, and \$0.3 million for Central Management for the transfer of the forensic outpatient clinic previously accounted through Eleanor Slater Hospital's budget. The Department has a contract with a different security company and is anticipating reduced expenses for FY 2025 and FY 2026 compared to FY 2024 experience.

It should be noted that expenses incurred at Eleanor Slater Hospital were for the Adolf Meyer and Regan medical buildings until March 2024, when patients were consolidated into one building to allow construction on the Regan building. As of October 2024, there are 70 patients residing at the Adolph Meyer building only.

The constrained request reduced expenses at the state psychiatric hospital by \$256,000. *The Governor recommended funding consistent with the constrained request. The Assembly provided total funding as recommended but shifted \$1.3 million of general revenue expenses at Eleanor Slater Hospital to restricted receipts, from increased third party billings.*

Security Services							
Division	FY 2024 Reported	FY 2025 Enacted	FY 2025 Final	FY 2026 Request	FY 2026 Gov. Rec.	FY 2026 Enacted	Enacted to Gov. Rec.
State Psychiatric Facility	\$ 3,575,441	\$ 1,993,505	\$ 2,900,000	\$ 3,000,000	\$ 2,744,000	\$ 2,744,000	\$ -
Eleanor Slater Hospital	2,819,188	1,560,730	4,093,504	2,379,398	2,379,398	2,379,398	-
Hospital & Community System Support	(1,251)	16,276	-	-	-	-	-
Developmental Disabilities	81,609	42,000	55,673	55,673	55,673	55,673	-
Behavioral Healthcare Services	11,031	5,888	5,888	5,888	5,888	5,888	-
Central Management	2,789	1,488	302,167	302,167	302,167	302,167	-
Total - All Funds	\$ 6,488,807	\$ 3,619,887	\$ 7,357,232	\$ 5,743,126	\$ 5,487,126	\$ 5,487,126	\$ -
<i>General Revenues</i>	<i>\$ 6,489,893</i>	<i>\$ 3,619,887</i>	<i>\$ 5,519,433</i>	<i>\$ 5,619,433</i>	<i>\$ 5,363,433</i>	<i>\$ 4,023,433</i>	<i>\$ (1,340,000)</i>

Centralized Services. The Department requested \$18.3 million from all sources, including \$17.4 million from general revenues, for centralized services provided through the Department of Administration. The request shifts \$0.7 million in general revenue expenses to federal funds for a reduction of \$12,542 from all sources. Details by division are shown in the following table.

Centralized Services by Division						
Division	FY 2025 Enacted	FY 2025 Final	FY 2026 Request	FY 2026 Gov. Rec.	FY 2026 Enacted	Enacted to Final
Eleanor Slater Hospital	\$ 11,678,654	\$ 12,078,648	\$ 12,124,843	\$ 16,629,277	\$ 16,629,277	\$ 4,550,629
State Psychiatric Facility	2,462,739	2,445,500	2,474,067	1,754,622	1,754,622	(690,878)
Developmental Disabilities	2,282,181	2,605,524	2,503,043	2,481,531	2,481,531	(123,993)
Behavioral Healthcare Services	690,493	797,489	694,053	811,865	811,865	14,376
Hospital and Community System Support	321,859	-	-	-	-	-
Central Management	927,876	1,153,351	547,444	1,972,385	1,972,385	819,034
Total - All Funds	\$ 18,363,802	\$ 19,080,512	\$ 18,343,450	\$ 23,649,680	\$ 23,649,680	\$ 4,569,168
<i>General Revenues</i>	<i>\$ 18,115,321</i>	<i>\$ 18,468,527</i>	<i>\$ 17,471,502</i>	<i>\$ 22,977,509</i>	<i>\$ 22,977,510</i>	<i>\$ 4,508,983</i>

The following table shows expenses by type of centralized services and includes \$11.4 million for facilities management, more than half the request. The Department's billings for all charges through the first quarter total \$3.8 million, including \$1.7 million from general revenues and \$2.1 million from federal funds. Annualized, the total would be \$15.2 million from all sources, including \$6.8 million from general revenues and \$8.3 million from federal funds.

Centralized Services by Service						
Service	FY 2025 Enacted	FY 2025 Final	FY 2026 Request	FY 2026 Gov. Rec.	FY 2026 Enacted	Enacted to Final
Facilities Management	\$ 11,337,567	\$ 11,407,252	\$ 11,407,252	\$ 13,794,849	\$ 13,794,849	\$ 2,387,597
Information Technology	4,347,067	4,886,623	4,155,991	5,153,598	5,153,598	266,975
Human Resources	2,360,814	2,469,663	2,469,663	1,961,983	1,961,983	(507,680)
Fuel/Utilities	318,354	316,974	310,544	2,739,250	2,739,250	2,422,276
Total - All Funds	\$ 18,363,802	\$ 19,080,512	\$ 18,343,450	\$ 23,649,680	\$ 23,649,680	\$ 4,569,168
<i>General Revenues</i>	<i>\$ 18,115,321</i>	<i>\$ 18,468,527</i>	<i>\$ 17,471,502</i>	<i>\$ 22,977,509</i>	<i>\$ 22,977,510</i>	<i>\$ 4,508,983</i>

The Governor included an increase of \$5.3 million, including \$5.5 million from general revenues, to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. The Assembly concurred.

Capital Projects. The Department requested \$0.4 million from Rhode Island Capital Plan funds, including \$0.3 million to purchase hospital equipment, or \$0.2 million less than enacted. It also includes \$0.1 million for residential development in the Division of Developmental Disabilities. This is consistent with the FY 2026 through FY 2030 capital request. *The Governor added \$0.1 million for asset protection projects at the state psychiatric hospital. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Division of Developmental Disabilities

Developmental Disabilities Programs. The state provides residential, day programming, family supports, or medical services to support adults with developmental disabilities. As of October 2024, 4,481 individuals received services through the state-run system or community-based providers. This includes 3,802 individuals receiving direct residential, employment, community-based programs and other support, including respite.

The Department requested \$514.4 million, of which \$222.5 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 \$2.5 million for centralized services. The request is \$39.5 million more from all sources, including \$11.7 million more from general revenues, \$27.9 million more from Medicaid funds, and \$0.1

million less from restricted receipts. The request includes \$481.1 million for the community-based system and \$33.1 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 recommended \$496.0 million, including \$214.4 million from general revenues, which is \$18.4 million less than requested, including \$8.0 million less from general revenues. This includes changes made at the caseload conference, statewide adjustments, and two new positions in the state-run system for maintenance and property oversight. **The Assembly adjusted expenses in the privately-operated program consistent with the May caseload conference estimate, which increased expenses by \$11.9 million, including \$4.5 million from general revenues, and concurred with the remainder of the recommendation.***

Medical Benefits. Individuals receiving residential and other community-based services receive medical benefits through the Executive Office of Health and Human Services. Individuals who are not eligible for Medicare are enrolled in Rhody Health Partners, the state’s managed care plan for disabled individuals and those receiving services through Medicaid expansion. Those eligible for 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 not to enroll in managed care continue to receive direct medical benefits through a fee-for-service reimbursement system.

The November caseload estimate assumes that approximately 1,315 of the program participants who receive state Medicaid benefits are enrolled in Rhody Health Options at a cost of \$26.0 million, another 1,050 are in Rhody Health Partners at a cost of \$27.6 million and the remaining 1,435 funded through fee-for-service.

*The Governor recommended funding essentially consistent with the caseload estimate for this population. **The Assembly provided funding consistent with the May estimate of approximately 1,256 individuals enrolled in Rhody Health Options at a cost of \$25.1 million, another 1,120 in Rhody Health Partners at a cost of \$31.8 million, with the remaining 1,810 in fee-for-service.***

Privately Operated System. The Caseload Estimating Conference met on November 6, 2024, and based on current law, set the FY 2026 expenditures for private community developmentally disabled services at \$440.6 million, including \$190.2 million from general revenues. This is \$16.1 million more than enacted from all funds and \$2.4 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 Conference updated the categories and their groupings for FY 2026 to reflect changes resulting from the new rates and billing structure. It grouped FY 2024 and FY 2025 information into the newer categories for comparability. The following table itemizes private community-based expenditures included in the enacted budget, adopted by the caseload estimators in November 2024, and recommended by the Governor and enacted by the Assembly. Each category is discussed separately.

*The Governor recommended funding consistent with the caseload estimate. **The Assembly provided \$452.5 million, including \$194.7 million from general revenues and \$257.8 million from federal funds. It concurred with the May caseload conference estimate, which is \$11.9 million more than the November estimate.***

Private Community Developmentally Disabled Services	FY 2025 Enacted	FY 2026 Nov. CEC	FY 2026 Gov. Rec.	FY 2026 May CEC	FY 2026 Enacted
Residential Rehabilitation (Non-L-9)	\$ 217.0	\$ 218.2	\$ 218.2	\$ 210.2	\$ 210.2
Residential Rehabilitation (L-9)	15.6	15.6	15.6	18.6	18.6
<i>Subtotal - Residential</i>	<i>\$ 232.6</i>	<i>\$ 233.8</i>	<i>\$ 233.8</i>	<i>\$ 228.8</i>	<i>\$ 228.8</i>
Community-Based Supports	134.2	147.6	147.6	166.8	166.8
Day Program	12.9	7.8	7.8	8.4	8.4
Employment	8.5	10.8	10.8	7.5	7.5
Transformation Phase III	2.5	3.1	3.1	2.5	2.5
Transportation	16.1	17.8	17.8	18.3	18.3
Professional & Other Supports	16.3	17.5	17.5	19.0	19.0
Non-Medicaid Funded	1.3	2.2	2.2	1.2	1.2
Total	\$ 424.5	\$ 440.6	\$ 440.6	\$ 452.5	\$ 452.5
Federal Funds	236.6	250.4	250.4	257.8	257.8
General Revenues	187.8	190.2	190.2	194.7	194.7

\$ in millions

Residential Rehabilitation. The November Caseload Estimating Conference estimate includes FY 2026 expenditures of \$233.8 million, including \$100.1 million from general revenues for the residential rehabilitation program, including supplemental payments for this service granted through the process known as L-9. The estimate is \$1.2 million more than enacted and \$5.4 million more than the revised estimate, including \$2.3 million from general revenues, assuming a higher usage of services through the annual authorizations for funding of \$218.2 million, including \$93.4 million from general revenues. Services are provided in various community-based settings, including 24-hour group homes, individual living situations such as an apartment or home, shared living arrangements, or with a relative. The estimate also includes \$15.6 million, or \$0.3 million less than the revised estimate for supplement payments. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$228.8 million, including \$97.9 million from general revenues, consistent with the May estimate, which is \$5.0 million less than the November estimate.**

Community-Based Supports. The November Caseload Estimating Conference estimate includes FY 2026 expenditures of \$147.6 million, including \$63.2 million from general revenues for the community-based services. The estimate is \$13.4 million more than enacted, including \$0.6 million more from general revenues and \$0.4 million more than the revised estimate, including \$0.2 million from general revenues, assuming a higher usage of services. The services are offered at community-based day programs, including education and training. Previously, the estimate for these services was incorporated under the Day Program category. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$166.8 million, including \$71.5 million from general revenues, consistent with the May estimate, which is \$19.2 million more than the November estimate.**

Day Program. The November Caseload Estimating Conference estimate includes FY 2026 expenditures of \$7.8 million, including \$3.3 million from general revenues for day program services. This is \$0.1 million more than the revised estimate, reflecting the anticipated authorization use increase. It is also \$5.1 million less than enacted, including \$2.2 million less from general revenues.

Day Program expenses capture services offered at center-based, community-based, or home-based day programs, including the provision of education, training, and opportunities to acquire the skills and experience needed to participate in the community. The FY 2026 estimate includes new categories and services and separates community-based and professional services from day program services. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$8.4 million, including \$3.6 million from general revenues, consistent with the May estimate and \$0.6 million more than the November estimate.**

Employment. The November Caseload Estimating Conference estimate includes FY 2026 expenditures of \$10.8 million, including \$4.6 million from general revenues for employment services. This is \$2.3 million more than enacted, including \$1.0 million from general revenues and \$0.1 million less than the revised estimate for anticipated expenses. Employment captures activities such as job assessment and development, coaching, retention, and pre-vocational training for adults with developmental disabilities. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$7.5 million, including \$3.2 million from general revenues, consistent with the May estimate, which is \$3.3 million less than the November estimate.**

Transformation Phase III. The November Caseload Estimating Conference estimate includes FY 2026 expenditures of \$3.1 million, including \$1.6 million from general revenues for Transformation Phase III targeted employment services. This is \$0.6 million more than enacted and consistent with the revised estimate for anticipated expenses. Funds will be available to providers based on submitted proposals to increase employment outcomes for program recipients. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$2.5 million, including \$1.3 million from general revenues, consistent with the May estimate, which is \$0.6 million less than the November estimate.**

Transportation. The November Caseload Estimating Conference estimate includes FY 2026 expenditures of \$17.8 million, including \$7.8 million from general revenues for transportation expenses. This is \$1.7 million more than enacted, including \$0.7 million from general revenues, and \$0.9 million more than the revised estimate, including \$0.4 million from general revenues. In addition to the estimate for transportation day activity, the Conference includes \$2.3 million in funds for transportation services provided by the Rhode Island Public Transit Authority. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$18.3 million, including \$8.0 million from general revenues, consistent with the May estimate and \$0.5 million more than the November estimate.**

Professional and Other Supports. The November Caseload Estimating Conference estimate includes FY 2026 expenditures of \$17.5 million, including \$7.5 million from general revenues for professional and other support services. This is \$3.5 million more than the revised estimate, including \$1.7 million more from general revenues. It is also \$1.2 million more than enacted, of which \$0.5 million is from general revenues. An individual can receive these assorted services, including, but not limited to, attendant care, physical, speech, and occupational therapy, home modifications, assistive technology, telehealth, peer supports, and support facilitation. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$19.0 million, including \$8.1 million from general revenues, consistent with the May estimate and \$1.5 million more than the November estimate.**

Non-Medicaid Funded. The November Caseload Estimating Conference estimate includes FY 2026 general revenue expenditures of \$2.2 million for individuals in out-of-state facilities, which is \$0.9 million more than enacted to reflect updated placements. The estimate also includes \$22,520 or \$3,910 less than enacted, for the monthly payments to family caregivers of individuals who formerly resided at the Ladd Center. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$1.2 million from general revenues, consistent with the May estimate and \$1.0 million more than the November estimate.**

Transformation and Technology Fund. The 2022 Assembly provided \$9.9 million, including \$5.6 million from general revenues, 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 in FY 2023 and \$0.6 million in FY 2024. Any balance from these funds is statutorily reappropriated. The Department's request includes \$1.5 million, of which \$1.0 million is from general revenues for FY 2025 and \$1.3 million, of which \$0.9 million is from general revenues, for FY 2026. *The Governor recommended total funding as requested, with sources updated for the Medicaid match rate.* **The Assembly concurred.**

Transformation and Technology Funds		FY 2023 Reported	FY 2024 Reported	FY 2025 Gov. Rev./Final	FY 2026 Request	FY 2026 Governor
Non-Self-Directed	General Revenues	\$ 336,077	\$ (17)	\$ 399,936	\$ 279,955	\$ 278,200
	Federal Funds	336,077	-	508,803	370,045	371,800
<i>Subtotal</i>		<i>\$ 672,154</i>	<i>\$ (17)</i>	<i>\$ 908,739</i>	<i>\$ 650,000</i>	<i>\$ 650,000</i>
Self-Directed	General Revenues	-	564,415	583,021	650,000	650,000
Total		\$ 672,154	\$ 564,398	\$ 1,491,760	\$ 1,300,000	\$ 1,300,000
<i>General Revenues</i>		<i>\$ 336,077</i>	<i>\$ 564,398</i>	<i>\$ 982,957</i>	<i>\$ 929,955</i>	<i>\$ 928,200</i>

Consent Decree Activities - Workforce Development. The Department requested \$2.6 million from all sources, including \$1.3 million from general revenues, for contracted services related to workforce development consent decree activities. This is \$0.7 million more than enacted, including \$0.3 million more from general revenues. The enacted budget included \$1.9 million for contracted employment services consistent with the Department's submission and recommendation.

The revised and FY 2026 requests include \$1.7 million, of which \$0.9 million is from general revenues, for the Sherlock Center to work with Direct Support Workforce Solutions through the University of Minnesota's Institute for Community Integration. The University's workforce consultants will engage with Sherlock Center staff, Sage Squirrel, the Statewide Workforce Initiative workgroups, and Department staff to address consent decree requirements with a proposed timeline 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, technical assistance, engagement, and facilitations with the Rhode Island Statewide Workforce Initiative.

The remaining \$0.9 million, including \$0.5 million from general revenues, is for other contracted services. *The Governor recommended funding as requested. The Assembly concurred.*

Conflict-Free Case Management Services. The Department requested \$1.3 million from all sources, including \$0.2 million from general revenues, for conflict-free case management services. This is \$0.5 million less than enacted, primarily from federal funds. The decrease is for updated expenses for the Department's share of the statewide contract with Wellsky to implement conflict-free case management services, excluding initial start-up expenses.

The contract covers accepting applications, eligibility determinations, evaluations, and conflict-free case management. The multi-year project started in July 2022 and finishes in September 2026, with the Department's portion of the project for its population completed in January 2025. The Executive Office of Health and Human Services manages the contract and reports that the existing case management information from Therap was incorporated in August 2024, and any missing data will be included in January 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Therap Case Management Services. The Department requested \$30,000 from all sources, including \$7,500 from general revenues, for incident reporting services provided by Therap, which the Department reports will be needed on a minimal basis by its quality assurance unit program.

The request also includes \$0.9 million, of which \$0.2 million is from general revenues, for case management services that are not needed, consistent with the revised request. *The Governor recommended funding as requested. The Assembly excluded \$0.9 million, of which \$0.2 million is from general revenues, identified as not necessary. The Department's third quarter report also showed no spending for this purpose.*

Abuse Reporting App and Other Activities. The Department requested \$164,000, including \$82,000 from general revenues, for new activities and expenses to meet consent decree requirements. This includes

\$40,000 for the University of Rhode Island to adapt its Recognize, Report, and Respond, or R3 application, currently in use in Massachusetts, for the state program. The technology allows program beneficiaries and their staff to recognize types of abuse, how to report it, and how to respond to it.

The request also includes \$30,000 for translation services, \$47,000 for training and educational services, \$37,000 for advertising, and \$10,000 for miscellaneous items for other consent decree expenses. The translation services expenses assume 200 documents at an average cost of \$500 for each translation.

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

Staffing and Other Operations. The Department requested \$12.5 million, including \$6.1 million from general revenues, for staffing and all other administrative expenses. This is \$1.3 million less than enacted, of which \$1.1 million is from general revenues, primarily from salary and benefit expenses. The request includes \$11.0 million, of which \$5.3 million is from general revenues, to partially or fully fund 83 of the 85 positions authorized for the Division. This is \$0.1 million more than the revised request, which exceeds FY 2024 spending by \$2.1 million. The changes reflect the updated cost allocation plan and staffing transfers.

The request also includes \$1.5 million, or \$0.2 million more than enacted, for all other operating expenses. This includes \$1.0 million for centralized services and \$0.5 million for property insurance, mileage allowance, staff training, and office expenses.

The Governor added \$1.1 million, including \$0.9 million from general revenues and \$0.2 million from federal funds. He included \$0.9 million, of which \$0.5 million is from general revenues to account for statewide adjustments consistent with his recent labor agreements.

The recommendation also includes an increase of \$0.2 million, including \$0.4 million from general revenues, to account for decentralizing utility billings, increases in those expenses, and adjustments to other centralized services based on anticipated expenses. The Assembly concurred.

Rhode Island Community Living and Supports Program (RICLAS). There are 21 state-run group homes and apartments that provide overnight care and can provide residential services to 116 clients. As of October 2024, there were 98 clients in these facilities. The Department's request includes \$33.3 million for these clients, including \$13.5 million from general revenues, \$18.5 million from federal funds, and \$1.3 million from restricted receipts. The request is \$0.4 million more than enacted, including \$1.1 million less from general revenues, \$1.7 million more from Medicaid funds, and \$0.1 million less from restricted receipts.

The FY 2025 enacted budget included a significant change to account for staffing and related expenses for 24-hour operations that bill Medicaid for a portion of the services delivered. This makes it difficult to track expense categories at the hospital, but to a lesser degree, with the group homes. The request to operate the 24-hour facilities is \$0.9 million more than the revised request. It is \$3.8 million more than spent in FY 2024 and represents an increase in the annual cost per person to \$339,987, or 2.9 percent.

RICLAS	FY 2024 Reported	FY 2025 Enacted	FY 2025 Final	FY 2026 Request	FY 2026 Gov./Enacted	Change to Final
Expenses	\$ 30,957,265	\$ 32,942,386	\$ 34,355,736	\$ 33,318,761	\$ 35,631,423	\$ 1,275,687
Average # of Persons*	102	105	101	98	101	-
Annual Per Person	\$ 303,503	\$ 313,737	\$ 340,156	\$ 339,987	\$ 352,786	\$ 12,631

*FY 2025 enacted, revised and request based on October census

The constrained request includes savings of \$0.3 million from general revenues for overtime. However, the savings may be overstated since the initiative excludes Medicaid savings.

*The Governor recommended \$2.3 million more than requested, of which \$1.2 million is from general revenues, primarily to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The recommendation includes \$0.2 million from general revenues for two positions transferred from the Department of Administration to oversee properties in the state-run system. The recommendation includes \$0.2 million in overtime savings. It also includes \$0.2 million less from general revenues to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. **The Assembly concurred.***

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 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals provides additional services through federal resources, primarily the Substance Abuse, Mental Health and Social Services block grants.

The November 2024 caseload estimate for FY 2026 includes \$725.4 million to provide Medicaid coverage to adults between ages 19 and 64, without dependent children, and with incomes at or below 138 percent of poverty in the Executive Office of Health and Human Services budget. This reflects updated enrollment of approximately 88,000 enrollees. **The Assembly provided \$726.5 million, consistent with the May caseload estimate.**

Substance Use and Mental Health Treatment Services Grants. The Department requested \$10.8 million, or \$5.3 million less than enacted, from federal mental health and substance abuse block grant funds and the remaining enhanced federal resources through recent legislation. This is based on a revised spending plan that spreads funding over multiple years. The revised request includes \$13.1 million from these grants.

The following table shows the federal grants included in the enacted budgets, the FY 2026 request, and the Governor's recommendation.

Block Grant	FY 2026					
	FY 2025 Enacted	Request	Change to Enacted	Gov. Rec./ Enacted	Change to Request	
Substance Abuse	\$ 7.7	\$ 7.1	\$ (0.6)	\$ 7.1	\$ -	
ARP: Substance Abuse	2.7	-	(2.7)	-	-	
CAA: Substance Abuse	-	-	-	-	-	
Mental Health	3.4	3.1	(0.3)	3.1	-	
ARP: Mental Health	2.3	0.6	(1.7)	0.6	-	
CAA: Mental Health	-	-	-	-	-	
Total	\$ 16.0	\$ 10.8	\$ (5.3)	\$ 10.8	\$ -	

\$ in millions

The Department has identified near-term uses of the funds, including its regular annual support for Regional Task Forces, Student Assistance programs, and BH Link, along with enhanced funding to existing programs from time-limited grants. *The Governor recommended funding as requested. **The Assembly concurred.***

Social Services Block Grant - Mental Health Treatment Services. The Department requested the enacted level of \$1.1 million from federal social services block grant funds made available to the state's

grant recipient, the Department of Human Services, which supports mental treatment services. *The Governor recommended funding as requested. The Assembly concurred.*

ARPA - Crisis Intervention Trainings. The Assembly authorized a four-year plan totaling \$2.2 million from State Fiscal Recovery funds to provide training for law enforcement and offer technical assistance for strategies and protocols to respond to increased mental health-related calls to local police departments. Funding was first obligated for FY 2023, which totaled \$550,000, and the final FY 2024 budget assessed the remaining \$1.7 million that must be obligated by December 31, 2024, and spent by December 31, 2026. The Department's revised and FY 2026 requests do not include any funding, consistent with the enacted budget.

According to the Pandemic Recovery Office's report for expenses through October 2024, the Department has paid \$0.7 million to Thundermist to coordinate and conduct the training. This appears to leave \$1.5 million in unobligated spending. Any unspent funds are automatically reappropriated to the next fiscal year. *The Governor recommended the remaining balance in his FY 2025 revised recommendation. The Assembly concurred.*

988 Hotline. The Department requested \$6.8 million from all sources, or \$3.5 million more than enacted for the 988 hotline for FY 2026. The hotline is operated by Horizon Health Partners, which provides staffing and operations to meet federal requirements. The request includes \$1.9 million from State Fiscal Recovery funds, \$2.9 million from federal funds, and \$2.0 million from general revenues. The general revenues are requested for a new commitment made before the FY 2025 budget was adopted. It is not clear what other sources are available given the lack of state appropriation.

The Department's request for \$2.0 million from general revenues for information technology services was included in a request for proposals issued in April 2024. The tentative award, assumed to be made in December 2024, with the start date of either February or March 2025, has not been finalized. The technology will integrate the dispatch of adult and children's mobile crisis outreach teams into the 988 hotline. The request includes integrated modules to manage closed-loop treatment referrals, waitlist management, a bed and outpatient appointment availability module, and interoperability with the state's data collection and reporting system, known as BHOLD.

The Assembly provided \$3.5 million from State Fiscal Recovery funds in FY 2023 and FY 2024 and added \$1.9 million for FY 2025, for total funding of \$5.4 million. The Department's FY 2026 request, consistent with the revised request, includes the enacted amount of \$1.9 million for a total of \$5.6 million, or \$0.2 million more than appropriated.

The Department requested \$2.9 million, or \$1.4 million more than enacted, from four federal grant awards to support services. This includes expanding services provided by the Lifeline Center and providing mental health services on the scene of a traumatic event, especially for those with complex issues.

The request also includes \$1.9 million from Transformation Transfer Initiative funds, or \$1.7 million more than enacted, primarily for contracted services that have not yet been determined. The funds have been used to purchase dispatch software for the 988 call center.

The following table shows prior year expenses, the Department's request, and the Governor's recommendations and enacted budgets.

988 Hotline	FY 2023 Spent	FY 2024 Spent	FY 2025 Enacted	FY 2025 Final	FY 2026 Request	FY 2026 Gov. Rec.	FY 2026 Enacted
ARPA	\$ 0.2	\$ 1.6	\$ 1.9	\$ 1.7	\$ 1.9	\$ -	1.8
988 Connect to Care	-	0.0	0.9	0.5	0.6	0.6	0.6
Transformation Transfer Initiative Federal Funds	-	0.4	0.2	0.1	1.9	0.4	0.4
Bipartisan Safer Community Act Funds	0.1	0.2	0.4	0.2	0.4	0.4	0.4
General Revenues	-	-	-	-	2.0	-	-
Total	\$ 0.3	\$ 2.2	\$ 3.3	\$ 2.5	\$ 6.8	\$ 1.4	\$ 3.2

\$ in millions

The constrained request reduces expenses by \$3.5 million, of which \$2.0 million is from general revenues and the remainder from the Transformation Transfer Initiative grant. *The Governor recommended \$1.4 million from federal funds, which is \$5.4 million less than requested, based on an updated spending plan. He did not include the request for new general revenues and State Fiscal Recovery funds. The Assembly shifted \$1.8 million from FY 2025 to FY 2026, reflecting the Department's third quarter reported spending.*

Opioid Funds. The Department requested \$5.1 million from opioid funds to support recovery housing and medication assistance treatment. This is \$1.2 million less than enacted, including \$0.9 million in abatement funds and \$0.3 million from stewardship funds to reflect an updated spending plan. Funding supports \$2.3 million to Coastline for investments in school and community-based mental health services, \$1.6 million for recovery housing and supports, \$0.8 million for medical services, \$0.5 million for basic needs, and \$0.4 million for temporary contracted employment services. The request also includes \$0.5 million for the seven regional substance abuse prevention task forces.

The Assembly required an annual January 1 report to the Speaker of the House of Representatives, the President of the Senate, and the Attorney General on how the opioid abatement funds were spent. The report from December 2024 shows spending and allocated funding of \$33.1 million from expenses totaling \$14.6 million for FY 2023 and FY 2024 and \$18.5 million for FY 2025. This includes \$3.1 million for program administration and \$1.1 million to expand data surveillance capacity and accelerate data collection and reporting on overdoses and fatalities. *The Governor recommended total funding as requested but reduced the allocation to the regional substance abuse task forces by \$50,000 to provide \$450,000. The recommendation also includes \$100,000 for contracted administrative services. The Assembly concurred.*

Substance Abuse Prevention/Student Assistance. The Department requested \$1.2 million from general revenues for student assistance and prevention programs currently provided by Coastline in anticipation of reduced statewide opioid funds starting in FY 2026. The Opioid Settlement Funded Project Annual Report, submitted in December, showed spending on investments in school-based mental health of \$0.3 million for FY 2023, \$1.4 million for FY 2024, and \$1.2 million for FY 2025. It should be noted that the Department also funds this program from its mental health block grant.

The constrained request excludes the funds. *The Governor did not recommend the request. The Assembly concurred.*

State Opioid Response Grant. The Department requested \$10.6 million from federal State Opioid Response Grant funds, which is \$3.9 million more than enacted, to reflect updated grant awards. Funding includes \$1.6 million for recovery housing, \$1.1 million to Coastline for student assistance programs, \$0.8 million to CODAC for a mobile van and the Hope Initiative, \$0.6 million for recovery community centers, \$0.2 million for residential care and emergency respite services, \$0.3 million for the Enhanced Teen

Institute, \$0.2 million for the Imani Community Recovery Program, and \$3.4 million that has not yet been determined. The request also includes \$0.3 million for a media campaign. *The Governor recommended funding as requested. The Assembly concurred.*

Partnership for Success Grant. The Department requested \$1.0 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 of and reducing the progression of substance abuse, including childhood and underage drinking, reducing substance abuse-related problems in communities, and building prevention capacity and infrastructure at the state and community levels. The request is \$0.4 million less than enacted for activities and \$0.2 million more for contracted evaluation services. *The Governor recommended funding as requested. The Assembly concurred.*

Drug Court Support Project Grant. The Department recently received a five-year \$2.0 million federal grant for the Drug Court Support Project. This project aims to increase the availability of screening, treatment, and recovery services to a minimum of 40 adults referred by adult or family drug courts through coordinated efforts. The revised request includes \$150,000, and \$344,106 is requested for FY 2026. The grant ends in September 2029. *The Governor recommended funding as requested. The Assembly concurred.*

Homelessness Services. The Department included \$1.0 million, or \$0.1 million more than enacted, from federal funds for outreach to those who are homeless or at risk, along with assessments and connections to appropriate treatment. *The Governor recommended funding as requested. The Assembly concurred.*

Recovery Housing. The Department received \$1.0 million from federal funds through the Department of Housing and Urban Development to provide stable, temporary housing for 24 months to low-income individuals with substance use disorders. The program is coordinated with the state's Department of Housing, which is the agency spending the funds. The four-year \$1.0 million grant was first awarded in 2021 and is set to expire in FY 2025. The request excludes the enacted amount of \$0.1 million. *The Governor recommended funding as requested. The Assembly concurred.*

Rhode Island Healthy Transitions. The Department requested \$0.5 million less than enacted to reflect the expiration of the federal Healthy Transitions grant. The grant offered access to clinicians, a case manager, a nurse, a psychiatrist, a substance abuse specialist, and an employment education specialist to assist individuals with meeting goals for improving mental health and making successful transitions to adulthood. The Providence Center and Newport Mental Health Center operated the program. *The Governor recommended funding as requested. The Assembly concurred.*

Youth Vaping Abatement. The Department requested \$50,000 from general revenues to support youth vaping abatement activities, including prevention programming and retailer enforcement training. This is consistent with the enacted budget. *The Governor recommended funding as requested. The Assembly concurred.*

Residential Capacity Expansion. The Department requested \$125,000 from asset forfeiture funds to expand access to substance abuse residential treatment services by increasing capacity, consistent with the revised request. This is \$200,000 less than enacted, which appears to spread available funding over FY 2025 and FY 2026. The Department recently completed a project that increased capacity from 16 beds to 28 beds at MAP Behavioral Health Services and constructed 10 new beds by converting office space at Galilee Mission. The next phase may include increasing capacity for enhanced mental health psychiatric rehabilitation residences. *The Governor recommended funding as requested. The Assembly concurred.*

Certified Community Behavioral Health Clinics (1.0 FTE). The Department requested \$131,970 from general revenues for one new position to support its responsibilities related to the Certified Community

Behavioral Health Clinics program in coordination with the Executive Office of Health and Human Services. The position supports the Department's responsibilities for ongoing compliance and monitoring of the certification standards, verifying documentation and audit findings, as well as compliance reporting, provider relations, inter-agency team meetings, and reviewing program standards.

The constrained request excludes the funding and position. *The Governor recommended \$0.3 million, including \$0.2 million from general revenues, for contracted services to replace State Fiscal Recovery funds included in the Executive Office of Health and Human Services' budget that funded this expense. The Assembly did not concur with the contracted position. During FY 2025, the Department converted a vacant position to fill this role.*

Other Staffing and Operations. The Department requested \$10.2 million, including \$4.3 million from general revenues, for all other staffing and operations of the Division. This is \$0.2 million more than enacted and \$0.3 million more from general revenues. Salaries and benefits are \$8.3 million, including \$3.5 million from general revenues, which is \$0.1 million less than enacted, including \$0.4 million more from general revenues, which appears to be based on the updated cost allocation plan and personnel changes between the divisions. The request includes 56.1 full-time equivalent positions or 10.1 more than included in the enacted budget. The request leaves approximately four positions vacant.

Other operations are \$1.9 million from all sources, including \$0.8 million from general revenues, or \$0.2 million more than enacted, mostly from general revenues. The request includes \$0.7 million for centralized services charged to the Division, and shifts \$0.2 million from general revenue to federal funds. The request includes \$0.6 million, or \$0.1 million more than enacted, for various administrative expenses and \$0.6 million, or \$0.2 million more than enacted, for adjustments to all other federal grants.

The Governor recommended \$0.9 million more than requested, including \$0.4 million from general revenues and \$0.5 million from federal funds. He added \$0.6 million, of which \$0.2 million is from general revenues to account for statewide adjustments consistent with his recent labor agreements. He also recommended an increase of \$0.1 million from general revenues to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. The Assembly concurred.

Eleanor Slater Hospital

Hospital Operations. The Department requested \$109.9 million from all sources, including \$53.8 million from general revenues, \$54.0 million from federal funds, and \$2.2 million from restricted receipts for hospital expenses at the Cranston campus and Zambarano unit in Burrillville. The request is \$0.9 million less than enacted and \$0.7 million more from general revenues and excludes Rhode Island Capital Plan funds. It also includes an increase in staffing from 607.0 to 629.4 full-time-equivalent positions, or 22.4 more than currently authorized for the updated cost allocation plan and reorganization of the divisions.

As part of the newest reorganization plan, the request includes shifting \$1.3 million from general revenues for the forensic outpatient clinic that operates out of the Regan Building and is staffed by Eleanor Slater Hospital personnel to the Central Management Division. The Department reports the reason for the separation is that the clinic is not part of hospital operations; it is discussed separately.

The enacted budget assumes that 136 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.

The Governor recommended \$120.0 million, or \$10.5 million more than requested, including \$5.1 million from general revenues to account for statewide adjustments consistent with his recent labor agreements

and for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. The Governor also included savings of \$156,000 from eliminating contracted services that assisted with the Medicaid billings issue. The issue has been resolved, and the services are no longer needed. The average annual cost per patient, assuming 160 patients, is \$749,211.

The Assembly concurred with total funding but increased third-party billings by \$1.6 million to reflect collection levels included in the Department’s FY 2025 third quarter report. There is an offsetting reduction to general revenues.

Medicaid Billings	FY 2025 Enacted	FY 2025 Rev. Req.*	FY 2025 Gov. Rev./Final	FY 2026 Request	FY 2026 Governor/Enacted
Patients	136	136	136	136	142
Daily Rate	\$ 1,732	\$ 1,900	\$ 2,120	\$ 1,932	\$ 1,932
Total	\$99,475,155	\$ 101,565,474	\$ 105,217,715	\$ 103,282,224	\$ 112,786,285
Medicaid	\$53,087,056	\$ 53,809,158	\$ 55,287,566	\$ 55,287,566	\$ 61,515,889

**Fiscal staff assumptions based on Medicaid funding included in the enacted budget and Department requests*

Sources. The enacted budget includes \$4.5 million from anticipated Medicare Part D payments and other third-party payments consistent with the Department’s request and Governor’s recommendation. The request includes \$2.2 million, or \$2.4 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 through FY 2024. It is unclear why these funds were not included in the request. This request appears to assume \$1.2 million more from federal Medicaid billing to offset the reductions in other sources.

The constrained request adds \$0.8 million from restricted receipts for a similar amount of general revenue savings. *The Governor recommended funding as requested.* **The Assembly increased third-party billing by \$1.6 million to reflect collection levels reported in the Department’s third-quarter projections for FY 2025.**

Uses. The Department requested \$1.2 million more than enacted, including \$2.6 million from general revenues, for hospital operations. The enacted budget made significant changes to how the budget accounts 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. *The Governor recommended \$10.5 million more than requested, including \$5.1 million more from general revenues, primarily to account for statewide adjustments consistent with his recent labor agreements and decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses.* **The Assembly concurred with the exception of recognizing additional third-party collections in lieu of general revenues.**

Hospital License Fee. The Department requested the enacted amount of \$4.0 million from all sources to pay the license fee set at 5.25 percent of 2023 hospital revenues. *Section 1 of Article 8 of 2025-H 5076, extends the FY 2026 hospital license fee for Eleanor Slater Hospital at a 5.25 percent rate based on 2023 revenues for collections totaling \$4.0 million.* **The Assembly concurred.**

Security Services. The request includes \$0.8 million more than enacted from general revenues for updated security services at Eleanor Slater Hospital for total funding of \$2.4 million. It should be noted that the expenses for FY 2024 covered the Adolf Meyer and Regan buildings until March 2024, when patients were consolidated into Adolf Meyer to allow construction on the Regan building. As of the October census, there are 70 patients at the Adolf Meyer Building, and Regan will be empty until the fall of 2026 or FY 2027.

The constrained request includes specific proposals, and each is discussed separately. *The Governor recommended the proposals requested.* **The Assembly concurred with total funding as recommended but shifted \$1.3 million in expenses from general revenues to restricted receipts available from increased third party billings.**

Patient Days. The Department's request assumes savings of \$2.4 million from general revenues by shifting expenses to Medicaid funds to be achieved by increasing the hospital's daily census. This assumes no marginal cost increases for the new patients. Through its hospital cost reports to Medicaid, the Department is reimbursed based on the services provided to its Medicaid-eligible patients. The request assumes that the current staff would provide direct care services to an increased census, allowing the state to realize additional Medicaid funds offsetting state costs. *The Governor assumed the savings.* **The Assembly concurred.**

Overtime. The Department requested savings of \$475,000 from general revenues from reducing overtime hospital expenses by ten percent. The constrained budget includes overtime total savings of \$1.2 million across the three 24-hour operations. *The Governor assumed savings of \$0.4 million, of which \$0.2 million is from general revenues.* **The Assembly concurred.**

Medicare Receipts. The Department included savings of \$75,000 from general revenues from re-enrolling physicians in Medicare so they can start to bill again for appropriate services. The Department minimally bills Medicare for compliance purposes. A portion of physicians are certified to bill for Medicare while others are not but are in the process of receiving it. The Department reports that the billings will increase after the doctors are trained and the encounter forms are revised. It is unclear why it is not standard operating procedure to ensure all physicians are enrolled. *The Governor recommended savings as requested.* **The Assembly increased collections by \$1.6 million to reflect the Department's FY 2025 experience of increased eligible patients, and allowable census days.**

Rhode Island State Psychiatric Facility

Hospital Operations. The Rhode Island State Psychiatric Facility is a 53-bed facility funded entirely from general revenues. The Department requested \$34.9 million or \$1.4 million more than the enacted budget. Consistent with the revised request, the request increases the staffing authorization from 132.4 to 135.4 full-time equivalent positions. Some of this may be related to the reorganization of the divisions, but no crosswalk has been provided to explain. The annual cost for each patient would be \$658,126; the enacted budget assumes an annual cost of \$632,065. *The Governor's recommendation assumes an annual cost per-patient of \$633,727 for total funding of \$33.6 million.* **The Assembly concurred.**

Staffing and Other Medical Services. The Department requested \$22.8 million from general revenues for salaries and benefits and additional contracted medical services. This is \$2.0 million more than enacted for staffing and \$1.3 million less for medical services. The requested staffing authorization is for 135.4 full-time equivalent positions, which is 3.0 more than enacted and consistent with the revised request. The staffing request reflects updated staffing expenses based on the reorganization and assumes keeping 14 positions vacant. As of mid-November, there are 114.4 positions filled. A decrease in contracted medical services expenses offsets the increase in staffing expenses. The constrained request reduces overtime by \$0.5 million. *The Governor added \$1.4 million to account for statewide adjustments consistent with his recent labor agreements and included the overtime savings.* **The Assembly concurred.**

Security Services. As described earlier in this analysis, the Department requested \$3.0 million from general revenues for security services, which is \$0.1 million less than the revised request and \$1.0 million more than the enacted budget. It is \$0.6 million less than FY 2024 expenses, reflecting savings from a new contract. The Division reports an average of 25 guards daily to cover three shifts based on patient needs.

The constrained request reduces expenses by \$256,000. *The Governor recommended the constrained savings.* **The Assembly concurred.**

Pharmacy Expenses. The Department requested \$1.2 million from general revenues for projected pharmacy expenses, consistent with the enacted budget, and \$0.3 million more than FY 2024 expenses.

The constrained request lowers expenses by \$0.3 million from all sources, which aligns with FY 2024 expenses. This includes \$0.1 million from restricted receipts, assuming it can bill Medicare Part D for some of its costs, offsetting general revenue expenses. It is unclear why this is not regular practice.

The Governor recommended funding consistent with the constrained request and includes Section 4 of Article 2 of 2025-H 5076 to create the restricted receipt account and exempt it from the indirect cost recovery assessment. **The Assembly concurred.**

Hospital Shared Expenses. The Department requested \$4.2 million from general revenues for food and laundry services provided by Eleanor Slater Hospital staff to the state hospital, and expenses are billed back. This is \$1.2 million more than the revised request, and appears to be overfunded.

The constrained request reduces expenses by \$1.2 million to be consistent with the revised request based on updated projections. *The Governor's recommendation also includes the reduction consistent with the revised request.* **The Assembly concurred.**

Centralized Services. The Department requested \$2.5 million from general revenues for centralized services, which is \$11,327 more than enacted. This includes \$1.6 million for facilities management, \$0.7 million for human resources, and \$0.2 million for information technology services.

The Governor recommended \$0.7 million less than requested to account for changes to decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. **The Assembly concurred.**

Other Operating Expenses. The Department requested \$0.3 million less than enacted from general revenues for a total of \$1.8 million for all other expenses. This includes \$1.1 million for janitorial and medical supplies, \$0.2 million for maintenance expenses, \$0.1 million for contracted information technology and temporary contracted services, and \$0.4 million for office and other expenses. The reductions include \$0.1 million each for medical supplies, staff training, and all remaining expenses.

The constrained budget includes savings of \$0.2 million from general revenues from reductions to medical supplies and advertising expenses. *The Governor recommended the constrained request.* **The Assembly concurred.**

Central Management and Other Programs

Forensic Outpatient Clinic. The Department requested \$2.1 million from general revenues for the forensic outpatient clinic located at the Cranston campus of Eleanor Slater Hospital. This is \$0.2 million more than enacted, including \$0.1 million for additional examinations. Funding supports four positions, contracted medical services, and operating expenses.

The Department reported that it is statutorily required to perform examinations ordered by the Judiciary. It also provides follow-up services through the clinic, operated under a hospital's license. The Department reported that it is in the process of granting the clinic a separate license as a behavioral health organization. This may allow the clinic to claim Medicaid for some services, offsetting state-only expenses.

The constrained request excludes \$0.1 million for the examinations. *The Governor recommended funding consistent with the constrained request; he did not include funding for the additional examinations. The Assembly concurred.*

Staffing and Operations. The Department requested \$7.3 million from all sources, including \$5.1 million from general revenues, \$1.8 million from Medicaid, and \$0.3 million from restricted receipts for all other administration and support operations in the Central Management division. This is \$1.2 million more from all sources, including \$0.9 million from general revenues and \$0.1 million each from federal funds and indirect cost recovery restricted receipts. As noted previously, the request eliminates the separate Hospital and Community System Support division and allocates those expenses among the remaining divisions, including Central Management, which has 68.0 more positions. Additionally, there are typically changes to cost allocation that further complicate comparisons to budgeted amounts or prior spending. For example, the \$3.2 million increase in staffing expenses in Central Management far exceeds the \$1.4 million in staffing costs budgeted for the now-defunct division that shifted elsewhere. The Department had not provided a useful crosswalk identifying where expenses were shifted and why costs increased overall.

All other operating expenses total \$1.2 million, or \$22,043 less than enacted, and include \$0.1 million from restricted receipts shifted from the Hospital and Community System Support division to maintain the group homes and \$0.2 million for security services. The request includes \$0.5 million for centralized services, \$0.2 million for contracted services, and \$0.2 million for new computers and other office expenses. The centralized services request is \$0.4 million less than enacted.

The constrained request includes general revenue savings of \$0.9 million from shifting expenses to indirect cost recovery restricted receipts. This includes \$0.3 million from applying a 15.0 percent indirect rate on the new State Opioid Response Grant, which has been approved. It also assumes the Department will be approved for a 32.5 percent indirect cost recovery rate on certain Medicaid-related expenses. The Department applied for the rate in June 2024, requesting to charge indirect expenses for administrative activities, but not as directly as related eligibility determination; indirect expenses include costs such as financial management. The request assumes general revenue savings of \$0.7 million from this new rate.

Consistent with his revised budget, the Governor recommended the proposed savings of \$0.9 million from general revenues; one application remains unapproved. He also recommended \$2.0 million more than requested, including \$1.8 million more from general revenues. He added \$0.6 million, including \$0.5 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements. He added \$1.4 million to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. These expenses applied to central management are offset by other divisions that show decreases. The Assembly concurred.

Office of the Child Advocate

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 1,736,377	\$ 1,597,971	\$ 2,059,493	\$ 2,059,493
Contracted Services	2,700	3,000	3,000	3,000
Subtotal	\$ 1,739,077	\$ 1,600,971	\$ 2,062,493	\$ 2,062,493
Other State Operations	150,349	160,769	200,120	200,120
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	2,000	2,000	2,000	2,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,891,426	\$ 1,763,740	\$ 2,264,613	\$ 2,264,613
Sources of Funds				
General Revenue	\$ 1,891,426	\$ 1,763,740	\$ 2,264,613	\$ 2,264,613
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,891,426	\$ 1,763,740	\$ 2,264,613	\$ 2,264,613
FTE Authorization	13.0	13.0	13.0	13.0

Summary. The Office of the Child Advocate requested \$3.5 million from general revenues, which is \$1.6 million more than enacted. The request includes 25.0 full-time equivalent positions, 12.0 more than included in the enacted budget, which includes a transfer of the Education Advocate Program from Rhode Island College. *The Governor recommended \$2.3 million from general revenues and staffing consistent with the enacted authorization. This is \$0.4 million than enacted and \$1.2 million less than requested.* **The Assembly concurred.**

Constrained Budget. The Budget Office provided a general revenue target of \$1.9 million. The amount includes current service adjustments of \$180,399 and a 7.5 percent target reduction, adjusted for certain exclusions, of \$147,940. The constrained budget submitted by the agency is \$0.1 million below the target. The proposals to achieve the reduction are noted below where appropriate. *The Governor's budget is \$0.3 million more than the target.* **The Assembly concurred.**

Education Advocate Transfer (11.0 FTE). The Office requested \$1.2 million from general revenues and 11.0 new full-time equivalent positions to transfer the Education Advocate Program from the Sherlock Center at Rhode Island College to the Office of the Child Advocate. Education advocates are responsible for making education decisions for youth in the state's care whose parents cannot act on their behalf. The request includes transferring ten staff and adding a new attorney position to support the program's work. Funding is requested at \$1.0 million for salaries and benefits and \$0.1 million for operating costs associated with the transfer.

The Education Advocate Program contract is funded primarily through the Individuals with Disabilities Education Act Part B and Preschool federal funds distributed through the Rhode Island Department of

Elementary and Secondary Education. The Office clarified that it is requesting the transfer of this contract and that the general revenue request would only be approximately \$250,000 if that were to happen. This includes the new attorney position, one-time expenses to purchase furniture to accommodate the move, and the indirect cost to Rhode Island College outlined in the contract.

The Office formerly held the education advocate contract from 1994 to 2003, when it was transferred to Rhode Island College. During the 2022 legislative session, the Child Advocate unsuccessfully requested the transfer of the program back to the Office and testified that it was better suited to advocate for the educational needs of these youth because of its access to records and in-house legal staff. This was not authorized.

This initiative is excluded from the constrained request. *The Governor did not recommend the proposal.* **The Assembly concurred.**

Policy Staff Expansion and Upgrade (1.0 FTE). The Office's budget request adds \$258,298 for a new Public Education and Information Coordinator and to upgrade its current coordinator position to a supervisor position. The Office subsequently noted it intended to request only \$123,838. The corrected amount includes \$12,785 to upgrade the current position, \$107,243 to add a second policy position, and \$3,850 for associated operating costs, including a new computer and supplies. The Office indicated that its focus on policy and public information has increased, and this request will allow it to retain experienced staff and meet the growing need of its work.

This position and upgrade are excluded from the constrained request. *The Governor did not recommend funding.* **The Assembly concurred.**

Other Salaries and Benefits. The Office requested \$1.9 million from general revenues to fully fund its 13.0 authorized full-time equivalent positions. The request is \$166,099 more than enacted, largely consistent with the Budget Office's current service estimates, which include the annual cost of 3.0 positions added by the 2024 Assembly. The enacted budget included funding that assumed a September hire date for these positions. Two of those three positions have been filled: a staff attorney who started in late October and an investigator who began in early November. As of early November, the Office has 2.0 positions vacant.

The Office included savings of \$240,518 in its constrained request, which would be achieved by eliminating the Child Advocate position or 2.0 other positions in the Office. *The Governor added \$157,017 from general revenues to account for statewide adjustments consistent with his recent labor agreements, which will fully fund staffing for FY 2026. As of early January, the Office had 2.0 vacancies.* **The Assembly concurred.**

Other Expenses. The Office requested \$161,849 from general revenues for all other expenses, which is \$6,800 more than enacted. Similar to its revised request, it included \$27,100, or \$6,000 more than enacted, for monitoring youth, including those placed at an out-of-state facility. The Office is statutorily required to provide oversight for the youth in out-of-state facilities, and the use of those placements has grown. Spending in FY 2024 was only \$1,263, but the Office indicated that the additional staffing provided by the 2024 Assembly will allow for increased activity. Other increases include \$300 for interpreters and \$500 for office supplies.

The Governor recommended \$43,271 more than requested. The recommendation includes an increase of \$48,671 primarily to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. It also includes \$5,400 less than requested for placement monitoring based on prior year spending. **The Assembly concurred.**

Commission on the Deaf and Hard of Hearing

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 564,420	\$ 493,812	\$ 617,983	\$ 617,983
Contracted Services	201,200	201,200	202,200	202,200
Subtotal	\$ 765,620	\$ 695,012	\$ 820,183	\$ 820,183
Other State Operations	148,564	109,497	108,971	108,971
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 914,184	\$ 804,509	\$ 929,154	\$ 929,154
Sources of Funds				
General Revenue	\$ 782,651	\$ 662,680	\$ 786,233	\$ 786,233
Federal Aid	-	-	-	-
Restricted Receipts	131,533	141,829	142,921	142,921
Other	-	-	-	-
Total	\$ 914,184	\$ 804,509	\$ 929,154	\$ 929,154
FTE Authorization	4.0	4.0	4.0	4.0

Summary. The Commission on the Deaf and Hard of Hearing requested expenses of \$1.0 million for FY 2026 and the authorized level of 4.0 full-time equivalent positions. This is \$49,624 more than enacted, including increases of \$31,871 from general revenues and \$17,753 from restricted receipts. *The Governor recommended \$929,154 from all sources, which is \$34,654 less than requested, including \$28,289 less from general revenues. The recommendation includes staffing consistent with the enacted budget.* **The Assembly concurred.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Commission, this produced a general revenue target of \$0.7 million, including a current service adjustment of \$8,070 and a 7.5 percent reduction of \$50,815, adjusted for certain exclusions. The constrained budget submitted by the agency is \$23,801 more than the target; the Commission reported this was inadvertent, and it had intended to meet the Budget Office target. The proposals to achieve the reductions are noted among the items described below where appropriate. *The recommendation is \$46,327 above the target.* **The Assembly concurred.**

Salaries and Benefits. The Commission requested salary and benefit expenses of \$0.6 million from general revenues for its authorized 4.0 full-time equivalent positions. This is \$9,624 more than enacted from all sources, including \$31,871 from general revenues, which is \$23,801 more than the current services estimate. Consistent with the revised request, it inadvertently allocated the 10.0 percent from restricted receipts to general revenues for partial funding for the director of operations for the management and oversight of the Emergency and Public Communication Access Program. Consistent with the enacted budget, it did not assume any turnover savings; however, one position has been vacant for several months. The Commission has initiated the process for filling it. *The Governor recommended \$43,939 more from*

*all sources than requested, including \$7,071 more from general revenues to account for statewide adjustments consistent with his recent labor agreements, and to properly reflect costs allocated to restricted receipts. **The Assembly concurred.***

Computer Aided Real Time Translation and Interpreter Services. The Commission requested \$0.2 million from all sources for computer aided real time translation and interpreter referral services. This includes \$0.1 million each from general revenues and restricted receipts that are derived from an annual \$100,000 transfer from the \$0.09 Dual Party Phone Relay surcharge on all landlines. The Commission is statutorily mandated to provide interpreter services to support communication access. The request is \$41,000 more than enacted, including \$1,000 more from general revenues for interpreter services. The Commission noted that it has noticed an increase in demand for interpreter services in private settings, such as healthcare and legal services. The additional funds would allow it to coordinate more services to ensure access to communication support, regardless of job type.

The constrained budget reduces these expenses by \$90,815, including \$50,815 from general revenues. *The Governor concurred with adding \$1,000 from general revenues only for interpreter services. **The Assembly concurred.***

Other Expenses. The Commission requested \$147,564 from all sources, which is \$1,000 less from general revenues for all other expenses. Consistent with the revised request, it included the enacted amount of \$122,480 for centralized information technology services provided by the Department of Administration. Expenses through the first quarter for FY 2025 total \$18,146 and annualized, they would be \$73,345. *The Governor concurred with the requested reduction and further reduced centralized services expenses by \$38,593, including \$35,360 from general revenues based on anticipated expenses. **The Assembly concurred.***

Governor's Commission on Disabilities

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 555,547	\$ 616,319	\$ 662,720	\$ 662,720
Contracted Services	148,662	150,823	154,275	154,275
Subtotal	\$ 704,209	\$ 767,142	\$ 816,995	\$ 816,995
Other State Operations	93,376	103,471	101,756	101,756
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,136,831	1,948,908	1,136,379	886,379
Capital	2,515	912	912	912
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,936,931	\$ 2,820,433	\$ 2,056,042	\$ 1,806,042
Sources of Funds				
General Revenue	\$ 1,530,392	\$ 2,331,664	\$ 1,610,527	\$ 1,386,032
Federal Aid	340,000	421,579	340,067	340,067
Restricted Receipts	66,539	67,190	105,448	79,943
Other	-	-	-	-
Total	\$ 1,936,931	\$ 2,820,433	\$ 2,056,042	\$ 1,806,042
FTE Authorization	5.0	5.0	5.0	5.0

Summary. The Governor's Commission on Disabilities requested expenses of \$2.1 million from all sources and the authorized level of 5.0 full-time equivalent positions. This is \$132,113 more than enacted, all but \$2,652 is from general revenues. *The Governor recommended \$2.1 million from all sources, including \$1.6 million from general revenues and the authorized level of staffing. This is \$13,002 less than requested, including \$49,326 less from general revenues.* **The Assembly provided \$1.8 million from all sources, \$250,000 less than recommended for the Livable Home Modification Grant Program.**

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 \$1.4 million, including a current service adjustment of \$5,204 and a 7.5 percent reduction of \$111,349, adjusted for certain exclusions. The constrained budget submitted by the agency exceeds the target level by \$54,257. The proposals to achieve the reductions are noted among the items described below where appropriate. *The recommendation is \$186,280 above the target.* **The enacted budget is \$38,215 below the target.**

Salaries and Benefits. The Commission requested \$0.6 million from general revenues for salary and benefit expenses for its authorized 5.0 full-time equivalent positions. This is \$59,461 more than enacted, primarily to account for step increases and benefits, consistent with FY 2026 planning values. It inadvertently retained \$1,424 for holiday pay. *The Governor recommends \$47,712 more than requested to account for statewide adjustments consistent with his recent labor agreements, and correct for holiday pay.* **The Assembly concurred.**

Livable Home Modification Grant Program. The Commission requested the enacted amount of \$765,304 from general revenues for the Livable Home Modification Grant Program, which is administered in consultation with the Executive Office of Health and Human Services. The program provides 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. The Commission is considering a regulatory change to increase the grant amount to \$5,000.

The 2022 Assembly provided a total of \$1.0 million, with \$0.5 million intended to be one-time to address a surge in applications. The FY 2024 budget lowered expenses by only \$250,000. The following table shows recent grant activity, as reported by the Commission. Expenses averaged \$0.5 million annually.

Fiscal Year	Amount Awarded	Total # of Grants Paid	Average Payment
2022	\$459,038	178	\$ 2,579
2023	\$502,292	182	\$ 2,760
2024	\$645,294	221	\$ 2,920

The constrained budget includes general revenue savings of \$5,460 for contracted staff expenses associated with processing applications for the program. *The Governor recommended funding essentially as enacted. The Assembly provided \$515,278, or \$250,000 less than recommended, to reflect current service needs and experience.*

Outreach Services. The Commission requested \$105,610 from all sources for outreach services. This is \$70,000 more than enacted from general revenues. The request includes \$93,798 to community-based organizations that are located in underserved communities to publicize services and programs that are available to individuals who are having accessibility issues. It also includes the enacted amount of \$11,812 for a contracted public education coordinator to work with the organizations to provide training and technical assistance. The Commission noted that this approach will ensure that the grants have the maximum impact. The constrained request maintains funding at the enacted level. *The Governor recommended funding consistent with the enacted budget. The Assembly concurred.*

School Construction Design Plans Review. The Commission requested \$77,915 from all sources, including \$55,000 from general revenues and \$22,915 from restricted receipts to review school construction design plans to ensure compliance with Americans with Disabilities Act requirements. This is \$5,000 more from general revenues than enacted and \$3,000 more than included in the revised request for FY 2025.

The Commission indicated that it had difficulties in obtaining and retaining a contracted employee to do the work. Its FY 2024 revised request converted a full-time school construction design plan review specialist to a part-time building official position. The position was filled; however, it subsequently became vacant. The constrained budget excludes the enacted amount of \$50,000 from general revenues. *The Governor concurred with the requested expenses. The Assembly concurred.*

Centralized Services. Consistent with the revised request, the Commission requested \$49,039 from all sources, \$4,402 less from general revenues than enacted for centralized services provided by the Department of Administration. It includes \$11,000 for human resources and \$38,039 for information technology support. Through the first quarter, expenses total \$13,105 and annualized, they would be \$53,689; it is \$4,650 less than projected for FY 2025 and \$1,402 less than FY 2024 spending. *The Governor recommended \$11,821 more from general revenues than requested, based on anticipated expenses. The Assembly concurred.*

Statewide Independent Living Program. The request includes \$376,650 from all sources, essentially as enacted for the Statewide Independent Living Program. This includes \$36,583 from general revenues, and \$340,067 from federal funds, or \$67 more than enacted. Of the requested amount, \$370,000 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 2025 through FY 2027 and outlines the scope of services to be provided by the Centers for Independent Living, as well as the goals for expanding independent living.

*The Governor concurred and included general revenue savings of \$38,258 to be achieved from applying a 15.0 percent indirect cost recovery on the federal grant. The Commission later noted that federal regulations exempt this grant from the indirect cost surcharge and limit the administrative cost to 5.0 percent. The Governor subsequently requested an amendment to limit the application to the lower amount but retained the general revenue savings assuming it would be achieved within the existing budget. **The Assembly concurred with the compliance fix but restored \$25,505 of general revenue savings.***

Other Expenses. The Commission's request includes \$85,776 from all sources for all remaining expenses. This is \$1,987 more than enacted, including \$598 less from general revenues. It includes the enacted amount of \$25,760 for the Mary Brennan Fellowship Program. Consistent with the revised request, it inadvertently includes \$1,934 from other funds to support the Grants Management Office. *The Governor recommended \$2,509 less from all sources than requested, primarily to correct for grants management expenses. **The Assembly concurred.***

Office of the Mental Health Advocate

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 889,378	\$ 639,798	\$ 945,777	\$ 945,777
Contracted Services	2,700	2,700	2,700	2,700
Subtotal	\$ 892,078	\$ 642,498	\$ 948,477	\$ 948,477
Other State Operations	88,530	87,175	167,687	167,687
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	\$ 981,608	\$ 730,673	\$ 1,117,164	\$ 1,117,164
Sources of Funds				
General Revenue	\$ 981,608	\$ 730,673	\$ 1,117,164	\$ 1,117,164
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 981,608	\$ 730,673	\$ 1,117,164	\$ 1,117,164
FTE Authorization	6.0	6.0	6.0	6.0

Summary. The Office of the Mental Health Advocate requested \$987,753 from general revenues, \$6,145 more than enacted, to support its operations and the 6.0 positions authorized in the enacted budget. *The Governor included \$1.1 million from general revenues, or \$0.1 million more than enacted.* **The Assembly concurred.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Office of the Mental Health Advocate, this produced a general revenue target of \$0.9 million, including a current service increase of \$10,977 and a 7.5 percent reduction of \$69,172, adjusted for certain exclusions. The constrained budget submitted by the agency is \$9,530 lower than the Budget Office target; savings are achieved by converting a full-time position to part-time. *The Governor's budget is \$0.2 million above the target.* **The Assembly concurred.**

Salaries and Benefits. The Office requested \$895,523 for salary and benefit expenses, \$6,145 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 2026 planning values, medical benefit choices, and filling a vacant position at a lower starting salary.

To meet its constrained target, the Office proposed converting a full-time attorney to part-time, saving \$73,870. *The Governor added \$50,254 to the unconstrained request primarily to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Operations. The Office requested \$92,230 for operations, including \$70,291 for centralized services and \$21,939 for all other expenses. This is consistent with the enacted budget and includes \$14,298 for office

supplies, equipment, and telephone expenses, \$3,250 for mileage, \$2,000 for psychiatric consultations, \$700 for transcription and interpreter services, and \$1,691 for all other expenses. *The Governor's recommendation adds \$79,157 to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses.* **The Assembly concurred.**

Department of Elementary and Secondary Education

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
State Aid	\$ 1,308,822,720	\$ 1,306,346,008	\$ 1,295,951,779	\$ 1,311,183,289
School Housing Aid	106,198,555	106,198,555	119,887,755	119,887,755
Teachers' Retirement	132,268,922	139,372,819	137,991,006	137,991,006
RI School for the Deaf	9,717,563	10,054,382	10,278,768	10,278,768
Central Falls School District	54,634,574	55,041,889	53,688,083	54,567,882
Davies Career & Technical School	65,267,137	29,129,991	55,751,562	67,154,981
Met. Career & Tech. School	13,631,142	15,253,156	13,227,328	13,216,926
Administration	312,621,565	349,414,831	294,407,848	295,169,535
Total	\$ 2,003,162,178	\$ 2,010,811,631	\$ 1,981,184,129	\$ 2,009,450,142
Expenditures by Category				
Salaries and Benefits	\$ 53,817,252	\$ 52,136,032	\$ 52,931,719	\$ 54,893,406
Contracted Services	86,928,478	81,306,037	73,216,144	72,016,144
Subtotal	\$ 140,745,730	\$ 133,442,069	\$ 126,147,863	\$ 126,909,550
Other State Operations	13,140,028	17,036,342	11,038,210	11,039,956
Aid to Local Units of Government	1,755,997,861	1,796,657,831	1,764,203,279	1,780,304,186
Assistance, Grants, and Benefits	49,105,880	54,361,719	47,507,515	47,507,515
Capital	43,038,429	8,308,670	31,212,262	42,613,935
Capital Debt Service	-	-	-	-
Operating Transfers	1,134,250	1,005,000	1,075,000	1,075,000
Total	\$ 2,003,162,178	\$ 2,010,811,631	\$ 1,981,184,129	\$ 2,009,450,142
Sources of Funds				
General Revenue	\$ 1,588,830,390	\$ 1,597,274,317	\$ 1,643,071,869	\$ 1,659,208,810
Federal Aid	318,458,763	355,923,854	256,479,925	256,918,301
Restricted Receipts	53,019,127	49,467,500	50,456,858	50,745,881
Other	42,853,898	8,145,960	31,175,477	42,577,150
Total	\$ 2,003,162,178	\$ 2,010,811,631	\$ 1,981,184,129	\$ 2,009,450,142
FTE Authorization				
Administration	156.1	156.1	156.1	156.1
Davies	123.0	123.0	125.0	125.0
School for the Deaf	61.0	61.0	61.0	61.0
Total Authorized Positions	340.1	340.1	342.1	342.1

Summary. The Council on Elementary and Secondary Education requested \$2,015.8 million from all sources, including \$1,673.7 million from general revenues. The request is \$12.6 million more than enacted from all sources, including \$84.9 million more from general revenues. The staffing request includes 342.1 full-time equivalent positions, 2.0 more positions than enacted for the Davies Career and Technical School. As of late November, the Department had 13.0 positions vacant, including 9.1 within the administration, 1.0 at Davies, and 3.0 at the School for the Deaf. *The Governor recommended \$1,981.2 million, including \$1,643.1 million from general revenues. This is \$34.6 million less than requested, including \$30.7 million from general revenues. He recommended 342.1 positions as requested.*

The Assembly provided \$2,009.5 million from all sources, including \$1,659.2 million from general revenues. This is \$28.3 million more than recommended, including \$16.1 million more from general revenues, which largely reflects additional spending for education aid, including updated data that contains a correction to a data error in the October count of students in poverty used in the Governor's budget. It also included \$2.0 million from all sources to reflect the distribution of contract reserve funding for settled contracts for professional staff in the administration, and \$11.4 million more from Rhode Island Capital Plan funds based on updated spending plans and a necessary roof replacement for the Davies School Wing Renovation project. The Assembly authorized staffing consistent with the recommendation.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department, this produced a general revenue target of \$1,644.6 million, including a current service adjustment of \$58.4 million and a 7.5 percent reduction of \$2.6 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$6.2 million more than the Budget Office target. The proposals to achieve the reduction are noted below where appropriate. *The Governor's budget is \$1.5 million less than the target.* **The Assembly provided \$14.6 million more than the target, largely reflecting current law education aid based on updated data.**

Note to Reader. There is a separate Education Aid report in the Special Reports section of this publication with more information on education funding. This includes more detail on the funding formula, history and trends, specific program funding, and funds distributed to districts, charters, and state schools.

Education Aid. The Council requested \$1,193.0 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 \$12,617 to \$13,332 per pupil, a \$715 or 5.7 percent increase per pupil. The request is \$60.2 million more than the enacted level and consistent with Budget Office current services estimates; it uses March 2024 enrollment data.

The Governor's recommendation is \$35.6 million more than enacted and \$25.6 million less than requested. It uses October 2024 enrollment and poverty data, which includes 812 fewer students and 6,656 fewer students in poverty than March 2024 data; aid amounts are subject to final enrollment data collected in March 2025. This amount excludes the \$10.9 million for the Governor's proposal to increase the student success factor from 40.0 percent to 43.0 percent of the core instruction amount for districts determined to have a poverty status at or above 60.0 percent by state share ratio calculations, which is described in the following item.

The Assembly provided \$23.7 million more based on updated March 2025 enrollment data, adjusting for the exclusion of the concentrated poverty factor. This updated information corrects a data error in the October count of students in poverty and reflects 5,900 more students in poverty than assumed in the Governor's budget. The Assembly also required that the Department submit a report with its FY 2027 request, including an overview of, and recommendations to enhance, the matching process between enrollment records and Department of Human Services program participation data.

Alternative Poverty Measure. The Council requested \$20.0 million from general revenues as a placeholder for the cost of modifying the poverty measure used in the funding formula. The 2023 Assembly required that the Department develop alternatives to direct certification for certain federal assistance programs as part of its FY 2026 budget submission. Under current law, the number of students directly certified through the Department of Human Services is multiplied by 1.6. This factor is intended to address shortcomings of the direct certification data, including that it relies on voluntary household participation and excludes some non-citizens.

The Department recommended using Medicaid matching and a concentrated poverty factor for communities with a high percentage of students who receive free or reduced-price lunches. Medicaid matching, also called expanded direct certification, matches students whose families participate in Medicaid with incomes up to 185.0 percent of the federal poverty level. With Medicaid matching, there would be no multiplier.

The concentrated poverty factor would increase the student success factor from 40.0 percent of the core instruction amount to 43.0 percent for communities with over 60.0 percent of enrollment at or below the federal poverty level, determined by a rolling three-year average of free or reduced-price lunch eligibility. The Department recommended this factor to account for certain students, including undocumented students, which it indicated might not be identified using direct certification. However, all Rhode Island children who would otherwise qualify for Medicaid, except for their immigration status, are eligible for RItE Care as a result of legislation enacted by the 2022 Assembly; this fact is not acknowledged in the proposal. Based on preliminary information, Central Falls, Newport, Providence, and Woonsocket would qualify.

The Department subsequently provided information based on updated October enrollment and poverty data. This calculation produced \$2.1 million more than requested overall from the funding formula, which is \$84.2 million more than enacted and includes funding for state schools and Central Falls. It is also worth noting that a change to the poverty factor would affect all aspects of aid, including eligible expenses for special education funding to the enrollment loss transition and poverty loss stabilization funds. The constrained request does not include funding for this proposal.

*The Governor recommended \$10.9 million for the concentrated poverty factor only, which is \$9.1 million less than the placeholder included in the request. He recommended increasing the student success factor from 40.0 percent to 43.0 percent of the core instruction amount for districts determined to have a poverty status at or above 60.0 percent by state share ratio calculations. The FY 2026 recommended budget includes Central Falls, Newport, Pawtucket, Providence and Woonsocket. **The Assembly did not concur with the concentrated poverty factor, but required the Department to reevaluate Medicaid matching as an alternative measure of students in poverty as part of its FY 2027 request.***

Enrollment Loss Transition Fund. The 2023 Assembly created an enrollment loss transition fund that provides two years of funding to districts experiencing enrollment declines, including from students transferring to charter schools. Districts receive 40.0 percent of the state per-pupil funding lost in the first year and 25.0 percent in the second year. The FY 2025 enacted budget assumes \$4.4 million from this fund for FY 2026. Excluding Central Falls, the Department's preliminary calculations for districts eligible for year one in FY 2026 is \$4.9 million for total funding of \$9.3 million, or \$10.2 million less than enacted. This calculation would also be affected by the requested poverty measure change, if adopted. *The Governor recommended \$37,319 more than requested, based on October 2024 enrollment data. **The Assembly provided \$1.0 million less than recommended as a result of increased enrollment reflected in the March enrollment data. This provides \$8.8 million for all districts, including \$4.4 million to reflect this year's losses.***

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 will provide 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 \$4.8 million for FY 2026, or \$3.6 million more than enacted. This calculation would also be affected by the requested poverty measure change, if adopted. *The Governor recommended \$5.5 million, which is \$0.6 million more than requested. The recommendation contains an error, overstating the amount required by \$669,200. **The Assembly provided \$4.8 million, \$0.7 million less than recommended, which reflects the correction of the error and the updated March enrollment and poverty data.***

Education Relief 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 Council's FY 2026 request excludes all stabilization funds, as final spending deadlines are on January 30, 2025.

The following table shows the federal education relief funding for Rhode Island, including the FY 2022 and FY 2023 expenses, FY 2024 reported expenditures, and the FY 2025 revised request. It should be noted that the revised request is \$14.1 million more than enacted to account for unspent FY 2024 funds. Funding for Central Falls and the state schools is included in the table below, but discussed separately.

Elementary & Secondary School Emergency Relief Funds							
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Chg. to	
	Spent	Spent	Reported	Enacted	Rev. Req.	Enacted	
Aid to Districts	\$ 88.5	\$ 174.5	\$ 205.9	\$ 49.0	\$ 52.4	\$	3.4
<i>State Schools</i>	<i>0.1</i>	<i>3.1</i>	<i>2.2</i>	<i>1.6</i>	<i>1.3</i>		<i>(0.3)</i>
<i>Central Falls</i>	<i>0.0</i>	<i>6.6</i>	<i>9.9</i>	<i>1.0</i>	<i>1.0</i>		<i>-</i>
<i>All Other Districts</i>	<i>88.4</i>	<i>164.8</i>	<i>193.8</i>	<i>46.5</i>	<i>50.1</i>		<i>3.7</i>
Discretionary Funds	6.2	16.6	34.7	11.0	21.6		10.6
Total	\$ 94.7	\$ 191.1	\$ 240.6	\$ 60.0	\$ 74.0	\$	14.1

\$ in millions; excludes CARES Act funding

Education Relief - District Funds. The Council excluded the enacted \$46.5 million from federal Elementary and Secondary School Emergency Relief funds. The revised request includes expenditures of \$52.4 million, which reflects the carryforward of unspent FY 2024 funds at the local level, excluding Central Falls and the state schools. The revised budget request includes funding that represents the remaining allocations that had to be obligated by September 30, 2024, and spent by January 30, 2025. As of November 8, districts have been reimbursed for 96.6 percent of the total allocation. *The Governor concurred. **The Assembly concurred.***

Education Relief - Discretionary Funds. The Council excluded the enacted \$11.0 million 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 Department may reserve 10.0 percent, but only 0.5 percent of that share may be used for administrative expenses. These funds support 0.5 full-time equivalent positions in FY 2025. Most funds were used for match grants to support low-performing schools. The revised request includes expenditures of \$21.6 million, which overstates available resources by \$0.5 million. *The Governor concurred. **The Assembly concurred.***

Group Home Aid. The Council requested \$1.8 million to fund beds for communities hosting group homes, consistent with the enacted budget. The law 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 221, consistent with the enacted budget pending an update from the Department of Children, Youth and Families. The funding formula deducts the impact of group home beds from the data, resulting in a decrease in funding. The 2024 Assembly removed the enrollment deduction for beds associated with Bradley Hospital's residential CRAFT program starting in FY 2025 and included \$0.2 million for that change. The reduction is shown in the group home aid rather than the formula aid total. *The Governor recommended \$24,312 more than requested, reflecting a bed count of 226, which is 5 more than the enacted budget. **The Assembly provided \$1.6 million more to reflect changes to the group home statute made in Article 7. This includes adding \$2.1 million to reflect the removal of the enrollment reduction related to group home beds offset by \$0.5 million less from the removal of CRAFT program beds from this category of aid.***

Central Falls School District. The Council requested \$55.3 million from general revenues to support the Central Falls School District. This is \$1.6 million more than enacted from funding formula aid, reflecting preliminary calculations and including \$0.5 million from the enrollment loss transition fund. The formula includes a stabilization fund to provide additional support to the Central Falls School District until the city can begin paying its local share. The request assumes enrollment of 2,468, which is consistent with the enacted budget and subject to change with updated data. It is worth noting that enrollment at the district has declined by an average of 5.3 percent annually since FY 2020.

The state has borne the full cost of the school district since FY 1993; the stabilization fund essentially reflects the local share of education expenses, including local tuition payments to schools of choice. The request includes \$11.1 million of stabilization funding from general revenues, consistent with the enacted level for FY 2025. The request excludes \$1.0 million from expiring federal education relief funds, for an overall change of \$0.6 million more than enacted.

The Governor recommended \$1.6 million less than requested from general revenues. This includes \$1.3 million less in formula aid, which reflects enrollment declines in October data, and \$0.3 million less in stabilization funding as part of the Governor's recommendation for the city to begin to share in expenses and a gradual transition of district finances and governance back to local control. The Assembly provided \$0.9 million more based on March enrollment and poverty data.

The Assembly also adopted 2025-H 6255, Substitute A, to create a study commission to create a report that includes a sustainable financial plan for the City to contribute its local share of foundation education aid and a plan for the transfer of operations and finances back to the local control. The report is due by March 3, 2026, and would include a potential transfer of operations for July 1, 2026.

Metropolitan Career and Technical School. The Council requested \$15.2 million from all sources for the Metropolitan Career and Technical School. This is \$1.6 million more than enacted from all sources, including \$2.1 million more from general revenues. It excluded \$0.5 million from federal elementary and secondary school education relief funds. From general revenues, the request reflects \$0.4 million more from the funding formula based on preliminary calculations for FY 2026 and an increase of \$1.7 million from stabilization funding. The increase includes \$0.9 million for the new labor contract, which includes a 3.0 percent cost-of-living adjustment and benefit increases, \$0.4 million for academic supports, \$0.3 million in other staffing costs, and \$150,000 for transportation.

The Met School is funded pursuant to the funding formula, with the state paying its share for each student and the sending districts contributing a local share. The 2016 Assembly enacted a stabilization fund for state schools to mitigate some of the losses from the implementation of the funding formula. The FY 2026 request would increase the per-pupil state aid by \$2,621, or 19.0 percent, a greater increase than in any other year if enrollment remains consistent. *The Governor recommended \$2.0 million less than requested, including \$1.8 million from Rhode Island Capital Plan funds and \$0.3 million from general revenues. He recommended \$1.8 million more than enacted from general revenues, including \$0.7 million from formula aid based on October enrollment and \$1.1 million in stabilization funding. The Assembly concurred with the stabilization fund increase and provided \$10,402 less for formula aid based on March data.*

Career and Technical Education Categorical Funding. The Council requested \$4.5 million from general revenues for career and technical education categorical funding, \$2.0 million less than enacted. The enacted budget included \$6.5 million, and the 2024 Assembly included language in Article 1 of 2024-H 7225, Substitute A, as amended, which required that the \$2.0 million increase in funding be coordinated with the career and technical education board of trustees to be directed to new programs to provide workforce training for jobs for which there are no active programs. The Department noted that Budget Office current service adjustments assume this was one-time funding, contrary to the legislature's intent.

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 developed criteria to allocate funds provided by the Assembly each year and prorates the funds available for distribution among those eligible school districts if the total approved costs for which districts seek reimbursement exceed the amount of funding appropriated in any fiscal year.

Funds are distributed in two priority areas: offset funding to diminish the financial costs incurred by districts offering career and technical education and support schools starting up new career and technical education programming. For FY 2025, at least 33 schools and districts will receive career and technical categorical funding. As of early December, the distribution of the \$2.0 million for new programs has not been determined. The Department reports that it is soliciting proposals from local education agencies with the goal of having a career and technical education program in every school. Funding for this category was intended to grow over the ten-year formula phase-in period; however, it has only grown twice since FY 2013. *The Governor recommended funding as requested. The Assembly concurred.*

Early Childhood Categorical Funding. The Council requested the enacted amount of \$29.9 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 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, to achieve 5,000 seats over five years, including children ages three and four. The plan submitted on December 30, 2022, suggested building a pipeline of programs ready to become preschool providers so the state can open between 35 and 40 new classrooms a year from FY 2025 through FY 2028 to reach the 5,000 seat goal.

The enacted budget added \$7.0 million to fund 35 new classrooms and 633 seats and assumed a total of 2,997 seats in 162 classrooms. The actual number of available seats is 2,809 in 152 classrooms, which is 188 fewer seats in 10 fewer classrooms than assumed. The Department indicated that a limited number of providers were available, and a shortage of instructors slowed the expansion of the program. In its request, the Department indicated that as a result of these capacity issues, it was planning to coordinate some funding with the Department of Human Services for its toddler and infant program. This is inconsistent with the allocation of categorical funds pursuant to the funding formula, as these funds are to be used for prekindergarten programs.

The constrained request includes \$1.0 million less for payments to providers and reflects the Department contracting with fewer facilities than assumed in the enacted budget. *The Governor recommended funding consistent with the constrained request. The Assembly concurred.*

High Cost Special Education. The Council requested the enacted amount of \$15.0 million for high-cost special education. The enacted budget represented 77.0 percent of full funding. The funding formula allows for additional resources for costs related to high-cost special education students when those costs exceed four times the combined per-pupil core instruction amount and student success factor amount. This amount was reduced from five times the district's combined per-pupil core instruction amount and student success factor amount by the 2023 Assembly. Funds available for distribution are prorated if the total costs exceed the appropriation. *The Governor recommended funding as requested. Updated data provided by the Department suggest this represents 48.0 percent of eligible expenses. Additionally, the Department submitted an updated distribution to correct the omission of data from Newport and West Warwick.*

The Assembly provided \$2.5 million more, for a total of \$17.5 million. This represents 56.0 percent of eligible expenses. It also required the Department to submit a report by December 31, 2025, on the current and recommended processes to ensure that it receives consistent and accurate data from districts.

Non-Public School Transportation Categorical Funding. The Council requested the enacted amount of \$3.9 million for non-public school transportation funding to fully fund this category of aid. This is based on expenses used for the distribution of FY 2025 aid; updated data will be available in December, and the cost of fully funding this category may change. The funding formula allows for additional resources from the state for specific purposes. The state pays a portion of the costs of non-public out-of-district transportation for those districts participating in the statewide transportation system. It does not include transportation costs for charter schools, state schools, and special education programs. Funds available for distribution are prorated if the total costs exceed the appropriation. *The Governor recommended \$0.7 million more than requested to fully fund this aid.* **The Assembly concurred.**

Regional School District Transportation Categorical Funding. The Council requested the enacted amount of \$7.3 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 2025 aid; updated data will be available in December, and the cost of fully funding this category may change. The funding formula allows the state to provide resources to mitigate the excess costs of transporting students within regional school districts. The state and regional school districts equally share the student transportation cost, net any federal sources of revenue for these expenditures. Funds available for distribution are prorated if the total costs exceed the appropriation. *The Governor recommended \$0.5 million more than requested to fully fund this aid.* **The Assembly concurred.**

School Housing Aid. The Council requested \$119.9 million from general revenues for school housing aid. This is \$13.7 million more than the enacted budget and \$8.8 million more than the Budget Office’s current service estimates. Outyear estimates for the FY 2025 enacted budget assumed expenditures of \$111.1 million for FY 2026. The increase reflects several projects being completed and submitted for reimbursement earlier than anticipated.

The voters approved \$250.0 million of new general obligation bonds on the November 2018 ballot for public school construction and repairs. Passage of the general obligation bonds unlocked temporary incentives enacted by the 2018 Assembly to enhance the school housing aid ratio to encourage new school construction and renovation projects. Districts may be eligible for share ratio increases of up to 20.0 percent for projects that address health and safety deficiencies, specific subject areas, replacing facilities, and consolidating facilities. The voters approved a second \$250.0 million general obligation bond in November 2022 to be distributed as upfront funding for newly approved projects. The Department had obligated all \$500.0 million as of December 2023 for qualifying projects.

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	\$ 586.4
FY 2024	\$ 2,344.2
<i>\$ in millions</i>	

Future expenses for the traditional program are expected to continue increasing and are anticipated to reach more than \$160 million annually by FY 2028. The previous table shows that approvals averaged \$121.7 million annually before FY 2018. Approvals have grown dramatically, reaching \$2,344.2 million approved in FY 2024 as many districts pursued school housing projects and were temporarily eligible for state share ratio increases. *The Governor recommended funding as requested. The Assembly concurred.*

Teacher Retirement. The Council requested \$135.0 million to fund the state's share of the employer contribution for teacher retirement costs, including \$129.5 million for the defined benefit portion and \$5.4 million for the defined contribution portion. This is \$2.8 million more than enacted based on the Department's revised estimates of the cost and includes the changes adopted by the 2024 Assembly, which made changes to the pension plan affecting retirees and active members, including the cost-of-living adjustment, pension benefit calculation, public safety pensions, and post-retirement employment.

The state share of the defined benefit portion of teacher retirement for FY 2024 was \$126.9 million. Using the state share of 11.13 percent, this equates to a base total salary amount for teachers of \$1,140.0 million. Assuming a defined contribution share of \$5.4 million consistent with the FY 2026 request, 3.0 percent payroll growth for FY 2025 and FY 2026, and a state share of 11.09 percent would result in a state cost of \$139.6 million for FY 2025. The request is \$4.5 million less.

The state shares in the cost of teacher retirement with teachers and local districts. Teachers contribute 8.75 percent of their salaries, which is set in the General Laws. The state and the local district pay the difference between the teachers' share and the amount needed to support the system, as determined annually by the State Employees' Retirement System. The state pays 40 percent of the employer's share and the local district pays 60 percent. *The Governor recommended \$2.9 million more than requested based on more updated information. This is \$3.2 million less than all funding enacted for FY 2025 and \$0.3 million less than the FY 2025 revised recommendation. The FY 2026 recommendation assumes a 2.5 percent payroll growth from FY 2025 and a lower state share. The Assembly concurred.*

Education Telecommunications Access Fund. The Council requested total funding of \$0.9 million from all sources for the Education Telecommunications Access Fund, which is \$0.1 million less than enacted from restricted receipts based on anticipated contract expenses for the program based on FY 2024 experience; this supports 0.8 full-time equivalent positions.

The Education Telecommunications Access Fund is designed to provide financial assistance to qualified libraries and schools to acquire, install, and use telecommunications technologies to access the internet. This fund is supported by a \$0.26 monthly surcharge levied upon each residence and business telephone access line and supplemented with \$0.4 million from general revenues. The federal rate is based on the percentage of students 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 recommended removing the \$0.4 million in general revenue support for FY 2026 and recommended restricted receipt funding essentially as requested. The Department's request projects an estimated opening balance of \$0.7 million. The Assembly concurred.*

School Breakfast. The Council requested the enacted level of \$270,000 from general revenues for the administrative cost reimbursement to districts for the school breakfast program. State law mandates that all public schools provide a breakfast program and costs, other than transportation, associated with this program in excess of federal money for the meals shall be borne by the state, subject to appropriation. *The Governor recommended funding as requested. The Assembly concurred.*

Reduced-Price Meals. The Council requested the enacted amount of \$0.8 million for the program that makes reimbursable breakfasts and lunches free to students from families that qualify for free or reduced-price meals. As recommended by the Governor, the FY 2025 enacted budget created this program, which

requires the state to provide 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 enacted budget includes funding for an estimated 6,500 qualified students. The Department did not provide updated information on participation when requested, but did indicate that there will likely be savings in FY 2025. It noted that it will have more accurate information when payments are made to the local education agencies at the end of the school year. *The Governor concurred. The Assembly concurred.*

Textbook Reimbursement. The Council requested 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 grade 12. In FY 2024, final program expenditures were \$57,766. *The Governor recommended \$180,000 less than requested based on prior year expenses. His FY 2025 revised recommendation retains the enacted level. The Assembly concurred and also reduced FY 2025 expenses by \$180,371 based on actual reimbursements.*

Advanced Placement Tests. The Council requested \$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 2024 expenses. Based on the current cost of \$99 per standard advanced placement test and fee waiver of \$37, the request would support nearly 7,500 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 increase awareness about advanced placement test offerings. *The Governor recommended funding as requested. The Assembly concurred.*

Statewide Student Transportation. The Council requested \$38.4 million from restricted receipts for the statewide transportation system, which is \$3.5 million less than enacted and \$1.1 million more than the revised request. The enacted budget included an increase of 8.0 percent from the FY 2024 final budget, which assumed higher contract costs for the new contract. Preliminary FY 2024 spending was \$2.2 million, or 5.7 percent more than included in the final budget. The Department reported that this was due to increased service costs, including necessary vehicle purchases. The request is 6.4 percent lower than FY 2024 spending and 3.0 percent more than the revised request, which the Department indicated results from price negotiations and route redistribution that resulted in savings.

Restricted receipts are collected from districts for transportation expenditures, less aid provided through the transportation categorical fund. 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.

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 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 statute 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 concurred. The Assembly concurred.*

Math and English Languages Arts Coaches. The Council excluded \$5.0 million of one-time funding from general revenues to aid local educational agencies in hiring instructional coaches and providing

professional development to support the implementation of high-quality curriculum materials. This is consistent with Budget Office current service estimates. The Department indicated that \$4.0 million will fund 26 full-time and 9 part-time coaches in 24 local education agencies. The Department had not provided information about its criteria for choosing the schools, but many high need districts and schools received funding. As of early December, 20 of the positions were filled.

The remaining \$1.0 million will support schools, including providing professional development, supporting coaches, and assisting with implementing high-quality curriculum materials. The Department posted the request for proposals for this aspect of the initiative in September, and the solicitations closed in early October. As of early December, no vendor has been chosen. *The Governor concurred. The Assembly concurred.*

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 called 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 reported that no staff are assigned specifically to this effort, and no additional resources are dedicated to the takeover. Rather, leadership and staff from various program areas support the district when needed. *The Governor concurred. The Assembly concurred.*

All Course Network. The Council requested \$1.1 million from general revenues to support the all course network, formerly the advanced coursework network, and the EnrollRI online platform. This is \$25,100 less than enacted and \$0.5 million less than the revised request from federal funds, reflecting the exclusion of the Rethink grant as it will end in FY 2025.

All Rhode Island schools participate in the all course network, with courses offered by 34 provider organizations in FY 2025. Provider organizations include other school districts, nonprofits, and postsecondary institutions. Courses include advanced science and mathematics 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. 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 concurred. The Assembly concurred.*

Special Education Grants. The Council requested authorization to spend \$58.3 million, or \$1.5 million more than enacted, from federal special education funds to reflect updated grant awards. This is \$0.7 million more than the revised request and is subject to change based on FY 2025 awards. The funds are distributed to school districts and provide administrative support. Most of the funds must be distributed to local education agencies serving children directly. Federal funds are combined with state and local funds to provide children with disabilities free, appropriate public education, including special education and related services. *The Governor recommended funding as requested. The Assembly concurred.*

Title I Grants. The Council requested authorization to spend \$64.3 million from federal Title I funds. This is \$2.4 million less than enacted and consistent with the revised request, reflecting updated anticipated awards and spending by local education agencies. Title I funds are passed through to local schools, where they are used to provide extra help to low-achieving students. Title I fund distributions to states are calculated through four distinct formulas based upon different levels of poverty; however, funds are allocated to districts as one amount. *The Governor recommended funding as requested. The Assembly concurred.*

Aid to Non-Public Schools. The Council's request excludes the enacted \$1.0 million from federal funds awarded in response to the coronavirus emergency for non-public schools. The state received \$13.4 million from the Consolidated Appropriations and American Rescue Plan Acts of 2021. The revised request includes \$4.7 million representing the carryforward of unspent funds for prior years and programs the remaining available funding for FY 2025. As of November, 92.8 percent of the allocation has been spent. *The Governor excluded funding as requested. The Assembly concurred.*

ARPA - Out-of-School Time Education Providers. The Council requested \$1.9 million from unspent State Fiscal Recovery funds to expand access to out-of-school educational programs as part of the Learn365RI initiative. This is \$1.1 million less than enacted based on anticipated spending timelines and the exclusion of \$3.0 million of one-time general revenue support. The Department shifted approved funding between FY 2025 and FY 2026 based on anticipated spending by community organizations. The deadline for these federal funds is December 31, 2026. Overall, the Department has awarded \$7.5 million to 29 municipalities from both sources, with \$0.2 million for project management and professional development. *The Governor recommended \$2.5 million from general revenues for FY 2026 to continue this program. He included language in Article 1 of 2025-H 5075 and 2025-H 5076 to reappropriate any unspent general revenues for the Learn365RI program. The Assembly provided \$1.3 million from general revenues and did not include reappropriation language in FY 2026. It included the requested language for FY 2025 in Article 13 of 2025-H 5076, Substitute A, as amended.*

ARPA - Adult Education Providers. The Council requested \$0.9 million, which is \$0.7 million more than enacted from State Fiscal Recovery funds to support adult education providers, representing a carryforward of unspent FY 2024 funds. The project initially experienced delays, but the Department reports that \$4.2 million in grants has been allocated to providers and that it will meet December 2026 spending deadlines. Combined with the FY 2025 revised request and actual FY 2024 spending, the request overstates available resources by \$0.2 million. *The Governor recommended \$0.7 million less than requested for a total of \$0.1 million in FY 2026. He programmed the remainder of the unspent funding in FY 2025, which corrected the overstatement. The Assembly concurred.*

Adult Education Grants. The Council requested \$8.5 million for adult education from multiple sources, including \$2.7 million from general revenues, \$2.7 million from federal funds, and \$3.5 million from restricted receipts. This is \$0.5 million more than enacted from federal funds, which reflects updated provider grant awards.

The Department administers adult education grants to fund local adult education programs and literacy services, including workplace literacy services, family literacy services, and English literacy and civics education programs. Participation in these programs is limited to adults and high school dropouts aged 16 and older. Approximately 6,000 students participate in these programs, with 25 percent of the program attendees for GED preparation services, 50 percent for English as a second language services, and 25 percent for low-level literacy services.

The Council's constrained request includes \$1.6 million less from general revenues for the Office of Adult Literacy but does not specify how the reduction would occur. *The Governor recommended funding consistent with the unconstrained request. The Assembly concurred.*

Nutrition Grants. The Council requested authorization to spend \$65.2 million, or \$4.9 million more than enacted from federal nutrition program funds, which reflects anticipated program participation and federal reimbursement increases. The difference is primarily in school breakfast and lunch programs, although adjustments are made to various other grant programs. The FY 2026 request is \$1.6 million more than the revised FY 2025 request. *The Governor recommended funding as requested. The Assembly concurred.*

School Mental Health Grants. The Council requested authorization to spend \$8.4 million from federal funds to address adolescent and mental health. This is \$1.4 million less than enacted and \$7.3 million less than the revised request, reflecting spending from multiple grants. 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 \$4.3 million to support these programs. The request includes \$0.9 million to increase access to evidence-based, culturally responsive, and sustaining trauma support services and school mental health care. It also includes \$1.0 million for the third year of a grant to establish safe and healthy learning communities in high-need local education agencies. *The Governor recommended funding as requested.* **The Assembly concurred.**

21st Century Community Learning Centers. The Council requested authorization to spend \$6.4 million from federal 21st Century Community Learning Centers funds, reflecting anticipated grant amounts. This is \$0.2 million more than enacted and is essentially consistent with 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 recommended funding as requested.* **The Assembly concurred.**

Literacy Development Grant. The Council excluded the enacted \$0.9 million from federal funds to strengthen literacy programs. It programmed \$4.5 million in its revised request, representing the last year of 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 excluded funding as requested.* **The Assembly concurred.**

ServeRI. The Council requested \$2.2 million from federal funds for the ServeRI program based on current activity. This is \$0.4 million less than enacted and \$0.3 million less than the revised request. In 2018, the Rhode Island Service Alliance transferred the program to the Department. The 1994 Assembly established the program to administer the federally funded AmeriCorps program, including AmeriCorps Vista and City Year. Funding supports salaries and benefits for 1.0 position, operating costs, and grants to participating member sites. *The Governor recommended funding essentially as requested.* **The Assembly concurred.**

Teacher Quality Grant. The Council requested authorization to spend \$11.5 million from federal funds to support effective instruction. This is \$0.6 million less 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 concurred.* **The Assembly concurred.**

Language Acquisition Grant. The Council requested authorization to spend \$2.8 million from federal funds to help English Learner students learn English and meet challenging state academic content and student academic achievement standards. This is \$0.1 million less than enacted and \$0.1 million more than the revised request and reflects updated eligibility for the formula-based federal grants. *The Governor recommended funding as requested.* **The Assembly concurred.**

Vocational Education Grants. The Council requested authorization to spend \$9.8 million from federal vocational education grants, \$0.4 million more than enacted and \$0.2 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 concurred.* **The Assembly concurred.**

Other Salaries and Benefits. The Council requested \$24.0 million for the administration's remaining 148.3 authorized positions, including \$17.0 million from general revenues, \$5.6 million from federal funds, and \$1.5 million from restricted receipts. This is \$1.7 million less than enacted, including \$0.2 million more from general revenues and \$1.9 million less from federal funds. During FY 2024, the Department exceeded its staffing authorization for over half of the year. It testified that this resulted from filling positions supported by additional grants. Of the federal fund decrease, \$1.3 million appears to be shifted from direct salaries and benefits to other expenses, mainly for contracted services to manage its ongoing grants. This is predominantly for nutrition, mental health, and special education grants. The remaining decrease from federal funds represents grants that were exhausted.

The enacted budget assumed turnover savings equivalent to about eight positions. The request includes \$0.3 million more from general revenues for salary step increases and benefit changes, which is partially offset by another position's worth of turnover savings.

The Governor recommended \$71,383 more than requested, including \$30,325 from general revenues. The recommendation adds \$144,331, including \$103,273 from general revenues, to account for statewide adjustments consistent with his recent labor agreements for some employees, partially offset by \$72,948 of turnover savings. It should also be noted that most employees in the Department are covered by labor contracts that have not been settled. The Department of Administration's budget includes \$20.6 million to account for potential costs of settling contracts with unions representing employees in the Departments of Corrections, Public Safety, and Elementary and Secondary Education.

*The Governor subsequently requested an amendment to add \$1.9 million, including \$1.4 million from general revenues based on the settled Local 2012 contract, for staff who are subject to the agreement. **The Assembly concurred with the amended recommendation.***

Healthy Environments Advance Learning Grant. The Council requested \$1.2 million, which is \$0.2 million more than enacted from federal funds for personnel costs to implement the Healthy Environments Advance Learning Program grant to support school infrastructure improvements. The focus of this five-year, \$5.0 million grant is to provide support to Central Falls, Providence, Pawtucket, West Warwick, and Woonsocket. The 2024 Assembly added authorization for 3.0 new positions and included language in the appropriations act that explicitly limits the authorization of the new full-time equivalent position for this use. This is consistent with the revised request and reflects the actual cost for the positions. As of December, two of the positions have been filled. *The Governor recommended funding essentially as requested. **The Assembly added \$19,455 to reflect the distribution of the contract reserve funding.***

Education Advocate. The Council requested \$1.0 million from all sources, including \$0.1 million from general revenues and \$0.9 million from Individuals with Disabilities Education Act Part B and Preschool federal funds, for the Department's contract with Rhode Island College for the Educational Advocate Surrogate Parent program. Advocates are responsible for making education decisions for youth in the state's care and whose parents are not available to act on their behalf. This is \$6,493 more than enacted from federal special education grant funds and reflects an increase pursuant to the contract that began in FY 2024. *The Governor recommended funding as requested. **The Assembly concurred.***

Auditory Oral Program. The Council requested \$270,000 from federal special education funds to support the Rhode Island Auditory Program run by the Foster Public School District. The program provides early intervention services, school-based programming, technology support, and outreach searches for children with hearing loss. The FY 2024 and FY 2025 enacted budgets included language that directed \$270,000 of the Department's allocation of education relief discretionary funds to support the Rhode Island Auditory Oral Program. As these relief funds expire in FY 2025, the Department requested FY 2026 expenses for this program from available special education grants. *The Governor recommended funding as requested. **The Assembly concurred.***

Career and Technical Education Support. The 2025 enacted budget added funding and 2.0 positions to support career and technical education programs. The Department requested \$320,732 from general revenues to support these positions, which is \$20,293 less than enacted and reflects turnover savings. As of late November, one had been hired. *The Governor recommended funding essentially as requested. The Assembly provided \$24,705 more to reflect the distribution of the contract reserve funding.*

Hasbro Children's Hospital School. The Council requested the enacted amount of \$90,000 from general revenues to support the hospital school at Hasbro Children's Hospital. *The Governor recommended funding as requested. The Assembly concurred.*

Child Opportunity Zones. The Council requested the enacted amount of \$395,000 from general revenues to support child opportunity zones. Funding is used to strengthen education, health, and social services for students and their families as a strategy to accelerate student achievements. *The Governor recommended funding as requested. The Assembly concurred.*

City Year. The Council requested the enacted amount of \$130,000 from general revenues to City Year for the Whole School Whole Child Program, which provides individualized support to at-risk students. *The Governor recommended funding as requested. The Assembly concurred.*

Other Grants and Programming. The Council requested \$24.6 million from all sources for all other grants and programming, including \$9.0 million from general revenues. It included the enacted level of general revenue support and \$1.2 million less than enacted from federal funds. From federal funds, the request includes \$7.5 million from Every Student Succeeds Act Block grant, \$4.0 million for state assessments, and \$0.5 million to support homeless students. *The Governor added \$181,902 from general revenues to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. The Assembly concurred.*

Davies Career and Technical School

New Teachers (2.0 FTE). The Council requested \$0.3 million from general revenues and authorization for two new teachers at Davies Career and Technical School. The school indicated that it requires a minimum of two new art teachers to ensure it will meet updated graduation requirements. In 2022, the Council approved new readiness-based graduation requirements for the class of 2028. This includes changes that require students to demonstrate proficiency in art, world language, civics, finance, and computer science. The request notes that Davies has implemented the other changes but does not have the capacity to fulfill the art requirement.

The constrained request excludes the positions. *The Governor recommended the positions and included \$0.2 million from general revenues based on updated estimates for their cost. He subsequently requested an amendment to shift the funding for the positions to local share of education restricted receipts. The Assembly concurred with the amended recommendation.*

Operations. The Council requested \$24.7 million from all sources, including \$18.5 million from general revenues, \$0.9 million from federal funds, and \$5.2 million from restricted receipts. This is \$0.4 million more than enacted from general revenues based on preliminary funding formula calculations. It includes \$0.9 million less from federal funds, which reflects the exclusion of \$1.0 million of education relief funding and various grant adjustments. It also includes \$0.6 million more from the local share of education restricted receipts, primarily for maintenance costs and higher insurance rates.

Since FY 2012, Davies has been subject to the education funding formula, and its state aid is determined by the formula calculation just as any other local education agency. The 2016 Assembly enacted a stabilization fund for state schools to mitigate some of the losses from the implementation of the funding formula.

Excluding the requested additional staff, the request includes \$7.8 million from stabilization funding and \$10.8 million from the funding formula.

*The Governor recommended \$11,913 less than requested, primarily from general revenues, which largely reflects funding formula aid based on October enrollment data. **The Assembly provided \$1,746 more from general revenues based on updated March data.***

Capital. The Council requested \$30.3 million from Rhode Island Capital Plan funds for capital projects at the Davies Career and Technical School. This is \$10.4 million less than funding enacted for FY 2025, reflecting updated project timelines. The request excludes a newly requested project to repair the outdoor athletic facilities but is otherwise consistent with the capital request. *The Governor recommended \$0.5 million more than requested, which is consistent with his capital budget.*

*He subsequently requested an amendment to add \$4.5 million from Rhode Island Capital Plan funds for the 1970s Wing Renovation project to address critical roof repairs required to maintain the scope of the project. **The Assembly concurred with the amended recommendation and shifted \$6.9 million for the Health Care Classroom Improvements project from FY 2025 to FY 2026 based on an updated project schedule. A detailed description of the projects is included in the Capital Budget section of this publication.***

Rhode Island School for the Deaf

Restricted Receipts. The Council requested \$1.1 million from restricted receipts for the School for the Deaf, including \$0.1 million collected from school meal programs and renting out its field and gym and \$1.0 million from tuition applicable to some students. Consistent with the revised request, the request is \$0.5 million more than enacted, all from tuition 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. The School reports an increased need for specialized positions to support students with behavior and special education needs, primarily behavior specialists. As of November, enrollment totaled 77 students. *The Governor recommended funding as requested. **The Assembly concurred.***

Other Operations. The Council requested \$9.2 million from all sources for all other expenditures for the School for the Deaf, including \$8.8 million from general revenues. The request is \$88,490 more than enacted, including \$120,976 more from general revenues and \$32,486 less from federal funds. The request includes \$0.3 million more for staffing expenses, primarily reflecting employee step increases and eliminating turnover savings to fully fund the authorized 61.0 positions. As of the end of November, the School had an average of 2.3 fewer filled positions than those funded in the enacted budget. A decrease in miscellaneous operating expenses partially offsets the increase. It excludes \$50,000 from federal education stabilization funds and makes minor adjustments to other formula-based grants.

*The Governor recommended \$13,532 more than requested from general revenues. The recommendation adds \$314,150 to account for statewide adjustments consistent with his recent labor agreements partially offset by \$245,618 of turnover savings. As of early January, the School had three vacancies. The Governor also recommended \$55,000 less for other operating expenses based on prior year spending. **The Assembly concurred.***

Capital. The Council requested \$167,648 from Rhode Island Capital Plan funds for asset protection projects at the Rhode Island School for the Deaf, consistent with funding enacted for FY 2025. This is inconsistent with the capital request, which includes \$150,000 in spending for FY 2026, including \$100,000 for general asset protection and \$50,000 to resurface the parking lot. The capital request also includes \$275,000 from general revenues to purchase an electric mini-bus, which is not reflected in the FY 2026 request. The School notes that the capital request should prevail. *The Governor recommended \$67,648*

less than requested, consistent with his capital budget. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.

Public Higher Education

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Office of Postsecondary Comm.	\$ 51,799,867	\$ 62,476,251	\$ 56,283,333	\$ 55,263,498
University of Rhode Island	1,017,965,011	1,058,187,934	1,108,723,299	1,111,723,299
Rhode Island College	205,135,912	221,903,154	216,421,110	216,421,110
Community College of RI	195,936,693	188,619,924	212,686,829	214,486,829
Total	\$ 1,470,837,483	\$ 1,531,187,263	\$ 1,594,114,571	\$ 1,597,894,736
Expenditures by Category				
Salaries and Benefits	\$ 641,355,039	\$ 647,381,877	\$ 673,899,019	\$ 673,899,019
Contracted Services	44,565,682	47,088,480	46,343,551	46,343,551
Subtotal	\$ 685,920,721	\$ 694,470,357	\$ 720,242,570	\$ 720,242,570
Other State Operations	260,636,374	285,462,308	292,087,444	291,287,444
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	350,804,057	378,123,620	377,620,924	376,601,089
Capital	100,402,540	100,534,791	131,631,072	137,231,072
Capital Debt Service	73,073,791	72,596,187	72,532,561	72,532,561
Operating Transfers	-	-	-	-
Total	\$ 1,470,837,483	\$ 1,531,187,263	\$ 1,594,114,571	\$ 1,597,894,736
Sources of Funds				
General Revenue	\$ 314,514,386	\$ 315,128,906	\$ 329,066,351	\$ 327,246,516
Federal Aid	5,982,632	17,801,726	5,642,208	5,642,208
Restricted Receipts	8,669,141	8,891,195	9,336,631	12,736,631
Other	1,141,671,324	1,189,365,436	1,250,069,381	1,252,269,381
Total	\$ 1,470,837,483	\$ 1,531,187,263	\$ 1,594,114,571	\$ 1,597,894,736
Uses of Funds				
Unrestricted Use Funds	\$ 898,511,887	\$ 904,128,552	\$ 940,684,439	\$ 938,864,604
Restricted Use Funds	572,325,596	627,058,711	653,430,132	659,030,132
Total	\$ 1,470,837,483	\$ 1,531,187,263	\$ 1,594,114,571	\$ 1,597,894,736
FTE Authorization	3,895.5	3,895.5	3,897.5	3,972.5
<i>Limited to Third Party Funds</i>	<i>519.8</i>	<i>519.8</i>	<i>519.8</i>	<i>544.8</i>
Total Authorized Positions	4,415.3	4,415.3	4,417.3	4,517.3

Summary. The 2019 Assembly created a 17-member Board of Trustees for the University of Rhode Island, effective February 1, 2020. Authority for various functions was transferred from the Council on Postsecondary Education to the new Board, and the University was removed from the 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 requested \$1,611.1 million from all sources, including \$359.5 million from general revenues. This is \$140.2 million more than enacted from all sources, including \$45.0 million more in general revenue support, \$9.2 million more from tuition and fee revenues, \$0.4 million more from other

unrestricted sources, and \$85.7 million less from restricted sources. The request includes \$953.1 million from unrestricted use funds and \$658.0 million from restricted use funds. The unrestricted request represents a 5.7 percent growth over the revised expenditure projections for FY 2025.

The Governor recommended \$1,594.1 million from all sources, which is \$123.3 million more than enacted and \$17.0 million less than requested. General revenues are \$329.1 million, which is \$14.6 million more than enacted and \$30.5 million less than requested.

The Assembly provided \$1,597.9 million from all sources, including \$327.2 million from general revenues. This is \$3.8 million more than recommended from all sources and \$1.8 million less than recommended from general revenues. The Assembly also added authorization for 100.0 new full-time equivalent positions for the University, of which 25.0 are limited to third-party sources.

Staffing. The FY 2026 request includes authorization for 4,467.3 full-time equivalent positions, provided that 531.8 of those positions would be limited to third-party sources. This is 52.0 more than the enacted level, including 40.0 positions at the University and 12.0 limited to third-party funds 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. As of mid-January, the University exceeded its staffing cap by 23.9 positions.

The Governor recommended 4,417.3 full-time equivalent positions, provided that 519.8 would be limited to third-party sources. This adds 2.0 new positions in the Office of Postsecondary Commissioner for an integrated data systems initiative. The Assembly concurred and also added authorization for 100.0 new full-time equivalent positions for the University, of which 25.0 are limited to third-party sources.

Current Year Revisions. Historically, the analyses have begun with adjustments made for the current year. State law requires the Board of Education to review, develop, and submit the higher education budget it receives from the Council on Postsecondary Education. The institutions retain the authority to use additional resources they received above appropriated amounts, such as research grants and additional tuition and fees. The governing bodies continue to review and approve each institution's allocation of all current-year resources and describe its requested budget year items in terms of changes to those current-year allocations. So that the analysis can be in terms of the items the entities specify as requested, staff analysis of the unrestricted budget starts from the allocations. *The Governor recommended \$6.4 million more than enacted from all unrestricted sources, which is \$3.5 million more than requested. General revenues are \$1.4 million more than enacted and \$0.1 million less than requested. The Assembly reduced funding for the Hope and Promise program by \$0.2 million and \$0.5 million, respectively, based on the May reports.*

Higher Education Funding. Expenditures in Public Higher Education increased 36.0 percent from FY 2016 through FY 2025, an average annual rate of 3.6 percent. They would grow 43.3 percent if the FY 2026 request were funded, an average annual rate of 4.3 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 41.8 percent growth during the FY 2016 through FY 2026 period, with an average annual rate of 4.2 percent. The enacted budget represents 42.2 percent growth, which is an annual rate of 4.2 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, general fees, auxiliary indirect costs, a portion of research

indirect costs, and miscellaneous revenue. The latter refers to the indirect costs added to research grants to reimburse the college or university for items that are necessary for research, such as an accounting system, facilities, and utilities. The unrestricted budget is similar to the general revenue budget of other agencies and departments. The governing bodies' unrestricted budget includes \$953.1 million, of which \$359.5 million is from general revenues. The general revenue portion is \$45.0 million more than the FY 2025 enacted budget; other unrestricted sources, including tuition and fee revenue, increase by \$9.6 million. Compared to the revised allocation, the request is \$51.7 million more, including \$43.5 million from general revenues and \$8.2 million from other unrestricted sources.

The Governor recommended \$940.7 million from unrestricted sources, which is \$42.2 million more than enacted and \$12.4 million less than requested. General revenues are \$14.6 million more than enacted and \$30.5 million less than requested. Excluding debt service, general revenues are \$14.9 million more than enacted and \$30.5 million less than requested. Other unrestricted sources, including tuition and fees, are \$18.1 million more than requested, suggesting that the schools will generate more revenue than current projections or constrain spending from the request in order not to exceed available resources.

The enacted budget includes \$938.9 million from unrestricted sources, which is \$1.8 million less than recommended and \$40.4 million more than originally enacted for FY 2025. General revenues are \$327.2 million, \$1.8 million less than recommended and \$12.7 million more than enacted.

Restricted Budget. The restricted budget is composed 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 \$658.0 million for FY 2026. This is \$85.7 million more than the enacted FY 2025 level. Compared to the revised allocation, the request is \$30.7 million less. *The Governor recommended \$653.4 million from restricted sources, which is \$81.1 million more than enacted and \$4.6 million less than requested.*

The enacted budget includes \$659.0 million from restricted resources, which is \$5.6 million more than recommended from Rhode Island Capital Plan funds.

Enrollment. FY 2026 enrollment would be 27,724 full-time equivalent students, 0.5 percent more than the enacted FY 2025 estimate and 6 or 0.0 percent more than the revised estimates. Compared to the FY 2025 revised estimates, the FY 2026 estimates for the University are 158 or 1.1 percent less and 225 or 1.5 percent less than the enacted assumptions. The estimates for the College are 394 or 7.8 percent more than the enacted assumption and 164 or 3.3 percent more than the revised estimate. The estimates for the Community College are 19 or 0.2 percent less than the enacted estimate and are consistent with the revised estimates. *The Governor's recommendation appears to reflect the governing bodies' projections.* **The Assembly concurred.**

Tuition and Fees. The FY 2026 request includes \$559.9 million from tuition and fees. This represents a \$9.2 million increase in revenues compared to the FY 2025 enacted level and is \$10.6 million or 1.9 percent more than the revised allocation. The Council approved tuition rates for FY 2026 for the College and Community College at its October 2024 meeting. For the College, this includes a tuition increase of 3.5 percent, which translates to \$342 for in-state students and \$902 for out-of-state students, as well as a fee increase of \$67 for all students. For the Community College, tuition and fees increase by \$318 for in-state students, representing a 5.7 percent increase, and \$866 for out-of-state students, representing a 5.8 percent increase. For in-state students, this includes a \$300 increase in tuition and an \$18 increase in mandatory fees. For non-residents, tuition increases by \$848, and mandatory fees increase by \$18.

At its November 2023 meeting, the University's Board of Trustees shifted the final approval of tuition and mandatory fees to February 2024 and each subsequent February. It did approve a baseline increase for FY 2026, which includes a tuition and fee increase for in-state students of \$446, or 3.0 percent, and \$1,062 for out-of-state students, also 3.0 percent, compared to the enacted budget. It assumes a \$16 increase in mandatory fees for all students. 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 need to approve new rates that are 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 \$18.1 million more than requested from tuition and fees or other unrestricted sources, suggesting that the schools will generate more revenue than current projections or constrain spending from the request in order not to exceed available resources. **The Assembly concurred.***

Office of Postsecondary Commissioner

Office of Postsecondary Commissioner	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 5,787,600	\$ 6,080,883	\$ 6,731,756	\$ 6,731,756
Contracted Services	4,757,169	4,747,419	4,939,508	4,939,508
Subtotal	\$ 10,544,769	\$ 10,828,302	\$ 11,671,264	\$ 11,671,264
Other State Operating	9,288,339	9,243,738	9,557,801	9,557,801
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	29,036,009	40,693,461	32,124,018	31,104,183
Capital	1,761,500	541,500	1,761,500	1,761,500
Capital Debt Service	1,169,250	1,169,250	1,168,750	1,168,750
Operating Transfers	-	-	-	-
Total	\$ 51,799,867	\$ 62,476,251	\$ 56,283,333	\$ 55,263,498
Sources of Funds				
General Revenue	\$ 30,122,180	\$ 30,039,199	\$ 34,342,126	\$ 33,322,291
Tuition and Fees	3,120,498	3,170,698	3,295,810	3,295,810
Other Unrestricted	-	-	-	-
Total Unrestricted	\$ 33,242,678	\$ 33,209,897	\$ 37,637,936	\$ 36,618,101
Restricted	18,557,189	29,266,354	18,645,397	18,645,397
All Sources	\$ 51,799,867	\$ 62,476,251	\$ 56,283,333	\$ 55,263,498
FTE Authorizations				
	45.0	45.0	47.0	47.0
<i>Third-Party Funded Positions</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>
Total Positions	46.0	46.0	48.0	48.0

Summary. The Council requested \$55.5 million from all sources and 58.0 full-time equivalent positions for the Office of Postsecondary Commissioner for FY 2026, including \$32.8 million from general revenues. This is \$3.7 million more than enacted, including \$2.7 million more from general revenues. The staffing request includes 12.0 new full-time equivalent positions within the Office dedicated to research projects and funded entirely by third-party sources.

The Governor recommended \$56.3 million, which is \$4.5 million more than enacted and \$0.8 million more than requested. He recommended 48.0 full-time equivalent positions, 2.0 more than enacted. The Assembly provided \$1.0 million less than recommended from general revenues. It authorized the new positions.

Staffing. The Office requested authorization for 58.0 full-time equivalent positions. This adds 12.0 positions to be funded from third-party funds for a total of 13.0 limited to this funding. The 2024 Assembly added 1.0 position for the Westerly Education Center. As of the middle of December, the Office had 41.0 filled positions. *The Governor did not recommend the 12.0 new third-party positions but did add 2.0 new positions associated with the integrated data systems initiative. The Assembly concurred.*

Assistant Commissioner Cost Allocation. The Council re-established a full-time labor relations function and expanded the role to create an Assistant Commissioner, Human Resources and Labor Relations position. This position is currently filled and serves as an advisor to the Council and Presidents of the Community College of Rhode Island and Rhode Island College on all human resources and labor relations matters. The Office requested to shift approximately 75 percent of the salary and benefits, or \$238,809, to

two institutions. The remaining 25 percent of the cost would remain in its budget, as would the full-time equivalent position authorization. *The Governor recommended funding as requested. The Assembly concurred.*

Research-Related Positions (12.0 FTE). The Office requested authorization, but no funding for 12.0 new full-time equivalent positions to support research projects within the Office. At the time of the request, the Office reported that it has been the recipient of or submitted grant proposals that allowed for the hiring of personnel, but limitations on positions prevent hiring personnel dedicated to the project or grant. The Office noted that the timing of submissions and the granting of awards often does not align with the budget or legislative calendars necessary to submit a request for changes to the staffing authorization. The idea is to be able to hire support if third-party grants are awarded. They would provide research, program delivery, support services, operations management, and other key grant-related responsibilities. *The Governor did not recommend the new positions. The Assembly concurred.*

Rhode Island Longitudinal Data System (2.0 FTE). The Office requested \$1.2 million from all sources, including \$0.6 million from general revenues, \$0.5 million from federal funds, and \$0.1 million from restricted receipts for the Rhode Island Longitudinal Data System. The FY 2024 enacted budget established 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. That legislation also called for a plan on how to establish a statewide integrated data system. The request is \$0.1 million more than enacted, including \$17,148 more from general revenues and makes no additional request related to the report. It reflects new federal funds for outside legal support of data-sharing agreements and increases in cybersecurity, web hosting, and storage services expenses. This is partially offset by increased turnover savings equivalent to approximately 0.5 positions.

The constrained budget proposes an 8.3 percent reduction to general revenues of \$47,791.

The Governor proposed establishing the Rhode Island Integrated Data System, "DATA RI," as the state's central repository for inter-agency, longitudinal, linked, and individual data. He proposed creating a single board to oversee the system, co-chaired by the Commissioner of Postsecondary Education and the Secretary of Health and Human Services. He recommended \$0.3 million from restricted receipts and 2.0 new positions in the Office. He also added 2.0 positions for the Department of Administration's Division of Enterprise Technology and Services and 2.0 for the Executive Office of Health and Human Services.

Additionally, the recommendation adds \$40,985, including \$19,320 from general revenues, to account for statewide adjustments consistent with his recent labor agreements. He also reduced internet services by \$15,000 based on prior year spending and added \$200,000 from general revenues for the necessary software to support the Office's data systems. The Assembly concurred.

Other Salaries and Benefits. The Office requested \$2.9 million from general revenues to fully fund the 17.0 positions not dedicated to other programs. This is \$0.4 million more than enacted and includes increases to several positions, a cost-of-living increase approved by the Council for non-union, non-classified Council employees, other current service adjustments, and the restoration of \$0.1 million of turnover savings in the enacted budget.

The constrained request reduces expenditures by 9.0 percent, or \$0.2 million, equivalent to approximately 2.3 full-time equivalent positions; however, it does not specify which positions would be eliminated. As of the budget submission, the Office had 16.5 filled positions.

The Governor recommended \$0.1 million more than requested from general revenues. The recommendation adds \$0.2 million from general revenues to account for statewide adjustments consistent

with his recent labor agreements and includes an additional \$0.1 million in turnover savings consistent with his revised recommendation. **The Assembly concurred.**

Rhode Island Promise. The 2017 Assembly established the Rhode Island Promise Scholarship program to provide two years of free tuition and mandatory fees at the Community College of Rhode Island for qualifying Rhode Island students. The program is a “last dollar scholarship,” meaning that after a student exhausts all other sources of student aid, the program would cover the remainder of their tuition bill with general revenues. This program does not cover other non-mandatory fees. Created as a pilot program, it was made permanent in 2021. The 2022 Assembly excluded College Crusade, renamed Onward We Learn, scholarships as financial aid from Promise award determination.

The funding for Rhode Island Promise is not reflected in the Community College’s budget request, as it is a scholarship awarded by the Office of Postsecondary Commissioner. The Office’s request for \$8.3 million is \$1.0 million more than the enacted budget but is consistent with the November Promise report and reflects the new inclusion of summer semesters. For FY 2026, the report indicates that \$8.3 million is needed to support a projected 2,628 students. That same report suggests FY 2025 costs will be \$7.4 million for 2,298 students.

The constrained request excludes the requested increase. *The Governor recommended funding consistent with the unconstrained request.* **The Assembly provided \$1.0 million less based on the May Promise report.**

Hope Scholarship. The 2023 Assembly provided \$4.0 million from general revenues for the first year of the new Hope Scholarship for FY 2024. Like the Community College Promise Scholarship, it provides last-dollar scholarships to eligible students and appears in the Office of Postsecondary Commissioner’s budget. The scholarship is provided to students during their third and fourth years, originally limited to those graduating in 2024, 2025, and 2026. The 2024 Assembly concurred with the Governor’s request to extend the program to include the last cohort entering in the fall of 2029, allowing for better program evaluation. It also modified the reporting requirements to align with those of the Promise program.

To be eligible for the scholarship, a student must be a first-time, in-state student, meet minimum GPA requirements, accumulate sufficient credits towards their major field of study in their freshman and sophomore years to ensure they can stay on track to graduate and have not received an award from the Rhode Island Promise Scholarship Program. The pilot program is designed to incentivize and support students on their path to graduation.

The November Hope Scholarship report indicates that around 410 juniors and seniors will be eligible for the scholarship with an estimated award of \$3.6 million for FY 2025, which is \$0.2 million more than enacted. The Office’s FY 2026 request is \$4.8 million, \$1.4 million more than enacted or a 29.7 percent increase. The request reflects a 38.6 percent increase in student eligibility over the enacted assumption of 360 students. This is inconsistent with the November report, which was unavailable at the time of budget submission and projects an FY 2026 cost of \$5.5 million for 571 students.

The constrained budget excludes the requested increase. *The Governor recommended \$5.5 million, consistent with the November report.* **The Assembly concurred.**

Dual Enrollment Program. Consistent with the enacted budget, the request includes \$2.3 million from general revenues for the Dual Enrollment program. Beginning in FY 2025, funding for the program shifted to general revenues as previous reserve funds were exhausted and tuition savings fees were insufficient.

This program allows students to take courses 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 in 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 costs 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.

*The Governor recommended \$2.9 million for FY 2026 and \$2.7 million for FY 2025, which is \$0.6 million and \$0.4 million more than enacted, respectively. Separately, he recommended a transfer of Rhode Island Student Loan Authority funds to general revenues for both years, equal to these costs. **The Assembly concurred.***

Last Dollar Scholarship. The request includes \$9.9 million for the Last Dollar Scholarship Program, consistent with the enacted level, but it shifts \$100,000 of funding from tuition savings fees to general revenues because those funds are not sufficient. 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 \$6.5 million from general revenues and \$3.4 million from tuition savings fees. These fees are collected from out-of-state participants in the state-sponsored 529 plan. They have declined in recent years.

The constrained budget reduces general revenues by \$100,000. *The Governor recommended funding consistent with the unconstrained request. **The Assembly concurred.***

ARPA - Foster Care Youth Scholarship. 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. To qualify for these grants, a youth must spend six months in foster care and or after their 14th birthday. The 2024 Assembly concurred with the Governor's recommendation to add \$1.0 million from State Fiscal Recovery funds for a separate last-dollar scholarship program for eligible foster care youth exiting the Department of Children, Youth and Families' care to attend Rhode Island College receiving full tuition, room and board, and/or support services, including during the summer months. Funding would be distributed through the Rhode Island College Foundation. The Council's request includes the enacted amount. *The Governor included the funding in FY 2025 only. **The Assembly concurred.***

Higher Education Affordability. The request includes the enacted amount of \$0.1 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 investments that support Rhode Island students. As of December, the Office had engaged with a vendor, and work is expected to begin in the current fiscal year. The Office did not spend any money in FY 2024 because of purchasing delays for contract approval. *The Governor recommended funding as requested. **The Assembly concurred.***

Nursing Education Center. The Nursing Education Center provides a centralized nursing program for students enrolled at the University of Rhode Island or Rhode Island College. Staffing and operating expenses are shared between the two institutions, with funding and staffing authorizations reflected in the Office of Postsecondary Commissioner's budget. The Office requested \$8.7 million, including \$3.1 million for 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 \$109,640 more than enacted and includes \$39,100 more for salaries

and benefits, with the remaining adjustments to operating and contracted services consistent with the FY 2025 revised request. As of the end of November, the Center had 3.5 vacancies. *The Governor's recommendation adds \$0.1 million to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Higher Education Centers. The Westerly Higher Education and Industry Center is a collaborative job skills and educational center 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 programs. It is structured to be financially self-sustaining as program fees and leasing space revenues support operating costs. It should be noted that the Community College pays the salaries and benefits for its staff who teach at the center from its unrestricted budget. Modeled after Westerly, the Northern Rhode Island Education Center opened in late summer 2022 to provide a collaborative job skills and educational center in the northern part of the state.

The Office requested \$7.9 million from restricted receipts for both centers, which is \$0.1 million more than enacted. Salaries and benefits increase by \$0.1 million, consistent with current service adjustments. Utility costs, information technology charges, and lease expenses for the annex are also adjusted. *The Governor's recommendation adds \$0.1 million to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Capital. The Office's request includes \$1.5 million from Rhode Island Capital Plan funds for capital projects, which is \$0.3 million more than enacted, reflecting the inadvertent inclusion of the remaining Certificates of Participation to furnish the Rhode Island Nursing Education Center shown as funded from Rhode Island Capital Plan funds. *The Governor recommended the enacted level of funding.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Special Programs. The request includes the enacted amount of \$0.7 million from general revenues for three initiatives that are passed through the Office's budget but are not part of its core operations. It also includes \$4.8 million from the federal GEAR-UP grant, which is \$0.5 million more than enacted and reflects an updated grant award amount. *The Governor recommended \$50,000 less than requested from general revenues. This reflects a \$100,000 reduction to the Rhode Island School for Progressive Education and a new \$50,000 grant to College Visions.* **The Assembly did not concur with the new expenditure for College Visions.**

Onward We Learn/College Crusade. The Office requested \$5.3 million to support the operations and scholarship programs offered by Onward We Learn, formerly the College Crusade, including \$4.8 million from the GEAR-UP federal grant and \$0.5 million from general revenues. Onward We Learn is a nonprofit organization founded in 1989 to reduce high school dropout rates and increase educational and career success for low-income urban youth. GEAR-UP provides grants to states and partnerships to support and commit to eligible low-income students, including those with disabilities, helping them obtain a secondary school diploma and prepare for and succeed in postsecondary education. *The Governor recommended funding as requested.* **The Assembly concurred.**

Best Buddies. The Office requested the enacted level of \$75,000 from general revenues for the Best Buddies program. The organization aims to establish a global volunteer movement that creates opportunities for one-to-one friendships, integrated employment, and leadership development for people with intellectual and developmental disabilities. *The Governor recommended funding as requested.* **The Assembly concurred.**

Higher Education Opportunities for Teachers of Color. The Office requested the enacted \$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 defray the cost of attendance, support staff stipends, recruitment, and technology.

The constrained budget includes a 10.0 percent reduction of \$73,000 to all general revenue-funded items. *The Governor recommended \$100,000 or \$100,000 less than enacted.* **The Assembly concurred.**

College Visions. College Visions is an organization dedicated to helping low-income and first-generation Rhode Island students pursue higher education. *The Governor recommended a new general revenue expenditure of \$50,000 to expand access to College Visions' summer college planning, career awareness, and academic preparation programs.* **The Assembly did not concur.**

Other Operations. The request includes \$1.7 million from all sources for all other Office expenses, which includes \$1.6 million from general revenues. Expenses include \$0.7 million for contracted services, \$0.2 million for annual dues and fees associated with the New England Higher Education Compact, \$0.2 million for centralized facilities management charges, and \$0.5 million for all other operating expenses, including computers, insurance, staff training and conference participation, and office supplies. The request is \$13,271 more than enacted from general revenues, with \$60,771 more for contracted professional services for research, partially offset by reductions for other office needs and staff training.

The constrained budget includes \$221,921 less or 14.2 percent.

The Governor recommended \$15,867 less from general revenues than the unconstrained request to align expenses with prior year spending. The recommendation also includes an increase of \$6,033 to account for adjustments to centralized services based on anticipated expenses. **The Assembly concurred.**

University of Rhode Island

University of Rhode Island	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 414,346,554	\$ 415,389,365	\$ 434,317,152	\$ 434,317,152
Contracted Services	30,380,328	31,916,591	31,718,918	31,718,918
Subtotal	\$ 444,726,882	\$ 447,305,956	\$ 466,036,070	\$ 466,036,070
Other State Operating	196,226,555	219,655,886	222,172,294	222,172,294
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	265,293,641	271,674,172	276,160,437	276,160,437
Capital	52,313,472	61,367,763	86,060,434	89,060,434
Capital Debt Service	59,404,461	58,184,157	58,294,064	58,294,064
Operating Transfers	5,804,083	-	-	-
Total	\$ 1,017,965,011	\$ 1,058,187,934	\$ 1,108,723,299	\$ 1,111,723,299
Sources of Funds				
General Revenue	\$ 144,224,440	\$ 144,401,585	\$ 148,637,923	\$ 148,637,923
Tuition and Fees	422,477,562	420,945,147	439,784,410	439,784,410
Other Unrestricted	19,144,925	23,740,996	21,138,443	21,138,443
Total Unrestricted	\$ 585,846,927	\$ 589,087,728	\$ 609,560,776	\$ 609,560,776
Restricted	432,118,084	469,100,206	499,162,523	502,162,523
All Sources	\$ 1,017,965,011	\$ 1,058,187,934	\$ 1,108,723,299	\$ 1,111,723,299
FTE Authorizations				
	2,217.2	2,217.2	2,217.2	2,292.2
<i>Limited to Third-Party Funds</i>	<i>353.8</i>	<i>353.8</i>	<i>353.8</i>	<i>378.8</i>
Total	2,571.0	2,571.0	2,571.0	2,671.0

Summary. The University requested \$1,132.9 million and 2,611.0 full-time equivalent positions for FY 2026, representing an increase of \$114.9 million, or 11.3 percent, from the FY 2025 enacted budget, and an increase of \$86.0 million, or 8.2 percent, from the revised allocation. General revenues requested at \$179.5 million are \$35.3 million more than the enacted budget and the revised allocations. Compared to the enacted budget, restricted expenditures are \$77.6 million more. The staffing request includes 40.0 new full-time equivalent positions.

The 2019 Assembly created a 17-member Board of Trustees for the University. The legislation transferred authority for various functions from the Council on Postsecondary Education to the new Board. It removed the University from the authority of the Commissioner of Postsecondary Education, effective February 1, 2020. It preserved all of the General Assembly's authority over the University.

The Governor recommended \$1,108.7 million from all sources, which is \$90.8 million more than enacted and \$24.2 million less than requested. This includes \$148.6 million from general revenues, which is \$4.4 million more than enacted and \$30.9 million less than requested. He recommended the enacted level of staffing. As of mid-January, the University exceeded its staffing cap by 24.9 positions.

The Assembly added \$3.0 million from Rhode Island Capital Plan funds for a new building envelope project. It also added authorization for 100.0 new full-time equivalent positions, of which 25.0 are limited to third-party sources. This will enable the University to stay within its cap while also allowing for growth.

Tuition and Enrollment. At its November 2023 meeting, the Board of Trustees shifted the final approval of tuition and mandatory fees to February 2024 and each subsequent February. The FY 2026 budget assumes a tuition and fee increase for in-state students of \$446, or 3.0 percent, and \$1,062 for out-of-state students, also 3.0 percent, compared to the enacted budget. It assumes a \$16 increase in mandatory fees for all undergraduate students. The request also includes an increase of 1.9 percent, or \$282, for average room and board costs. Overall enrollment is projected to decrease by 225 students or 1.5 percent. The introduction of a flat rate for graduate resident assistants for FY 2025 only, regardless of residency, skews in-state and out-of-state comparisons with those of prior years.

Similar to previous years, the University proposed further tuition rate increases to offset the general revenue reduction contained in the budget target, rather than making expenditure reductions. The Board of Trustees approved tuition rates at its February meeting, as shown in the table below.

University Undergraduate		Change to FY 2025		
Tuition and Fees	FY 2025	FY 2026	Enacted	
Resident				
Tuition*	\$ 14,630	\$ 15,148	\$ 518	3.5%
Fees	2,312	2,328	16	0.7%
Total	\$ 16,942	\$ 17,476	\$ 534	3.2%
Nonresident				
Tuition*	\$ 34,834	\$ 36,070	\$ 1,236	3.5%
Fees	2,312	2,328	16	0.7%
Total	\$ 37,146	\$ 38,398	\$ 1,252	3.4%
Average Room and Board	\$ 14,638	\$ 15,070	\$ 432	3.0%
Undergraduate and Graduate Enrollment				
In-State	6,791	6,850	59	0.9%
Out-of-State	7,829	7,773	(56)	-0.7%
Graduate Resident Assistants	228	-	(228)	-
Total	14,848	14,623	(225)	-1.5%

*Approved by Board of Trustees at February 13 Meeting

*The Governor's budget appears to assume tuition and mandatory fee increases consistent with the Board's preliminarily approved rates but includes \$17.3 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. **The Assembly concurred.***

Staffing. The request for 2,611.0 full-time equivalent positions is 40.0 more than the enacted level, all from the unrestricted budget. This includes 20.0 life sciences faculty and 20.0 academic advisors, similar to last year's request. The request assumes that 353.8 of the total positions would be limited to funding from third-party sources. As of the pay period ending December 14, 2024, the University had 2,556.7 filled positions out of its 2,571.0 authorized allotment. This is the highest percentage of filled positions in the FY 2012 through FY 2024 period. The University has exceeded its unrestricted staffing cap since the end of September. The number of research positions remains significantly below the authorized level. The 2024 Assembly increased the unrestricted authorization by 20 positions based on hiring to support auxiliary operations and strategic investments over the past year. *The Governor did not recommend the new positions. As of mid-January, the University exceeded its staffing cap by 24.9 positions. **The Assembly added authorization for 100.0 new full-time equivalent positions, of which 25.0 are limited to third-party sources. This will enable the University to stay within its cap while also allowing for growth.***

Unrestricted Budget. Including the State Crime Lab, the unrestricted budget accounts for \$623.1 million, an increase of \$37.3 million, or 6.4 percent, over the enacted budget and \$35.1 million, or 6.0 percent, over

the revised allocation. Sources of funds for the increase from the revised budget include \$35.3 million from general revenues and \$2.4 million from tuition and fees, offset by \$2.6 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 resulted in a general revenue target of \$137.1 million, comprising a current service adjustment of \$0.2 million and a 7.5 percent reduction of \$10.3 million, adjusted for certain exclusions. The constrained budget submitted by the University is \$10,777 less than the unconstrained request, including \$42.3 million less from general revenues. As in prior years, the University proposed further tuition rate increases to offset the general revenue reduction in the budget target, rather than through expenditure reductions. The State Crime Lab proposes fees to offset the general revenue reduction, totaling \$0.1 million.

The Governor recommended \$609.6 million in unrestricted expenditures, which is \$23.7 million more than enacted and \$13.6 million less than requested. General revenues are \$4.4 million more than enacted and \$30.9 million less than requested.

*The Governor recommended \$460.9 million from other unrestricted sources, which is \$17.3 million more than requested. The recommendation assumes that the University will generate more revenue than its current projection or constrain spending to avoid exceeding available resources. **The Assembly concurred.***

University of Rhode Island	Changes to Enacted		
	Request	Governor	Assembly
Current Year Revisions	\$ 2,233,114	\$ 3,240,801	\$ 3,240,801
Strategic Initiatives (40.0 FTE)	13,624,363	-	-
Life Sciences Faculty [20.0 FTE]	[5.3 million]	-	-
Academic Advisors [20.0 FTE]	[2.0 million]	-	-
Other Salaries and Benefits	17,885,931	16,877,675	16,877,675
Expanded Scholarship Support	[2.3 million]	-	-
Other Student Aid	3,276,975	3,276,975	3,276,975
Information Technology Modernization	[4.0 million]	-	-
Debt Service	(786,648)	(743,811)	(743,811)
Operations	1,042,431	1,050,092	1,050,092
State Crime Lab	18,437	12,117	12,117
Special Programs	-	-	-
Total	\$ 37,294,603	\$ 23,713,849	\$ 23,713,849

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 it receives from the Council on Postsecondary Education. The institutions retain the authority to use additional resources they received above appropriated amounts, such as research grants and additional tuition and fees. The Council reviews and approves each institution's allocation of all current-year resources and describes its requested budget year items in terms of changes to those current-year allocations. To ensure the analysis is conducted in terms of the items specified by the Council, staff analysis begins with the allocations.

The University requested \$2.2 million more from unrestricted sources than enacted. The enacted budget assumes \$15.1 million more from unrestricted sources than the University had estimated. This would have required identifying additional revenues or expenditure reductions, or both. The revised request removes the unidentified revenues, adjusts other sources, and increases spending by \$2.2 million. Changes include \$2.4 million or 0.6 percent less than enacted from tuition and fees, and \$4.6 million more from other

University sources. The enacted budget assumes enrollment of 14,848 with 6,791 in-state students, 7,829 out-of-state students, and 228 graduate resident assistants. The revised request includes enrollment of 14,781 or 161 fewer than enacted.

*The Governor recommended \$1.0 million more than requested to account for statewide adjustments consistent with his recent labor agreements for those affected employees and the correct assessed fringe benefit rate. **The Assembly concurred.***

Life Sciences Faculty (20.0 FTE). The unrestricted budget includes \$5.3 million to support 20.0 tenure-track faculty as part of the University's priority areas identified in its 2022 through 2032 strategic plan. The request includes \$3.0 million for salaries and benefits and \$2.3 million for operating expenses. The goal is for these faculty members to increase their teaching, research, and outreach capacity in fields critical to the state's economy and where life science companies face challenges in employee recruitment. This was requested last year but not recommended by the Governor or adopted by the Assembly. The Assembly did increase the staffing authorization to allow the University to prioritize overall resource allocation to personnel. *The Governor did not recommend funding for this initiative. **The Assembly concurred.***

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 its rate is double this in most areas. This was requested last year but not recommended by the Governor or adopted by the Assembly. The Assembly did increase the staffing authorization to allow the University to prioritize overall resource allocation to personnel. *The Governor did not recommend funding for this initiative. **The Assembly concurred.***

Other Salaries and Benefits. Excluding the State Crime Laboratory, the unrestricted budget includes \$317.8 million for all other unrestricted faculty and staff expenditures. The request is \$17.9 million or 6.0 percent more than the revised allocation and \$13.8 million or 4.5 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, as well as a placeholder for contracts that expire at the end of FY 2025 or have not yet been settled.

*The recommendation is \$1.0 million less than the unconstrained request. This would maintain current staffing levels and includes \$1.0 million to account for statewide adjustments consistent with his recent labor agreements for affected employees. **The Assembly concurred.***

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 2022-2032 strategic plan, aimed at increasing support for the Talent Development Program, National Guard waivers, and the Narragansett Tribal Scholarship program, established in 2022. This was requested last year but not recommended by the Governor or adopted by the Assembly. *The Governor did not recommend funding for this initiative. **The Assembly concurred.***

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 2026 request would use general revenues to fully cover the operating costs, which include funding for staff, housing, advising, and wrap-around services for students. *The Governor did not recommend funding for this initiative. **The Assembly concurred.***

National Guard. The Military Staff's budget includes \$100,000 from general revenues for its education benefits program. All National Guard service members who are pursuing an associate, bachelor, master's, or certification from Rhode Island College, the Community College of Rhode Island, or the University of Rhode Island are entitled to five courses per semester free of cost. Funding included in the Military Staff's budget helps defray the cost; however, any expenses above \$100,000 are borne by the institutions. The University waived \$2.2 million in FY 2024, and the request is for the state to provide \$0.8 million from general revenues specifically to defray half this cost. *The Governor did not recommend funding for this initiative.* **The Assembly concurred.**

Narragansett Tribal. The Narragansett Tribal Scholarship was created in May 2022 for undergraduate students who are citizens of the Narragansett Nation. The scholarship covers full, in-state tuition and fees for up to four years for students with direct 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 2026 request includes \$0.5 million from general revenues. *The Governor did not recommend funding for this initiative.* **The Assembly concurred.**

Other Student Aid. The unrestricted budget includes \$158.3 million for student aid, which is \$3.3 million or 2.1 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 Governor recommended funding as requested.* **The Assembly concurred.**

Information Technology Modernization. The request includes \$4.0 million for information technology investments to support the University's strategic plan. The proposal will modernize core administrative systems to align with the state system, address aging network infrastructure, create a uniform 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. A similar proposal was requested last year but was neither recommended by the Governor nor approved by the Assembly. *The Governor did not recommend funding for this initiative.* **The Assembly concurred.**

Debt Service. The unrestricted request includes \$38.5 million for debt service costs, \$0.8 million less than the revised allocation based on expected costs. The unrestricted budget request includes \$31.5 million in debt service payments on general obligation bonds, \$5.1 million for revenue bonds, and \$1.9 million through Certificates of Participation for the University's energy performance contract upgrades. The request does not assume any new or pending debt. *The Governor recommended \$42,837 more than requested for debt service payments on energy performance contract upgrades.* **The Assembly concurred.**

Operations. Excluding the items noted previously and the State Crime Laboratory, the unrestricted budget includes \$93.0 million for all other operating, contracted services, and capital expenditures. This is \$4.3 million, or 4.8 percent more than the enacted amount, and \$1.0 million, or 1.1 percent more than the revised allocation. These reflect current service adjustments.

The Governor recommended funding essentially as requested and included proviso language in Article 1, requiring that \$874,069 shall be used to support programming related to career readiness, career placement, internships, and work-based learning. This is intended to highlight the work the University is already doing in these areas and does not necessarily require additional investment by the institution. **The Assembly concurred.**

State Crime Lab. The unrestricted budget includes \$1.8 million and 11.8 full-time equivalent positions for the State Crime Lab, which is \$18,437 more than the revised allocation and enacted budget.

The constrained budget request reduces general revenues by \$0.1 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 that use the laboratory services, a practice enacted in 1978 legislation but repealed in 1984. This is the same proposal that has been submitted annually for nearly a decade. *The Governor recommended funding consistent with the unconstrained request, which is \$12,117 more than his revised recommendation.* **The Assembly concurred.**

Special Programs. The unrestricted budget includes the enacted amount of \$875,000 from general revenues for three initiatives passed through the University's budget but not part of its core operations. *The Governor recommended funding as requested.* **The Assembly concurred.**

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 friendships with family members, other Special Olympics athletes, and the community. *The Governor recommended funding as requested.* **The Assembly concurred.**

Small Business Development Center. The unrestricted budget includes the enacted amount of \$700,000 in general revenue support to the Rhode Island Small Business Development Center. The central mission 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, then matched by \$700,000 from federal funds to provide \$1.4 million to support small businesses. *The Governor recommended funding as requested.* **The Assembly concurred.**

Institute for Labor Studies and Research. The unrestricted budget includes the enacted amount of \$125,000 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 supported the institute for the first time since FY 2016. *The Governor recommended funding as requested.* **The Assembly concurred.**

Restricted Budget. The restricted budget request is \$509.7 million, \$77.6 million or 18.0 percent more than enacted, and \$50.9 million or 11.1 percent more than the revised allocation. The increase to the enacted budget includes \$45.2 million more for capital expenditures funded from Rhode Island Capital Plan funds, \$2.2 million more for student aid, \$0.7 million more for debt service, and \$29.4 million more for all other operations, of which \$18.7 million is from sponsored research funds.

The Governor recommended \$499.2 million, which is \$67.0 million more than enacted and \$10.6 million less than requested. **The Assembly added \$3.0 million from Rhode Island Capital Plan funds for a new building envelope project and concurred with the remainder of the recommendation.**

Restricted Student Aid. The restricted budget includes \$117.8 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 \$3.3 million or 2.9 percent more than enacted and \$1.2 million or 1.0 percent more than the revised request. It aligns with updated tuition and enrollment expectations. *The Governor recommended funding as requested.* **The Assembly concurred.**

Debt Service. The restricted budget includes \$19.7 million for debt service, which is \$0.7 million more than the enacted amount and reflects debt service for the Memorial Union and Health Services projects,

which have been repeatedly delayed and are expected to begin in FY 2026. *The Governor recommended \$12,286 more than requested.* **The Assembly concurred.**

Capital. The restricted budget includes \$96.5 million for capital improvements funded by Rhode Island Capital Plan funds. The request includes \$7.3 million for the Academic, Mechanical, Electrical, and Plumbing Improvements project, \$33.9 million for the Athletics Complex Renewal project, \$1.6 million for the Fire Safety Academic Phase II project, \$8.1 million for the Narragansett Bay Campus Renewal Phase I project, \$13.8 million for the PFAS Removal Water Treatment Plant, \$4.3 million for stormwater management, and \$16.8 million for asset protection projects. It includes \$10.7 million for four new capital projects. The request is \$45.2 million more than enacted and is consistent with the capital request.

The Governor recommended \$10.6 million less than requested. **The Assembly added \$3.0 million from Rhode Island Capital Plan funds for a new building envelope project. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Operations. The restricted budget includes \$275.7 million for all other restricted expenses for auxiliary and enterprise operations. The request is \$28.3 million or 11.4 percent more than enacted and \$3.6 million or 1.3 percent more than the revised allocation. FY 2024 spending showed growth in research funded activity, and that is reflected in the revised allocation. *The Governor recommended funding as requested.* **The Assembly concurred.**

Rhode Island College

Rhode Island College	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 116,645,772	\$ 118,714,527	\$ 122,782,303	\$ 122,782,303
Contracted Services	4,173,191	5,280,442	4,826,186	4,826,186
Subtotal	\$ 120,818,963	\$ 123,994,969	\$ 127,608,489	\$ 127,608,489
Other State Operating	34,532,892	34,655,558	38,296,768	38,296,768
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	21,140,570	24,574,811	26,212,318	26,212,318
Capital	17,198,116	26,489,745	12,331,686	12,331,686
Capital Debt Service	11,445,371	12,188,071	11,971,849	11,971,849
Operating Transfers	-	-	-	-
Total	\$ 205,135,912	\$ 221,903,154	\$ 216,421,110	\$ 216,421,110
Sources of Funds				
General Revenue	\$ 77,881,228	\$ 78,153,703	\$ 80,448,058	\$ 80,448,058
Tuition and Fees	66,095,437	67,356,740	72,017,654	72,017,654
Other Unrestricted	5,239,407	4,438,775	4,700,856	4,700,856
Total Unrestricted	\$ 149,216,072	\$ 149,949,218	\$ 157,166,568	\$ 157,166,568
Restricted	55,919,840	71,953,936	59,254,542	59,254,542
All Sources	\$ 205,135,912	\$ 221,903,154	\$ 216,421,110	\$ 216,421,110
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 requested \$216.9 million from all sources and 949.2 full-time equivalent positions. This is \$11.7 million or 5.7 percent more than the enacted budget and \$5.8 million or 2.6 percent less than the revised allocation. General revenues, requested at \$82.2 million, are \$4.3 million more than the enacted budget and \$3.8 million more than the revised allocation. Compared to the enacted budget, restricted source expenditures are \$3.3 million more. The staffing request is consistent with the current authorization, restricting 76.0 positions to third-party funding.

The Governor recommended \$216.4 million from all sources, which is \$11.3 million more than enacted and \$0.5 million less than requested. This includes \$80.4 million from general revenues, which is \$2.6 million more than enacted and \$1.8 million less than requested. He recommended the enacted level of staffing. The Assembly concurred.

Tuition and Enrollment. At its October 2024 meeting, the Council approved tuition rates as shown in the following table. This includes a tuition increase of 3.5 percent, which equates to \$342 for in-state students and \$902 for out-of-state students, and a fee increase of \$67 for all students. The Council also approved an increase of 5.9 percent, or \$837, for average room and board costs.

The FY 2025 revised enrollment estimate projects in-state enrollment to increase by 3.8 percent or 167 full-time equivalent students and out-of-state enrollment to increase by 7.7 percent or 63 students, for a total increase of 230 students. For FY 2026, in-state enrollment is projected to increase 11.1 percent or 474 full-time equivalent students, and out-of-state enrollment is projected to decrease 10.7 percent or 80 full-time equivalent students compared to the FY 2025 enacted assumptions, for a total increase of 394 students.

The FY 2026 estimate is 164 or 3.1 percent more than the FY 2025 enrollment. The College's enrollment had declined since FY 2014 when it achieved peak enrollment of 7,022 full-time equivalent students. This continued through FY 2023, reaching a low point of 4,809 students. FY 2024 saw a 3.3 percent increase with FY 2025 representing the most significant increase in the last 15 years with a 5.9 percent increase.

The constrained budget includes further tuition increases representing 7.5 percent to generate \$2.6 million more.

College Undergraduate	Change to FY 2025			
Tuition and Fees	FY 2025	FY 2026	Enacted	
Resident				
Tuition	\$ 9,765	\$ 10,107	\$ 342	3.5%
Fees	1,535	1,602	67	4.4%
Total	\$ 11,300	\$ 11,709	\$ 409	3.6%
Nonresident				
Tuition	\$ 25,764	\$ 26,666	\$ 902	3.5%
Fees	1,535	1,602	67	4.4%
Total	\$ 27,299	\$ 28,268	\$ 969	3.5%
Average Room and Board	\$ 14,271	\$ 15,108	\$ 837	5.9%
Undergraduate and Graduate Enrollment				
In-State	4,278	4,752	474	11.1%
Out-of-State	750	670	(80)	-10.7%
Total	5,028	5,422	394	7.8%

The Governor's budget appears to assume tuition and mandatory fee increases consistent with the Council's approved rates but includes \$1.3 million more than requested from tuition and fees or other unrestricted sources. The College would have to generate more revenue than current projections or constrain spending from the request so as not to exceed available resources to close the gap. The Assembly concurred.

Staffing. The College's request for 949.2 full-time equivalent positions is consistent with the enacted level. The request identifies a plan to fill 15.0 new positions to enhance academic support services and career and workforce readiness using vacancies within the existing cap. The request assumes that the enacted level of 76.0 of the total positions would be limited to funding from third-party sources. *The Governor recommended the enacted level of staffing. The Assembly concurred.*

Unrestricted Budget. The unrestricted budget accounts for \$157.6 million, an increase of \$8.4 million or 5.6 percent from the enacted budget and \$9.4 million or 6.3 percent from the revised allocation. Sources of funds for the increase from the revised allocation include \$3.8 million more from general revenues, \$5.4 million more from tuition and fees, and \$0.3 million more 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 \$73.2 million, including a current service adjustment of \$0.2 million and a 7.5 percent reduction of \$5.1 million, adjusted for certain exclusions. The College's constrained budget request is \$6.4 million less from general revenues than the unconstrained request. It assumes no new programs and increases tuition and fees to generate an additional \$2.6 million in revenues, resulting in the need to reduce expenditures by \$4.5 million through staff reductions.

The Governor recommended \$157.2 million in unrestricted expenditures, which is \$8.0 million more than enacted and \$0.5 million less than requested. This includes \$80.4 million from general revenues, which is \$2.6 million more than enacted and \$1.8 million less than requested. It also includes \$76.7 million from

other unrestricted sources, which is \$1.3 million more than requested. The recommendation assumes the College will generate more revenue than its current projection or constrain spending from the request not to exceed available resources. **The Assembly concurred.**

College	Changes to Enacted		
	Request	Governor	Assembly
Current Year Revisions	\$ (988,281)	\$ 733,146	\$ 733,146
Enhancing Academic Support (8.0 FTE)	1,133,966	-	-
Career and Workforce Readiness (7.0 FTE)	763,100	-	-
Other Salaries and Benefits	3,783,426	3,481,816	3,481,816
Vision Services	-	-	-
Hope Scholarship	-	-	-
Student Aid	1,214,104	1,214,104	1,214,104
Debt Service	(223,690)	(204,015)	(204,015)
Other Operations	2,725,445	2,725,445	2,725,445
Total	\$ 8,408,070	\$ 7,950,496	\$ 7,950,496

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 it receives from the Council on Postsecondary Education. The institutions retain the authority to use additional resources they receive above appropriated amounts, such as research grants and additional tuition and fees. The Council reviews and approves each institution's allocation of all current year resources and describes its requested budget year items in terms of changes to those current year allocations. So that the analysis can be in terms of the items the Council specifies as requested, staff analysis starts from the allocations.

The College requested \$1.0 million, or 0.7 percent less than enacted, from unrestricted sources for FY 2025. This includes \$0.8 million or 1.1 percent less from tuition and fees and \$0.8 million less from other unrestricted sources. The enacted budget assumes \$2.3 million more from unrestricted sources than the College had estimated. This would have required identifying additional revenues, expenditure reductions, or both. Additional revenues from increased enrollment, turnover savings, and a reduction in operating expenses helped to narrow the gap between expected revenues and expenditures. The request also includes a \$0.6 million increase from general revenues to offset the cost of settled collective bargaining agreements.

The revised request includes \$1.6 million less than enacted for salaries and benefits, \$0.7 million more for contracted services, \$0.5 million more in student aid, and \$0.6 million less for other operating expenses to reflect projected revenues.

The Governor recommended \$1.7 million more than requested. Of this, \$0.7 million is for debt service for the College's energy conservation project, and \$1.0 million is for salaries and benefits. The recommendation adds \$0.3 million to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, and inadvertently adds \$0.6 million for medical insurance. The Assembly concurred.

Enhancing Academic Support (8.0 FTE). The College requested \$1.1 million to fund 8.0 new full-time equivalent positions within its existing cap to improve academic support and retention initiatives. This would expand current efforts and include \$0.7 million for three new coordinators and five new success coach positions, \$0.3 million for seasonal peer mentors, and \$0.1 million for multilingual learner writing training for staff. With the Hope Scholarship, the College wants to ensure it has the systems and support to help students qualify for the scholarship. It proposes to do this through initial academic preparedness in core subjects, including math and writing, strengthening the learning community for multilingual learners,

enhancing STEM skills and support for students, and assisting students in their ability to speak and present publicly. *The Governor did not recommend funding for this initiative.* **The Assembly concurred.**

Career and Workforce Readiness (7.0 FTE). The College requested \$0.8 million to fund 7.0 new full-time equivalent positions within its existing cap to enhance career readiness and services. The request is based on recommendations from the National Association of Colleges and Employers' external review of the Career Development Center in April of 2023. The total includes \$0.7 million for salaries and benefits and \$0.1 million for program supplies. The proposal includes enhanced services across four areas of career services: career counseling, student employment, experiential learning, and employer relations. The primary goal is to deliver a career advising model that links students' programs of study with possible careers from the beginning of their studies. *The Governor did not recommend funding for this initiative.* **The Assembly concurred.**

Other Salaries and Benefits. Unrestricted expenditures for other salaries and benefits total \$104.5 million, \$3.8 million or 3.8 percent more than the revised allocation. The increase reflects current service adjustments, funding for settled contracts, and other salary adjustments.

The constrained request reduces salaries and benefits by \$4.5 million from general revenues through staffing reductions equivalent to 34 full-time equivalent positions. *The recommendation is \$0.3 million less than the unconstrained request. This would maintain current staffing levels and includes \$0.7 million to account for statewide adjustments consistent with his recent labor agreements for affected employees.* **The Assembly concurred.**

Vision Services. The unrestricted budget includes the enacted level of \$1.8 million to support the Rhode Island Vision Education and Services Program. The program, housed at the Sherlock Center on Disabilities at Rhode Island College, provides teaching and consultation services to children who are blind or visually impaired, their families, and educational staff within the school environment. Various services include early intervention, orientation and mobility, and 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, a part-time certified orientation and mobility specialist, and a part-time support staff. The program receives support from federal funds through the Department of Elementary and Secondary Education and billings to local education agencies on a fee-for-service basis. The 2023 Assembly created a new standalone appropriation in the College's budget of \$1.8 million from general revenues to support the program. *The Governor recommended funding as requested.* **The Assembly concurred.**

Hope Scholarship. The 2023 Assembly provided \$4.0 million from general revenues for the first year of the new Hope Scholarship for FY 2024. Like the Community College Promise Scholarship, it provides last-dollar scholarships to eligible students and appears in the Office of Postsecondary Commissioner's budget. The scholarship is provided to students during their third and fourth years, originally limited to those graduating in 2024, 2025, and 2026. The 2024 Assembly concurred with the Governor's request to extend the program to include the last cohort entering in the fall of 2029 to allow for better program evaluation. It also modified the reporting requirements to be like those for the Promise program.

To be eligible for the scholarship, a student must be a first-time, in-state student, meet minimum GPA requirements, accumulate sufficient credits towards their major field of study in their freshman and sophomore years to ensure they can stay on track to graduate and have not received an award from the Rhode Island Promise Scholarship Program. The pilot program is designed to incentivize and support students on their path to graduation.

The November Hope Scholarship report indicates that around 410 juniors and seniors will be eligible for the scholarship with an estimated award of \$3.6 million for FY 2025, which is \$0.2 million more than enacted. The Office's FY 2026 request is \$4.8 million, \$1.4 million more than enacted or a 29.7 percent increase. The request reflects a 38.6 percent increase in student eligibility over the enacted assumption of 360 students. This is inconsistent with the November report, which was unavailable at the time of budget submission and projects an FY 2026 cost of \$5.5 million for 571 students. *The Governor recommended \$5.5 million, consistent with the November report.* **The Assembly concurred.**

Student Aid. The unrestricted budget includes \$10.8 million for student aid, \$1.2 million more than the FY 2025 allocation, or 12.7 percent. The funding level reflects the increasing enrollment estimate and tuition and fee increases. Student aid can be seen as a discount on tuition, and the expenditure is directly related to tuition and fee revenue.

Waivers can also be viewed as a form of 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 are eligible for tuition waiver at the baccalaureate level, while faculty and staff eligibility is unlimited. Mandatory fees are not generally waived. *The Governor recommended funding as requested.* **The Assembly concurred.**

Debt Service. The unrestricted budget includes \$9.4 million for debt service costs, which is \$0.2 million, or 2.3 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 \$7.9 million on general obligation bonds accounts for most of the cost. *The Governor recommended \$19,675 more than requested.* **The Assembly concurred.**

Other Operations. Excluding the items noted previously, the unrestricted budget includes \$44.4 million for all other operations. This is \$2.7 million or 9.6 percent more than the revised allocation. The increase over the revised allocation includes \$1.2 million or 32.2 percent more for computer supplies and software. This includes computer replacements as Windows 10 is phased out; many existing computers cannot support Windows 11. Of the increase, \$0.3 million is for transitioning to the new employee management system. Some other increases include \$0.2 million for insurance, \$0.3 million for utilities, and \$0.4 million for vehicle replacement. The College reports that its fleet is older, and the plan is to replace one campus police vehicle, as well as vehicles for athletics and facilities.

The Governor recommended funding as requested and included proviso language in Article 1, requiring that \$464,377 shall be used to support programming related to career readiness, career placement, internships, and work-based learning. This is intended to highlight the work the College is already doing in these areas and does not necessarily require additional investment by the institution. **The Assembly concurred.**

Restricted Budget. The restricted budget request is \$59.3 million, \$3.3 million or 6.0 percent more than enacted, and \$15.2 million less than the FY 2025 revised allocation. The changes to the enacted budget include \$5.3 million less from Rhode Island Capital Plan funds for capital projects, \$4.0 million more for research and sponsored programs, and \$3.0 million more in student aid. *The Governor recommended \$59.3 million, which is \$3.3 million more than enacted and \$1,157 more than requested.* **The Assembly concurred.**

Student Aid. The restricted budget includes \$15.4 million for external student aid, including Pell Grants and work-study. The request is \$3.4 million more than enacted and \$0.4 million more than the FY 2025 revised allocation. These changes are based on current tuition and enrollment projections. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital. The restricted budget includes \$11.6 million for capital improvements funded by Rhode Island Capital Plan funds. It includes \$5.7 million for the Infrastructure Modernization project and \$6.0 million for asset protection projects. This is \$5.3 million less than enacted and consistent with the College's capital budget request. *The Governor recommended funding as requested.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Operations. The restricted budget includes \$30.4 million for all other restricted expenses for the dining hall, student union, and residence halls, including debt service. The request is \$5.3 million more than enacted, including \$3.3 million more for salaries and benefits and \$1.7 million more for maintenance and repairs to the residence halls. The College reports that residence hall occupancy is 20 percent over last year's fall census.

For the past few years, revenues from dining, residence halls, and the student union have not been sufficient to support operations, and the College has relied on prior-year balances from those enterprises to cover the gap. For the first time in years, the residence halls are projected to end FY 2025 and FY 2026 with a positive balance of \$0.3 million and \$0.4 million, respectively. Donovan Dining is projected to end FY 2025 with a \$0.2 million deficit; FY 2026 would end with a \$0.2 million surplus. The student union would still be in deficit both years, ending FY 2025 with a \$0.4 million deficit that is lowered to \$0.2 million for FY 2026. *The Governor recommended funding essentially as requested.* **The Assembly concurred.**

Community College of Rhode Island

Community College of Rhode Island	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 104,575,113	\$ 107,197,102	\$ 110,067,808	\$ 110,067,808
Contracted Services	5,254,994	5,144,028	4,858,939	4,858,939
Subtotal	\$ 109,830,107	\$ 112,341,130	\$ 114,926,747	\$ 114,926,747
Other State Operating	20,588,588	21,907,126	22,060,581	21,260,581
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	35,333,837	41,181,176	43,124,151	43,124,151
Capital	29,129,452	12,135,783	31,477,452	34,077,452
Capital Debt Service	1,054,709	1,054,709	1,097,898	1,097,898
Operating Transfers	-	-	-	-
Total	\$ 195,936,693	\$ 188,619,924	\$ 212,686,829	\$ 214,486,829
Sources of Funds				
General Revenue	\$ 62,286,538	\$ 62,534,419	\$ 65,638,244	\$ 64,838,244
Tuition and Fees	58,965,800	61,432,167	62,827,746	62,827,746
Other Unrestricted	8,953,872	7,915,123	7,853,169	7,853,169
Total Unrestricted	\$ 130,206,210	\$ 131,881,709	\$ 136,319,159	\$ 135,519,159
Restricted	65,730,483	56,738,215	76,367,670	78,967,670
All Sources	\$ 195,936,693	\$ 188,619,924	\$ 212,686,829	\$ 214,486,829
FTE Authorizations				
<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 requested \$205.8 million from all sources and 849.1 full-time equivalent positions for FY 2026. This is \$9.9 million, or 5.1 percent more than the enacted budget, and \$1.1 million, or 0.5 percent less than the revised allocation. General revenues, requested at \$65.0 million, are \$2.1 million, or 3.3 percent, more than the revised allocation and \$2.7 million, or 4.7 percent, more than the enacted budget. Compared to the enacted budget, restricted source expenditures are \$3.8 million more. The staffing request is consistent with the enacted authorization.

The Governor recommended \$212.7 million from all sources, which is \$16.8 million more than enacted and \$6.8 million more than requested. The recommendation includes \$65.6 million from general revenues, which is \$3.4 million more than enacted and \$0.6 million more than requested.

The Assembly removed \$0.8 million from general revenues and added \$2.6 million from Rhode Island Capital Plan funds shifted from FY 2025. It concurred with the remainder of the recommendation.

Tuition and Enrollment. The Council approved a tuition and fee increase equal to \$318 for all in-state students, or 5.7 percent, and \$866 for all out-of-state students, or 5.8 percent. For in-state students, this includes an increase of \$300 for tuition and an \$18 increase for mandatory fees. For non-residents, tuition increases by \$848, and mandatory fees increase by \$18. Enrollment is projected to decrease by 19 full-time equivalent students or 0.2 percent compared to the enacted budget and remain at the FY 2025 revised level of 7,679.

The Council of Postsecondary Education approved the tuition rates in the following table at its October 2024 meeting.

Community College Tuition and Fees	FY 2025	FY 2026	Change to FY 2025 Enacted	
Resident				
Tuition	\$ 5,074	\$ 5,374	\$ 300	5.9%
Fees	476	494	18	3.8%
Total	\$ 5,550	\$ 5,868	\$ 318	5.7%
Nonresident				
Tuition	\$ 14,358	\$ 15,206	\$ 848	5.9%
Fees	476	494	18	3.8%
Total	\$ 14,834	\$ 15,700	\$ 866	5.8%
Enrollment	7,698	7,679	(19)	-0.2%

*The Governor's budget assumes tuition and mandatory fee increases are consistent with the Council's approved rates. It includes \$0.6 million less from tuition and fees or other unrestricted sources. **The Assembly concurred.***

Staffing. The Community College's request for 849.1 full-time equivalent positions is consistent with the enacted level. The request assumes that 89.0 of the total positions would be limited to funding from third-party sources. *The Governor recommended staffing consistent with the enacted budget. **The Assembly concurred.***

Unrestricted Budget. The unrestricted budget accounts for \$136.3 million, \$6.1 million or 4.7 percent more than the enacted budget, and \$4.8 million or 3.6 percent more than the revised allocation. Sources of funds for the increase to the revised allocations include \$2.1 million more from general revenues, \$2.7 million more from tuition and fees, and \$0.1 million less from other unrestricted sources.

The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Community College, this produced a general revenue target of \$58.3 million, including current service adjustments of \$0.2 million and a 7.5 percent reduction of \$4.6 million, adjusted for certain exclusions. The constrained budget submitted by the Community College is \$2.5 million less than the unconstrained request from general revenues. The Community College proposes tuition rate increases of 9.9 percent to offset the general revenue reduction contained in the budget target.

*The Governor recommended \$136.3 million in unrestricted expenditures, which is \$6.1 million more than enacted and \$135 less than requested. General revenues are \$3.4 million more than enacted and \$0.6 million more than requested. He recommended \$70.7 million from other unrestricted sources, which is \$0.6 million less than requested. **The Assembly provided \$0.8 million less from general revenues.***

Community College	Changes to Enacted		
	Request	Governor	Assembly
Current Year Revisions	\$ 1,335,181	\$ 1,675,499	\$ 1,675,499
Ready to Build	-	800,000	-
Advantage Program	-	-	-
Salaries and Benefits	3,697,713	3,357,250	3,357,250
Rhode Island Promise	-	-	-
Other Student Aid	364,516	364,516	364,516
Debt Service	43,189	43,189	43,189
Other Operations	672,485	(127,505)	(127,505)
Total	\$ 6,113,084	\$ 6,112,949	\$ 5,032,749

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 it receives from the Council on Postsecondary Education. The institutions retain the authority to use additional resources they received above appropriated amounts, such as research grants and additional tuition and fees. The Council reviews and approves each institution's allocation of all current year resources and describes its requested budget year items in terms of changes to those current year allocations. To ensure the analysis is conducted in terms of the items specified by the Council, staff analysis begins with the allocations.

The Community College requested \$1.3 million, or 1.0 percent more than enacted, from unrestricted sources. This includes \$0.7 million more from general revenues. This represents the state's share of the increase in the assessed fringe benefit rates and the cost-of-living adjustment ratified by Council 94. It also includes \$1.7 million or 2.9 percent more than enacted from tuition and fees, and \$1.0 million less from other unrestricted sources. The revised request includes 7,679 full-time equivalent students, 19 fewer than enacted. However, a change in the total number of students enrolled yielded more tuition per full-time equivalent student than the original projections, which helps cover some of the overstatement in the enacted budget.

The expenditure changes include \$1.2 million more for salaries and benefits, \$0.3 million less for contracted services, \$0.6 million more for student aid, and \$0.2 million less for other operating expenses. *The Governor recommended \$0.3 million more than requested to account for statewide adjustments consistent with his recent labor agreements for those affected employees and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Ready to Build. In November, the Community College launched a new Apprenticeship Readiness program for recent high school graduates and young adults in partnership with Building Futures. It received a \$250,000 workforce investment grant from the Department of Labor and Training to begin the program, offering apprenticeship readiness programming. The aim is to increase the number of qualified candidates for registered apprenticeships in all trades. The program includes classroom instruction on the industry, health and safety, construction math, diversity, blueprint reading, and financial literacy. *The Governor recommended a new investment of \$800,000 from general revenues to continue the program.* **The Assembly did not concur with the new investment.**

Advantage Program. As part of its FY 2025 request, the Community College requested \$4.0 million from general revenues for a new Advantage Program in which students in developmental education would no longer be taking credit-bearing courses. This would result in a reduction of \$3.6 million in tuition and fees. As part of the request, the College requested an additional state appropriation of \$3.6 million to backfill the revenue loss and \$0.4 million of new money. The 2024 Assembly did not approve this funding.

The Community College reports it received an anonymous gift of \$2.0 million to cover the start-up costs for the Advantage Program. The program launched this fall and will have a second cohort start in January. The gift will fund the pilot program for two to three years. *The Governor recommended funding as requested.* **The Assembly concurred.**

Salaries and Benefits. Unrestricted expenditures for salaries and benefits total \$104.1 million, which is \$3.7 million or 3.7 percent more than the revised allocation. The increase reflects settled contracts, a placeholder for ongoing contract negotiations, and other current service adjustments consistent with Budget Office planning values.

The constrained request includes \$1.9 million in savings achieved by implementing a hiring freeze. *The recommendation is \$0.3 million less than the unconstrained request. This would maintain current staffing levels and includes \$0.7 million to account for statewide adjustments consistent with his recent labor agreements for affected employees.* **The Assembly concurred.**

Rhode Island Promise. The 2017 Assembly established the Rhode Island Promise Scholarship program to provide two years of free tuition and mandatory fees at the Community College of Rhode Island for qualifying Rhode Island students. The program is a “last dollar scholarship,” meaning that after a student exhausts all other sources of student aid, the program would cover the remainder of the tuition bill with general revenues. This program does not cover other non-mandatory fees. Created initially 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 \$8.3 million is \$1.0 million more than the enacted budget and is consistent with the November Promise report, reflecting the new inclusion of summer semesters. For FY 2026, the report indicates that \$8.3 million is needed to support approximately 2,628 students. That same report suggests FY 2025 costs will be \$7.4 million for 2,298 students. *The Governor recommended funding as requested.* **The Assembly provided \$1.0 million less based on the May Promise report.**

Other Student Aid. The unrestricted budget includes \$6.7 million for student aid, \$0.4 million more than the revised allocation. The additional funding is consistent with the tuition and fee increases 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. *The Governor recommended funding as requested.* **The Assembly concurred.**

Debt Service. The unrestricted budget includes \$1.1 million for debt service expenditures on general obligation bonds. This is \$43,189 more than the revised allocation based on expected costs. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Operations. Excluding the items noted previously, the unrestricted budget includes \$24.4 million for all other operations and contracted services. This is \$0.7 million or 2.9 percent more than the revised allocation. Expenditures include \$1.1 million for maintenance and repairs, \$2.7 million for contracted groundskeeping, \$2.0 million for utilities, \$1.9 million for insurance, and \$1.1 million for contracted training services.

The Governor recommended \$0.8 million less than requested to reflect the direction of that funding to the Ready to Build program. He also included proviso language in Article 1, requiring that \$391,175 shall be used to support programming related to career readiness, career placement, internships, and work-based learning. This is intended to highlight the work the Community College is already doing in these areas and does not necessarily require additional investment by the institution. **The Assembly concurred.**

Restricted Budget. The restricted budget request of \$69.5 million is \$3.8 million, or 5.8 percent, more than the enacted amount and \$5.9 million, or 7.8 percent, less than the revised allocation. The increase to the enacted budget includes \$4.5 million less for capital projects funded from Rhode Island Capital Plan funds, offset by \$5.2 million more for restricted student aid and \$2.7 million more from federal grants. *The Governor recommended \$76.4 million, which is \$10.6 million more than enacted and \$6.9 million more than requested.* **The Assembly added \$2.6 million from Rhode Island Capital Plan funds shifted from FY 2025.**

Restricted Student Aid. The restricted budget includes \$36.4 million for external aid from restricted sources, which is \$6.9 million more than enacted and \$1.6 million more than the revised request to reflect the tuition and fee increase. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital. The restricted budget includes \$24.4 million for capital improvements funded by Rhode Island Capital Plan funds. The request includes \$13.0 million for the Renovation and Modernization – Phase I project, \$3.2 million for the Flanagan Campus Renewal project, \$5.2 million for the Data, Cabling, and Power Infrastructure project, \$0.3 million for accessibility improvements, and \$2.7 million for asset protection projects. This is \$4.5 million less than the enacted budget and consistent with the capital request. *The Governor recommended \$2.4 million more than enacted.* **The Assembly added \$2.6 million from Rhode Island Capital Plan funds shifted from FY 2025. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Operations. The restricted budget includes \$8.8 million for all other restricted expenses for auxiliary and enterprise operations. The request is \$1.4 million more than enacted and \$1.3 million less than the revised allocation. Consistent with the revised request, most of the increase is \$1.7 million from State Fiscal Recovery funds budgeted in the Office of Postsecondary Commissioner for the Fresh Start Scholarship, which double-counts the expenditure. The budget includes \$5.0 million for a new adult scholarship program that targets adult students with some college credits but no degree, focusing on students who dropped out of the Community College. Funding the first semester back will allow students to regain federal financial aid eligibility. As of the end of October, the Office had spent \$0.9 million. *The Governor recommended funding as requested.* **The Assembly concurred.**

Rhode Island State Council on the Arts

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 1,405,289	\$ 1,403,811	\$ 1,561,665	\$ 1,561,665
Contracted Services	83,000	306,500	340,363	340,363
Subtotal	\$ 1,488,289	\$ 1,710,311	\$ 1,902,028	\$ 1,902,028
Other State Operations	187,042	217,249	208,924	208,924
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,766,006	1,593,502	1,593,502	1,593,502
Capital	535,000	563,210	538,000	538,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,976,337	\$ 4,084,272	\$ 4,242,454	\$ 4,242,454
Sources of Funds				
General Revenue	\$ 2,395,211	\$ 2,412,492	\$ 2,414,685	\$ 2,414,685
Federal Aid	996,126	1,011,780	1,022,711	1,022,711
Restricted Receipts	-	-	115,058	115,058
Other	585,000	660,000	690,000	690,000
Total	\$ 3,976,337	\$ 4,084,272	\$ 4,242,454	\$ 4,242,454
FTE Authorization	10.0	10.0	10.0	10.0

Summary. The Rhode Island State Council on the Arts requested \$4.4 million from all sources, which is \$380,702 more than enacted, including \$204,921 from general revenues, \$70,781 from federal funds, and \$105,000 from other funds. The request includes 11.0 full-time equivalent positions, 1.0 more than enacted. *The Governor recommended \$0.1 million less than requested and the authorized level of 10.0 positions. This includes \$0.2 million less from general revenues, \$44,196 less from federal funds, and \$0.1 million more from new restricted receipts.* **The Assembly provided funding as recommended.**

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 adjustment of \$11,533 and a 7.5 percent reduction of \$172,495, adjusted for certain exclusions. The constrained budget submitted by the Council is effectively 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 \$0.2 million above the target.* **The Assembly concurred.**

Grants. The Council supports a multitude of grants funded through different sources. Its FY 2026 request totals \$1.6 million, including \$1.2 million from general revenues and \$0.4 million from federal funds. The request is \$0.1 million less than enacted, including \$50,000 more from general revenues and \$0.2 million less from federal funds.

For FY 2024, the Council awarded nine types of grants totaling \$1.5 million from all sources, including a \$400,000 designated grant for WaterFire Providence identified in Article 13 of 2024-H 7225, 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 from federal National Endowment for the Arts support over which it has wide discretion to distribute. The table below shows grant support to the Council from FY 2022. *The Governor recommended the enacted level of general revenues, and federal funding as requested. The Assembly concurred.*

Fund Source	Grant Pool	FY 2022	FY 2023	FY 2024	FY 2025 Enacted	FY 2026 Governor	FY 2026 Enacted
General Revenues	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	400,000	400,000	400,000	400,000
	Governor's Portrait	25,000	-	-	-	-	-
Subtotal		\$ 1,190,000	\$ 1,165,000	\$ 1,190,000	\$ 1,190,000	\$ 1,190,000	\$ 1,190,000
Federal Funds	National Endowment for the Arts	\$ 1,577,322	\$ 936,599	\$ 576,006	\$ 576,006	\$ 403,502	\$ 403,502
	Coronavirus Relief Funds	-	-	-	-	-	-
Restricted Receipts	Expansion Arts	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -
	Arts & Health Network	10,000	-	-	-	-	-
	Grant	25,000	45,000	-	-	-	-
	Governor's Portrait	25,000	45,000	-	-	-	-
Total Grant Funding		\$ 2,807,322	\$ 2,151,599	\$ 1,771,006	\$ 1,766,006	\$ 1,593,502	\$ 1,593,502

Discretionary Grants. The Council requested \$640,000 from general revenues, \$50,000 more than enacted, for discretionary grants to various education, individual artists, and arts organizational programs. The Council indicated that the general revenue funding for these grants has not changed since 2015, and the requested increase would allow it to support an additional 10 to 14 awards. The discretionary grant pool currently supports 11 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 constrained request includes \$50,000 less. *The Governor recommended \$590,000, consistent with the enacted budget. The Assembly concurred.*

Other State Grants. Consistent with the enacted budget, the Council requested \$0.2 million from general revenues for its remaining state supported grant programs awarded through a competitive pool. These grants fund the Council's regular education and access initiatives, including the Big Yellow School Bus Program, Folk Arts Program, and organization operating grants. The 2016 Assembly ended the community service grant program and provided these appropriations in place of the prior funding. *The Governor recommended funding as requested. The Assembly concurred.*

WaterFire Providence. Consistent with the enacted budget, the Council requested \$400,000 from general revenues to support WaterFire Providence. 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 \$201,973 less. *The Governor recommended \$400,000, as requested. The Assembly concurred.*

National Endowment for the Arts Grants. The Council requested \$0.6 million from federal National Endowment for the Arts funds, \$20,141 less than enacted, 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. In prior years, the Council has incurred expenses for grant-related contractors and fellowships that were not included in its budget; the request shifts \$0.2 million from awards to contracted services to more accurately reflect how these funds are spent. The request also contains a separate initiative to convert contracted personnel into a new state employee position. *The Governor recommended funding as requested. The Assembly concurred.*

Indirect Cost Recovery. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through a negotiated indirect cost rate. Current law mandates that all state agencies apply for the rate when it is allowed. In fall 2024, the minimum federal rate was increased from 10.0 percent to 15.0 percent. The Council does not appear to charge this to its grants.

The Governor's recommendation includes general revenue savings of \$115,058 to be achieved from applying a 15.0 percent indirect cost recovery on federal grants received by the Council and shifts general revenue expenditures to restricted receipts and reduces federal funds accordingly. The Assembly concurred.

Grants Manager (1.0 FTE). The request includes \$108,892 and authorization for 1.0 new full-time equivalent position for a grants manager, including \$38,111 from general revenues and \$70,781 from federal funds. 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 currently provides \$82,015 for two individuals to help oversee grants management. This request would replace these contracted personnel and reuse associated federal funds to support the new state position. The Council indicated the grant management work is increasingly burdensome and takes time away from program development, grant evaluations and community outreach. During FY 2019, the Council received 635 applications and awarded 213 grants; in FY 2024, it received 693 applications and awarded 209 grants. The Council has made similar requests each year since FY 2023, which have not been recommended by the Governor nor approved by the Assembly. The request inadvertently overstates available federal funds by \$70,781.

The constrained request excludes the position and funding. *The Governor's recommendation excludes this initiative. The Assembly concurs.*

Film Office. The Council requested \$0.6 million from general revenues, \$97,137 more than enacted, to support 3.0 full-time equivalent positions and operations of the Rhode Island Film and Television Office. 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 position. The position transitioned to full-time in August 2023, however the upgrade to deputy director and associated pay increase did not occur. The requested increase comprises \$25,800 to implement the position upgrade; \$21,337 for current service adjustments and changes to medical benefit selections; and \$50,000 for advertising, travel expenses, and website upgrades intended to generate interest in Rhode Island as a film destination.

The constrained request is \$75,800 less to reflect current service adjustments only. *The Governor concurred with the constrained request and added \$35,512 to account for statewide adjustments consistent with his recent labor agreements. Funding was not recommended for the position upgrade. The Assembly provided funding as recommended.*

Percent for Art Program. The Council requested \$0.7 million for the Percent for Art program for public art projects at state-owned facilities. The request is \$0.1 million more than enacted to reflect planned projects. The revised request includes a smaller adjustment. Many projects were put on hold as a result of the pandemic but are now proceeding. There are 14 ongoing projects, 7 of which are new. *The Governor recommended funding as requested. The Assembly concurred.*

Other Staffing and Operations. The Council requested \$1.2 million from all sources for all other expenses and the Council's remaining 7.0 full-time equivalent positions. The request is \$39,814 more than enacted for current service adjustments, including \$19,673 from general revenues and \$20,141 from federal funds. *The Governor recommended \$84,595 more than requested, including \$58,010 from general revenues. This primarily reflects \$76,309 to account for statewide adjustments consistent with his recent labor agreements, partially offset by \$1,824 of turnover savings. It also includes \$10,110 from general revenues to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses.* **The Assembly concurred.**

Rhode Island Atomic Energy Commission

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 1,271,223	\$ 1,334,312	\$ 1,399,109	\$ 1,399,109
Contracted Services	-	-	-	-
Subtotal	\$ 1,271,223	\$ 1,334,312	\$ 1,399,109	\$ 1,399,109
Other State Operations	244,652	242,339	237,350	237,350
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	\$ 1,593,911	\$ 1,654,687	\$ 1,714,495	\$ 1,714,495
Sources of Funds				
General Revenue	\$ 1,180,419	\$ 1,231,639	\$ 1,278,282	\$ 1,278,282
Federal Aid	-	-	-	-
Restricted Receipts	25,036	25,036	25,036	25,036
Other	388,456	398,012	411,177	411,177
Total	\$ 1,593,911	\$ 1,654,687	\$ 1,714,495	\$ 1,714,495
FTE Authorization	8.6	8.6	8.6	8.6

Summary. The Rhode Island Atomic Energy Commission requested \$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 \$9,410 more than enacted, of which \$8,411 is from general revenues. The Commission requested 8.6 full-time equivalent positions, consistent with the current authorized level. *The Governor recommended \$1.7 million, which is \$120,584 more than enacted and \$111,174 more than requested. General revenues are \$97,863 more than enacted and \$89,452 more than requested. The Assembly concurred.*

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Commission, this produced a general revenue target of \$1.1 million, including an increase for current service adjustments of \$8,411 and a 7.5 percent target reduction adjusted for certain exclusions of \$87,871. The constrained budget submitted by the agency is \$28,506 more than the target. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor's recommendation is \$0.2 million more than the target. The Assembly concurred.*

Salaries and Benefits. The Commission requested \$1.3 million to fully fund its 8.6 full-time equivalent positions. This is \$18,001 more than enacted, including \$17,359 more from general revenues and \$642 more from University research funds. The use of University funds for staffing is governed by a contract with the University. The increase reflects current service adjustments consistent with budget instructions and scheduled step increases.

The constrained request includes a proposal to reduce personnel by 1.0 full-time equivalent position, which would provide \$0.1 million in savings. *Compared to the unconstrained request, the Governor added \$109,885, including \$88,163 from general revenues, to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Reactor Fees Restricted Receipt Account. Consistent with the enacted budget, the Commission requested \$25,036 from restricted receipts for repairs to nuclear instrumentation. The Commission typically funds instrumentation repair through grants that may not cover the full cost of repairing the instrument. The 2018 Assembly created a restricted receipt account for the reactor fee revenues for equipment maintenance expenses. The Commission has not typically spent the full appropriation, which it notes is intentional, as the fund is meant to be available when repair grants do not cover the full cost. *The Governor recommended funding as requested. The Assembly concurred.*

Capital Projects. The Commission requested \$50,000 from Rhode Island Capital Plan funds for capital asset protection projects, consistent with the enacted amount. *The Governor recommended funding as requested. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Commission requested \$239,061 from all sources for other operations, including \$149,386 from general revenues and \$89,675 from University funds. This is \$8,591 less than enacted, including \$8,948 less from general revenues and \$357 more from University funds. The savings reflect a new janitorial services contract effective during FY 2024, partially offset by increases to anticipated travel costs for conferences, increased cost of liquid nitrogen and calibration sources for radiation detectors, and information technology charges. *The Governor concurred and added \$1,289 from general revenues to account for adjustments to centralized services based on anticipated expenses. The Assembly concurred.*

Historical Preservation and Heritage Commission

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 2,379,509	\$ 2,140,501	\$ 2,493,072	\$ 2,493,072
Contracted Services	16,575	16,575	17,825	17,825
Subtotal	\$ 2,396,084	\$ 2,157,076	\$ 2,510,897	\$ 2,510,897
Other State Operations	389,176	408,364	334,354	334,354
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	585,400	568,400	610,380	593,380
Capital	357,000	707,000	10,000	10,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,727,660	\$ 3,840,840	\$ 3,465,631	\$ 3,448,631
Sources of Funds				
General Revenue	\$ 1,898,100	\$ 1,622,211	\$ 1,986,751	\$ 1,969,751
Federal Aid	1,267,431	1,613,889	822,451	822,451
Restricted Receipts	419,300	419,300	511,827	511,827
Other	142,829	185,440	144,602	144,602
Total	\$ 3,727,660	\$ 3,840,840	\$ 3,465,631	\$ 3,448,631
FTE Authorization	15.6	15.6	15.6	15.6

Summary. The Historical Preservation and Heritage Commission requested \$3.5 million, which is \$0.2 million less than enacted from all sources, including \$0.2 million more from general revenues, \$0.4 million less from federal funds, and \$8,493 less from Department of Transportation reimbursements. The request includes the authorized level of 15.6 full-time equivalent positions. *The Governor recommended \$36,120 less than requested, including \$86,135 less from general revenues. The Assembly provided \$17,000 less from general revenues than recommended.*

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 7.5 percent reduction of \$122,276, adjusted for certain exclusions. The constrained budget submitted by the Commission is \$50,548 lower than the Budget Office target. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor's recommendation is \$0.2 million above the target. The Assembly provided \$0.2 million above the target.*

Department of Transportation Project Review. The Commission requested \$134,336 from Department of Transportation reimbursements for expenses related to project review, which is \$8,493 less than enacted. Reimbursements are used to fund one full-time position and \$1,200 for associated operating costs. The enacted budget funded an upgrade for the associated position, consistent with the Commission's FY 2025 request. The Commission now indicates that cost was overstated. *The Governor recommended \$10,266 more than requested to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Other Salaries and Benefits. The Commission requested \$2.2 million from all sources, including \$1.6 million from general revenues, for salaries and benefits for its remaining 14.6 full-time equivalent positions. This is \$13,806 less than enacted for current service adjustments, offset by \$0.1 million of turnover savings equivalent to an average of 0.7 vacancies. The request shifts \$0.2 million from federal funds to general revenues based on the Commission's expectation of future federal resources. The constrained request includes \$123,175 less from holding vacant an average of 0.8 positions and excludes the fund source shift. *The Governor recommended \$0.1 million more than requested, mostly from general revenues, to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Survey and Planning. The Commission requested \$146,305 from U.S. National Park Service funds for certified local grants for 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 \$24,980 more than enacted to reflect available grant funds. *The Governor concurred.* **The Assembly concurred.**

Indirect Cost Recovery. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through a negotiated indirect cost rate. Current law mandates that all state agencies apply for the rate when it is allowed. In fall 2024, the minimum federal rate was increased from 10.0 percent to 15.0 percent. The Commission does not appear to charge this to its grants. *The Governor's recommendation includes general revenue savings of \$92,527 to be achieved from applying a 15.0 percent indirect cost recovery on federal grants received by the Commission, and shifts general revenue expenditures to restricted receipts and reduces federal funds accordingly.* **The Assembly concurred.**

Fort Adams Trust. The Commission requested the enacted amount of \$30,000 from general revenues to support Fort Adams Trust restoration projects. 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. *The Governor concurred.* **The Assembly concurred.**

Slave History Medallion Grant. The Commission requested the enacted amount of \$25,000 from general revenues for the Slave History Medallion organization in Newport to raise public awareness for sites connected to the history of slavery. It marks homes and other locations to commemorate the lives of enslaved peoples and encourage dialogue. *The Governor concurred.* **The Assembly concurred.**

Revolving Historic Preservation Loan Fund. The Commission requested the enacted level of \$411,500 from restricted receipts to issue low interest loans through the Revolving Historic Preservation Loan Fund. Funds are used to preserve properties listed on the State Register of Historic Places. No new loans have been issued since FY 2017. *The Governor concurred.* **The Assembly concurred.**

Capital. The Commission requested \$0.1 million from federal funds for Old State House renovations and to relocate historical artifacts to a new repository at the University of Rhode Island. This is inconsistent with its \$0.5 million capital request, later confirmed as correct. The Department of Administration's budget contains \$1.0 million from Rhode Island Capital Plan funds as a match for the Old State House grant. *The Governor's capital and operating recommendations exclude FY 2026 funding.* **The Assembly concurred.** **A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Operations. The Commission requested \$0.4 million from all sources for all other expenses. This is \$21,410 more than enacted from general revenues for additional outreach, lease, grants management, and information technology expenses. The Commission indicates its request overstates general revenue conference funds by \$17,000. *The Governor retained the error and recommended \$71,982 less from general revenues. This aligns more closely with FY 2024 spending and includes \$38,982 less to reflect decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses.* **The Assembly provided \$17,000 less to correct the overstatement.**

Office of the Attorney General

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Criminal	\$ 25,879,441	\$ 28,985,001	\$ 28,647,621	\$ 28,647,621
Civil	10,622,059	11,104,928	11,277,555	12,125,944
Bureau of Criminal Identification	5,045,548	4,842,674	3,834,787	3,834,787
General	4,909,579	5,246,018	7,879,455	7,879,455
Total	\$ 46,456,627	\$ 50,178,621	\$ 51,639,418	\$ 52,487,807
Expenditures by Category				
Salaries and Benefits	\$ 36,174,560	\$ 37,188,860	\$ 38,795,485	\$ 39,643,874
Contracted Services	4,902,628	3,250,682	3,486,241	3,486,241
Subtotal	\$ 41,077,188	\$ 40,439,542	\$ 42,281,726	\$ 43,130,115
Other State Operations	4,738,847	6,265,173	5,800,354	5,800,354
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	215,000	215,000	215,000
Capital	640,592	3,258,906	3,342,338	3,342,338
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 46,456,627	\$ 50,178,621	\$ 51,639,418	\$ 52,487,807
Sources of Funds				
General Revenue	\$ 35,103,418	\$ 36,677,279	\$ 38,244,427	\$ 38,244,427
Federal Aid	3,265,105	3,967,174	3,568,559	3,568,559
Restricted Receipts	7,938,104	9,269,168	7,301,432	8,149,821
Other	150,000	265,000	2,525,000	2,525,000
Total	\$ 46,456,627	\$ 50,178,621	\$ 51,639,418	\$ 52,487,807
FTE Authorization	264.1	264.1	264.1	268.1

Summary. The Office of the Attorney General requested \$52.5 million from all sources, including \$39.5 million from general revenues. This is \$6.1 million more than enacted, including \$4.4 million more from general revenues, \$0.2 million more from federal funds, \$2.4 million more from Rhode Island Capital Plan funds, and \$0.9 million less from restricted receipts. The request includes 277.1 full-time equivalent positions, 13.0 more than the enacted level. *The Governor recommended \$51.6 million from all sources, which is \$5.2 million more than enacted, including \$3.1 million from general revenues. He recommended staffing consistent with the enacted budget.* **The Assembly provided \$52.5 million from all sources and 268.1 full-time equivalent positions. This is 4.0 positions and \$0.8 million more from restricted receipts than recommended.**

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 \$32.8 million, including current service adjustments of \$357,132 and a 7.5 percent target reduction of \$2.6 million, adjusted for certain exclusions. The constrained budget submitted by the Office is \$3.0 million above the target. The proposals to achieve the reduction are noted below where appropriate. *The Governor's recommendation is \$5.4 million above the target.* **The Assembly concurred.**

Staffing. The 2024 Assembly authorized 264.1 full-time equivalent positions for FY 2025. For FY 2026, the Office requested 13.0 new positions, including 4.9 more for its Criminal division, 6.0 more for its Civil division, and 2.1 more in its administrative program.

The FY 2024 enacted budget added 15.0 positions paid for by a restricted receipt account created with \$10.0 million received from opioid settlements in FY 2023. The Assembly also authorized the account to receive 20.0 percent of attorney fees collected through non-multistate initiatives. The account received an additional \$3.0 million in FY 2024 and is projected to receive \$3.5 million in FY 2025. The FY 2026 request anticipates an opening balance of \$11.0 million. *The Governor recommended staffing consistent with the enacted authorization.* **The Assembly provided \$0.8 million more from restricted receipts and 4.0 positions for the Civil Division based on an updated request from the Office.**

Program	FY 2025 Enacted	FY 2026 Request	Req. Chg. to Enacted	FY 2026 Governor	FY 2026 Enacted	Enacted Chg. to Gov.
Criminal	160.2	165.1	4.9	160.1	160.1	-
Civil	58.0	64.0	6.0	58.0	62.0	4.0
BCI	19.0	19.0	0.0	19.0	19.0	-
General	26.9	29.0	2.1	27.0	27.0	-
Total	264.1	277.1	13.0	264.1	268.1	4.0

Access to Public Records Management (2.0 FTE). The Office requested \$236,908 from general revenues and authorization for a new attorney and paralegal to facilitate the processing and review of open government requests under the Access to Public Records Act and the Open Meetings Act. The positions would process public records requests for the Office itself and investigate alleged violations of the Acts by other state agencies, which it reports have been steadily increasing. The request assumes a start date of July 1, 2025.

The constrained request excludes funding and authorization for the new positions. *The Governor did not recommend funding.* **The Assembly concurred.**

Charities Unit (3.0 FTE). The Office requested \$367,537 from general revenues and authorization for two new attorneys and one new paralegal to create a dedicated charities unit within the Public Protection Bureau. The Office currently has a Charitable Trust Unit, but notes it has limited scope, and it wishes to expand its work to cover all charitable organizations. The unit's goal would be to ensure appropriate support for charities and donors while providing resources to recover fraudulently acquired assets. The request assumes a start date of July 1, 2025.

The constrained request excludes funding and authorization for the new positions. *The Governor did not recommend funding.* **The Assembly concurred.**

Electronic Discovery (1.0 FTE). The Office requested \$343,121 from general revenues for electronic discovery upgrades, including \$93,121 and authorization for a new paralegal and \$250,000 to purchase new software. The Office indicated that this upgrade would allow it to keep up with legal best practices and address the current inefficiencies of the process as electronic discovery use is increasing. The new position would oversee the collection, organization, and review of the documents and serve as a point of contact between the Attorney General's Office and other state agencies. The request assumes a start date of July 1, 2025.

The constrained request excludes funding and authorization for the new position and technology upgrades. *The Governor did not recommend funding.* **The Assembly concurred.**

Special Victims Unit (3.0 FTE). The Office requested \$0.4 million from general revenues and authorization for two new prosecutors and a new victim services advocate to expand the Special Victims Unit. The request indicates a continuing increase in cases, but does not provide specific caseload numbers. The unit is responsible for felony prosecutions for domestic violence, child abuse, sexual assault, and others, and it handles all aspects of each case, from investigation through hearings or litigation. The requested prosecutors will support the effort to lower caseloads, and the victim services advocate will help the unit maintain contact with victims while preparing their cases to present in court. The request assumes a start date of July 1, 2025.

The constrained request excludes funding and authorization for the new positions. *The Governor did not recommend funding.* **The Assembly concurred.**

Impaired and Reckless Driving Prosecutors (2.0 FTE). The Office requested \$0.3 million from general revenues and authorization for two new prosecutors to handle impaired and reckless driving cases. The request assumes a start date of July 1, 2025. The Office indicated that it prosecutes many state and local cases before the courts and provides support throughout the investigative process. It currently has two positions responsible for chemical test refusals, law enforcement training, and prosecuting cases that result in serious injuries and fatalities.

The constrained request excludes funding and authorization for the new positions. *The Governor did not recommend funding.* **The Assembly concurred.**

Cybersecurity Enhancement (2.0 FTE). The Office requested \$0.7 million from general revenues to upgrade its cybersecurity capacity. This includes \$0.3 million and authorization for a new systems administrator and a new cybersecurity analyst, as well as \$0.4 million to buy and implement new cybersecurity software. The Office maintains its information technology infrastructure separate from the rest of the state because the Bureau of Criminal Identification is required to connect to federal resources to access background check data. It indicated that its information technology needs have grown, and it needs additional staff and software to ensure the continued security of its data and network.

The constrained request excludes funding and authorization for the new positions and software. *The Governor did not recommend funding.* **The Assembly concurred.**

Public Utilities Commission Regulatory Unit. Consistent with its revised request, the Office's request eliminates the \$0.3 million from restricted receipts in the enacted budget for the Public Utilities Commission Regulatory Unit. The FY 2025 enacted budget authorized two in-house legal positions for the Public Utilities Commission and transferred funding back to that agency. The Office indicated that the Commission dissolved the memorandum of understanding, and the 2.0 positions previously supporting this work transitioned back to the Civil Division in August. *The Governor excluded funding as requested.* **The Assembly concurred.**

Other Salaries and Benefits. The Office requested \$36.1 million for salary and benefit expenses for its 264.1 authorized positions, including \$32.1 million from general revenues. This is \$140,884 more than the enacted budget, including \$647,896 more from general revenues, \$435,374 less from federal funds, and \$71,638 less from restricted receipts. The overall increase reflects current service adjustments and step increases offset by additional turnover savings. The request shifts expenses to general revenues from federal sources and restricted receipts based on actual prior year spending from these sources based on positions attributed to that work.

The enacted budget included turnover savings equivalent to 7.4 positions. Through the end of November, the Office has averaged 256.2 positions filled or 7.9 vacancies. The request appears to assume turnover savings equal to an additional position, consistent with the revised request. *The Governor recommended*

\$2.7 million more than requested, including \$2.3 million from general revenues, primarily to account for statewide adjustments consistent with his recent labor agreements. He also included additional turnover savings equivalent to about two full-time equivalent positions. **The Assembly provided \$0.8 million more from restricted receipts and 4.0 new positions for the Civil Division based on an updated request from the Office.**

Complex Litigation. The Office requested \$2.5 million, including \$1.5 million from general revenues and \$1.0 million from restricted receipts, to support the complex litigation cases that often require expert witnesses and additional legal services. This is \$0.8 million more than enacted from general revenues. Spending in FY 2024 from general revenues was \$0.3 million and the FY 2025 revised request is for \$0.5 million. The request includes \$1.0 million more for expert healthcare consultants, support for the upcoming energy rate review, and firearms litigation. It also includes \$0.2 million less for other financial and medical experts based on anticipated need, and the enacted amount from restricted receipts for subject matter experts associated with hospital conversions added in the FY 2025 enacted budget.

The constrained budget excludes the \$1.0 million of new funding from general revenues. *The Governor did not recommend the \$1.0 million increase from general revenues for expert consultants, but concurred with the remainder of the recommendation.* **The Assembly concurred.**

Body-Worn Camera Software. The Office requested \$325,000 from general revenues for new software to manage body-worn camera videos and other evidence from state and local police departments. The Office began receiving footage in Spring 2024, and it indicated that large amounts of data need a separate storage system. The system would support storing and sharing all evidence with courts, attorneys, and police departments involved in the case.

The constrained budget excludes this purchase. *The Governor did not recommend funding.* **The Assembly concurred.**

Technology. The Office requested \$1.2 million from all sources for technology expenses, including \$0.7 million from general revenues and \$0.5 million from restricted receipts. This is \$0.2 million more than enacted, including \$0.2 million less from general revenues and \$0.4 million more from Forfeiture of Property restricted receipts. This is also \$1.3 million less than the FY 2025 revised request from all sources, reflecting some one-time upgrades assumed to be completed in the current year, funded primarily from forfeiture funds. Spending is on general software upgrades, support services, cybersecurity, and replacing older computers. *The Governor recommended funding as requested.* **The Assembly concurred.**

Fingerprint Checks. The Office requested \$1.7 million from all sources, including \$1.3 million from restricted receipts and \$0.4 million from federal equitable sharing funds to support the automated fingerprint identification system. This is \$1.2 million less than enacted and \$1.1 million less than the revised request reflecting the completion of a project to update the hardware and software of the system. Traditionally, the restricted receipts collected are specifically used to fund the operation of the national background check system. The Office has previously maintained a carry-over balance, which it indicated was necessary to plan for maintenance and upgrades to the system. The request adds \$0.4 million of available federal equitable sharing funds to cover a potential shortfall based on projected collections. The Office also requested the enacted level of fees to be paid to the Federal Bureau of Investigation to run the background checks. *The Governor recommended funding as requested.* **The Assembly concurred.**

Equitable Sharing - Forfeitures. Consistent with the revised request, the Office requested \$1.0 million, \$73,468 more than enacted from its share of Federal Equitable Sharing funds for uses other than vehicles and the fingerprint system. This includes \$37,074 more in contract costs for external data backup, \$17,000 more for supplies, and \$18,914 for maintenance costs to reflect actual FY 2024 spending. The request aligns expenses to prior year spending for items that exceeded the budgeted amount, but does not reduce

funding for underspent items. *The Governor recommended funding as requested. The Assembly concurred.*

Consumer Education. The Office requested \$0.7 million, or \$0.5 million more than enacted from National Association of Attorneys General consumer education restricted receipts. It primarily uses these funds to protect consumers against scams and specialized consultants for more complicated cases. This is essentially consistent with the revised request and includes \$0.3 million more for outside legal support to respond to potential federal regulations and \$0.2 million more for maintenance, supplies, and subscriptions. The request notes an opening FY 2025 balance of \$1.6 million. *The Governor recommended funding as requested. The Assembly concurred.*

Trial Related Services. The Office requested \$499,324, including \$247,777 from general revenues for expenses associated with its trial work. This is \$297,971 more than enacted, including \$161,756 more from general revenues. The federal fund amount includes adjustments based on available grant funding and \$155,000 from a new grant to strengthen its DNA analysis related to cold cases. General revenue changes include \$96,000 more for laboratory testing needs and \$65,756 more for clerical services based on a higher need for transcription services. *The Governor concurred. The Assembly concurred.*

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 the summer of 2023. Spending in FY 2024 was \$92,862 as the Office hired contractors and purchased the necessary software.

The Office requested \$411,225 from restricted receipts, which is \$25,225 more than enacted, to cover increased information technology costs for the expungement of marijuana cases associated with the contractors manually reviewing and processing expungements sent from the courts that could not be done automatically. The request appears to double count expenses in both FY 2025 and FY 2026. It estimates that the manual review will be concluded by the fall of 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Capital Projects. The Office requested \$2.8 million for capital projects, including \$2.5 million from Rhode Island Capital Plan funds for asset protection and \$0.3 million from Federal Equitable Sharing funds for an electric vehicle charger. This is \$2.4 million more than enacted from Rhode Island Capital Plan funds and is consistent with the approved plan to replace the heating, ventilation, and air conditioning system at its 150 South Main Street office. The request is \$0.1 million less than the capital budget request from federal funds, as the Office decided after its submission that the additional Equitable Sharing funds were unnecessary. *The Governor recommended funding as requested. The Assembly concurred. A detailed description of the projects is included in the Capital Budget Section of this publication.*

Other Operations. The Office requested \$3.0 million from all sources, including \$2.3 million from general revenues, \$0.2 million from federal funds, and \$0.6 million from restricted receipts for all other expenses. This is \$446,435 more than enacted, including \$265,716 more from general revenues, \$47,531 more from federal funds, and \$133,188 more from restricted receipts. The most significant expenses are \$0.7 million for maintenance and repairs and \$0.6 million for subscriptions and fees. The general revenue changes largely reflect adjustments based on FY 2024 experience. From federal funds, the Office made adjustments based on the status of its grant funds, including \$100,000 from the Hate Crime Prosecution Grant reflecting carryforward of unspent funds and \$51,500 less from the Victim Liaison Grant. It also included \$0.3 million from multi-state initiative restricted receipts for dues and fees and \$0.3 million from Forfeiture of Property restricted receipts, primarily for maintenance and training. *The Governor added \$72,698 from general revenues to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. The Assembly concurred.*

Department of Corrections

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Central Management	\$ 22,522,753	\$ 23,888,543	\$ 25,069,359	\$ 24,875,748
Parole Board	1,526,785	1,605,773	1,673,257	1,673,257
Custody and Security	189,182,755	182,120,652	169,386,520	211,451,012
Institutional Support	41,523,006	39,875,267	51,975,447	51,556,927
Institutional Based Rehab/Pop	15,280,746	17,412,159	16,426,140	16,713,357
Healthcare Services	36,114,392	35,920,984	35,200,698	37,051,880
Community Corrections	22,028,653	22,116,213	22,819,274	23,029,277
Total	\$ 328,179,090	\$ 322,939,591	\$ 322,550,695	\$ 366,351,458
Expenditures by Category				
Salaries and Benefits	\$ 229,467,559	\$ 238,476,127	\$ 225,721,992	\$ 253,079,582
Contracted Services	18,354,969	18,754,651	18,775,887	18,775,887
Subtotal	\$ 247,822,528	\$ 257,230,778	\$ 244,497,879	\$ 271,855,469
Other State Operations	46,734,599	46,847,613	52,467,597	52,426,856
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,119,588	2,170,525	2,170,525	2,170,525
Capital	31,502,375	16,690,675	23,414,694	39,898,608
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 328,179,090	\$ 322,939,591	\$ 322,550,695	\$ 366,351,458
Sources of Funds				
General Revenue	\$ 293,746,087	\$ 303,521,067	\$ 296,697,754	\$ 324,014,603
Federal Aid	1,819,835	3,381,753	1,758,102	1,758,102
Restricted Receipts	1,386,843	1,981,387	1,303,091	1,303,091
Other	31,226,325	14,055,384	22,791,748	39,275,662
Total	\$ 328,179,090	\$ 322,939,591	\$ 322,550,695	\$ 366,351,458
FTE Authorization	1,461.0	1,461.0	1,461.0	1,461.0
Prison Population	2,470	2,439	2,536	2,536

Summary. The Department of Corrections requested \$330.8 million from all sources, or \$2.6 million more than enacted, including \$2.6 million more from general revenues, \$0.1 million less from federal funds, \$0.1 million less from restricted receipts, and \$0.1 million more from Rhode Island Capital Plan funds. The request includes staffing of 1,461.0 full-time equivalent positions, consistent with the enacted authorization. The request is based on a population of 2,536, which is 66 more than assumed in the enacted budget and 97 more than assumed in the revised request.

The Governor's recommendation is \$8.2 million less, including \$0.4 million more from general revenues and \$8.6 million less from Rhode Island Capital Plan funds. He subsequently requested an amendment to add \$23.3 million from general revenues for costs related to the settlement of the Correctional Officers contract. The Assembly provided \$20.5 million more than the Governor's amended recommendation,

including \$4.0 million from general revenues and \$16.5 million from Rhode Island Capital Plan funds shifted from FY 2025.

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 \$272.6 million, including a current service reduction of \$0.9 million and a 7.5 percent target reduction of \$20.2 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. *The recommendation is \$24.1 million above the target. The enacted budget is \$51.4 million above the target.*

Staffing. The Department requested \$230.2 million from all sources for the enacted level of 1,461.0 full-time equivalent positions. The request is \$0.7 million more than enacted, almost entirely from general revenues. It makes no changes to the allocation of positions between divisions and assumes an average of 1,314.5 positions filled or 146.5 vacancies. Through November, the Department averaged 1,319.6 positions filled, which is 4.1 more than assumed in the request. The Department subsequently indicated that its request overstates social security expenses, as it did not account for employees who routinely reach the contribution limit.

The Governor's recommendation is \$4.5 million less from general revenues than requested, including \$3.5 million more to account for statewide adjustments consistent with his recent labor agreements. This is offset by \$6.1 million less associated with closing Minimum Security and transferring the inmate population to Medium Security and \$1.0 million less to account for other benefit assumptions, and \$0.9 million of additional turnover savings. It should be noted that most employees in the Department are covered by labor contracts that have not been settled. The Department of Administration's budget includes \$19.0 million for FY 2026 to account for potential costs of settling contracts with unions representing employees in the Departments of Corrections, Public Safety, and Elementary and Secondary Education.

A feasibility study on the facility consolidation project was produced in March 2025, indicating a minimum cost of \$67.1 million for requisite capital upgrades. The Governor did not request a subsequent amendment to his proposal; the Department testified it would identify other efficiencies in lieu of consolidating facilities. The Governor subsequently requested an amendment to add \$23.2 million for costs related to the settlement of the Correctional Officers contract. This amount was significantly larger than anticipated as a result of additional provisions related to night shift supplemental pay and the speed at which positions achieve their maximum pay grade. The Assembly provided \$4.2 million more than the amended recommendation. This primarily reflects restoring savings associated with the infeasible facility consolidation proposal, partially offset by \$1.6 million from assuming its replacement with efficiency initiatives and exclusion of \$0.4 million for accreditation work.

Population. The FY 2026 request is based on a population of 2,536, which is 66 more inmates than assumed in the enacted budget and 97 more than assumed in the revised request. The Department contracts with a firm to prepare population estimates. Population reductions result in the greatest savings when there are enough to allow for the closure of housing modules. The maximum capacity of the prison is governed by the terms of an overcrowding lawsuit. In FY 2008, the Department reached an agreement with the federal courts to increase the allowed capacity at facilities from 4,085 to 4,265; the maximum capacity is now 3,886, updated for current facilities. The following table depicts the recent history of budgeted and actual prison population from FY 2018 through the FY 2026 enacted budget.

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 2024 Assembly required the Department to conduct a study to evaluate recidivism trends and existing program outcomes along with recommendations to reduce recidivism, which is due by March 1, 2025. *The Governor's assumptions are consistent with the request. The Assembly concurred.*

History	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Request	3,059	2,865	2,762	2,671	2,387	2,357	2,278	2,470	2,536
Governor	3,059	2,865	2,691	2,549	2,354	2,357	2,278	2,470	2,536
Enacted	3,000	2,849	2,671	2,267	2,354	2,357	2,278	2,470	2,536
Revised Request	2,853	2,760	2,671	2,267	2,181	2,357	2,396	2,439	-
Governor Revised	2,853	2,730	2,671	2,267	2,181	2,251	2,396	2,439	-
Final	2,837	2,730	2,633	2,155	2,115	2,297	2,396	2,339	-
Actual	2,784	2,665	2,544	2,144	2,132	2,298	2,346	-	-

Population: Per Diem Expenditures. The Department requested \$20.0 million from general revenues, or \$0.8 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 \$7,906 per inmate or \$106 more than the enacted budget assumption of \$7,800, reflecting a projected increase for doctor and dental expenses, partially offset by reduced pharmaceutical costs as a result of increased usage of the 340B program for medication purchasing. The request is approximately two percent less per inmate than the revised request assumption of \$8,032. *The Governor recommended funding consistent with the request. The Assembly concurred.*

Target - Closure and Sale of Minimum Security Land. The Department's constrained request includes general revenue savings of \$14.2 million for FY 2026, 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 \$11.1 million in staff savings, \$0.2 million in operating savings, and \$2.9 million in one-time revenues from sale of the Minimum facility and land. In FY 2024, the Department averaged 169 placements at the Minimum facility.

The Governor recommended the closure component of this initiative, with the transfer to become effective January 1, 2026. The recommendation assumes general revenue savings of \$6.2 million for FY 2026, including personnel savings from reduced overtime of \$6.1 million and operating savings of \$0.1 million. Savings are expected to annualize at \$12.7 million for FY 2027. The recommendation also assumes \$1.0 million from Rhode Island Capital Plan funds for FY 2026 budgeted as asset protection to outfit space at the Medium Security facility to maintain the separate security classification of the inmate populations.

A feasibility study on the facility consolidation project was produced in March 2025, indicating a minimum cost of \$67.1 million for requisite capital upgrades. The Governor did not request a subsequent amendment to his proposal; the Department testified it would identify other efficiencies in lieu of consolidating facilities. The Assembly restored savings from the facilities consolidation proposal and included \$1.6 million of overtime savings from other efficiency initiatives to be identified by the Department.

State Criminal Alien Assistance Program. The Department requested \$1.3 million, for the State Criminal Alien Assistance Program, including \$7,138 less from federal funds offset by a like amount from general revenues. These federal funds provide support for costs of incarcerating undocumented criminals, with at least one felony or two misdemeanor convictions for violations of state or local law for at least four consecutive days. *The Governor recommended funding as requested. The Assembly concurred.*

Nursing Services. The Department requested \$13.3 million from general revenues for nursing services. The request is \$0.9 million less than enacted, including \$1.3 million less for salary and benefit expenses to reflect removal of one-time stipend funding, partially offset by \$0.5 million, for contracted nursing pools used to cover necessary shifts when state employees refuse. The Department is no longer using an emergency procurement process and has returned to its usual nursing pool contracts to cover shifts. It has continued to pay enhanced rates to nursing staff in order to compete with demand from other organizations;

nursing pool expenses were \$1.1 million in FY 2023 and \$1.8 million in FY 2024, compared to a low of \$0.3 million in FY 2021. *The Governor recommended \$13,988 less than requested. This includes \$50,321 more to account for statewide adjustments consistent with his recent labor agreements, offset by \$64,309 less for other benefit assumptions.* **The Assembly concurred.**

Discharge Planning. The Department requested \$2.5 million from general revenues for discharge planning services. The request is \$0.3 million less than enacted, including \$0.1 million each in turnover savings, reduced contracted services expenses, and information technology upgrades that the Department has decided to forgo. Discharge planning services seek to prevent recidivism including assistance with residence, employment, or qualifying for entitlement programs. Services were provided by a single vendor beginning in FY 2019 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 positions were filled in FY 2022.

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. As of September 2024, the Department indicated that it has signed new contracts with gang-related issues and medical services vendors. *The Governor recommended \$69,610 more than requested. This includes \$95,147 more to account for statewide adjustments consistent with his recent labor agreements, partially offset by \$25,537 less for contracted services based on updated projections.* **The Assembly concurred.**

Medication Assisted Treatment. The Department requested \$3.4 million, including \$2.1 million from general revenues and \$1.3 million from Opioid Settlement restricted receipts, for its medication-assisted treatment program for opioid users. The request is \$41,502 more than enacted, including \$38,057 from general revenues and \$3,445 from restricted receipts, to reflect planned expenses. During FY 2024, the Department spent \$3.2 million and estimates that it provided this assisted treatment to 363 patients per day, an average of 53 patients more per day than in FY 2023. *The Governor recommended \$2,235 less from general revenues based on updated projections.* **The Assembly concurred.**

Mental Health Services. The Department requested \$2.1 million from general revenues for mental health services for inmates, \$0.6 million less than enacted to more closely reflect FY 2024 spending. The population receiving services are among the most difficult to manage inmates held by the Department, including those who have severe and persistent mental illness. These services are largely delivered in the correctional facilities by therapists, clinicians and other mental health professionals employed by vendors, primarily Lifespan. Department personnel also deliver a share of these services. The program is for up to six months where offenders learn how to manage triggers and develop healthy coping mechanisms as opposed to turning to harmful substances. The Department indicates that its providers experienced staffing issues that have led to a lower level of service delivery. It renegotiated provider contracts in FY 2024 to include retention benefits, such as mandatory cost-of-living adjustments, which it expects will improve its contractors' ability to reliably provide services. However, its request acknowledges that utilization is still projected to be less than the enacted budget assumes. The Department's revised request contains a similar reduction. *The Governor recommended funding as requested.* **The Assembly concurred.**

Behavioral Management Unit. The Department's request maintains the \$4.2 million provided in the enacted budget to establish a pilot behavioral management unit, including \$0.8 million for contracted services and \$3.5 million for salaries and benefits. 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 the placement of an individual in a cell for 22 hours a day or more. The 2022 Assembly provided \$250,000 for a feasibility study to determine the best facility to house the unit. The 2023 Assembly provided the enacted level of \$4.5 million, including \$3.5 million for the 32.0

new positions. As of December 2024, the Department anticipates officially launching the pilot in January at the Intake Services Center using existing staff and indicates that a feasibility study is not necessary. The Department's capital budget request includes \$17.9 million from Rhode Island Capital Plan funds, including \$3.4 million for FY 2025 and \$14.4 million for FY 2026, to construct one unit each at the Maximum and Women's facilities capable of housing around 50 and 20 inmates, respectively. *The Governor recommended funding as requested. His capital recommendation includes only the approved amount of \$10.8 million for one unit at the Maximum Security facility. The Assembly concurred. The pilot program began operation in January as planned.*

Temporary Staff. The Department requested \$40,823 from general revenues for temporary staff to offset vacancies in institutional corrections until positions can be filled, as well as contracts for certain services such as information technology. The request is \$115,647 less than enacted and \$20,000 less than the revised request. The Department expected to fill more positions than assumed for FY 2025, decreasing the expected use of these services during FY 2026. *The Governor recommended \$5,538 less than requested based on updated estimates. The Assembly concurred.*

Inmate Payroll. Consistent with the revised request, the Department requested \$1.0 million for inmate payroll to reflect FY 2024 expenses, adjusted for a higher population. The request is \$54,080 more than enacted from general revenues based on spending trends as of September 2024. Inmates are compensated for services provided to the Department and other state agencies. They typically use the money received to pay for medical co-pays, copies of medical records, court fines, and various commodities provided by the inmate commissary unit and repayment for damage to state property. *The Governor concurred. The Assembly concurred.*

Other Salaries and Benefits. The Department requested \$182.1 million from all sources, nearly all of which is from general revenues, for other institutional corrections staffing expenses. The request is \$1.6 million more than enacted to reflect current service adjustments. It includes \$23.5 million in turnover savings and \$38.1 million for overtime expenses, which is \$9.0 million more than enacted. In total, the request funds 1,079.2 of the 1,215.0 authorized positions. The revised request funds three correctional officer classes, consistent with the enacted budget, graduating an estimated 100 recruits who will all begin work in FY 2025. The FY 2026 request assumes two classes in FY 2026, each with 50 recruits. The request includes an increase of \$6.6 million for these classes. At the time of the request, the Department had 126.0 vacant correctional officer positions. The request does not include an associated reduction in overtime costs; recruits will fill existing vacancies and replace correctional officers anticipated to retire.

In its constrained request, the Department excludes \$9.5 million in overtime and personnel expenses achieved by reducing overtime through additional correctional officer hiring, but did not identify how this would be accomplished. *The Governor's recommendation is \$0.5 million less than requested from general revenues. This reflects \$0.9 million of additional turnover savings and \$0.9 million less for other benefit assumptions, offset by \$1.3 million more for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Inmate Education and Professional Development. The Department requested \$1.0 million, including \$0.8 million from general revenues and \$0.2 million from federal funds for education and development services for inmates. The request is \$0.3 million more than enacted, including \$0.3 million more from general revenues, \$16,964 less from federal funds, and \$44,800 less from restricted receipts. Enacted general revenues are for classes provided through the Community College for inmates who demonstrate good behavior; the increase reflects additional courses and shifting the majority of contracted work to Roger Williams University instead of the Community College. The revised request contains a similar increase.

Federal grants are used to provide academic opportunities for inmates to prepare them for reentry into society. This includes special education grants which are administered by the Department of Elementary

and Secondary Education. The reduction to restricted receipts reflects the exhaustion of grant funds. *The Governor recommended \$59,321 less from general revenues based on updated projections.* **The Assembly concurred.**

Property Maintenance. The Department requested \$5.6 million from general revenues, \$0.6 million more than enacted, for building and grounds maintenance expenses to reflect updated information and expected repairs. 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. FY 2024 spending was \$5.3 million. *The Governor recommended \$66,838 less from general revenues based on updated project timelines.* **The Assembly concurred.**

Correctional Officer Uniforms. The Department requested \$0.3 million, \$0.1 million less than enacted, from general revenues for correctional officer uniforms. Costs are determined based on inventory and the number of new correctional officers. The current request is essentially consistent with the revised request and FY 2024 spending. These expenses tend to fluctuate annually; FY 2022 expenses were \$0.2 million and FY 2023 expenses were \$0.4 million. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Institutional Corrections Operations. The Department requested \$4.3 million, including \$4.1 million from general revenues, for all other institutional corrections expenses. This is \$0.2 million less than enacted, including \$0.1 million less from general revenues. The reduction reflects exhaustion of federal grant funds and adjustments to more closely reflect FY 2024 spending and the Department's vehicle replacement plan. Expenses include \$0.8 million for state fleet, \$0.4 million for insurance, \$0.3 million for telephone and cellular, \$0.3 million for office equipment and repairs, \$0.2 million for rented equipment, \$0.1 million for furniture replacement, and \$2.2 million for all other costs. *The Governor's recommendation is \$0.1 million less from general revenues to more closely reflect FY 2024 spending and primarily associated with contracted services.* **The Assembly concurred.**

Other Programs

Accreditation. The Department requested \$0.4 million from general revenues for a new initiative to achieve American Correctional Association accreditation. The request shifts 4.0 associated positions from other tasks and assumes turnover savings equivalent to an average of 1.0 vacancy. The Department indicated that accreditation would establish conformance with national best practices, ensure consistency across its facilities, grant access to Association expert witness testimony, and reduce liability and insurance costs. The Department was unable to estimate the value of these benefits or if they exceed the cost of complying with Association standards. The Department expected to seek accreditation for all facilities and divisions, but is starting with the Intake Service Center, Women's Facility, Community Corrections, and its correctional officer training unit. *The Governor added \$39,731 to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly did not concur with this initiative and assumed turnover savings equivalent to the redundant positions.**

Training Unit. The Department requested \$4.9 million from general revenues for its correctional officer training unit and 14.0 associated positions. The request is \$0.2 million more than enacted for increased radio advertisements. The request assumes turnover savings equivalent to an average of 0.5 vacancies and that two classes will be trained in FY 2026, both having 50 trainees. *The Governor recommended funding essentially as requested.* **The Assembly concurred.**

Cognitive Behavioral Therapy. The Department requested \$1.0 million from general revenues, \$0.2 million less than enacted, for its cognitive behavioral therapy program. The Department's FY 2025 request included funding and authorization for 1.0 new position for more individualized supervision of offenders

on probation or parole, allowing greater consideration of factors such as likelihood to re-offend, appropriate level of supervision, and needs, such as treatment for substance use disorders. The Department indicates this model is more effective than assessments focused solely on an individual's offenses. The Assembly maintained funding for the existing 5.0 positions. The Department's FY 2025 revised and FY 2026 requests add 2.0 positions within the Department's existing authorization, offset by turnover savings equivalent to an average of 0.7 vacancies and a reduction to contracted services to more closely reflect FY 2024 spending. *The Governor recommended \$66,976 more than requested. This includes \$76,114 more to account for statewide adjustments consistent with his recent labor agreements, partially offset by \$9,138 less for contracted services based on updated projections.* **The Assembly concurred.**

Domestic Abuse Grant. The Department's request excludes \$30,639 from federal funds to reflect the anticipated exhaustion of Department of Justice grant resources for developing innovative ways to address domestic violence, including evaluating how the criminal justice system responds. Its revised request includes all remaining funds. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Salaries and Benefits. The Department requested \$28.5 million from general revenues for all other staffing expenses. The request is \$0.1 million more than enacted, including \$0.4 million less to reflect the transfer of 4.0 positions to accreditation work from other tasks. The remaining change reflects current service adjustments partially offset by increased turnover savings. The request would fund approximately 188.4 of the Department's remaining 197.0 authorized positions within central management, community corrections, and the Parole Board. *The Governor's recommendation added \$1.9 million. This reflects \$2.0 million more to account for statewide adjustments consistent with his recent labor agreements, partially offset by \$0.1 million less for other benefit assumptions.* **The Assembly concurred.**

Temporary Staff. The Department requested \$126,044 from general revenues for temporary services to offset vacancies in non-institutional corrections until positions can be filled. The request assumes filling more of these vacancies than the enacted budget but is \$27,653 more than enacted and \$42,580 more than the revised request. FY 2024 expenses were \$117,439, and the Department indicated that it expects to utilize these temporary staff at a higher rate through FY 2026. *The Governor recommended \$17,097 less than requested, or \$10,556 more than enacted, based on updated estimates.* **The Assembly concurred.**

Home Confinement. Consistent with the revised request, the Department requested \$0.3 million from general revenues for its home confinement unit, \$879 more than enacted. The Department contracts with two vendors that provide satellite monitoring and remote tracking services, as well as electronic and alcohol monitoring services, the cost for which is determined by the number of parolees and probationers. *The Governor recommended funding as requested.* **The Assembly concurred.**

Technology. The Department requested \$1.9 million from general revenues for technology purchases based on planned repairs, replacements, and support systems for contracted costs for database maintenance. The request is \$0.3 million more than enacted, which primarily reflects a higher than typical level of anticipated replacements, converting some desktops to laptops, and a new training module for correctional officers. *The Governor recommended \$76,716 less than requested based on more recent projections.* **The Assembly concurred.**

Rented Property. The Department requested \$0.8 million from general revenues, \$0.2 million more than enacted, for costs associated with its rented property. These include rented spaces within the Courts, the Department of Labor and Training, firing ranges, and probation and parole offices. The request is \$44,788 more than FY 2024 spending and is updated for known lease expenses and cost increases. *The Governor recommended funding as requested.* **The Assembly concurred.**

Victim Services. The Department requested \$159,789 from general revenues, \$2,216 less than enacted, to support victim services programs. The Office of Victim Services handles questions and provides victims with advocacy, supportive services, and referrals to existing services in numerous community agencies upon request. Historically, these services were primarily funded from a steadily shrinking appropriation of federal formula-driven grants awarded by the Department of Justice and allocated by the Public Safety Grants Administration Office. These services have been entirely general revenue funded as of FY 2025, as the Department indicates that it no longer anticipates receiving a share of the state’s grant allocation. *The Governor recommended \$21,597 less than requested, based on updated utilization estimates. The Assembly concurred.*

Centralized Services. The Department requested \$23.0 million from general revenues for centralized services provided through the Department of Administration. The following table shows expenses by type of centralized services and includes \$14.1 million for facilities management, more than half the request. The Department’s billings for all charges through the first quarter total \$5.3 million, which would annualize to \$21.3 million.

The Governor included \$28.4 million for centralized services, which is \$5.4 million more than enacted to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. The recommendation implies FY 2024 utilities expenses of \$7.4 million, including \$0.4 million budgeted as such and \$7.0 million decentralized in the recommendation. The recommendation includes \$12.1 million, equivalent to a 63.5 percent increase, a portion of which appears to result from price increases. The Assembly concurred. It should be noted that actual centralized services expenses have historically differed significantly from agency reports.

Centralized Services by Service						
Service	FY 2024 Actual	FY 2025 Enacted	FY 2025 Gov. Rev.	FY 2026 Request	FY 2026 Gov./Enacted	Gov./Enacted to Request
Facilities Management	\$ 14,095,160	\$ 14,110,688	\$ 14,110,688	\$ 14,110,688	\$ 7,147,860	\$ (6,962,828)
Information Technology	5,318,894	5,784,287	5,810,992	5,784,287	6,207,123	422,836
Human Resources	2,921,013	2,739,815	2,739,815	2,739,815	2,606,381	(133,434)
Fuel/Utilities	361,651	403,173	404,305	414,421	12,481,332	12,066,911
Total - All Funds	\$ 22,696,718	\$ 23,037,963	\$ 23,065,800	\$ 23,049,211	\$ 28,442,696	\$ 5,393,485

Capital Projects. The Department requested \$31.4 million from Rhode Island Capital Plan funds for its capital projects scheduled for FY 2026. The request is \$0.1 million more than enacted and supports projects such as a behavioral health unit and new facilities. The request is \$28.5 million less than the FY 2026 through FY 2030 capital request, which the Department subsequently indicated is an error. *The Governor recommended \$9.6 million less than requested, consistent with his capital recommendation. The Assembly provided \$16.5 million more than recommended. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Department requested \$1.3 million for all other expenses, \$0.2 million more than enacted and nearly all from general revenues. Expenses include \$0.7 million for central management, \$0.5 million for community corrections, and \$0.1 million for the Parole Board. The request includes \$197,432 for out-of-state travel, primarily by agency leadership, \$133,313 more than enacted and \$125,253 more than FY 2024 spending. The Department indicated additional travel could help it obtain federal funding and attend conferences regarding national best practices; its FY 2025 revised request contains an identical increase. *The Governor recommended \$28,896 less from general revenues for contracted services to more closely reflect FY 2024 spending. The recommendation includes the requested amount of \$197,432 for out-of-state travel. The Assembly provided \$133,313 less for out-of-state travel but concurred with the remainder of the recommendation.*

Judicial Department

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Supreme Court	\$ 44,632,914	\$ 47,302,867	\$ 44,808,119	\$ 44,808,119
Defense of Indigent Persons	6,075,432	7,875,432	7,875,432	7,875,432
Commission on Judicial Tenure &	174,997	182,227	188,686	188,686
Superior Court	28,660,998	29,847,148	30,541,228	30,541,228
Family Court	30,619,338	33,747,704	34,560,500	34,560,500
District Court	17,060,279	18,097,604	18,454,727	18,454,727
Traffic Tribunal	10,812,491	11,430,603	11,704,985	11,704,985
Workers' Compensation Court	9,931,788	10,425,994	11,090,756	11,090,756
Total	\$ 147,968,237	\$ 158,909,579	\$ 159,224,433	\$ 159,224,433
Expenditures by Category				
Salaries and Benefits	\$ 110,828,068	\$ 119,748,530	\$ 125,973,201	\$ 125,973,201
Contracted Services	2,408,179	2,487,404	2,418,879	2,418,879
Subtotal	\$ 113,236,247	\$ 122,235,934	\$ 128,392,080	\$ 128,392,080
Other State Operations	16,473,572	16,325,783	11,675,896	11,675,896
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	12,023,357	13,662,769	13,619,396	13,619,396
Capital	6,235,061	6,685,093	5,537,061	5,537,061
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 147,968,237	\$ 158,909,579	\$ 159,224,433	\$ 159,224,433
Sources of Funds				
General Revenue	\$ 124,336,261	\$ 132,962,235	\$ 133,516,539	\$ 133,516,539
Federal Aid	4,417,956	6,136,960	6,294,895	6,294,895
Restricted Receipts	14,839,020	15,037,352	15,787,999	15,787,999
Other	4,375,000	4,773,032	3,625,000	3,625,000
Total	\$ 147,968,237	\$ 158,909,579	\$ 159,224,433	\$ 159,224,433
FTE Authorization	745.3	745.3	749.3	749.3

Summary. The Judiciary requested \$158.4 million from all sources, including \$133.8 million from general revenues for FY 2026. This is \$10.5 million more than enacted, including \$9.4 million more from general revenues. The request includes 749.3 full-time equivalent positions, 4.0 positions more than authorized. *The Governor recommended \$0.8 million more than requested from all sources, including \$0.3 million less from general revenues. He included staffing consistent with the request.* **The Assembly concurred.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Judiciary, this produced a general revenue target of \$116.7 million, including a current service increase of \$0.9 million and a 7.5 percent reduction of \$8.6 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$16.7 million more than the Budget Office target and excludes only newly requested positions. *The Governor's recommendation is \$16.8 million above the target.* **The Assembly concurred.**

Budget Submission Variance. Rhode Island General Law requires the itemized estimates of the financial needs of the Judiciary to be submitted without revision by the Budget Officer to the Governor and subsequently to the General Assembly. The Judiciary indicated that it will cooperate in identifying reasonable and attainable turnover savings.

The Governor's budget adds \$8.7 million from general revenues to account for statewide adjustments, partially offset by \$3.0 million of turnover savings. It also assumes \$6.0 million less than requested to bring the budget closer to a current service level, as detailed in the following table. The unspecified savings are budgeted as operating expenses, though they would likely take the form of additional turnover savings. The Assembly concurred.

FY 2026 Governor General Revenue Variance to Request	Statewide Adjustments	Turnover	Unspecified Reductions	Total
Supreme Court	\$ 2,432,016	\$ (737,094)	\$(3,462,976)	\$(1,768,054)
Defense of Indigent Persons	-	-	-	-
Commission on Judicial Tenure & Discipline	12,210	(24,207)	20,572	8,575
Superior Court	2,097,450	(756,129)	(640,956)	700,365
Family Court	2,068,408	(729,111)	(587,819)	751,478
District Court	1,282,017	(468,459)	(825,828)	(12,270)
Traffic Tribunal	827,860	(296,905)	(462,991)	67,964
Workers' Compensation Court	-	-	-	-
Total	\$ 8,719,961	\$(3,011,905)	\$(5,959,998)	\$(251,942)

Staffing. The Judiciary requested \$119.4 million from all sources for salaries and benefits of 749.3 full-time equivalent positions, \$8.6 million and 4.0 positions more than enacted. The increase reflects \$2.9 million for a new Judiciary-wide system of pay schedules, \$2.7 million for current service adjustments, \$2.6 million for restored turnover savings, \$0.5 million for the new requested positions, and \$0.1 million for educational incentives for clerks. The 1994 Assembly ended the statutory program which provided incentives to clerks based on their educational attainment. The Judiciary continued to provide educational stipends under collective bargaining agreements; however, it now indicates that not all clerks eligible for incentives received them. The current request includes placeholder estimates of \$44,800 annually to reinstate incentives for clerks previously excluded as well as \$0.4 million for retroactive incentive payments following arbitration, programmed at \$0.3 million for FY 2025 and \$0.1 million for FY 2026.

The 2011 Assembly ended longevity increases statewide beginning July 1, 2011. These stipulations are described in statute and explicitly include the judicial branch. Since FY 2017, the Judiciary has intermittently requested funding to address pay equity concerns stemming from continued longevity payments for judges and employees hired prior to FY 2012, however it has never requested legislation to address the current statutory prohibition. Statewide, pay scales have three to five steps and judicial staff are generally at the maximum step within four years. The Judiciary intends to increase the number of steps to 12 with standard 2.5 percent increases. The Judiciary's request contains no mention of the plan, but it is incorporated at a total cost of \$2.9 million, including \$1.3 million for costs associated with step increases according to the new schedule, \$1.3 million to raise the pay grade of 315 employees up by one, and \$0.3 million to establish a minimum pay grade equivalent to a salary of \$48,620 and affecting 50 employees.

The FY 2025 enacted budget includes turnover savings equivalent to around 18 positions. The FY 2026 request includes no turnover savings. As of December, the Judiciary had averaged 727.1 filled positions or 16.2 vacancies, which is 26.6 more positions filled than the prior two years on average. The requested, recommended, and approved staffing allocations are shown in the following table.

Program	FY 2025 Enacted	FY 2026 Request	Chg. to Enacted	FY 2026 Governor	Chg. to Request	FY 2026 Enacted	Chg. to Governor
Supreme Court	177.4	179.4	2.0	179.4	-	179.4	-
Superior Court	165.7	165.7	-	165.7	-	165.7	-
Family Court	182.6	182.6	-	182.6	-	182.6	-
District Court	101.0	101.0	-	101.0	-	101.0	-
Traffic Tribunal	69.0	70.0	1.0	70.0	-	70.0	-
Workers' Compensation Court	48.6	49.6	1.0	49.6	-	49.6	-
Judicial Tenure & Discipline	1.0	1.0	-	1.0	-	1.0	-
Total	745.3	749.3	4.0	749.3	-	749.3	-

*The Governor's recommendation does not take a stance on any of the requested personnel initiatives. It adds \$9.6 million, including \$8.6 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements. This is partially offset by \$3.0 million of turnover savings equivalent to 17.0 vacancies. It separately budgets \$6.0 million in unspecified reductions as operating expenses. **The Assembly provided funding and positions consistent with the recommendation.***

Indigent Defense Services. The Judiciary requested \$7.9 million from general revenues, \$1.8 million more than enacted, for indigent defense services. 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. This expense fluctuates annually, and the Judiciary cannot determine the number of clients who will be transferred from the Office. The number of these cases has increased significantly in recent years; total spending in FY 2024 was \$6.2 million, up from \$4.5 million in FY 2022 and \$5.6 million in FY 2023. The Judiciary's request assumes this upward trend will continue and provides increases to the rates paid to attorneys. It requested a similar revision to FY 2025. *The Governor concurred. **The Assembly concurred.***

Pay-Go Judges Pensions. Consistent with its revised request, the Judiciary requested \$4.5 million from all sources, including \$3.9 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 \$0.2 million less than enacted from general revenues reflecting current retirements and beneficiaries, which changed during FY 2024 but were not accounted for in the enacted budget. Pension costs are paid on a pay-as-you-go basis rather than through the retirement trust fund. There are currently four active judges whose pensions will be paid this way and all are eligible to retire. *The Governor concurred. **The Assembly concurred.***

Court Technology. The Judiciary requested \$9.6 million for court computer technology expenses including the authorized level of 26.0 full-time equivalent positions and the case management system. The request is \$0.1 million more than enacted from general revenues to reflect current service adjustments and a new pay schedule. This unit is responsible for overseeing the development and implementation of technology systems, including intra-agency training and help desk support, maintenance systems, and 24/7 network monitoring. *The Governor added \$0.3 million from general revenues to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.***

Facilities and Operations. The Judiciary requested \$9.4 million from general revenues for the maintenance of judicial complex facilities, including 25.0 full-time equivalent positions. This is \$0.3 million more than enacted to reflect current service adjustments and a new pay schedule. This function is responsible for the execution and coordination of various services relating to the courthouses, infrastructure, and grounds. Spending in FY 2024 was \$8.3 million, including \$0.6 million less than requested for electricity. *The Governor recommended \$0.3 million more to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.***

Finance, Budget and Employee Relations. The Judiciary requested \$3.5 million from general revenues to support the finance, budget, and employee relations functions, including 18.8 full-time equivalent positions. This is \$0.4 million more than enacted to reflect current service adjustments and a new pay

schedule. *The Governor recommended \$0.3 million more to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Interpreters (2.0 FTE). The Judiciary requested \$240,489 from general revenues for 2.0 new full-time equivalent positions to support the Office of Court Interpreters. The courts are required to provide language access services to those with limited English proficiency under the Civil Rights Act of 1964. The Judiciary indicated that demand for these services is increasing and its request includes 1.0 new interpreter position fluent in Cabo Verdean Creole and Portuguese as well as 1.0 special assistant position to coordinate scheduling and vendor contracts. These positions are excluded in the constrained request. *The Governor recommended positions and funding as requested.* **The Assembly concurred.**

Community Outreach and Public Support. The Judiciary requested \$1.7 million from general revenues to support the community outreach and public support function, including interpreters, and 12.0 associated full-time equivalent positions. This is \$0.2 million more than enacted to reflect current service adjustments and a new pay schedule. *The Governor recommended \$0.1 million more to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Planning. The Judiciary requested \$0.7 million from general revenues for its planning function, which primarily supports 5.0 full-time equivalent positions. This is \$29,833 more than enacted for current service adjustments and a new pay scale. The planning function develops quarterly statistics reports and performance measures, provides staff support to Supreme Court committees and outside committees, coordinates diversity training programs for court employees and new attorneys, applies for and monitors certain judicial grants, and assists in special technology projects. *The Governor added \$0.1 million to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Education. The Judiciary requested \$0.4 million from general revenues for the education function and 1.6 associated full-time equivalent positions. The request is \$67,004 more than enacted to reflect current service adjustments and a new pay schedule. This function oversees mandatory continuing legal education for attorneys and the education program for judges and magistrates. *The Governor added \$23,903 to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Clerks/Records Center. The Judiciary requested \$5.0 million from general revenues for the clerks and records center functions. This is \$0.5 million more than enacted for salaries and benefits for 36.6 full-time equivalent positions, 2.0 more than enacted within existing staffing authorization, to reflect current service adjustments and a new pay schedule. The request includes \$44,800 for the reinstatement of educational incentives and \$0.4 million for retroactive incentive payments, programmed at \$0.3 million for FY 2025 and \$0.1 million for FY 2026. The Judicial Records Center, a rented property located at 5 Hill Street in Pawtucket, serves as the central repository for the state's court records. Current records necessary for the daily operations of the courts remain stored at the Clerk's Office of the requisite court. Clerks also provide legal research and writing assistance to the judges and magistrates of the Superior, Family, District, and Workers' Compensation Courts and the Traffic Tribunal. *The Governor added \$0.4 million to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Disciplinary Board and/or Counsel. The Judiciary requested \$1.1 million from restricted receipts to support the Rhode Island Supreme Court Disciplinary Counsel Office and 6.0 full-time equivalent positions. This is \$42,157 more than enacted for salaries and benefits to reflect current service adjustments and a new pay schedule. According to Supreme Court Article IV, Rule 1, active attorneys in the Rhode Island Bar Association must pay a \$200 annual fee to fund the Disciplinary Board and Counsel; proceeds are deposited as restricted receipts. The Board's goals are to process disciplinary complaints filed against Rhode Island attorneys expeditiously and fairly and reduce the number of complaints filed by increasing awareness of, and compliance with, the Rules of Professional Conduct. *The Governor added \$0.1 million to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Law Library. The Judiciary requested \$1.4 million from general revenues to support the law library and its 5.0 full-time equivalent positions. The request is \$65,824 more than enacted to reflect current service adjustments and a new pay schedule. The library is a complete, publicly accessible legal reference service with over 110,000 volumes and computer-aided legal research. *The Governor added \$60,300 to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Appellate Screening Unit. The Judiciary requested \$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 \$39,453 more than enacted to reflect current service adjustments and a new pay schedule. The Appellate Screening Unit is the central staff attorney's office for the Supreme Court, screens all civil and criminal appeals that come before the Supreme Court and schedules pre-briefing conferences. *The Governor added \$0.1 million to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Board of Bar Examiners. The Judiciary requested \$0.3 million from general revenues to support the Board of Bar Examiners, which tests the legal knowledge of bar applicants by administering the Rhode Island Bar examination. This is \$12,717 more than enacted to reflect current service adjustments and a new pay schedule for the Board's 1.0 full-time equivalent position. *The Governor added \$12,767 to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Capital Projects. The Judiciary requested \$3.6 million from Rhode Island Capital Plan funds for four capital projects, \$0.8 million less than enacted and consistent with its capital request. Projects include heating ventilation, and air conditioning replacements, upgrades to fan coil units, and asset protection. *The Governor recommended funding as requested.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

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 requested 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 Governor recommended funding as requested.* **The Assembly concurred.**

Rhode Island Coalition Against Domestic Violence. The Judiciary requested the enacted amount of \$500,000 from general revenues for the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project, as identified in Article 1 of the appropriations act. The 2023 Assembly increased the grant from \$230,000 to \$500,000. *The Governor concurred.* **The Assembly concurred.**

Crime Victims Outreach. The Judiciary requested the enacted level of \$150,000 from all sources for Crime Victims Outreach. Rhode Island General Law, Section 12-25-29 provides 15.0 percent of court fees assessed for the crime victim compensation program, up to \$150,000 to the courts, for its expenses informing the victims of their statutory rights. The Office of the General Treasurer administers the crime victim compensation program; outreach is administered by Justice Assistance. The value of the 15.0 percent has decline alongside receipts for some court fees. Since FY 2022, \$80,000 from general revenues has been used to backfill the lost restricted receipts value. *The Governor recommended funding as requested.* **The Assembly concurred.**

Domestic Violence Training and Monitoring Unit. The Judiciary requested \$0.4 million from all sources, including \$0.3 million from general revenues, for the Supreme Court's domestic violence unit and 3.0 full-time equivalent positions. The request is \$8,694 more than enacted, including \$51,880 less from general revenues and \$60,574 more from federal funds, to reflect current service adjustments and a higher level of

support from federal Violence Against Women Act grant funding. *The Governor recommended \$30,448 more, including \$21,892 from general revenues, to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Other Salaries and Benefits. The Judiciary requested \$6.0 million from all sources, including \$5.9 million from general revenues for salaries and benefits to support the Supreme Court's remaining 31.0 full-time equivalent positions. The request is \$0.5 million more than enacted, almost entirely from general revenues, to reflect the restoration of turnover savings and current service adjustments. *The Governor recommended \$0.3 million less than requested, almost entirely from general revenues. This reflects \$0.5 million more to account for statewide adjustments consistent with his recent labor agreements, offset by \$0.7 million of turnover savings equal to an average of 4.3 vacancies.* **The Assembly concurred.**

Other Operations. The Judiciary requested \$1.1 million, almost entirely from general revenues, for all other expenses of the Supreme Court. The request is \$20,008 more than enacted, which reflects a \$30,000 reduction to records services, offset by \$50,008 more for staff training. Expenses include \$0.1 million each for equipment, security costs, and records services; and \$0.2 million each for offender monitoring services, insurance, lease expenses, and all other spending. *The Governor added \$0.2 million for adjustments to information technology centralized services based on anticipated expenses.* **The Assembly concurred.**

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 each FY 2023 and FY 2024 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. The Judiciary's request excludes all funding to reflect that all associated work was completed by the deadline. *The Governor excluded funding as requested.* **The Assembly concurred.**

Adult Drug Courts. The Judiciary requested \$0.4 million from general revenues for its adult drug court activities and 2.0 associated full-time equivalent positions. This is \$12,282 more from general revenues than enacted to reflect current service adjustments. Funding primarily supports salaries and benefits as well as \$25,000 for private provider therapy and treatment services. *The Governor added \$36,225 to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Other Salaries and Benefits. The Judiciary requested \$26.1 million from general revenues to fully fund the Superior Court's remaining 163.7 full-time equivalent positions. The 2024 Assembly provided 2.0 new full-time court reporter positions to maintain a six to five ratio of reporters to judges and magistrates. The request is \$1.7 million more than enacted, which reflects restoration of turnover savings, current service adjustments, and a new pay schedule. *The Governor recommended \$1.3 million more than requested, almost entirely from general revenues. This reflects \$2.1 million more to account for statewide adjustments consistent with his recent labor agreements, partially offset by \$0.8 million of turnover savings equal to an average of 4.4 vacancies.* **The Assembly concurred.**

Other Operations. The Judiciary requested \$2.1 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 \$10,000 more than enacted for records expenses. Expenses include \$0.4 million for juror's fees, \$0.3 million for related parking and transportation, \$0.2 million for information technology including centralized services provided by the Department of Administration, \$0.2 million for postal costs, \$0.2 million for insurance, and \$0.5 million for supplies and other operating costs. *The Governor recommended \$12,934 less than requested based on updated centralized services projections.* **The Assembly concurred.**

District Court

Mental Health Treatment Court. The Judiciary requested \$1.0 million, including \$0.9 million from general revenues, for operations of the mental health calendar authorized by the 2022 Assembly, including 5.0 associated positions. This is \$148,395 and 1.0 position less than enacted, including \$135,895 less from general revenues, reflecting anticipated staffing needs, lower operating costs, current service adjustments, and a new pay schedule. *The Governor recommended \$0.1 million more than requested to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Veterans Treatment Court. The Judiciary requested \$0.5 million from federal grant funds for the Veterans Treatment Court. This is \$83,113 more than enacted, which primarily reflects \$93,573 more for additional staff time allocated to this work, current service adjustments, and a new pay schedule. This is partially offset by \$10,460 less for operating expenses. 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 recommended \$10,302 more than requested to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Other Staffing and Operations. The Judiciary requested \$15.9 million from all sources for the District Court's remaining 95.0 full-time equivalent positions and all other operations. The request is \$1.5 million from general revenues and 1.0 position more than enacted to reflect the restoration of \$0.4 million of turnover savings, current service adjustments, and a new pay schedule. *The Governor recommended \$0.7 million more from general revenues than requested, which primarily reflects \$0.9 million more to account for statewide adjustments consistent with his recent labor agreements, partially offset by \$0.5 million of turnover savings equal to an average of 2.7 vacancies.* **The Assembly concurred.**

Family Court

Child Support Enforcement. The Judiciary requested \$5.3 million from all sources, including \$1.2 million from general revenues, for the Child Support Enforcement Unit and 23.0 associated full-time equivalent positions. The request is \$1.3 million and 1.0 position more than enacted within the existing staffing authorization, including \$0.1 million from general revenues. The request reflects \$0.3 million more for personnel costs, current service adjustments, and a new pay schedule, as well as \$1.0 million for indirect costs recovery collections from expanding the calendar in Kent County. *The Governor recommended \$0.3 million more than requested, including \$0.1 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Other Salaries and Benefits. The Judiciary requested \$25.6 million from all sources, including \$24.8 million from general revenues, for the Family Court's remaining 159.6 full-time equivalent positions, 1.0 fewer than enacted. This is \$1.6 million more than enacted, including \$1.4 million more from general revenues, reflecting \$0.6 million of restored turnover savings, current service adjustments, and a new pay schedule. *The Governor recommended \$1.3 million more than requested, which reflects \$2.1 million more to account for statewide adjustments consistent with his recent labor agreements, partially offset by \$0.7 million of turnover savings equal to an average of 4.2 vacancies.* **The Assembly concurred.**

Other Operations. The Judiciary requested \$1.5 million from all sources for all other expenses for the Family Court, including \$1.2 million from general revenues. The request is \$66,245 more than enacted, including \$10,000 more from general revenues for records expenses and \$56,245 more from federal funds for training, travel, and client medical expenses. *The Governor recommended \$13,638 less from general revenues than requested based on updated centralized services projections.* **The Assembly concurred.**

Traffic Tribunal

Deputy Clerk (1.0 FTE). The Judiciary requested \$108,946 from general revenues for 1.0 new full-time equivalent deputy clerk position. It indicated that the clerk would collect a salary of \$60,746 and assist with implementing remote Traffic Tribunal hearings and other efficiency and customer convenience projects, as well as assist with evaluations and audits. This position is excluded in the constrained request. *The Governor recommended the position and funding as requested.* **The Assembly concurred.**

Other Salaries and Benefits. The Judiciary requested \$10.4 million from general revenues to fully fund the Traffic Tribunal's existing 69.0 full-time equivalent positions. This is \$0.7 million more than enacted to reflect restoration of \$0.2 million of turnover savings, current service adjustments, and a new pay schedule. *The Governor recommended \$0.5 million more than requested, which reflects \$0.8 million more to account for statewide adjustments consistent with his recent labor agreements, partially offset by \$0.3 million of turnover savings equal to an average of 1.7 vacancies.* **The Assembly concurred.**

Other Operations. The Judiciary requested the enacted level of \$0.8 million from general revenues for all other Traffic Tribunal operations. Expenses include \$0.3 million for security services, \$0.2 million for water and sewer; \$0.1 million for information technology, including centralized services provided by the Department of Administration; and \$0.2 million for all other spending. *The Governor recommended \$6,738 less than requested based on updated centralized services projections.* **The Assembly concurred.**

Workers' Compensation Court

Administrative Clerk (1.0 FTE). The Judiciary requested \$122,553 from restricted receipts for 1.0 new full-time equivalent administrative clerk position. It indicated that the Workers' Compensation Court currently has 12 courtroom clerks and the requested position would act as a middle manager, providing additional oversight and a more efficient division of clerk labor. This position is excluded in the constrained request. *The Governor recommended the position and funding as requested.* **The Assembly concurred.**

Other Salaries and Benefits. The Judiciary requested \$8.6 million from restricted receipts for salaries and benefits of the Workers' Compensation Court's existing 48.6 full-time equivalent positions. This is \$0.3 million more than enacted to reflect restoration of \$0.1 million of turnover savings, current service adjustments, and a new pay schedule. *The Governor recommended \$0.7 million more than requested to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Other Operations. The Judiciary requested the enacted amount of \$1.2 million from restricted receipts for all other Workers' Compensation Court operations. Expenses include \$0.4 million for building maintenance and rentals, \$0.2 million for information technology costs, \$0.2 million for utilities, and \$0.4 million for various other expenses. *The Governor recommended \$4,357 less than requested based on updated centralized services projections.* **The Assembly concurred.**

Judicial Tenure and Discipline

Judicial Tenure and Discipline. The Judiciary requested \$0.2 million from general revenues, \$5,114 more than enacted, to support the Commission on Judicial Tenure and Discipline and 1.0 associated full-time equivalent position. The change reflects current service adjustments. The Commission is responsible for conducting investigations of judges suspected of, or charged with, misconduct. *The Governor recommended \$11,997 less than requested, which reflects \$12,210 more for statewide adjustments, offset by other benefit adjustments and turnover savings.* **The Assembly concurred.**

Military Staff

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 10,712,092	\$ 10,692,745	\$ 11,227,034	\$ 11,227,034
Contracted Services	2,373,993	2,716,533	2,794,551	2,794,551
Subtotal	\$ 13,086,085	\$ 13,409,278	\$ 14,021,585	\$ 14,021,585
Other State Operations	22,378,922	16,289,622	10,778,457	10,778,457
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	312,300	312,300	312,300	312,300
Capital	65,845,538	72,298,546	12,283,716	16,535,389
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 101,622,845	\$ 102,309,746	\$ 37,396,058	\$ 41,647,731
Sources of Funds				
General Revenue	\$ 3,276,320	\$ 3,195,718	\$ 3,424,058	\$ 3,424,058
Federal Aid	86,857,534	85,921,172	28,982,412	28,982,412
Restricted Receipts	55,000	66,000	66,000	66,000
Other	11,433,991	13,126,856	4,923,588	9,175,261
Total	\$ 101,622,845	\$ 102,309,746	\$ 37,396,058	\$ 41,647,731
FTE Authorization	93.0	93.0	93.0	93.0

Summary. The Military Staff requested FY 2026 expenditures of \$37.5 million from all sources, including \$3.3 million from general revenues. The request is \$64.2 million less than enacted, including \$4,138 less from general revenues, \$58.3 million less from federal funds, \$11,000 more from restricted receipts, and \$5.9 million less from Rhode Island Capital Plan funds. The request includes staffing of 93.0 full-time equivalent positions, consistent with the enacted budget. *The Governor recommended \$70,997 less than requested, including \$0.2 million more from general revenues, \$0.4 million more from federal funds, and \$0.7 million less from Rhode Island Capital Plan funds.*

He subsequently requested an amendment to add \$4.3 million from Rhode Island Capital Plan funds for FY 2026 to reflect updated costs for the Aviation Readiness Center project. The Assembly concurred with the amended recommendation.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Military Staff, this produced a general revenue target of \$3.1 million, including a current service increase of \$16,757 and a 7.5 percent reduction of \$0.2 million, adjusted for certain exclusions. The constrained budget submitted by the Military Staff is \$23,047 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 \$0.4 million above the target. The Assembly concurred.*

Firefighters. The Military Staff requested \$3.9 million, including \$144,361 from general revenues and \$3.8 million from federal funds for the firefighter program. This is \$0.2 million less than enacted, including \$154,884 from general revenues and \$70,122 from federal funds. Firefighter costs are paid from federal

funds, except for those who have an injured on duty status in which case the state is responsible for the cost. The request represents funding for one full-time equivalent position on injured on duty status currently serving as a dispatcher; this is 1.3 positions fewer than assumed in the enacted budget. As of November, one firefighter was on injured on duty status. The request assumes 28.0 of 30.0 authorized firefighter positions are filled, 1.0 less than the enacted budget assumed. As of November 2024, 28.0 positions were filled.

The constrained request includes \$126,811 less from general revenues, which eliminates most of the funds for the firefighter on injured on duty status. *The Governor's recommendation adds \$27,365, including \$1,320 from general revenues, to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Other Salaries and Benefits. The Military Staff requested \$6.6 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 \$0.1 million more than enacted, including \$42,525 more from general revenues and \$102,019 more from federal funds, and includes turnover savings equivalent to 1.7 positions and current service adjustments. The enacted budget includes turnover savings equivalent to 1.4 positions. As of the beginning of November 2024, there were 4.0 vacancies.

The constrained request includes \$0.3 million more of turnover savings, including \$81,320 from general revenues, which is equivalent to 3.0 full-time equivalent positions. *The Governor's recommendation adds \$0.5 million to the unconstrained request, including \$92,378 from general revenues, to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Cybersecurity and Activations. Consistent with the enacted budget, the Military Staff requested \$53,977 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 request is \$40,449 more than spent in FY 2024. *The Governor recommended funding as requested. The Assembly concurred.*

Military Funeral Honors. The Military Staff requested \$0.3 million from general revenues to reflect projected costs for military funeral honors in FY 2026. The request is \$5,117 more than enacted and includes costs associated with putting two members of the guard on permanent funeral honors duty as approved in the FY 2025 budget. 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. As of October 2012, no federal funds are provided for any branch of service besides the Army, for which the National Guard Bureau will still pay stipends for two individuals. *The Governor's recommendation adds \$20,973 from general revenues to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Utilities. The Military Staff requested \$3.6 million from all sources, including \$0.6 million from general revenues, for utilities expenses which are shared with the federal National Guard. The request is \$0.2 million less than enacted, including \$2,629 more from general revenues and \$0.2 million less from federal funds. The decrease is largely 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 which varies from 100 percent federally funded, to 75 percent or 50 percent. The Military Staff's FY 2026 request includes \$120,743 more from general revenues than its FY 2025 revised request for electricity costs to account for anticipated rate increases. However,

the implemented energy efficiency programs will continue to result in lower rates compared to the enacted budget. *The Governor recommended funding as requested. The Assembly concurred.*

Security Services. The Military Staff requested \$1.5 million from federal funds for security services at all of its locations, which is \$58,826 more than enacted. The Military Staff indicated that it renegotiated its contract with its security provider, resulting in increased rates each calendar year. Federal regulations require levels of security, including protection from active shooters. *The Governor recommended funding as requested. The Assembly concurred.*

Building Maintenance and Repairs. The Military Staff requested \$2.0 million from all sources for building maintenance and repairs, including \$0.3 million from general revenues. The request is \$190,164 more than enacted, including \$19,130 more from general revenues, which the Military Staff indicated represents an updated project list, including two new projects. The request is also \$165,000 more than the revised request. 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 recommended funding as requested. The Assembly concurred.*

Telephone and Internet Services. Consistent with its revised request, the Military Staff requested \$357,346 from all sources for telephone and internet services for the Rhode Island Army National Guard, including \$2,779 from general revenues. The request is \$351,323 more than enacted, all from federal funds. The Military Staff indicated that these services were previously funded directly by the federal government but will now run through Cooperative Agreement 5 and be 100 percent reimbursable by the federal government. *The Governor recommended funding as requested. The Assembly concurred.*

Accounting Contract. Consistent with the enacted budget, the Military Staff requested \$4,061 from general revenues for a temporary part-time accounting clerk. The Military Staff indicated that the contracted clerk supports the business office in ensuring adherence to all cooperative agreements with the federal government. The constrained request excludes this funding. *The Governor recommended \$2,030 less than requested to reflect an internal transition of these services. The Assembly concurred.*

Medical Detachment Rental. Consistent with the enacted budget, the Military Staff requested \$105,060 from all sources, including \$26,265 from general revenues, to rent a medical detachment at Quonset Air Force Base. The Military Staff indicated that the rental will be replaced by amenities included in the Quonset Air National Guard Headquarters Facility scheduled to be completed in spring 2025. The constrained request excludes \$26,265 from general revenues, which constitutes the state-match portion of the rental costs. *The Governor recommended \$26,265 less from general revenues as the project is expected to be completed on schedule. The Assembly concurred.*

Counter Drug Training Facility. The Military Staff assumed the use of \$1.0 million from Rhode Island Capital Plan funds, \$1.0 million less than enacted and consistent with its capital request, to construct a new counter drug training facility at Camp Fogarty in East Greenwich. This 15,000 square foot training facility will be used by the National Guard's counter drug program.

The request is \$181,187 more than the approved plan from federal funds and includes a total of \$8.4 million, including \$1.0 million from Rhode Island Capital Plan funds, for FY 2026. The 2024 Assembly increased funding for this project from \$5.2 million to \$8.3 million. *The Governor recommended funding as requested. The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.*

Other Capital Projects. The Military Staff requested \$14.5 million from all sources for other capital projects, including \$4.5 million from Rhode Island Capital Plan funds, which is \$58.6 million less than enacted. This is \$17.1 million less than the Military Staff's capital request; the Military Staff indicated that

this discrepancy is due to the exclusion of federal funding which does not flow through the state operating budget for certain projects. *The Governor recommended \$0.7 million less from Rhode Island Capital Plan funds.*

*The Governor subsequently requested an amendment to add \$4.3 million from Rhode Island Capital Plan funds for FY 2026 to reflect an increased cost estimate, as well as an increased state share as required by the National Guard Bureau. **The Assembly concurred with the amended recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.***

Other Operations. The Military Staff requested \$3.4 million from all sources for all other expenses, including \$0.7 million from general revenues. The request is \$243,762 more than enacted, including \$81,345 more from general revenues, \$151,417 more from federal funds, and \$11,000 more from restricted receipts. The request includes various continuous costs such as an education benefits program and utilities and maintenance expenses for armories paid to independent chartered military organizations. The increase is caused by a number of updated contract agreements and various expenses such as vehicle maintenance and printer replacement, as well as increased property/casualty insurance charges which in prior years had been mischarged to the Rhode Island State Police. Similar adjustments were requested as part of the FY 2025 revised budget. *The Governor's recommendation adds \$29,465, including \$65,500 from general revenues, to account for adjustments to other centralized services based on anticipated expenses. **The Assembly concurred.***

Rhode Island Emergency Management Agency

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 5,229,954	\$ 5,511,438	\$ 5,870,352.00	\$ 5,870,352.00
Contracted Services	1,452,726	2,587,731.00	1,577,874	1,577,874
Subtotal	\$ 6,682,680	\$ 8,099,169	\$ 7,448,226	\$ 7,448,226
Other State Operations	12,970,757	11,146,597	11,564,601	11,564,601
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	16,414,257	23,244,860	23,437,240	23,437,240
Capital	452,734	2,939,960	1,207,517	1,207,517
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 36,520,428	\$ 45,430,586	\$ 43,657,584	\$ 43,657,584
Sources of Funds				
General Revenue	\$ 7,007,474	\$ 7,062,596	\$ 7,457,256	\$ 7,457,256
Federal Aid	28,880,583	35,315,706	34,906,616	34,906,616
Restricted Receipts	412,371	419,898	428,308	428,308
Other	220,000	2,632,386	865,404	865,404
Total	\$ 36,520,428	\$ 45,430,586	\$ 43,657,584	\$ 43,657,584
FTE Authorization	38.0	38.0	38.0	38.0

Summary. The Rhode Island Emergency Management Agency requested \$43.4 million, including \$7.3 million from general revenues, \$34.7 million from federal funds, \$0.4 million from restricted receipts, and \$1.0 million from Rhode Island Capital Plan funds. The request is \$6.9 million more than enacted, including \$0.3 million from general revenues and includes one new full-time equivalent position.

The Governor recommended \$43.7 million from all sources, including \$7.5 million from general revenues. This is \$7.1 million more than enacted from all sources. General revenues are \$0.4 million more than enacted and \$0.1 million more than requested. The recommendation maintains the authorized 38.0 full-time equivalent positions. The Assembly concurred.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Emergency Management Agency, this produced a general revenue target of \$7.1 million, including current service adjustments of \$17,456 and a 7.5 percent reduction of \$0.3 million, adjusted for certain exclusions. The constrained budget submitted by the Agency met the target by proposing to lay off 6.0 full-time equivalent positions. *The Governor's recommendation is \$0.4 million more than the target. The Assembly concurred.*

Key Resources Coordinator (1.0 FTE). The Agency requested \$107,235 from federal funds for a new full-time equivalent position to support the Critical Infrastructure and Key Resources Committee. The day-to-day activities for this position relate to analyzing data on vulnerabilities, threat detection, performing training, and coordinating risk management strategies. The request assumes a full year of funding. *The Governor did not recommend funding. The Assembly concurred.*

Salaries and Benefits. The Agency requested \$5.5 million, including \$1.7 million from general revenues, \$3.6 million from federal funds, and \$0.1 million from restricted receipts, to fully fund its 38.0 authorized positions. The request is \$0.3 million more than enacted from all sources, including \$43,430 from general revenues, and reflects statewide and other current service adjustments.

The constrained budget request eliminates 6.0 full-time equivalent positions for a general revenue savings of \$252,085. *Compared to the unconstrained request, the recommendation adds \$0.5 million, including \$0.1 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements. This is offset by \$0.1 million of turnover savings.* **The Assembly concurred.**

ARPA - Public Health Response Warehouse Support. Excluding salaries and benefits, the Agency's request includes \$0.8 million from general revenues, or \$259,271 more than enacted, to cover rental costs for the warehouse that stores COVID-19 supplies, including personal protective equipment. The current lease contract expires in February 2025. The Agency noted that contract negotiations were ongoing. It should be noted that the Budget Office's current service adjustments include \$285,245 for five months of rental costs, and the Agency's request is \$25,974 below that. *The Governor recommended \$40,245 more based on actual costs.* **The Assembly concurred.**

Statewide Communications Network. The Agency requested the enacted level of \$3.6 million from general revenues for operating expenses such as mobile service, utilities, equipment repairs, and lease costs for the Rhode Island Statewide Communications Network. *The Governor recommended funding as requested.* **The Assembly concurred.**

Emergency Operations and Performance Grants. The Agency requested \$4.3 million, which is \$1.2 million more than enacted, from federal emergency operations and performance grants provided by the Federal Emergency Management Agency. This reflects the award of two new grants and the close-out of older grants. The funding, which is primarily passed through to local emergency management agencies, supports personnel, emergency operations centers, communications, and capability enhancement. *The Governor recommended funding as requested.* **The Assembly concurred.**

Glocester Emergency Operations Center Grant. Consistent with the enacted budget, the Agency requested \$1.0 million from a federal grant provided through the Emergency Operations Center Grant Program to be passed through to Glocester to build a new center. This program provides funding for constructing or renovating a state or local government's principal emergency operations center. The total amount of the grant is \$1.0 million, all of which will reimburse the town as expenses are incurred. The Agency requested the full amount of the grant in its FY 2025 revised and FY 2026 requests, as it is unsure when expenses will occur on this project. *The Governor recommended funding as requested.* **The Assembly concurred.**

RIEMA Emergency Operations Center Grant. The Agency requested \$0.3 million from the federal Emergency Operations Center Grant Program to renovate its emergency operations center. The request is \$0.2 million less than enacted, reflecting the remaining grant award amount. This program provides funding for constructing or renovating a state or local government's principal emergency operations center. The funds will supplement the Agency's ongoing capital project to upgrade its emergency operations center, detailed in this publication's Capital Budget section. This is the same as the Agency's FY 2025 revised request and suggests uncertainty as to when the funds will be used. *The Governor recommended funding as requested.* **The Assembly concurred.**

Hazard Mitigation Grants. The Agency requested \$2.5 million from Federal Emergency Management Agency funds that support local emergency management agencies for hazard mitigation. The request is \$0.7 million more than enacted and reflects the award of two additional grants and revisions to other grants, several of which are also requested as part of the FY 2025 revised request. Localities must apply through

the state to receive these funds. These projects must increase resilience and public safety, reduce injuries and loss of life, and reduce damage and destruction to property, critical services, facilities, and infrastructure from natural hazards and climate change. *The Governor recommended funding as requested. The Assembly concurred.*

Homeland Security Grants. The Agency requested \$9.3 million from federal funds for homeland security grants that fund upgrades throughout the state. The request is \$0.6 million more than enacted and the same as the FY 2025 revised request, reflecting updated award information and the award of a new grant provided by the Federal Emergency Management Agency. The enacted budget was an estimate based on previous experience. *The Governor recommended funding as requested. The Assembly concurred.*

Natural Disaster Relief. The Agency requested \$1.2 million from federal funds for reimbursements to entities in the state that have applied for federal disaster relief. This is \$3.2 million less than enacted and reflects the closing of Winter Storm Kenan and Hurricane Sandy grants, partially offset by new grants related to the January 2024 storms and fires in Exeter. These grants are often pending review by the Federal Emergency Management Agency and take several years to close out. *The Governor recommended funding as requested. The Assembly concurred.*

Non-Profit Security Grants. The Agency requested \$5.0 million from Federal Emergency Management Agency and Department of Homeland Security Nonprofit Security Grant Program funds, which provide support for physical security enhancements to nonprofit organizations at high risk of terrorist attacks. This is \$2.0 million more than enacted and reflects actual requests for reimbursement based on 17 new awards to organizations from the FY 2023 grant and the addition of the FY 2024 grants. *The Governor recommended funding as requested. The Assembly concurred.*

Cybersecurity Grants. The Agency requested \$6.7 million from grants made available through the Infrastructure Investment and Jobs Act from FY 2023 through FY 2028 to combat cyber threats and enhance cybersecurity grant programs. This is \$4.5 million more than enacted and primarily reflects the award of new grants. Funds are intended to help states, local governments, rural areas, and tribes address cybersecurity risks and cybersecurity threats to information systems. Of the total allocation, 80.0 percent must be passed through to local entities. Proposed initiatives include strengthening multi-factor authentication and cyber training programs. The request includes the full amount of the grants. As of the beginning of FY 2025, no expenditures had been reported from these grants. The Cybersecurity Planning Committee runs through the Department of Administration. *The Governor recommended funding as requested. The Assembly concurred.*

Other Federal Grants. The Agency requested \$0.8 million from other federal funds, primarily for hazardous material preparedness and upgrades to the Warwick emergency operations center. This is \$0.1 million more than enacted to reflect the award of two additional grants. The new grants awarded are requested for the full amount is similar to the Agency's FY 2025 revised request because of uncertainty about the timing of fund use. *The Governor recommended funding as requested. The Assembly concurred.*

Capital Projects. The Agency requested \$1.0 million from Rhode Island Capital Plan funds for FY 2026 for three capital projects. This is \$0.8 million more than enacted and consistent with the capital budget request. *The Governor recommended \$0.1 million less than requested. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. Consistent with the enacted budget, the Agency requested \$1.3 million from general revenues for all other operations. This includes \$0.2 million for software maintenance agreements, \$0.1 million for equipment, and \$0.2 million for computers, cellular phones, and other telecommunication charges. It also includes \$0.3 million for centralized services provided through the Department of

Administration. *The recommendation adds \$30,825 from general revenues to account for adjustments to centralized services based on anticipated expenses.* **The Assembly concurred.**

Department of Public Safety

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Central Management	\$ 39,170,407	\$ 39,486,455	\$ 21,147,460	\$ 21,147,460
E-911	11,103,966	11,371,501	10,730,138.0	10,730,138.0
Capitol Police	6,104,859	6,486,910	6,766,608	6,766,608
Sheriffs	24,606,538	23,521,296	26,918,947	26,918,947
Municipal Police Training Academy	716,569	806,122	766,895	766,895
State Police	129,435,866	142,268,492	124,957,841	131,538,133
Total	\$ 211,138,205	\$ 223,940,776	\$ 191,287,889	\$ 197,868,181
Expenditures by Category				
Salaries and Benefits	\$ 119,539,872	\$ 124,917,803	\$ 125,955,456	\$ 132,535,748
Contracted Services	1,123,857	11,399,882	2,077,465	2,077,465
Subtotal	\$ 120,663,729	\$ 136,317,685	\$ 128,032,921	\$ 134,613,213
Other State Operations	22,094,322	28,501,472	24,470,662	24,470,662
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	36,731,892	25,986,003	17,169,387	17,169,387
Capital	31,648,262	33,135,616	21,614,919	21,614,919
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 211,138,205	\$ 223,940,776	\$ 191,287,889	\$ 197,868,181
Sources of Funds				
General Revenue	\$ 135,410,334	\$ 143,141,583	\$ 126,568,454	\$ 132,842,119
Federal Aid	32,744,693	36,737,879	26,747,999	27,053,323
Restricted Receipts	12,509,218	13,245,878	14,313,880	14,313,880
Other	30,473,960	30,815,436	23,657,556	23,658,859
Total	\$ 211,138,205	\$ 223,940,776	\$ 191,287,889	\$ 197,868,181
FTE Authorization	633.0	633.0	634.0	634.0

Summary. The Department of Public Safety requested \$191.1 million from all sources, of which \$125.5 million is from general revenues. This is \$20.0 million less than enacted, including \$9.9 million less from general revenues, \$4.1 million less from federal funds, \$0.5 million more from restricted receipts, and \$6.5 million less from all other sources. The request includes the enacted level of 633.0 full-time equivalent positions.

The Governor recommended \$191.3 million, including \$126.6 million from general revenues. This is \$0.2 million more than requested, including \$1.0 million more from general revenues. The Governor recommended adding a Capitol Police screener position, bringing the total to 634.0 full-time equivalent positions.

*The Governor subsequently requested an amendment to add \$6.1 million, including \$5.8 million from general revenues based on the settled State Police contract. **The Assembly concurred and also added***

\$0.5 million, mostly from general revenues, to change the final average compensation for State Police pension benefits from five to three years, similar to the change made for other employees last year.

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 \$117.9 million, including a current service reduction of \$9.5 million and a 7.5 percent reduction of \$8.0 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$5,851 less 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 \$8.6 million above the target. The enacted budget is \$14.9 million above the target.*

Staffing. The Department requested \$122.2 million from all sources for salaries and benefits for 633.0 full-time equivalent positions. Funding includes \$106.6 million from general revenues, \$4.4 million from federal funds, \$8.0 million from restricted receipts, and \$3.3 million from all other sources. As of early October, the Department had an average of 564.4 positions filled.

The Department began the current fiscal year with 563.0 positions filled, or 70.0 vacancies, and had dropped to 560.0 filled positions by the middle of December. It expects to fill 45.0 vacancies before the end of the fiscal year, including the remaining E-911 vacancies by the end of March 2025, 20.0 for the Sheriff's division in May 2025, and 20.0 for the State Police in June 2025.

The enacted budget assumes turnover savings equivalent to about 28 positions. The request reduces the vacancy assumption to about 21 positions. It also adds a new Grant Administration Officer position to Central Management from the allocation to the Sheriffs.

The constrained request increases turnover savings by \$5.1 million, including \$0.2 million in the Central Management Office, \$0.8 million in the Division of Sheriffs, \$0.2 million in the Division of Capitol Police, and \$3.9 million in the Division of State Police.

The Governor concurred with the staffing distribution and added a Capitol Police screener position, bringing the total to 634.0 full-time equivalent positions. He also added \$3.7 million, including \$1.7 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements. This includes some stipend adjustments applicable only to the Sheriffs and Capitol Police.

It should be noted that most employees in the Division of State Police are covered by labor contracts that have not been settled. The Department of Administration's budget includes \$19.0 million for FY 2026 to account for the potential costs of contract settlements with unions representing employees in the Departments of Corrections, Public Safety, and Elementary and Secondary Education.

The Governor subsequently requested an amendment to add \$6.1 million, including \$5.8 million from general revenues based on the settled State Police contract, which was retroactive to November 1, 2023. The Assembly concurred and also added \$0.5 million, mostly from general revenues, to change the final average compensation for State Police pension benefits from five to three years, similar to the change made for other employees last year.

Statewide Records Management System. The Department requested \$3.6 million from all sources, including \$1.4 million from general revenues, to implement the statewide records management system pursuant to Rhode Island General Law, Section 42-28.10-1. The total excludes \$275,000 of federal funds that support this project in the Judiciary budget. Subsequently, the Department noted that the request is overstated by \$0.5 million from general revenues.

Adjusted for that, the request is \$0.3 million more than the enacted budget and reflects the final year of implementation costs and the first year of maintenance costs. The request includes a new allocation of \$0.9 million from general revenues and the enacted level of \$0.4 million from federal funds. It also includes \$1.9 million from restricted receipts, \$1.5 million less from E-911 sources, and \$0.9 million more from billings to non-state user agencies. Funding would support the implementation and maintenance of the software and the personnel costs for the project manager.

*The Governor excluded the overstatement but added \$275,000 from restricted receipts to show the expected contribution from the Judiciary within the Department's budget. For the remainder, he recommended \$0.2 million more with some revisions among sources based on an updated plan that includes a newly available federal grant. This includes a shift of \$0.3 million from general revenues to federal funds and \$67,925 more from E-911 resources, which were lowered in the FY 2025 revised recommendation. **The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.***

Body-Worn Camera Statewide Project. The Department requested \$0.1 million from federal funds for the body-worn camera statewide project to award as grants to local municipalities, which is \$0.3 million less than budgeted from this source for FY 2025. The request excludes the \$11.5 million from general revenues in the enacted budget for purchasing cameras for State Police and municipalities, as any unused funds will be automatically reappropriated. It also excludes the \$70,000 from general revenues in the enacted budget for contracted work now assigned to existing staff, consistent with the revised request. Prior spending from the original \$15.0 million allocation includes \$1.0 million in FY 2023 and \$2.5 million in FY 2024; the FY 2025 revised request includes the remaining \$11.5 million. *The Governor added \$2,693 from federal funds for statewide personnel adjustments. **The Assembly concurred.***

Central Management

Coronavirus Emergency Supplemental Fund. The Department's request excludes the \$0.2 million enacted from federal Coronavirus Emergency Supplemental funds, which were passed through the Department's budget to provide awards to government and local law enforcement agencies to support various activities aimed at preventing, preparing for, and responding to the coronavirus. The remaining funding has been allocated, and projects are expected to be finished by FY 2025. *The Governor excluded funding as requested. **The Assembly concurred.***

Grant Administration Officer (1.0 FTE). The Department requested \$95,549 from federal funds for a new Grant Administration Officer who will be responsible for planning and researching all public safety grant administration office programs and supporting federal awards monitoring and compliance requirements. This proposal assumes using a vacancy currently assigned to the Division of Sheriffs to keep the Department's total number of authorized positions at 633.0. *The Governor recommended funding as requested. **The Assembly concurred.***

Other Salaries and Benefits. The Department requested \$2.0 million from all sources to fully fund the 14.0 authorized full-time equivalent positions in the Central Management Office. The request is \$25,270 more than enacted and reflects statewide adjustments, including scheduled step increases for two full-time equivalent positions. Consistent with the revised request, it also reflects the allocation of half the cost of the staff attorney to E-911, based on a plan to share services implemented prior to the final adoption of the FY 2025 budget. The request includes \$1.1 million from general revenues, \$0.6 million from federal funds, and \$0.3 million from restricted receipts.

The constrained request proposes \$233,389 in savings from eliminating a filled position and shifting those duties to the Budget Office.

*The Governor recommended \$162,788 more than requested, including \$90,463 from general revenues to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.***

ARPA - Support for Survivors of Domestic Violence. The 2022 Assembly provided a total of \$10.5 million from State Fiscal Recovery funds for 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 Department requested \$3.1 million for FY 2026, which is \$1.3 million more than available funding, and subsequently noted that the excess should be reduced from the FY 2026 request.

*The Governor included only \$29,753 for staffing costs. His FY 2025 revised recommendation contains the \$9.3 million remaining from the original authorization. Any unused funds will be reappropriated to FY 2026. **The Assembly concurred.***

Other Federal Funds. The Department requested \$17.7 million for all other federal grants. The request is \$3.3 million more than enacted. Significant changes include \$2.4 million more for Crime Victim Assistance, \$1.8 million more for the Edward Byrne Memorial Justice Assistance Grant Program, \$0.7 million more for the Sexual Assault Services Formula Program, \$0.6 million more for Violence Against Women Formula Grants, and \$0.5 million for Juvenile Justice and Delinquency Prevention. The request excludes \$3.0 million for the Community-Based Violence Prevention grant, which was assumed in the enacted budget but was not awarded. *The Governor recommended funding as requested. **The Assembly concurred.***

Other Operations. The Department requested \$0.2 million for all other operations within the Office, including \$0.1 million from restricted receipts and \$0.1 million from general revenues. The request is \$8,174 less than the enacted budget, including \$51,936 less from general revenues. Consistent with the revised request, changes include adjustments to centralized services provided through the Department of Administration and assigning more of them to available indirect cost recovery receipts instead of general revenues.

*The Governor recommended \$159,476 more than requested, including \$109,643 from general revenues, to account for adjustments to centralized service billings based on a revision to anticipated expenses. **The Assembly concurred.***

E-911

Salaries and Benefits. The Department requested \$6.5 million from restricted receipts for salaries and benefits for 56.0 full-time equivalent positions. This is \$0.2 million more than the enacted budget and reflects the restoration of all turnover savings. The enacted budget assumes about two vacancies, and as of early October, the program had averaged 51.0 full-time equivalent positions for the year. The Department expected the remaining vacant positions to be filled in the third quarter of FY 2025, leaving no vacancies at the beginning of FY 2026. Consistent with the revised request, it also reflects the allocation of half the cost of the staff attorney from Central Management based on a plan to share services implemented before the final adoption of the FY 2025 budget.

*The Governor recommended \$0.5 million more than requested to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.***

Other Operations. The Department requested \$2.5 million for all other operations within E-911, excluding the records management system discussed at the beginning of the analysis. This is \$0.4 million more than enacted and includes \$0.3 million for phone line expenses, similar to a change to the revised budget. It

reflects spending for ongoing technological upgrades to the Public Safety Answering Point, consistent with the five-year planned expenses. Upgrades for FY 2026 include an upgrade to the Department's firewalls and computer replacements for the telecommunicators and administrative staff.

*The Governor recommended \$26,276 less than requested to account for adjustments to centralized service billings based on a revision to anticipated expenses. **The Assembly concurred.***

Sheriffs

Salaries and Benefits (-1.0 FTE). The Department requested \$21.9 million from general revenues for staffing within the division, which is \$0.2 million more than enacted, primarily reflecting statewide adjustments. Consistent with its revisions to FY 2025, the Department also lowered the number of authorized positions by one to accommodate an increase in Central Management. The enacted budget funds 173.0 of the authorized 180.0 full-time equivalent positions. As of the beginning of October, the Division averaged 141.0 full-time equivalent positions for FY 2025. Among the retirement system changes adopted by the 2024 Assembly were revisions to pension benefits for public safety employees, including Sheriffs, to address issues with recruitment and retention.

The constrained request proposes maintaining existing and future vacancies for an additional \$0.8 million in savings.

*The Governor recommended \$1.9 million more than requested to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.***

Motor Vehicles. The Department requested \$0.3 million from general revenues for vehicle maintenance and repair costs, consistent with the enacted budget. The request assumes the use of \$0.3 million from the State Fleet Replacement Revolving Loan Fund to purchase six vehicles. These purchases are repaid to the fund over a three-year period, starting the year after the purchase. The revised request includes a proposal to use \$0.5 million of turnover savings to purchase eight vehicles outright in FY 2025. *The Governor recommended funding as requested. **The Assembly concurred.***

Other Operations. The Department requested \$2.6 million from general revenues for all other expenses for the division. This is \$59,973 more than enacted, representing increased costs for computer replacement and other supplies associated with a trainee academy. The division's budget includes \$0.8 million for building maintenance and repairs, \$0.5 million for internal service charges, \$0.3 million for personal safety equipment and training, and \$0.1 million for equipment contracts.

The constrained request includes a proposal to eliminate the required education reimbursement, resulting in savings of \$25,000. This would require a law change.

*The Governor recommended \$94,671 less than requested, including \$147,448 less to account for adjustments to centralized service billings based on a revision to anticipated expenses. These savings are offset by \$20,000 more for travel expenses, consistent with his recent labor agreement, and \$32,777 for building maintenance, based on updated estimates. **The Assembly concurred.***

Capitol Police

Salaries and Benefits. The Department requested \$5.5 million from general revenues for 40.0 full-time equivalent positions for Capitol Police staff not allocated to internal service funds. 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 request is \$84,333 more than the enacted budget and represents

statewide adjustments, including scheduled step increases. Consistent with the enacted budget, the request fully funds the 40.0 full-time equivalent positions. As of early October, there were 3.0 vacancies.

The constrained request proposes eliminating two filled positions, providing \$221,660 in savings.

*The Governor recommended \$0.6 million more than requested to account for statewide adjustments consistent with his recent labor agreements. He also authorized one new capitol screener position allocated to internal service funds. **The Assembly concurred.***

Other Operations. The Department requested \$0.7 million from general revenues for all other operations, including \$0.3 million for centralized services provided by the Department of Administration. The request is \$7,185 less than enacted. Other expenses include \$147,356 for tactical equipment, \$59,815 for communications contracts, and \$51,648 for other software licenses. The request assumes that \$0.2 million from the State Fleet Replacement Revolving Loan Fund will be used to purchase two vehicles. These purchases are repaid to the fund over a three-year period, starting the year after the purchase. The revised request includes a proposal to utilize \$112,000 in turnover savings from other areas within the Department to purchase two vehicles outright in FY 2025.

The constrained request includes a proposal to eliminate the required education reimbursement, which would result in a \$8,000 savings. This would require a law change.

*The Governor recommended \$17,794 less than requested, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses. **The Assembly concurred.***

Municipal Police Training Academy

System Software. The Department requested \$36,000 from general revenues for training software related to the new computer-aided dispatch and records management system. Funding would be used to implement a comprehensive wireless network at the Academy, including the installation of access points, firewalls, and associated security software. Additionally, it includes integrating a bandwidth provider to ensure seamless access to cloud-based training applications. This also requires municipal law enforcement agencies to provide recruits with a suitable laptop. *The Governor recommended funding as requested. **The Assembly concurred.***

Other Operations. The Department requested \$0.7 million from general revenues for operations at the Municipal Police Training Academy and its two positions. The request is \$2,496 less than enacted and reflects reduced personnel costs.

The Department's constrained proposal is to assess a fee to local municipalities to fund the costs of the Academy, including three other positions in the State Police. This would provide \$1.1 million in savings, equating to about \$9,500 per recruit.

*The Governor recommended \$16,822 more than requested to account for statewide adjustments consistent with his recent labor agreements and adjustments to centralized service billings. **The Assembly concurred.***

State Police

Training Academy. The Department requested \$0.2 million from general revenues for expenses associated with planning for a future State Police training academy. This is \$0.7 million less than enacted and reflects the absence of a scheduled class for FY 2026. The FY 2025 class is expected to graduate 20 troopers in

June 2025. This is reflected in the Department's staffing request for the State Police division. *The Governor recommended funding as requested. The Assembly concurred.*

Anti-Heroin Task Force Program. After submitting its budget, the Department received a grant to support a joint operation between the State Police and representatives of other law enforcement agencies and federal agencies, beginning in FY 2025 and extending into FY 2028. Operation Secure Shield increases surveillance and investigations of high-level distributors. The total grant amount is \$4.0 million, of which the Department expects to spend \$1.8 million in FY 2025, \$1.0 million in FY 2026, and \$1.3 million in FY 2027. *The Governor recommended \$1.0 million, of which \$0.2 million will be used for overtime and \$0.2 million for vehicles related to the effort. The Assembly concurred.*

Salaries and Benefits. The Department requested \$85.8 million from all sources for salaries and benefits for 328.0 full-time equivalent positions. This is \$2.1 million more than enacted and reflects increased overtime and current service adjustments. The request would fund approximately 325 full-time equivalent positions. Through the first quarter of FY 2025, the Department averaged 308.0 positions filled. As noted previously, the Department expects to hire 20 graduates of the current academy in June 2025.

The constrained budget proposes \$3.9 million in savings through layoffs and maintaining other vacancies. It also proposes using \$0.1 million from the gaming state recovery fund and \$0.3 million from state forfeiture funds related to narcotics, for total savings of \$459,805. These funds had a combined balance of \$1,050,431 at the time of the budget submission.

The Governor added \$0.4 million from all sources, including \$0.1 million less from general revenues, to account for statewide adjustments consistent with his recent labor agreements. As noted previously, most employees in the Division of State Police are covered by labor contracts that have not been settled. The Governor recommended funding for all unsettled contracts in the Department of Administration's budget.

The recommendation assumes the shift of \$0.5 million of general revenue expenses to nonrecurring forfeiture funds, as proposed in the constrained request.

The Governor subsequently requested an amendment to add \$6.1 million, including \$5.8 million from general revenues based on the settled State Police contract. This reflects the same cost-of-living adjustments given to other state employees and a uniform stipend increase. It is also retroactive to November 1, 2023, eight months earlier than other contracts.

The Assembly concurred with the amended recommendation and also added \$0.5 million, mostly from general revenues, to change the calculation for pension benefits from the highest five consecutive years of compensation to the highest three consecutive years. This aligns with the change made by the 2024 Assembly that applied to state employees, teachers, and general municipal employees.

Motor Vehicles. The Department requested \$4.6 million from all sources, including \$3.9 million from general revenues for motor vehicles, state fleet expenditures, and repayment to the State Fleet Replacement Revolving Loan Fund. The request is \$0.8 million less than the enacted amount, of which \$0.7 million is from general revenues, as no payments are owed to the Fund in FY 2026. The enacted budget includes \$0.6 million for vehicle purchases, which is maintained in the FY 2026 request. The Department also plans to purchase 27 vehicles using the revolving fund, in line with its 15-year vehicle replacement plan. Subsequent payments to the loan fund will be \$0.6 million annually from FY 2027 through FY 2029. The revised request includes a proposal to utilize \$2.4 million of current-year savings to purchase 47 vehicles outright in FY 2025.

The constrained budget excludes the \$0.6 million from general revenues for vehicle purchases. *The Governor recommended \$0.6 million less from general revenues, consistent with the constrained request. His revised recommendation is to allow \$1.8 million of current-year savings for vehicle purchases. The Assembly concurred.*

Other Federal Funds. The Department requested \$2.9 million from federal funds for all other grants, which is \$0.1 million less than enacted. The largest increase is \$0.4 million for the Port Security Grant Program, which is offset by reductions to the Equitable Sharing Program and the elimination of the Incentive Grant Program to Prohibit Racial Profiling, which was assumed in the enacted budget but not awarded to the Department. *The Governor recommended funding as requested. The Assembly concurred.*

Capital Projects. The Department requested \$20.1 million from Rhode Island Capital Plan funds for four capital projects, which is \$6.6 million less than what was enacted for FY 2025. The projects are consistent with the Department's capital budget request. *The Governor recommended \$0.3 million less than requested. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Department requested \$9.4 million from all sources for all other operations, most of which is from general revenues. This is \$0.1 million less than the enacted budget, attributable to decreased electricity and legal services costs consistent with some revisions requested for FY 2025. More significant expenditures include \$1.2 million for communication system maintenance and repairs, \$1.1 million for tactical equipment and supplies, \$0.9 million for computer and office equipment maintenance and repairs, \$0.6 million for contracted services, and \$0.6 million for staff training.

The constrained request includes a proposal to eliminate the required education reimbursement, resulting in \$0.3 million of savings. This would require a law change.

The Governor's recommendation further reduces expenses by \$0.1 million from general revenues to account for adjustments to decentralize utility billings, revisions to those expenses, and adjustments to other centralized services based on anticipated expenses. The Assembly concurred.

Office of the Public Defender

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 14,959,021	\$ 15,573,031	\$ 16,509,287	\$ 16,509,287
Contracted Services	260,690	247,507	247,507	247,507
Subtotal	\$ 15,219,711	\$ 15,820,538	\$ 16,756,794	\$ 16,756,794
Other State Operations	1,320,883	1,311,433	1,376,920	1,376,920
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	85,000	85,000	85,000	85,000
Capital	45,000	45,000	45,000	45,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 16,670,594	\$ 17,261,971	\$ 18,263,714	\$ 18,263,714
Sources of Funds				
General Revenue	\$ 16,585,559	\$ 17,176,936	\$ 18,178,679	\$ 18,178,679
Federal Aid	85,035	85,035	85,035	85,035
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 16,670,594	\$ 17,261,971	\$ 18,263,714	\$ 18,263,714
FTE Authorization	104.0	104.0	104.0	104.0

Summary. The Office of the Public Defender requested FY 2026 expenditures of \$17.6 million, primarily from general revenues, which is \$0.9 million more than the enacted budget. The Office requested 108.0 full-time equivalent positions, 4.0 more than the enacted level. *The Governor recommended \$18.3 million and staffing consistent with the enacted authorization. This is \$1.6 million more than enacted and \$0.7 million more than requested from general revenues.* **The Assembly concurred.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Office of the Public Defender, this produced a general revenue target of \$15.6 million. The amount includes current service adjustments of \$190,666 and a 7.5 percent target reduction of \$1.2 million, adjusted for certain exclusions. The constrained budget submitted by the Office is essentially consistent with the target. Proposals to achieve the target are noted below where appropriate. *The Governor's budget is \$2.6 million above the target.* **The Assembly concurred.**

Staffing Expansion (4.0 FTE). The Office requested \$0.5 million from general revenues for two new assistant public defenders and two case managers to alleviate caseload burden. The total includes \$21,620 for associated operating costs, and the request assumes staff will be hired at the beginning of FY 2026. Last year, the Office requested two new positions, which were not recommended by the Governor or provided by the Assembly. The 2023 Assembly provided four new positions, and the overall authorization for the Office has increased by 11.0 positions since FY 2018.

The Public Defender noted 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 to increase staffing levels to move closer to a workload standard.

The constrained request excludes the positions and associated operating costs. *The Governor did not recommend funding.* **The Assembly concurred.**

Other Salaries and Benefits. The Office requested \$15.2 million from general revenues for all other salary and benefit expenses, which funds 103.5 of its 104.0 authorized positions. The request is \$0.3 million more than enacted, reflecting current service adjustments, including attorney step increases associated with FY 2025 pay upgrades. As of early November, the Office had 2.0 vacancies.

The Office’s constrained request proposes to cease misdemeanor representation at Washington, Kent, and Newport county courthouses, which would eliminate 13.0 full-time positions for savings of \$1.3 million. The Office indicated that 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 added \$1.2 million from general revenues to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Student Loan Forgiveness. The Office requested the enacted amount of \$85,035 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 the Office’s staff. This unspent funding was split between the FY 2024 final and FY 2025 enacted budgets. It reported an opening balance of \$34,641 for FY 2025 and received a new award of \$61,816. If FY 2025 spending is consistent with the budgeted amount, available funds for FY 2026 will be lower. *The Governor recommended funding as requested.* **The Assembly concurred.**

Office Space. The Office requested \$0.8 million from general revenues for office space rent, payments to the Judiciary, and employee parking. This is \$36,277 more than enacted, including \$20,000 for an anticipated lease extension for its main office and \$16,277 for the increased cost of parking and other utilities. The current lease is set to end in Spring 2026. The estimated rent increase is based on a \$3 per square foot or 15.3 percent increase to extend the lease through the end of FY 2026. *The Governor recommended \$5,710 more based on updated estimates of the lease extension cost.* **The Assembly concurred.**

Other Operations. The Office requested \$0.9 million, or \$38,345 more than enacted from general revenues for all other operations. This includes \$0.3 million for temporary and contracted staff, including paralegals, stenographers, and translators, \$0.2 million for technology, and \$0.4 million for all remaining expenses. The increases in the request reflect estimates based on actual FY 2024 spending and the anticipated need for technology upgrades. Similar to the revised request, increases include \$6,000 more for non-Spanish interpreter services because of increased demand and \$30,250 more for technology costs related to the increased use of digital discovery and the replacement of unsupported software and equipment.

The Office’s constrained request includes \$97,740 less from general revenues for operating costs associated with the proposal to cease misdemeanor representation at three county courthouses, as discussed previously.

The Governor recommended \$37,478 less than requested from general revenues, including \$14,433 for contracted staff and \$23,000 for travel and printing costs based on historical spending and consistent with the revised recommendation. This also includes a \$45 adjustment to centralized services based on updated projections. **The Assembly concurred.**

Department of Environmental Management

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Office of the Director	\$ 13,958,740	\$ 16,347,663	\$ 15,732,070	\$ 15,732,070
Bureau of Natural Resources	91,151,783	91,992,821	102,502,682	106,502,682
Bureau of Environmental Protection	38,622,061	42,000,579	42,189,435	42,189,435
Total	\$ 143,732,584	\$ 150,341,063	\$ 160,424,187	\$ 164,424,187
Expenditures by Category				
Salaries and Benefits	\$ 63,604,551	\$ 65,557,427	\$ 68,620,658	68,620,658
Contracted Services	13,748,385	17,270,365	15,951,925	15,951,925
Subtotal	\$ 77,352,936	\$ 82,827,792	\$ 84,572,583	\$ 84,572,583
Other State Operations	21,097,655	23,285,770	22,619,528	22,619,528
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	9,434,167	13,544,371	10,826,333	10,826,333
Capital	35,847,826	30,683,130	42,405,743	46,405,743
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 143,732,584	\$ 150,341,063	\$ 160,424,187	\$ 164,424,187
Sources of Funds				
General Revenue	\$ 57,238,872	\$ 56,014,410	\$ 58,380,368	\$ 58,380,368
Federal Aid	36,020,076	47,071,238	44,708,519	44,708,519
Restricted Receipts	21,304,790	27,261,032	24,775,624	24,775,624
Other	29,168,846	19,994,383	32,559,676	36,559,676
Total	\$ 143,732,584	\$ 150,341,063	\$ 160,424,187	\$ 164,424,187
FTE Authorization	439.0	439.0	439.0	439.0

Summary. The Department of Environmental Management requested \$153.2 million from all sources, which is \$9.4 million more than enacted and includes \$0.6 million less from general revenues. The Department requested 439.0 full-time equivalent positions, consistent with the authorized level. *The Governor recommended \$160.4 million, including \$58.4 million from general revenues. This is \$16.7 million more than enacted and \$7.2 million more than requested. General revenues are \$1.1 million more than enacted and \$1.7 million more than requested. He recommended 439.0 full-time equivalent positions as authorized. The Assembly added \$4.0 million from Rhode Island Capital Plan funds for the Galilee Piers project shifted from FY 2025 based on an updated schedule and concurred with the remainder of the recommendation.*

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department of Environmental Management, this produced a general revenue target of \$53.0 million, including a current service reduction of \$0.6 million and a 7.5 percent reduction of \$3.7 million, 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 budget is \$5.4 million above the target. The Assembly concurred.*

Staffing. The Department requested \$64.8 million from all sources, including \$40.2 million from general revenues for its 439.0 authorized full-time equivalent positions. This is \$1.2 million more from all sources than enacted, including \$0.5 million less from general revenues, and reflects \$0.4 million more for seasonal staff. Consistent with the revised request, the FY 2026 request appears to shift funding for four Bureau of Environmental Protection positions to other divisions, including two to the Office of the Director and two to the Bureau of Natural Resources. The request funds 428.0 positions. As of the beginning of November, there were 410 filled positions.

The constrained request contains several proposals to shift staffing costs to other sources, resulting in general revenue savings of \$3.1 million. *The Governor recommended \$3.8 million more than the unconstrained request, including \$1.6 million more from general revenues. He added \$4.5 million, including \$2.6 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements. This is partially offset by a reduction of \$0.1 million for seasonal staff based on prior year spending and \$0.6 million more turnover savings from all sources.* **The Assembly concurred.**

Centralized Services. The Department requested \$4.3 million from all sources for centralized services provided through the Department of Administration, including \$2.9 million for information technology services, \$0.2 million for facilities management, and \$1.3 million for human resources. This is \$3,000 more than enacted from federal funds for facilities management, consistent with the FY 2025 revised request. *The Governor included an increase of \$0.2 million, almost entirely from general revenues, to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses.* **The Assembly concurred.**

Office of the Director

The Office of the Director develops and implements the agency's wide range of programs to protect Rhode Island's environment, protect the state's citizens from public health threats resulting from pollution, and provide facilities that support a diversity of outdoor recreational activities.

Staffing. The Department requested \$7.0 million from all sources for salaries and benefits for 43.0 positions within the Office. This is \$0.5 million more than enacted, including \$0.3 million more from general revenues. It reflects current service adjustments and the shift of funding for two full-time equivalent positions from the Bureau of Environmental Protection. The request would fund approximately 42 full-time equivalent positions. As of the beginning of November, the Office had 39.0 filled positions.

The constrained request includes general revenue savings of \$149,373 by shifting the cost for one staff member from general revenues to Regional Greenhouse Gas Initiative restricted receipt funding.

The Governor recommended \$0.7 million more than requested, including \$0.1 million more from general revenues. He added \$0.7 million, including \$0.4 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements. He also shifted \$0.3 million of general revenue expenses to available restricted receipts and federal sources. **The Assembly concurred.**

Litter Removal Initiative. The Department's request maintains the \$100,000 from general revenues included in the enacted budget for the Litter-Free Rhody initiative. In April 2022, Governor McKee announced a new initiative to encourage citizens, state agencies, and businesses to remove trash and litter from state parks, beaches, and management areas. Funds are primarily being used to provide grants to municipalities and organizations to conduct litter clean-ups. *The Governor recommended funding as requested.* **The Assembly concurred.**

Environmental Justice. Consistent with its revised request, the Department requested \$0.3 million from a new federal Environmental Protection Agency grant for environmental justice work. The funding will go

to The Nature Conservancy to work on climate change issues, reconnect marine and coastal systems, advance science, and build partnerships. *The Governor recommended funding as requested. The Assembly concurred.*

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 2024 Assembly added \$80,000 from general revenues to provide \$180,000 for FY 2025. The FY 2026 request maintains that. *The Governor recommended funding as requested. The Assembly concurred.*

Wildlife Clinic of Rhode Island. Consistent with the enacted budget, the Department requested \$100,000 from general revenues for the Wildlife Rehabilitators Association of Rhode Island for a veterinarian at the Wildlife Clinic of Rhode Island. The clinic is dedicated to veterinary care and treating all wild animals native to Rhode Island. It serves more than 6,000 wild animals annually. *The Governor recommended funding as requested. The Assembly concurred.*

Abandoned Vessel Removal. The Department requested \$10,000 from restricted receipts for abandoned vessel removal in FY 2026. Funding comes from a derelict and abandoned vessel and obstruction removal fee assessed biennially with vessel registration fees. Fees range from \$2 to \$20 based on the vessel length. This is \$110,000 less than enacted and reflects the conclusion of a large vessel removal in Providence during FY 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Bays, Rivers, and Watersheds Fund. The Department requested \$0.5 million from the Bays, Rivers, and Watershed restricted receipts for efforts relating to watershed and marine monitoring, water pollution abatement, and climate change. The fund is derived from fees collected from a \$1 per hundred-gallon charge on septage disposal in the state. The request is \$0.2 million more than enacted to replace outdated equipment used to collect water quality data in Narragansett Bay.

The constrained request would add two additional revenue sources to support the Fund, including a wastewater disposal fee of \$0.15 on every 10,000 gallons of wastewater effluent discharge, estimated to generate \$0.7 million annually, and a \$5 outboard motor fee estimated to generate \$0.1 million annually. Funding would be used on priority-eligible projects related to protecting and restoring conditions in Rhode Island bays, rivers, and lakes, including projects that help protect public health and control aquatic invasive plants and shellfish transplants. Funds would also be distributed in the form of grants on a competitive basis for lake management actions and to support an existing staff person currently funded from general revenues. The constrained budget assumes shifting \$0.1 million of staffing costs in the Bureau of Environmental Protection from general revenues to the Bays, Rivers, and Watersheds Fund.

The Governor recommended funding consistent with the unconstrained request. He did not concur with the new fees but did recommend shifting \$0.1 million of general revenue staffing costs to Bays, Rivers, and Watershed restricted receipts as part of his FY 2025 revised recommendation. The Fund ended FY 2024 with a \$1.4 million balance and is estimated to end FY 2025 with a \$1.1 million balance with his proposed changes. The Assembly concurred.

Other Operations. The Department requested \$4.1 million for all other expenses, including \$2.6 million for lease costs for the Foundry building, \$0.6 million to award as grants, \$0.3 million for utilities, \$0.1 million for professional services, and \$0.5 million for other office expenses, including supplies, maintenance, and repairs. The request is \$0.1 million more than enacted from restricted receipts and \$1,688 more from general revenues. The increase includes \$41,330 from indirect cost recovery restricted receipts for a temporary grant manager. The Department reported several vacancies and hiring delays for accounting positions, and additional federal funds requiring grant management require this work. Consistent with the

revised request, it included an additional \$50,000 from restricted boat registration fees and penalties for mailers to communicate with users about a new boating registration system. The Department is doing mailings in FY 2025 and FY 2026 to avoid confusion for users during the renewal process, as registrations are valid for two years. *The Governor recommended funding as requested. The Assembly concurred.*

Bureau of Natural Resources

The Bureau of Natural Resources protects, manages, and restores the state's vast array of historic parks, beaches, recreational facilities, and green spaces. The bureau includes nine divisions: Agriculture, Coastal Resources, Law Enforcement, Forestry, Fish and Wildlife, Parks and Recreation, Planning and Development, Marine Resources, and the Narragansett Bay Estuarine Research Reserve. It also includes the Department's Warehouse and Service Center.

Parks and Recreation. The Department requested \$17.0 million, including \$15.6 million from general revenues, to support the Division of Parks and Recreation and its 67.0 full-time equivalent positions. The Division manages 8,200 acres of land, including parks, beaches, campgrounds, bike paths, dams, museums, and fishing areas. The request includes \$4.0 million for seasonal staff, \$7.2 million for other salaries and benefits, \$0.6 million for contracted groundskeeping and janitorial services, \$0.8 million for state fleet, and \$0.9 million for building maintenance and repairs.

The request is \$0.1 million more than enacted from general revenues. This reflects \$0.1 million less for seasonal staff and \$0.1 million less for other salaries and benefits, offset by \$0.2 million more for contracted janitorial and security services and \$0.2 million more for maintenance and repairs, consistent with its revised request. When the Department has trouble recruiting seasonal staff, which has been challenging for several years, it has to increase its reliance on contracted staff. The FY 2025 enacted budget included \$1.0 million from existing general revenues and 12.0 new full-time equivalent positions to convert seasonal staff to permanent employees. The Department is working with the administration for approval, which is pending as of December.

The Governor recommended \$0.3 million more than requested from general revenues. Based on prior year spending and his revisions to FY 2025, he reduced seasonal staff expenses by \$0.5 million. He also added \$0.8 million to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.

Enforcement. The Department requested \$8.1 million, including \$4.5 million from general revenues, to support the Division of Law Enforcement operations and its 33.0 full-time equivalent positions. The Division provides 24-hour patrols on the state's waters and enforces state laws and regulations governing marine safety, recreational fishing, and hunting, including hunter safety. Environmental Police Officers respond to emergency situations involving rabid animals and those suspected to be rabid and other nuisance animal complaints. The request is \$0.8 million more than enacted, including \$0.4 million less from general revenues. Nearly half of the total increase is for overtime costs. The request also includes an additional \$45,000 from general revenues for contracted municipal police details necessary when the Department cannot cover them, consistent with its revised request.

It should be noted that the 2024 Assembly enacted pension changes, converting benefits for state public safety employees to the same retirement benefits as local public safety employees. It increased the employee contribution from 8.75 percent to 10.0 percent, affecting environmental police officers. The increase in the employer rate was budgeted in the Department of Administration for later distribution. *The Governor added \$0.4 million, including \$0.2 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Other Staffing. The Department requested \$15.2 million from all sources for the salaries and benefits of the remaining 117.0 full-time equivalent positions that staff the Bureau of Natural Resources. The request is \$0.3 million more than enacted, including \$0.1 million more from general revenues. The request appears to shift funding for two positions to the Division from the Bureau of Environmental Protection. As of early November, the Bureau had 112.0 filled positions.

The constrained request includes general revenue savings of \$197,883 by shifting a portion of the staffing costs for the equivalent of 1.3 full-time equivalent positions from general revenues to indirect cost recovery restricted receipts. The constrained request also includes general revenue savings of \$0.4 million associated with the Oil Spill Prevention, Administration and Response Fund proposal discussed later. *The Governor recommended \$0.9 million more than the unconstrained request from all sources, including \$0.4 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Farmland Preservation. Consistent with the Budget Office's current service adjustments, the Department removed \$986,000 from general revenues for farmland acquisitions. The FY 2024 enacted budget included a one-time appropriation of \$2.5 million to purchase eligible farms as part of the Farmland Preservation Program, which helps farming remain viable in the state. The final FY 2024 budget included \$1.5 million as real estate transactions delayed some of the expenditures to FY 2025. It should be noted that the voters approved \$5.0 million on the November 2024 ballot to fund this work. *The Governor recommended funding as requested.* **The Assembly concurred.**

Host Beach Communities. Consistent with the enacted budget, the Department requested \$0.7 million from general revenues for anticipated payments to host beach communities. The Department collects fees for daily and seasonal parking at seven facilities across the state. It reimburses the four host communities of Charlestown, Westerly, Narragansett, and South Kingstown 27 percent of all daily parking fees collected from Memorial Day to Labor Day. The 2021 Assembly authorized the Department to increase beach, park, and recreational fees at state facilities located in Westerly.

The constrained request includes a proposal to transition Salty Brine State Beach to a passive park to achieve savings of \$75,000. The Department would no longer staff the pavilion, removing access to the public restrooms and stopping trash removal. The Division would still provide limited lifeguarding. Savings would not be realized until FY 2027. *The Governor did not concur with this proposal. He did recommend \$46,581 less based on FY 2025 collections.* **The Assembly concurred.**

Local Agriculture and Seafood Grants. Consistent with the enacted budget, the Department requested \$0.5 million from general revenues for the Local Agriculture and Seafood Act grant program. The program provides grants to local agriculture and food businesses to support the growth, development, and marketing of local food and seafood in the state. Established in 2012, it has been funded from general revenues and private contributions from the van Beuren Charitable Foundation, the Henry P. Kendall Foundation, and the Rhode Island Foundation.

The constrained request reduces funding by \$400,000. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Rhode Island Seafood Marketing Collaboration. Consistent with the enacted budget, the Department requested \$100,000 from general revenues for a local seafood marketing initiative. First appropriated in FY 2025, funding supports a contracted seafood marketing specialist who oversees statewide promotion and marketing to increase consumer awareness of and demand for local seafood products with an emphasis on undervalued species. *The Governor recommended funding as requested.* **The Assembly concurred.**

Marine Mammal Emergency Response. Consistent with the enacted budget, the Department requested \$150,000 from general revenues to support the rescue and rehabilitation of marine mammals that become stranded in Rhode Island waters. Funds serve as a state match for marine mammal response, data collection and analysis, participation in regional whale injury reduction team activities, outreach improvements, partnerships to enhance monitoring, and supplies and equipment to transport live or deceased animals. *The Governor recommended funding as requested. The Assembly concurred.*

Chafee Vessel Repairs. Consistent with its revised request, the Department requested new general revenue expenditures of \$150,000 to repair the John H. Chafee research boat. This vessel conducts seasonal and monthly surveys to provide data on finfish and crustaceans in Rhode Island state waters. The boat was built in 2002, and the Department reported that it needs around \$300,000 in repair work. *The Governor recommended funding as requested. The Assembly concurred.*

Other Federal Grants. The Department requested \$22.2 million from its other federal grants. Expenditures include \$6.3 million for professional services, mostly engineers and environmental services, and \$4.6 million to distribute as grants. Funding comes from over 100 distinct grants that support outdoor recreation, fish and wildlife, wildlife and habitat restoration, marine fishing and monitoring, and animal health and behavior. The request is \$6.0 million more than enacted and includes \$1.6 million from federal land and water conservation funds, \$1.0 million for statewide land acquisition, and \$0.5 million for resilient food systems infrastructure. 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 2024, the Department spent \$13.8 million, \$3.5 million less than budgeted. *The Governor recommended funding as requested. The Assembly concurred.*

Capital Projects. Consistent with the enacted budget, the Department requested \$27.4 million from Rhode Island Capital Plan funds for nine capital projects. Compared to its capital request, the operating budget excludes \$1.4 million for dam repairs, \$3.2 million for Galilee pier improvements, \$4.0 million for recreational facilities improvements, and \$0.2 million for Fort Adams Trust. It includes \$0.3 million more for the new Port Sakonnet at the Chase Marina in Tiverton. The Department reported that the amounts reflected in the capital budget are correct. The remaining projects are consistent with the capital budget request. *The Governor recommended \$3.3 million more than enacted and requested.*

The Assembly revised the programming of Rhode Island Capital Plan funds for the Galilee Piers project based on an updated schedule. This includes removing \$7.3 million from FY 2025, adding \$4.0 million to FY 2026, and \$3.3 million to FY 2027. A detailed description of the projects is included in the Capital Budget section of this publication.

Other Operations. The Department requested \$5.8 million from all sources, including \$1.8 million from general revenues, for all other Bureau of Natural Resources expenses. These expenses support marine fisheries, agriculture, coastal resources, fish and wildlife, forests, and planning and development. Larger expenditures include \$0.8 million for Department of Transportation recreation projects, \$0.7 million for the purchase and maintenance of vehicles, heavy machinery, and boats, \$0.9 million for contracted services, \$0.4 million for maintenance of equipment, buildings, and roads, and \$0.3 million for utilities. The request is \$0.1 million more than enacted, almost entirely from general revenues, consistent with the revised request, and includes \$70,000 for fish food and other hatchery supplies and \$25,000 for contracted groundskeeping. *The Governor recommended funding as requested. The Assembly concurred.*

Target - Perryville Hatchery Closure. The Department's constrained budget request includes a proposal to close the Perryville Hatchery, one of the four state fish hatcheries it operates and manages. These hatcheries produce trout for the roughly 25,000 anglers in the state. While the budget does not include the savings, this is projected to achieve a one-time general revenue savings of \$75,000. The federal government matches state expenditures for the Perryville hatchery three to one, which means a \$75,000 loss of general revenues would reduce available federal funds by \$225,000. The Department reported that it could repair

other hatcheries to support the loss of Perryville, but it would require \$350,000 to repair the Carolina Hatchery. *The Governor did not recommend this proposal. **The Assembly concurred.***

Target - Agricultural Emergency Stability Fund. As part of its constrained request, the Department proposed establishing an Agricultural Emergency Stability Fund to provide a dedicated funding stream for response to animal, plant, pest, or food source-related emergencies. The Department uses its general revenue budget or seeks reimbursement through the Federal Emergency Management Agency, the United States Department of Agriculture, or insurance. It noted that reimbursements are not guaranteed and do not typically arrive within the same fiscal year that the emergency occurs. This Fund would be seeded by depositing the first \$500,000 in receipts from the Pesticide Registration Fees departmental receipt account each year. The Department proposed that when the Fund reaches \$1.5 million, the transfer would stop until the fund falls below \$500,000. This proposal would reduce the state's revenues by up to \$500,000 annually, so it does not appear to produce savings characteristic of a constrained item. The fee generates an average of \$1.7 million annually. *The Governor did not recommend this proposal. **The Assembly concurred.***

Bureau of Environmental Protection

The Bureau of Environmental Protection is responsible for preventing and minimizing pollution, monitoring the quality, and overseeing the restoration of water, air, and land. The Bureau includes six regulatory offices:

- The Offices of Water Resources, Air Resources, and Waste Management evaluate applications, issue permits that meet state and federal requirements, and oversee permit compliance.
- The Office of Compliance and Inspection investigates citizen complaints that are within the Bureau's responsibility and is the centralized administrative office for enforcement.
- The Office of Customer and Technical Assistance coordinates the review of projects requiring multiple applications and permits and is the centralized administrative office.
- The Office of Emergency Response responds to spills of oil and chemicals.

Staffing. The Department requested \$25.7 million from all sources for salaries and benefits for 179.0 full-time equivalent positions within the Bureau of Environmental Protection. This is \$0.5 million more than enacted and reflects current service adjustments and a higher average salary than assumed in the enacted budget. The request includes \$38,023 less from general revenues and \$0.2 million less from federal funds, offset by \$0.7 million more from restricted receipts and \$47,010 more from Department of Transportation funds. Consistent with its revised request, the additional restricted receipts are primarily from state revolving fund administration and water and air protection program funds. The total staffing authorization is four less than enacted, reflecting the shifting of funding for two positions to the Office of the Director and the Bureau of Natural Resources. The request would fund 175.4 full-time equivalent positions. As of early November, the Bureau had 6 vacancies. The request is 9.4 percent more than spent in FY 2024.

The constrained request includes total general revenue turnover savings of \$2.1 million in the Bureau of Environmental Protection by shifting staffing expenses to non-general revenue sources. Some of these savings are discussed as part of the following constrained items: uniform wastewater disposal fee, Oil Spill Prevention, Administration and Response Fund, and commercial solid waste disposal fee.

*The Governor recommended \$1.5 million more from all sources than requested, including \$0.6 million more from general revenues. He shifted \$0.5 million from general revenues to available restricted receipts and included additional turnover savings of \$0.1 million. He also added \$1.6 million, including \$1.3 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements. **The Assembly concurred.***

Underground Storage Tank. Consistent with the enacted budget, the Department requested \$2.0 million from restricted receipts assessed to environmental protection regulatory fees collected on every cent per gallon of motor fuel sold to underground storage tank owners. Pursuant to Rhode Island General Law, Section 46-12.9-5, “the fund shall provide reimbursement to responsible parties for the eligible costs incurred by them as a result of releases of certain petroleum from underground storage tanks or underground storage tank systems.” This funding is currently being used to clean up 24 contaminated sites, which is also funded through Environmental Response fund restricted receipts. This clean-up began in FY 2024 and will extend over multiple years. *The Governor recommended funding as requested. His revised budget also includes a proposal to transfer \$3.0 million from reserves to state general revenues by June 30, 2025. The Assembly concurred.*

Environmental Response Fund. Consistent with its revised request, the Department requested \$4.1 million from Environmental Response fund restricted receipts. The Fund is generally supported by hazardous waste transport violation fees and any settlements or penalties allowed under 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), banned in 2007. The request is \$1.7 million more than enacted and reflects the plan for 24 contaminated sites, which is also supported by restricted receipts from underground storage tank fees.

The constrained request proposes to add an additional environmental response fee to the commercial solid waste tip fee assessed by the Rhode Island Resource Recovery Corporation. The proposed \$1.50 per ton surcharge would raise approximately \$500,000 annually for the Department’s restricted receipt Environmental Response Fund account. The increased revenue would be used to fund solid waste, sustainability, litter, and recycling initiatives, and allow for some staff paid from general revenues to be paid from Environmental Response restricted receipts. The constrained request assumes general revenue savings by shifting \$0.5 million of staffing costs to these new sources.

The Governor recommended funding consistent with the unconstrained request. His revised recommendation for FY 2025 shifts \$0.5 million in general revenue personnel expenses to Environmental Response fund receipts. The fund ended FY 2024 with a \$17.5 million balance and is projected to end FY 2025 with a \$16.0 million balance. With his proposed changes, this would leave a balance of \$14.1 million. The Assembly concurred.

Federal Grants. The Department requested \$6.1 million from federal funds for the Bureau of Environmental Protection, \$0.3 million more than enacted to reflect current awards. Federal grants support prevention and abatement programs for water and air pollution, managing superfund sites as determined by the Comprehensive Resource Conservation and Liability Act, and waste management. The Department has typically requested all of its available funding only to underspend at the end of the year. The FY 2024 final budget included \$6.6 million, and the Department spent \$3.5 million. The request would represent spending \$2.5 million above what was spent in FY 2024 and \$2.6 million more than the average spending over the past three years. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$1.9 million from all sources for all other expenses, including \$0.7 million for contracted environmental services, \$0.4 million for state fleet expenses, and \$0.1 million for maintenance and repairs. The request is \$0.5 million less than enacted, including \$60,900 more from general revenues. The general revenue increase includes \$35,000 for maintenance and monitoring activities at the Rose Hill Landfill based on FY 2024 spending and consistent with the revised request. It also includes \$13,900 more for the Office of Water Resources based on FY 2024 spending and the removal of \$42,000 provided in the enacted budget to purchase a new car for the compliance and inspection division. Consistent with the revised request, the FY 2026 request also includes \$0.5 million less from restricted receipts. This includes \$0.4 million less from the State Revolving Fund Administration account and the

removal of \$0.1 million from Volkswagen settlement funds that have been expended. *The Governor concurred. The Assembly concurred.*

Target - Oil Spill Prevention, Administration and Response Fund. As part of its constrained request, the Department proposed increasing the Oil Spill Response and Prevention Fee from five cents per barrel of petroleum products received at marine terminals in Rhode Island to ten cents per barrel. The five-cent fee was set in 1996 when the original Oil Spill Prevention, Administration and Response Fund was established. This is projected to increase revenues by \$1.7 million, which the Department proposed using in lieu of general revenues for staffing costs in both the Bureaus of Natural Resources and Environmental Protection. *The Governor did not recommend this proposal but did shift \$1.7 million of general revenue staffing expenses to the Fund's restricted receipts as part of his FY 2025 revised recommendation. The staff work is an allowable expense under current law. The Fund ended FY 2024 with a \$3.1 million balance and is projected to end FY 2025 with a \$2.9 million balance. The Assembly concurred.*

Coastal Resources Management Council

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 4,689,417	\$ 5,015,901	\$ 5,098,362	\$ 5,098,362
Contracted Services	481,770	376,770	376,770	376,770
Subtotal	\$ 5,171,187	\$ 5,392,671	\$ 5,475,132	\$ 5,475,132
Other State Operations	294,886	495,945	589,884	589,884
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	642,890	5,169,820	1,527,730	1,727,730
Capital	68,000	168,000	2,068,000	7,068,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 6,176,963	\$ 11,226,436	\$ 9,660,746	\$ 14,860,746
Sources of Funds				
General Revenue	\$ 3,607,384	\$ 3,957,427	\$ 3,704,812	\$ 3,904,812
Federal Aid	2,319,579	6,919,009	3,331,166	3,331,166
Restricted Receipts	250,000	250,000	624,768	624,768
Other	-	100,000	2,000,000	7,000,000
Total	\$ 6,176,963	\$ 11,226,436	\$ 9,660,746	\$ 14,860,746
FTE Authorization	32.0	32.0	32.0	32.0

Summary. The Coastal Resources Management Council requested \$18.2 million from all sources, including \$8.1 million from general revenues. This is \$12.0 million more than enacted, including increases of \$4.5 million from general revenues, \$0.9 million from federal funds, and \$6.6 million from Rhode Island Capital Plan funds. The Council's request includes funding for 40.0 full-time equivalent positions, 8.0 more than the authorized level. It appears that it had intended to request funding and staffing for 5.0 new positions. *The Governor recommended \$9.7 million from all sources, including \$3.7 million from general revenues, and the authorized level of 32.0 full-time equivalent positions. This is \$3.5 million more than enacted, including \$0.1 million from general revenues.*

The Governor subsequently requested an amendment to add \$5.0 million from Rhode Island Capital Plan funds to FY 2026 for the South Coast Restoration project based on updated project cost estimates. This would fund coastal restoration, breachway repairs, and dredging projects, including the Charlestown Breachway. The Assembly provided \$200,000 more from general revenues than the amended recommendation to support technology applications used to prepare for, respond to, and recover from coastal hazards.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Council, this produced a general revenue target of \$3.4 million, including a current service adjustment of \$41,560 and a 7.5 percent reduction of \$271,324, adjusted for certain exclusions. The constrained budget submitted by the agency is \$2.6 million more than the Budget Office target. The proposals to achieve those reductions are noted among the items described below, where appropriate. *The recommendation is \$0.3 million above the target. The enacted budget is \$0.5 million above the target.*

Environmental Policy Analysts (2.0 FTE). The Council's request includes \$0.3 million from general revenues and authorization for 2.0 new full-time equivalent environmental policy analysts. The Council indicated that one position would be dedicated to offshore wind projects, reviewing applications for permits and licenses, and requests for federal funding activities that may impact the state's coastal resources. The new position is intended to reduce strain on staffing resources to meet federal review requirements and timeframes for offshore wind farm projects. In 2023, the Council reviewed three offshore wind farm projects, and in 2024, seven projects were reviewed. The other position would be dedicated to shoreline public access, coastal habitat management, and restoration projects. The request assumes a start date in July 2025. The latter position was previously requested but not recommended by the Governor nor approved by the Assembly. The constrained budget excludes the positions. *The Governor did not recommend funding the new positions.* **The Assembly concurred.**

Environmental Scientist - Aquaculture (1.0 FTE). The Council requested \$135,260 from general revenues and authorization for 1.0 new full-time environmental scientist position, who would aid in managing the Council's Aquaculture program. The Council indicated that currently, only one position manages all aspects of the program, including reviewing applications, attending meetings with municipalities, constituents, and the Council, conducting aquaculture farm inspections, ensuring Department of Health standards are met, and enforcing Department of Environmental Management requirements. The new position would perform administrative tasks of the program, which would allow the current aquaculture coordinator time to review and process applications for shellfish aquaculture and other duties. The request assumes a July 2025 start date. The constrained budget excludes the position. *The Governor did not recommend funding the new position.* **The Assembly concurred.**

Environmental Scientist - Enforcement (1.0 FTE). The Council requested \$135,260 from general revenues and authorization for 1.0 new full-time environmental scientist position, who would aid in the enforcement of the Council's management program and issue notices of violation as well as cease and desist orders for the enforcement section. The request assumes a July 2025 start date. The Council requested funding for this position last year. It was not recommended by the Governor nor approved by the Assembly. The constrained budget excludes the position. *The Governor did not recommend funding the new position.* **The Assembly concurred.**

Environmental Engineer (1.0 FTE). The request includes \$153,138 from general revenues and authorization for a new environmental engineer position, which would be responsible for conducting engineering reviews of proposed projects and assisting the Ocean Engineering team in reviewing offshore wind farms and development and maintenance applications. The Council indicated that the new wind energy projects require substantial staff time, limiting its availability for day-to-day duties. The position would help ensure that existing work is not relegated as a result of other new projects. The request assumes a July 2025 start date. The Council requested funding for this position last year. It was not recommended by the Governor nor approved by the Assembly. The constrained budget excludes the position. *The Governor did not recommend funding the new position.* **The Assembly concurred.**

Staffing Error (3.0 FTE). Excluding the new positions previously described, the Council's request inadvertently includes \$1.3 million from general revenues and 3.0 other new full-time equivalent positions.

The constrained budget excludes the positions. *The recommendation excludes the error.* **The Assembly concurred.**

Other Salaries and Benefits. The Council requested \$4.9 million from all sources, including \$3.6 million from general revenues and \$1.4 million from federal funds, to fund its 32.0 authorized full-time equivalent positions. This is \$0.3 million more than the enacted budget, primarily from general revenues. The request provides funding for all its positions for FY 2026. The increase largely reflects the restoration of turnover savings equivalent to 1.0 full-time equivalent position and scheduled step increases for ten positions and

other current service adjustments. *The Governor recommended \$154,160 more than requested from all sources. This includes adding \$375,787, of which \$266,314 is from general revenues, to account for statewide adjustments consistent with his recent labor agreements, offset by \$221,577 of turnover savings. The Assembly concurred.*

Offshore Wind Pilot. The Council requested \$30,000 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 plan technologies and develop solutions to issues being experienced at wind farms. 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 request is \$0.2 million less than enacted and reflects the remaining amount on the grant. *The Governor concurred. The Assembly concurred.*

National Oceanic and Atmospheric Administration Grant. The Council requested \$49,840 from federal funds 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, to help identify potential projects and develop proposals for initiatives within the Narragansett Bay watershed. This is \$93,660 less than enacted and reflects the remaining grant funding, extending the project to FY 2026. The Council noted that this project is being done in conjunction with the Department of Environmental Management, which has been working with the federal government to refine the project scope. *The Governor recommended funding as requested. The Assembly concurred.*

Coastal and Estuary Habitat Restoration Trust Fund. Consistent with the enacted budget, the Council requested \$250,000 from the Oil Spill Prevention, Administration, and Response Fund for the Coastal and Estuary Habitat Restoration Program and Trust Fund. The 2004 Assembly mandated the annual amount of \$250,000 from the Oil Spill Prevention, Administration and Response Fund to the program and trust fund. The fund awards applicants who meet specific criteria to complete restoration projects that preserve or restore coastal wetlands, fish runs, eelgrass beds, and other coastal ecology. *The Governor recommended funding as requested. The Assembly concurred.*

Permit Database Project. The Council requested \$2.1 million from general revenues for the implementation of a permit database. The enacted budget includes a \$50,000 placeholder until costs can be finalized. The Council noted that in discussions with the Division of Information Technology and the Department of Environmental Management, it was advised to request \$2.0 million more than the enacted amount for implementation. *The Governor included funding consistent with the enacted budget. The Assembly concurred.*

Other Federal Grants. The Council requested \$1.8 million from its other federal funds, which is \$1.1 million more than the enacted budget, primarily to reflect three new grants. The funding for these grants includes \$0.1 million for the Shoreline Access Phase II project, \$0.8 million for the South Fork Wind Farm project, and \$0.2 million for the Winnapaug Pond-Sorensen project. These grants were also requested in the Council's FY 2025 revised budget. *The Governor concurred. The Assembly concurred.*

Capital - Projects. The Council requested \$6.6 million from Rhode Island Capital Plan funds for three capital projects for which the enacted budget included no funding. This is \$123,500 more than its capital budget request for these projects and reflects a change to the Pawcatuck Resiliency project. The Council's request also omits several projects that are present in its capital budget with funding in FY 2026, including \$0.5 million for the Waterplace Dredging project, \$3.2 million for a new project to remove pilings at the

Point Street bridge, \$2.0 million for the Narrow River Dredging, and \$118.5 million for the Confined Aquatic Dredged Material Disposal Cells. *The Governor recommended \$2.0 million for the South Coast Restoration project.*

The Governor subsequently requested an amendment to add \$5.0 million from Rhode Island Capital Plan funds to FY 2026 for the South Coast Restoration project based on updated project cost estimates. This would fund coastal restoration, breachway repairs, and dredging projects, including the Charlestown Breachway. The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.

Centralized Services. The Council's request includes \$0.2 million from general revenues for centralized services provided through the Department of Administration. This is \$145,448 more than enacted, reflecting the new inclusion of facility expenses for the Council office at the Stedman Government Center. Facility expenses are charged to agencies occupying spaces in state facilities. It appears these were not previously charged to the Council, but are also included in the revised request. It is unclear why all expenses would come from general revenues. The request includes the enacted amount of \$31,296 for information technology support. *The Governor recommended \$49,877 more from general revenues than requested, including \$10,460 to account for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. The Assembly concurred.*

Indirect Cost Recovery. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through the application of a negotiated indirect cost rate. Current law mandates that all state agencies shall apply for the rate when it is allowed under the particular federal grant. In fall 2024, the federal rate was increased from 10.0 percent to 15.0 percent. The FY 2014 enacted budget included \$0.1 million in general revenue savings from an indirect cost recovery rate by shifting general revenue expenses to restricted receipts and reduced federal funds accordingly. The Council noted that it was in discussions with the National Oceanic and Atmospheric Administration regarding an indirect cost recovery rate, but its FY 2014 revised budget request did not assume the use of an indirect cost rate and restored the savings. The 2015 Assembly concurred with the Governor's recommendation to restore the savings. The Council's FY 2026 request does not assume the use of an indirect cost rate.

The Governor's recommendation includes general revenue savings of \$374,768 from applying a 15.0 percent indirect cost recovery on federal grants that the Council receives. The Assembly concurred.

Storm Tools. There are multiple technology applications that are used to help Rhode Island prepare for, respond to, and recover from coastal hazards. This includes STORMTOOLS, an interactive mapping tool used to assess current and future flooding. It also includes MYCoast Rhode Island, a public-facing platform that collects and shares geo-tagged photos of coastal flooding, storm damage, and erosion, as well as RI-CHAMP, which enables real-time forecasting and was developed for emergency response. Since 2018, the Coastal Resources Management Council has supported STORMTOOLS operations and maintenance costs through an annual cooperative agreement with the University of Rhode Island. The most recent agreement covers the period from September 2023 through September 2024 at a cost of \$40,000. *The Governor recommended funding as requested. The Assembly added \$200,000 from general revenues to support all three technology applications.*

Other Operations. The Council requested \$153,710, essentially as enacted from general revenues for all other expenses. The request includes \$126,000 for legal expenses, \$15,000 for software maintenance agreements, \$15,000 for temporary staff services, and \$37,710 for all other expenses. *The Governor concurred. The Assembly concurred.*

Department of Transportation

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Expenditures by Program				
Central Management	\$ 23,387,603	\$ 23,032,539	\$ 22,782,190	\$ 22,782,190
Management and Budget	4,243,682	3,976,564	3,839,065	3,839,065
Infrastructure Program	861,928,952	1,048,247,058	824,572,790	856,174,336
Total	\$ 889,560,237	\$ 1,075,256,161	\$ 851,194,045	\$ 882,795,591
Expenditures by Category				
Salaries and Benefits	\$ 110,861,585	\$ 110,801,148	\$ 118,331,441	\$ 118,331,441
Contracted Services	70,732,699	73,352,751	71,547,071	71,547,071
Subtotal	\$ 181,594,284	\$ 184,153,899	\$ 189,878,512	\$ 189,878,512
Other State Operations	39,537,596	50,659,063	62,607,659	63,403,181
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	26,267,186	54,467,938	22,142,759	22,142,759
Capital	473,309,284	626,276,429	416,556,933	436,556,933
Capital Debt Service	330,050	330,050	330,050	330,050
Operating Transfers	168,521,837	159,368,782	159,678,132	170,484,156
Total	\$ 889,560,237	\$ 1,075,256,161	\$ 851,194,045	\$ 882,795,591
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	474,772,781	526,224,085	474,885,393	474,582,143
Restricted Receipts	6,116,969	6,165,817	6,066,037	6,066,037
Other	408,670,487	542,866,259	370,242,615	402,147,411
Total	\$ 889,560,237	\$ 1,075,256,161	\$ 851,194,045	\$ 882,795,591
FTE Authorization	755.0	755.0	755.0	755.0

Summary. The Department of Transportation requested expenses of \$799.3 million from all sources, including \$494.0 million from federal funds for FY 2026. This is \$90.3 million less than enacted, including \$19.2 million more from federal funds, offset by decreases of \$0.1 million from restricted receipts, and \$109.5 million from other funds. Of this amount, \$103.2 million is from Rhode Island Capital Plan funds, reflecting the removal of one-time expenses of \$88.9 million as state match for increased federal funds. The request includes the authorized level of 755.0 full-time equivalent positions.

The Governor recommended expenditures of \$851.2 million from all sources and the authorized level of staffing for FY 2026. This is \$51.9 million more than requested, primarily reflecting use of FY 2024 unspent Rhode Island Capital Plan funds of \$43.4 million. The recommendation also includes \$10.0 million from new toll revenues. He recommended making the Municipal Roads Grant program permanent and included \$6.5 million from transportation funds for it. The Governor also proposed legislation establishing annual registration fees of \$150 for battery electric vehicles and \$75 for plug-in hybrid vehicles. The fees are estimated to generate \$1.8 million in FY 2026, increasing to \$13.9 million in FY 2030. The revenues would be deposited into the Highway Maintenance Account to support transportation expenses; however, the recommended operating and capital budgets do not directly assume use of these new receipts. The proposal would adjust these fees for inflation every two years, following the same method used for the gas tax.

The Assembly provided \$882.8 million from all sources, which is \$31.6 million more than recommended. This includes \$20.0 million from Rhode Island Capital Plan funds shifted from FY 2025 for the Washington Bridge project. The Assembly increased the motor fuel tax from the estimated current law amount of \$0.39 to \$0.41, including the \$0.01 environmental protection fee, and dedicated the additional two cents to the Rhode Island Public Transit Authority. It established annual registration fees of \$200 for battery electric vehicles, \$100 for plug-in hybrid electric vehicles, and \$50 for hybrid electric vehicles. It increased the current surcharges on license and most vehicle registrations from \$30 to \$40. These fee changes would take effect on January 1, 2026, and would generate \$6.7 million for FY 2026, or \$4.9 million more than the Governor's budget assumed, and \$16.0 million for FY 2027. It also amended the Authority's share of annual receipts from the Account from 5.0 percent to 10.0 percent, a \$5.9 million increase.

The following table shows available gasoline tax proceeds and other non-federal funds included in the FY 2025 and FY 2026 budgets. Additional information regarding the sources of funds is included in the Special Reports section of this publication.

Non Federal Sources	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
<i>Gas Tax Yield per Cent</i>	4.274	4.432	4.245	4.359
<i>RIDOT Cents</i>	23.25	23.25	24.25	24.25
<i>RIPTA Cents</i>	9.75	9.75	9.75	11.75
<i>Turnpike and Bridge Authority Cents</i>	3.50	3.50	3.50	3.50
Transportation Revenues				
Balance Forward	\$ 48,300,027	\$ 175,242,769	\$ 20,912,302	\$ 20,912,294
Gas Tax	155,989,320	161,777,271	159,172,463	172,188,914
Motor Vehicles Fees, Surcharges & Transfer*	112,503,159	112,258,835	118,812,583	117,700,929
Surplus Property & Outdoor Advertising	226,000	226,000	226,000	226,000
Restricted Receipts	8,969,479	2,555,734	2,509,941	2,555,734
Land Sales	3,400,000	3,400,000	3,400,000	3,400,000
Rhode Island Capital Plan Funds	160,216,575	147,875,322	108,973,497	128,973,497
Total Revenues	\$ 489,604,560	\$ 603,335,931	\$ 414,006,786	\$ 445,957,368
Transportation Expenses				
Winter Maintenance	\$ 14,000,000	\$ 18,106,374	\$ 16,534,528	\$ 16,534,528
Vehicles & Maintenance	11,633,027	28,925,374	15,591,150	15,591,150
General Maintenance	60,546,050	58,308,889	50,365,529	52,915,690
Pay-go/Capital & Other	220,872,934	334,555,750	192,384,362	205,734,717
GARVEE Bond Debt Service	8,547,360	8,864,508	8,489,198	8,718,426
G.O. Debt Service**	31,799,805	31,799,805	31,908,962	31,908,962
State Match - Gas Tax	403,099	251,007	398,207	398,207
Internal Service Funds Transparency**	1,074,376	1,591,756	1,686,170	1,686,170
Restricted Receipts	6,116,969	6,165,817	6,066,037	6,066,037
Land Sales	6,583,333	6,221,435	6,239,422	6,239,422
Equipment Replacement	1,800,000	3,809,769	1,800,000	1,800,000
Facilities	17,314,515	14,763,493	11,555,683	11,555,683
RIPTA - Gas Tax	41,668,389	43,214,476	41,384,841	51,220,753
RIPTA - Highway Maintenance Account	10,343,900	10,332,295	10,643,598	16,181,589
Turnpike and Bridge Authority	14,957,880	15,512,889	14,856,097	15,257,246
Total Expenditures	\$ 447,661,637	\$ 582,423,637	\$ 409,903,784	\$ 441,808,580
Surplus/Deficit	\$ 41,942,923	\$ 20,912,294	\$ 4,103,002	\$ 4,148,788

*Does not reflect receipts from proposed electric vehicle registration fees

**Shown in the Department of Administration's budget

The request assumes a per penny yield of \$4.164 million, which was projected in May 2024 by the Office of Revenue Analysis, and is \$109,849 less than enacted. It was updated to \$4.245 million in November.

This is \$29,081 more than enacted and \$117,475 less than projected for FY 2025. It assumes the scheduled inflation adjustment will result in an additional cent. *The Governor's recommendation uses the November estimate of \$4.245 million. The Assembly used the May 2025 per penny yield of \$4.359 million.*

Constrained Budget. The Department does not receive general revenue funding and historically, it was not required to meet a target reduction. The Budget Office's target includes revenues of \$191.2 million, including \$98.7 million from transportation-related fees and surcharges collected by the Division of Motor Vehicles, and \$92.7 million from gas tax proceeds. This is \$3.9 million more than enacted, of which \$1.8 million is from gas tax proceeds, primarily from an additional \$0.01 tax based on changes in the Consumer Price Index, commonly referred to as inflation. The tax is renewed for adjustment every other year.

The target includes current service adjustments of \$16.1 million, of which \$14.2 million is for state match for the Washington Bridge. The enacted budget recognized the additional resources to fill a projected funding gap for the Washington Bridge, which was estimated at \$3.6 million. The target assumes this expense in FY 2026, to ensure state match provided from State Fiscal Recovery funds are obligated first. The target includes \$31.9 million for debt service, or \$0.1 million more than enacted, and \$1.1 million for allocated staff time; these expenses are included in the Department of Administration's budget. The target also includes a 7.5 percent reduction of \$4.0 million, adjusted for certain exclusions.

The constrained budget met the Budget Office target. *The recommendation appears to assume savings to current services. The enacted budget is \$11.9 million above the target, reflecting available resources from highway maintenance funds and the increased gas tax.*

The Assembly adopted legislation requiring that the gas tax adjustment be based on the inflation that occurred in the preceding two years. It also required the administrator of the Division of Motor Vehicles, in consultation with the Department, to submit a report of its findings and options for updating fees for electric vehicles, plug-in hybrid electric vehicles, and hybrid electric vehicles to the General Assembly before January 1, 2027.

Centralized Services. Consistent with the revised request, the request includes \$7.9 million from all sources for centralized services provided by the Department of Administration for FY 2026. This includes \$1.5 million or \$0.7 million more than enacted for facilities management, and aligns expenses closer with FY 2024 actuals. The request includes the enacted amount of \$1.8 million for human resources support and \$4.6 million for information technology services; however, these expenses appear to be \$0.9 million more than projected for FY 2025, based on spending through the first quarter. *The Governor recommended funding as requested. The Assembly concurred.*

Student Internship Program. The request inadvertently excludes the enacted amount of \$1.5 million for the student internship program. Traditionally, the Department welcomes approximately 100 students to its internship program each summer, and students generally work from May through the end of August. Interns must work between 35 and 40 hours per week, with salaries ranging from \$14.00 to \$25.00 per hour based upon experience and job classification in the areas of: policy, planning, project management, construction, maintenance, traffic, highway safety, transit, materials, financial management, information technology, legal, environmental, and public affairs. FY 2024 expenses were \$1.0 million for 65 interns. *The Governor recommended \$1.5 million, essentially as enacted. The Assembly concurred.*

Salaries and Benefits. The Department requested \$118.3 million from all sources, including \$49.3 million from federal funds and the authorized 755.0 full-time equivalent positions. This is \$8.9 million more than enacted, including \$0.7 million more from federal funds and \$8.3 million more from other funds, primarily gas tax proceeds. The request is \$7.0 million more than the current service estimate; it restores turnover savings of \$3.5 million for approximately 25 positions. As of early December, the Department had 34 vacancies. The request includes \$6.3 million for overtime, which is \$0.3 million more than enacted, and

\$0.5 million less than the revised request for FY 2025. These expenses were \$6.3 million in FY 2023 and \$7.3 million in FY 2024. The request also includes step increases and position upgrades.

*The Governor recommended \$116.9 million from all sources, or \$7.5 million more than enacted, including \$8.5 million to account for statewide adjustments consistent with his recent labor agreements, and \$0.9 million more for overtime. These increases are offset by \$2.0 million of additional turnover savings. The recommendation appears to fund approximately 713 positions; as of mid-January, the Department had 704.0 full-time equivalent positions filled. **The Assembly concurred.***

GARVEE Debt Service. The request includes \$77.5 million from all sources, including the enacted amount of \$8.5 million from gasoline tax proceeds for debt issued through the Grant Anticipation Revenue Vehicle Program, which allows states to borrow funds that are repaid by the annual allocation of Federal Highway Administration construction funds. The request is \$6.5 million more from federal funds than enacted, reflecting debt payment for the Washington Bridge project. In the first seven years, interest-only payments will be made, and principal payments will start in the later years, as other previously issued debt are defeased. The 2024 Assembly authorized up to \$334.6 million in debt issuance for the project; the amount to be issued would be less if federal discretionary grant funds are secured. In September, \$140.0 million of the bonds were issued and in October, \$221.0 million from federal discretionary grant funds were secured. These total \$361.0 million from federal funds, approximately \$26 million more than the approved plan had assumed for the project.

*The Governor recommended \$77.4 million from all sources, \$0.1 million less than requested, reflecting a downward revision to the gas tax yield. Subsequently, the Budget Office noted that federal fund expenses are overstated by \$0.3 million. **The Assembly corrected for the overstatement and added \$229,228 from other funds to reflect an upward revision of the gas tax yield estimate.***

Federal Discretionary Projects. The request includes \$73.0 million from federal funds for four ongoing projects funded with discretionary grants, which are awarded on a competitive basis and require a state match for their uses. This is \$46.0 million more than enacted, including new expenses of \$29.0 million for the I-95 and Route 4 Quonset Business Park project. In January 2024, the Department was awarded an \$81 million grant toward this \$135 million project to improve connectivity from I-95 to the Quonset Business Park. Additionally, ramps will be constructed to improve access for truck and freight operators. It includes \$10.0 million for the Henderson Bridge; \$14.0 million, or \$13.0 million less than enacted, for the Newport Pell Ramps realignment and Route 37 Corridor projects; project completion is estimated in 2024 and 2026, respectively. The request also assumes \$20.0 million for a potential future grant award. *The Governor recommended funding as requested. **The Assembly concurred.***

Capital - Highway Improvement Projects. The request includes \$313.2 million from all sources for highway improvement projects included in the Department's ten-year plan for FY 2026. The Highway Improvement Program represents those highway and intermodal projects that utilize federal funds administered by the Federal Highway Administration. This is \$119.6 million less than enacted, primarily reflecting the removal of one-time expenses. Of this amount, \$35.0 million is from State Fiscal Recovery funds for the Washington Bridge, and \$88.9 million is from Rhode Island Capital Plan funds provided to match increased federal infrastructure 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. Subsequent to the budget submission, the U.S. Court of Appeals for the First Circuit affirmed the legality of the tolling program with the exception of the daily caps, which are severable from the rest of the statute.

*The Governor's recommendation is \$53.7 million more than requested, this assumes use of \$43.4 million from FY 2024 unspent Rhode Island Capital Plan funds. It also includes \$10.0 million from toll revenues; the capital budget assumes \$40.0 million annually thereafter. Specifics of timing and other potential changes in the toll program are not known. These receipts and usage are not yet incorporated into the Transportation Improvement Program. **The Assembly concurred and based on an updated timeline for the Washington Bridge project, it shifted \$20.0 million from Rhode Island Capital Plan funds from FY 2025 to FY 2026. The contract was awarded in June, with construction starting in July. It also provided \$22.0 million in FY 2027, to account for increased match based on updated project costs.***

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 Department's request includes \$51.0 million to the Authority, including \$10.4 million from highway maintenance funds and \$40.6 million from gas tax proceeds. This is \$1.0 million less than enacted, primarily from gas tax proceeds. The request uses May 2024 estimates, which were updated in November subsequent to the budget submission.

The request retains the one-time expense of \$15.0 million from State Fiscal Recovery funds that the 2024 Assembly provided to assist the Authority with its projected operating deficit; these funds are not available for FY 2026. The Assembly also required the Authority to review all operations, including ridership and administration to identify efficiencies by March 1, 2025. The study must summarize the findings and include recommendations for sustainable and effective transit operations. The Authority proposed a budget of \$159.2 million for FY 2026, which is \$5.8 million or 3.7 percent more than its revised budget. It is projecting operating deficits of \$32.6 million for FY 2026, increasing to \$56.3 million by FY 2030.

The Governor recommended \$52.0 million from all sources; this is \$15.0 million less than enacted, reflecting the exclusion of State Fiscal Recovery funds. The recommendation uses November estimates; this resulted in an additional \$299,698 for the Authority's share of highway maintenance funds and \$283,548 less from gas tax proceeds.

The Assembly provided \$67.4 million to the Authority, \$15.4 million more than recommended. It increased the motor fuel tax from the estimated current law amount of \$0.39 to \$0.41, including the \$0.01 environmental protection fee, and dedicated the additional two cents to the Rhode Island Public Transit Authority. Based on the estimated \$4.359 million per penny yield, \$8.7 million in additional gas tax receipts would be generated for FY 2026. It also amended the Authority's share of annual receipts from the Highway Maintenance Account from 5.0 percent to 10.0 percent, a \$5.9 million increase. The additional resources are intended to assist the Authority with its projected operating deficit. The Assembly also required that the Authority maintains the expansion pilot known as RId e Anywhere.

RI Public Transit Authority - Bus Match. The request includes the enacted amount of \$4.8 million from the Department's share of the Highway Maintenance Account for the Authority's match to purchase buses. Buses being replaced have or will have exceeded their useful lives, which is defined by Federal Transit Administration regulations and varies depending on the type of vehicle. The request is \$0.1 million more than the approved plan and \$1.5 million less than the Authority's capital budget request, and is consistent

with the target provided by the Budget Office. This is an attempt to preserve funds for the Department, as the cost for the Washington Bridge is not known, and additional match will be needed.

*The operating budget retains the requested expense for the match, contradicting the Governor's capital budget, which assumes \$6.4 million from Authority sources. Subsequently, the Budget Office noted that the recommendation in the capital budget prevails. **The Assembly concurred with the recommended capital budget.***

Capital - URI/Kingston Station Mobility Hub. The approved plan includes \$8.7 million from all sources, including \$7.4 million from federal funds and matching funds of \$0.5 million from highway maintenance funds and \$850,000 from Rhode Island Capital Plan funds to construct a new bus hub at the University of Rhode Island Kingston Campus. The project has been revised to reflect a shift in location to the Kingston Station. The Rhode Island Public Transit Authority notes that the new location would serve passengers better and encourage multi-modal transit from the Kingston Station. The project estimate is \$5.7 million, reflecting the Authority's revised project scope. A feasibility review and conceptual design development are underway. The request excludes the highway maintenance funds, consistent with the updated scope. It also omits the \$850,000 of unspent Rhode Island Capital Plan funds; the Authority's capital budget request assumes use of these funds in FY 2025 and FY 2026. *The Governor concurred; his revised budget includes the match of \$1.1 million from Rhode Island Capital Plan funds. **The Assembly concurred.***

Capital - RI Public Transit Authority Projects. The request inadvertently excludes the enacted amount of \$14.6 million from Rhode Island Capital Plan funds for two Rhode Island Public Transit Authority projects. This includes \$3.4 million to enhance the Pawtucket Bus Hub Passenger Facility and \$11.2 million for the Land and Buildings projects; this is \$9.4 million less than the approved plan. The 2022 Assembly provided these funds to match increased federal funds authorized in the Infrastructure Investment and Jobs Act. *The Governor recommended \$8.5 million. **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.***

Transit Projects and Operating Expenses. Excluding salaries and benefits, the request includes \$31.4 million from all sources for transit-related projects and operating expenses. This is \$5.3 million more than enacted, including \$5.2 million from federal funds for fixed guideway infrastructure, including layover facilities, stations, and tracks, and \$150,000 from gas tax proceeds for maintenance of several transit facilities. The request retains 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 2025. It also includes the enacted amount of \$1.1 million from CARES Act funds for transit operations, including the summer ferry program. Subsequently, the Department noted that these grant funds have been exhausted, and it is working with the Budget Office to correct the total. *The Governor recommended \$2.7 million less than requested, reflecting available grant funds. **The Assembly concurred.***

RI Turnpike and Bridge Authority. The Department's request includes \$14.6 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 request is \$0.4 million less than enacted, reflecting estimates projected in May 2024. The per penny yield was revised in November. *The Governor recommend \$14.9 million, consistent with the November estimate. **The Assembly provided \$15.3 million, \$0.4 million more than recommended, reflecting an upward revision to the gas tax yield.***

ARPA - Municipal Roads Grant Program/RhodeRestore. The request excludes the one-time expense of \$7.0 million from State Fiscal Recovery funds for FY 2025, for the Municipal Roads Grant Program.

These funds will be distributed equally and will be made available for the construction and maintenance of roads, sidewalks and bridges. A total of \$27.0 million was provided, including \$20.0 million for FY 2024.

*The Governor concurred; he recommended making this grant program permanent and included \$6.5 million from gasoline tax proceeds for FY 2026. The recommendation does not specify how the funds will be distributed or if there would be a match requirement. **The Assembly maintained the required municipal match of 67.0 percent and required that 25.0 percent of the funds be distributed equally and 75.0 percent be allocated proportionally based on each municipality's share of municipally maintained road miles, as determined by the most recent data available from the Department. This is consistent with the original distribution methodology.***

RhodeWorks Legal Services. In 2016, the Assembly adopted the “RhodeWorks” legislation, authorizing 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 to exceed \$20. The daily maximum amount collected upon the same individual large commercial truck shall not exceed \$40. Tolls will be collected along six major highway corridors at 13 locations. 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 request includes \$1.2 million from gas tax proceeds for legal expenses relating to the tolling program. This is \$1.0 million less than enacted, reflecting anticipated expenses. In December 2024, the U.S. Court of Appeals for the First Circuit affirmed the legality of the tolling program with the exception of the daily caps, which are severable from the rest of the statute. *The Governor recommended funding as requested. **The Assembly concurred.***

National Highway Safety Grants. Consistent with the revised request, the request includes \$13.2 million from the National Highway Traffic Safety Administration for FY 2026, reflecting anticipated expenses. Though the request is less than enacted, historically the Department overestimates its ability to spend these funds. The request is \$1.2 million less than enacted, and \$8.5 million more than FY 2024 expenses. It includes \$8.5 million or \$2.8 million less 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. This is partially offset by \$1.6 million for program expenses, including advertising. *The Governor recommended funding as requested. **The Assembly concurred.***

Rail Infrastructure and Safety Improvements. In 2019, the Department received a \$2.8 million grant from the Federal Railroad Administration for preliminary engineering and environmental assessment for an Amtrak stop at the Rhode Island T.F. Green International Airport. The Department was in contract negotiations with Amtrak, and in FY 2022 a consultant was hired to conduct the study. Through FY 2024, a total of \$2.3 million has been spent, resulting in \$0.5 million in available funding. The revised request includes the enacted amount of \$0.4 million for FY 2025. *The Governor recommended \$0.4 million less than requested, reflecting the anticipated grant balance. **The Assembly concurred.***

Software and Information Technology Support. The request includes \$3.8 million from all sources, including \$3.6 million from gas tax proceeds and \$0.3 million from land sales and rental receipts of certain department-owned properties for computer equipment and contracted information technology support. This is \$0.4 million less than enacted, for various management systems including drainage condition inspections and property management. Other expenses include the project management system, which includes project dashboards and reporting, project scheduling at all phases, and procurement. *The Governor concurred. **The Assembly concurred.***

Winter Maintenance Operations. Excluding salaries and benefits, the Department requested \$13.9 million from gasoline tax revenue for operating expenses related to the winter maintenance program for FY 2026. Funding is used to pay for vendor contracts, as well as to purchase salt, sand, and liquid de-icers. The

request is \$2.0 million more than enacted, including increases of \$0.5 million for materials and \$2.0 million for vendor contracts, and \$0.5 million less for fleet maintenance expenses. It is \$1.2 million less than the FY 2025 revised request and \$1.2 million more than the average annual cost for winter maintenance operations from FY 2020 through FY 2024. The Department's constrained request maintains funding essentially as enacted. *The Governor recommended funding consistent with the unconstrained request.* **The Assembly concurred.**

Vehicles/Equipment and Maintenance. The Department's requests include a total of \$47.9 million from all sources, including \$30.7 million for FY 2025 and \$17.3 million for FY 2026 to purchase heavy trucks, sweepers, loaders, backhoes, and tractors to replace the Maintenance Division's existing fleet, and maintenance expenses. The request for FY 2026 is \$3.6 million more than enacted, primarily for equipment purchases. As part of RhodeWorks, the Department proposed a more aggressive replacement plan and indicated new dump trucks would be equipped with a graduated salt dispensing system which can better regulate the amount of salt placed on the road. Prior to the pandemic, it took approximately 12 months to obtain the equipment, with the process of procurement, delivery and payment occurring within a fiscal year. This has now increased by more than two years. Expenses from FY 2016 through FY 2020 average \$10.0 million; they were \$1.5 million for FY 2021 through FY 2023. The request also includes the enacted amount of \$4.8 million for fleet expenses, and \$1.8 million from Rhode Island Capital Plan funds.

The constrained budget reduces expenses for equipment by \$2.0 million. *The Governor recommended funding consistent with the unconstrained request.* **The Assembly concurred.**

Capital - Facilities and Other Projects. The Department requested \$14.4 million from all sources, including \$3.1 million from Rhode Island Capital Plan funds for five approved projects, and \$11.4 million from gas tax proceeds and highway maintenance funds for projects that do not qualify for federal match, such as emergency bridge repairs and highway drainage improvements. The Department is required to maintain storm drains and address pollutants that are going into Narragansett Bay and other waterways. The request is \$1.1 million less than enacted and consistent with the Department's capital budget request. *The Governor concurred.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Maintenance Division Expenses. The request includes \$12.5 million from gas tax proceeds for all remaining expenses in the Division of Maintenance. This includes activities such as building maintenance, trash and debris removal, landscaping, sand removal, and graffiti removal. The request is \$14.7 million less than requested, including decreases of \$14.9 million for capital and building maintenance expenses, reflecting available resources. Consistent with the revised request, it includes \$3.3 million or \$0.2 million less than enacted for electricity, reflecting FY 2024 spending. These are partially offset by increases of \$0.3 million for lease or rental equipment, including generators, and \$175,000 to the Town of New Shoreham, for a total of \$0.6 million. Through a memorandum of agreement, the state transferred all maintenance responsibilities of state-owned roads on Block Island to the town. The ten-year agreement expired June 30, 2024, and the Department paid the town \$0.4 million annually for services, including snow removal, de-icing, litter removal, mowing grass and cleaning sidewalks.

The Governor recommended funding as requested. **The Assembly provided \$4.1 million less from all sources, reflecting available resources. It increased the current surcharges on license and most vehicle registrations from \$30 to \$40. It also amended the Rhode Island Public Transit Authority's share of annual receipts from the Account from 5.0 percent to 10.0 percent.**

Other Expenses. The request includes \$1.0 million from gasoline tax proceeds for all remaining expenses in the Department. This is \$350,000 less than enacted, reflecting the removal of one-time expenses for furniture and cubicles. *The Governor concurred.* **The Assembly concurred.**

Section IV

Capital Budget

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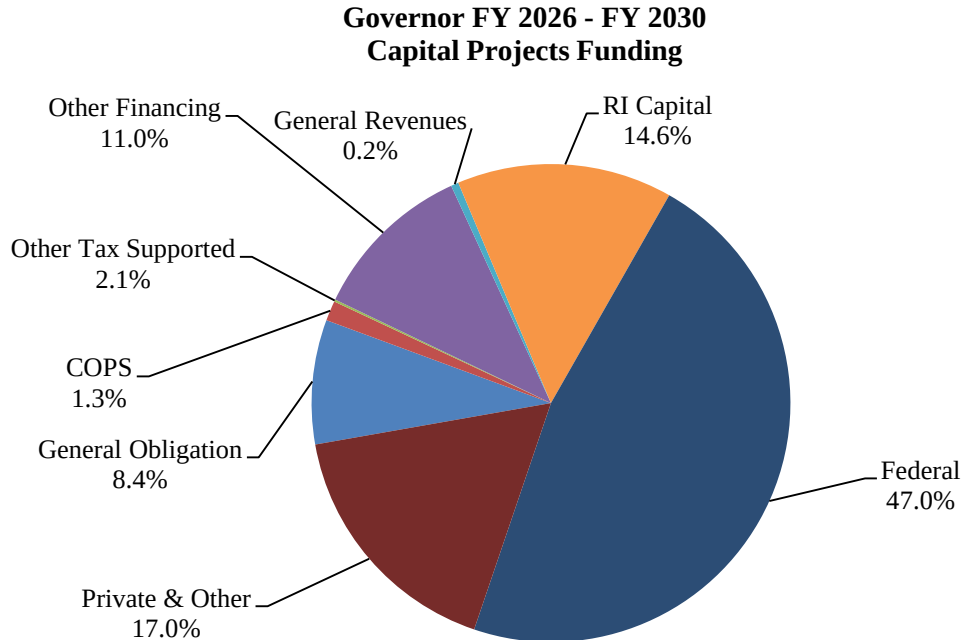
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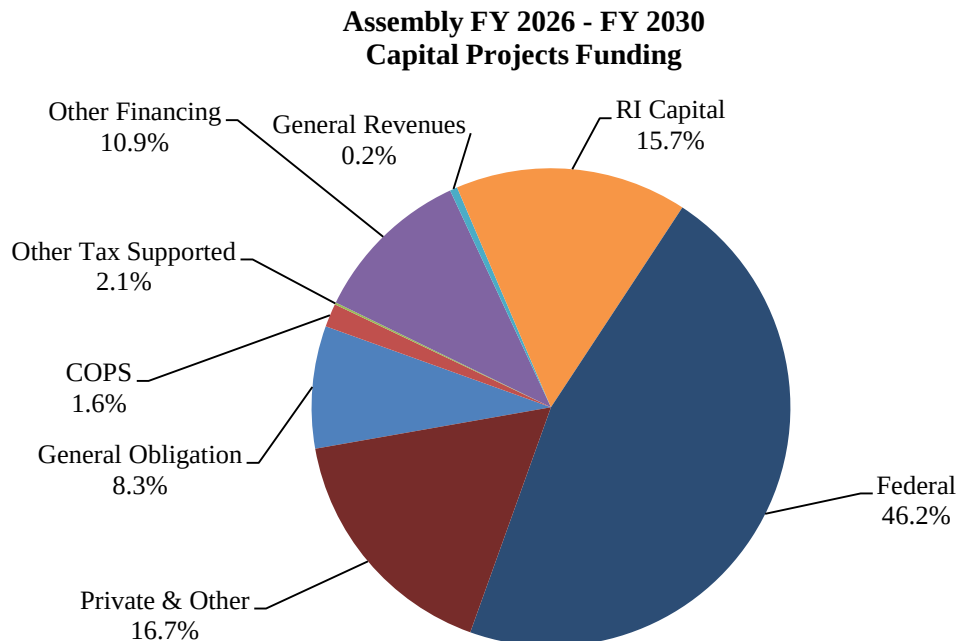
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Capital Budget

The Governor's five-year capital recommendations for FY 2026 through FY 2030 call for total outlays of \$8,938.6 million for the period. Financing the plan requires \$1,871.4 million of debt issuances and \$7,067.2 million from current revenue streams.



The Assembly's five-year adopted plan includes capital outlays of \$9,083.6 million for the period. Financing the plan requires \$1,894.4 million of debt issuances and \$7,189.2 million from current revenue.



- **Outlays and Funding.** The FY 2026 through FY 2030 plan includes \$9,083.6 million of outlays on \$19,894.7 million of project estimates. Average outlays would be \$1,816.7 million per year for the five-year period, with \$747.6 million required at the end of the period to complete the projects.
- **General Obligation Bonds Referenda.** Financing the five-year plan is based on \$752.0 million of general obligation bond debt issuances. This includes \$345.5 million from general obligation bonds approved by the voters in November 2024. The average bond referenda over the past five elections was \$347.7 million, including the \$400.0 million approved by the voters in March 2021 and November 2022.
- **Other Debt Approvals.** The plan includes \$174.6 million approved by the 2025 Assembly under the Public Corporation Debt Management Act. It includes \$151.6 million from revenue bonds for the University of Rhode Island's Combined Health and Counseling Center and Memorial Union projects. This represents increases to existing debt authority. It also includes \$23.0 million through Certificates of Participation for the construction of confined aquatic dredged material disposal cells.
- **Financing.** Paying for the five-year outlays includes \$1,894.4 million from debt financing and \$7,189.2 million from current or pay-go sources. Pay-go represents 79.1 percent with debt funding being 20.9 percent.
- **Debt Levels.** Total net tax supported debt increases during the period through FY 2030 by \$293.9 million from \$2,016.6 million to \$2,310.5 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 2024 to 2.4 percent in FY 2030 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 \$1,423.0 million.

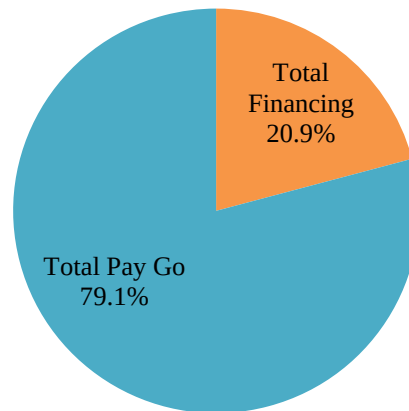
Outlays and Funding

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 2026 - FY 2030 Outlays



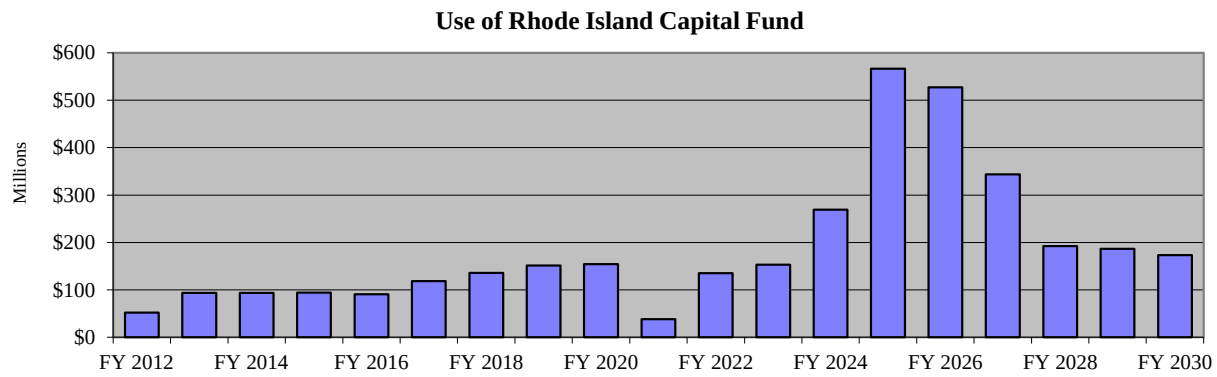
Revenue bonds are not backed by the full faith and credit of the state, and debt service is paid from a defined revenue stream, such as a user fee. This type of debt has historically been used by quasi-state agencies to fund long-term infrastructure projects. For example, the Turnpike and Bridge Authority 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 \$9,083.6 million are supported by a mix of pay-as-you-go funding and financing. Over two-thirds, 79.1 percent, of outlays are supported by current revenues, or pay-go, with the remaining 20.9 percent from financing.

Pay-Go. The pay-go sources include \$4,198.9 million from federal sources, \$1,423.0 million from Rhode Island Capital Plan funds, and \$1,521.5 million from private and other sources. Federal sources are the largest source of capital funding, providing 46.2 percent of all funding and 58.4 percent of pay-go funding.

A primary source of state pay-go funding is the Rhode Island Capital Plan Fund. These revenues are derived from the amounts exceeding 5.0 percent of revenues in the state's Budget Stabilization and Cash Reserve Account, or "rainy day fund." The rainy day fund receives 3.0 percent of all revenues and opening surpluses capped at 5.0 percent. Resources above the cap are transferred to the Rhode Island Capital Plan Fund. Use of the rainy day fund to balance the FY 2020 budget interrupted the normal flow of resources into the Rhode Island Capital Plan Fund creating a temporary resource shortfall pending payback of the \$120 million, which occurred in FY 2021.

The fund was used nearly exclusively for debt service in the early 1990s. Governor Almond began moving debt service back to general revenues as the economy improved in the latter half of that decade, reserving the capital fund for pay-go capital projects so as not to use any for debt service by FY 2002. However, the economic slowdown caused that to reverse beginning in FY 2002, with significant amounts again used for debt service. The 2006 Assembly noted 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.



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 significant amount that has been used in lieu of borrowing to match federal transportation funds. In addition to the transportation uses, another primary use of the fund is for asset protection and other projects at the state's public higher education institutions. These account for about one half of the use of the fund. The remaining half is used for asset protection and improvements for state buildings, including courts, prisons, hospitals and other state facilities such as dams, piers, parks and office buildings. Many of these ongoing investments are designed to extend the life of the facilities and prevent the need for costly replacements.

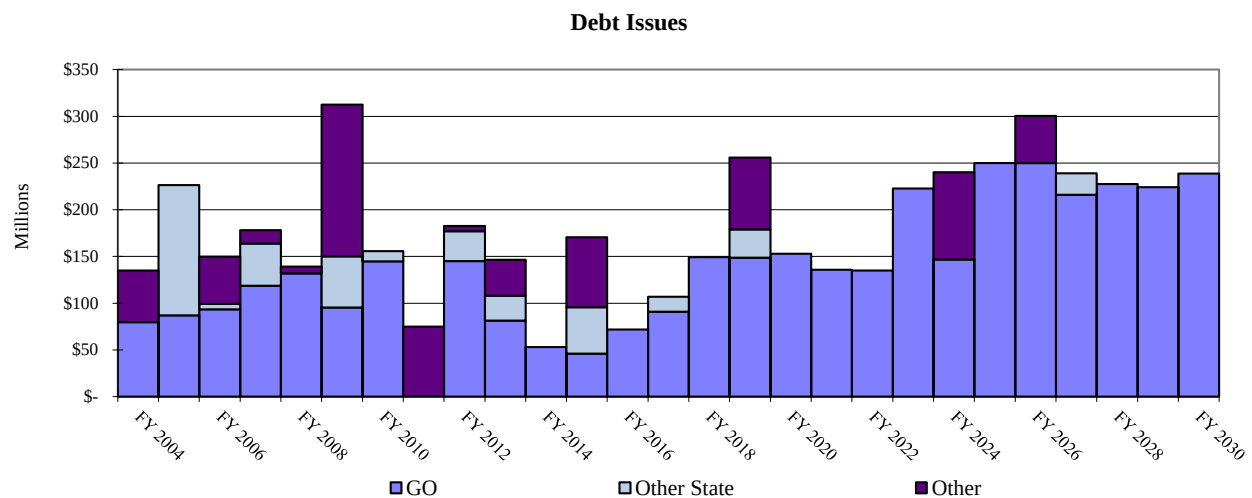
More recently the state made major deposits to the Fund from non-recurring surpluses, some of which is serving as state match for significant new federal infrastructure funds. The Assembly transferred \$820.4 million from one-time general revenues to the Rhode Island Capital Plan Fund in FY 2022 and FY 2023. This is shown in the table below.

Transfers to RICEF	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, \$1,894.4 million, constitute 20.9 percent of the funds available for outlays during the period. Tax supported financing comprises \$908.5 million, including \$752.0 million from general obligation bonds and \$143.6 million through Certificates of Participation. Outlays from tax supported financing are 48.0 percent of the financed outlays and 10.0 percent of all outlays. Other non-tax supported financing supports \$985.8 million of outlays, or 10.9 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 \$373.1 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 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	\$ 39,299,914	10,226,737	1,269,169	\$ 50,795,820
FY 2025 Final	\$ 39,304,010	10,378,311	1,054,709	\$ 50,737,030
FY 2026 Enacted	\$ 38,560,199	10,174,296	1,097,898	\$ 49,832,393

The table above shows debt service for Higher Education, funded from general revenues and tuition and fees from FY 2017 through the FY 2026 enacted budget. General obligation debt is funded solely from general revenues. For debt issued for projects funded through the Rhode Island Health and Educational Building Corporation, debt service is paid from both general revenues and tuition and fees. As the table shows, debt service costs would increase nearly 10 percent between FY 2019 and FY 2026 based on the enacted budget. The FY 2017 budget included savings of \$7.6 million from the refinancing of general obligation bond debt.

New Debt Authorizations

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 new debt authority approved by the 2025 General Assembly. It is followed by descriptions of the projects funded by the new debt. The Governor's capital plan assumed \$90.0 million of proposed new debt to cover the significantly increased costs of the new long-term acute care hospital on the Zambarano Campus. While the debt itself is not programmed for use until FY 2027, the expenditure of nearly \$35 million of approved state funds for it is programmed for FY 2025 and FY 2026. The Assembly was not presented with a debt authorization to approve as final cost estimates were not expected until later in 2025. It did shift \$26.1 million from FY 2026 to FY 2030, based on a delay in the design phase of the project, including the identification of cost estimates and financing plans, for further consideration and approval.

New Debt Authority	Current Authority	Article 4
Revenue Bonds		
University of Rhode Island		
<i>Combined Health & Counseling Center</i>	\$ 29,000,000	\$ 33,600,000
<i>Memorial Union</i>	57,600,000	118,000,000
Certificates of Participation		
<i>Confined Aquatic Dredged Material Disposal Cells</i>	-	23,000,000
Total Other Debt	\$ 86,600,000	\$ 174,600,000

URI Combined Health and Counseling Center. The Budget authorizes a \$33.6 million revenue bond for a project to combine the University's health services and counseling center into a single facility. The project aims to address the insufficient capacity of both facilities to meet service demand, as the currently physically separate buildings require duplication of support staff and medical record-keeping. Prior Assemblies have approved debt for this project: \$26.1 million in 2019 and an additional \$2.1 million in 2021. The University attributes the cost increase to a longer escalation period due to a delayed timeline. Total debt service, supported by student fees, is not expected to exceed \$78.0 million. The University estimates the fee will need to increase by approximately \$215. The current annual health services fee is \$646 for undergraduates and graduates.

URI Memorial Union. The Budget authorizes a \$118.0 million revenue bond for the Memorial Union project. The project would renovate and expand Memorial Union, a 133,000-square-foot, four-story building that houses over 180 student groups and the organizations and offices for Student Affairs. It would add a 9,000-square-foot addition while improving adjacent parking and landscaping. This project was originally authorized by the 2019 Assembly as a \$51.5 million project. This was subsequently increased to \$57.6 million in 2021. The University attributed the cost increase to an updated estimate from the one done in the summer of 2020. Total debt service, supported by student fees and retail lease payments, is not expected to exceed \$272.0 million. The University estimates the fee will increase by \$685 per year for undergraduates and \$465 per year for graduates. Annual Memorial Union fees are currently \$464 for undergraduates and \$316 for graduate students.

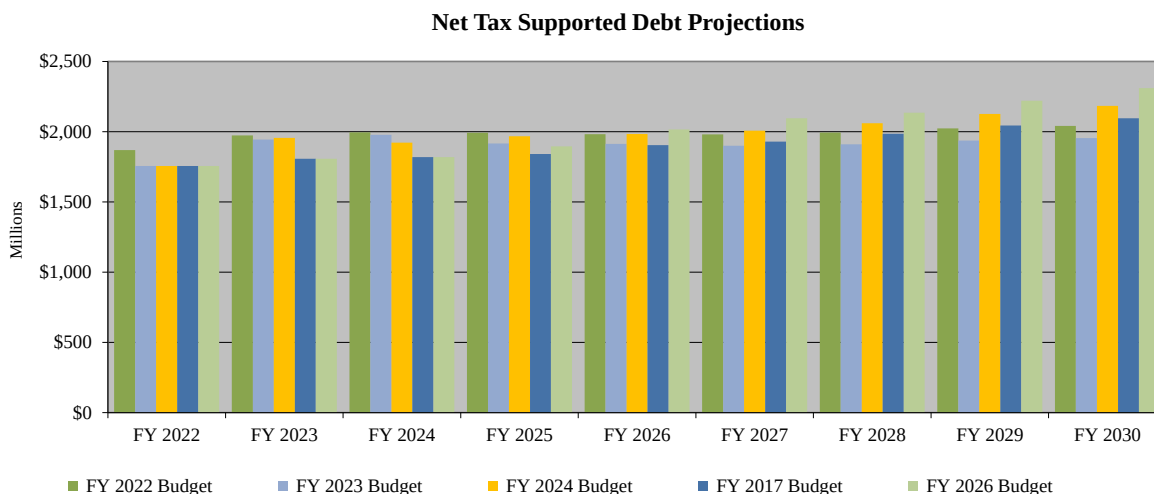
Confined Aquatic Dredged Material Disposal Cells. The Budget authorizes borrowing \$23.0 million through Certificates of Participation for the construction of confined aquatic dredged material disposal cells. This reflects a revised total project cost based on updated information from the Army Corps of Engineers. In addition to the borrowing, the Budget includes \$11.4 million from Rhode Island Capital Plan funds and \$0.6 million from balances in the Dredge Fund. Federal funds would total \$81.7 million, accounting for 70 percent of the total project cost. Total debt service on the borrowing is estimated to be \$36.9 million, supported by fees charged to marine operators for depositing dredged materials into these disposal cells, as

well as general revenues. The Assembly increased the minimum dredge fee from \$11.65 to \$35.00 and directs all fees to the Dredge Fund. Prior, amounts up to \$11.65 were deposited as general revenues, with any fees above that going to the Dredge Fund. The Governor's capital budget assumed more debt and a higher project cost. He subsequently requested an amendment with the revised plan, which the Assembly approved.

Debt Levels

Total net tax supported debt increases during the period through FY 2030 by \$293.9 million from \$2,016.6 million to \$2,310.5 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.

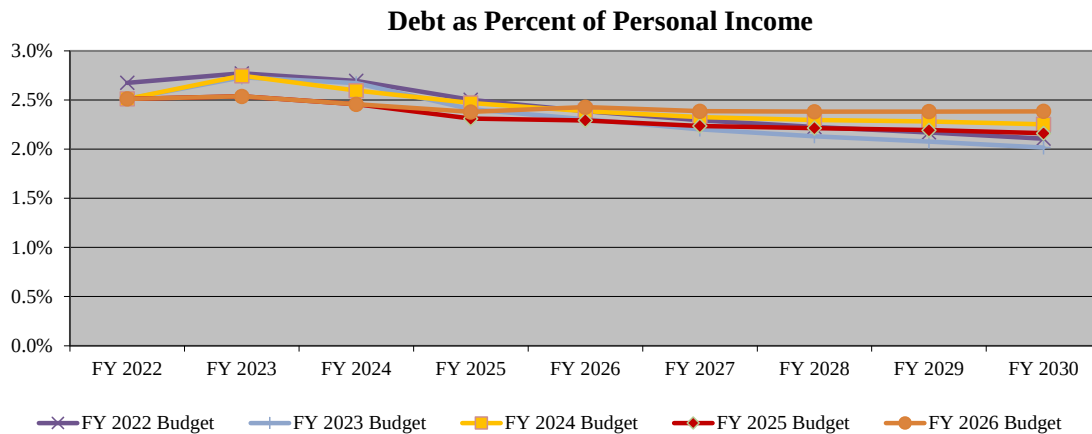
Past practice indicates that this will be significantly higher as more projects are added within the five-year period of this capital budget. The average bond referenda over the past five elections were \$347.7 million, including the \$400.0 million approved by the voters in March 2021 and November 2022.



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 2024 to 2.4 percent in FY 2030, assuming that the capital budget is not increased.

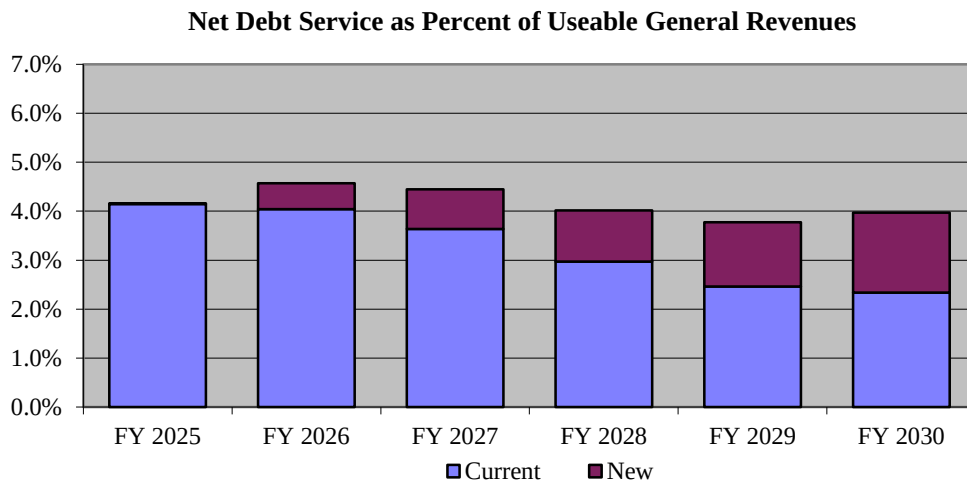
Debt ratios began increasing significantly in FY 1988, reaching a peak in FY 1994 of 8.4 percent of personal income as the Depositors Economic Protection Corporation and Convention Center debt was added. The current and prior administrations have expressed the reduction of that ratio as a major capital 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 2022 through FY 2030 in the past five budgets. The FY 2022 budget projected FY 2027 debt at 2.3 percent of personal income, which is about four percent lower than 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.



Debt service in the recommended capital budget would decrease from 4.3 percent of useable general revenues in FY 2025 to 4.0 percent in FY 2030. This partially 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 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 \$343.5 million on the 2024 ballot.

GO Debt Capacity	Debt Study 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
Total	\$ 3,946,385,000

Department of Administration

Projects	5 Year Total	Project Total
Pastore Center	\$ 110,350,000	\$ 300,942,054
Other State Facilities	391,825,575	671,133,369
Other Projects	65,790,464	253,166,664
Total	\$ 567,966,039	\$1,225,242,087
Sources of Funds		
Certificates of Participation - Approved	\$ -	\$ 34,932,069
Certificates of Participation - New	90,000,000	90,000,000
Federal Funds	-	5,307,134
Federal Funds - CPF	-	81,720,130
General Obligation Bonds - Approved	1,463,390	13,000,000
Information Technology Funds	23,442,174	98,198,734
Internal Service Funds	35,259,900	38,759,900
Other Funds	-	1,600,000
Rhode Island Capital Funds	416,300,575	860,224,120
State Fleet Replacement Revolving Loan Fund	1,500,000	1,500,000
Total	\$ 567,966,039	\$1,225,242,087

Summary. The Department of Administration requested expenses of \$1,258.7 million from all sources, of which \$685.1 million will be used from FY 2026 through FY 2030 for 55 approved projects; 10 are for information technology. Funding in the five-year period includes \$548.2 million, or 80.0 percent from Rhode Island Capital Plan funds. It also includes \$35.3 million, which would be supported by agency charges. The request is \$197.4 million more than the approved capital plan, primarily reflecting annual funding for FY 2030. It should also be noted that several projects were revised; however, the additional costs are reflected in respective agency requests. This includes the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' request for \$90.0 million of new debt to be issued through Certificates of Participation for the long-term care facility.

The Governor recommended \$1,234.4 million from all sources for 49 projects; two are new. He included \$591.0 million in the five-year period, including \$90.0 million of new debt to be issued through Certificates of Participation for the long-term care facility. The recommendation assumes that the Assembly will eventually approve the newly proposed debt to supplement current pay-go allocations. The budget does not contain the debt approval for Assembly consideration. It also includes \$31.0 million from Rhode Island Capital Plan funds to purchase and renovate a new state office building in East Providence. The recommendation is \$24.2 million more than requested and \$173.2 million more than approved.

The Governor also proposed to shift \$2.0 million of expenses for approximately 11 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. It does not appear that project costs were adjusted to reflect this proposal, which the 2024 Assembly rejected.

The Governor subsequently requested several amendments, adjusting Rhode Island Capital Plan funds for several projects, reflecting delays and updated costs, and to adjust for spending that occurred in FY 2024, based on the audited FY 2024 closing statement. Another requested amendment updates the Enterprise

Resource Planning System project cost to \$84.5 million, with no more than \$55.1 million being supported from the Large Systems Initiatives Fund. Reflecting project delays and spending, the fund had accrued \$16.1 million in interest through March 2025.

The Assembly concurred with the requested amendments, and provided total project costs of \$1,225.2 million, of which \$568.0 million will be used in the five-year period. It did not concur with the Governor’s property acquisition project; it provided an additional \$7.0 million from Rhode Island Capital Plan funds over two years to fund the updated project cost for the current information technology facility in Warwick.

The Assembly took no action on the debt authorization for the Zambarano Long-Term Acute Care Facility. It shifted FY 2026 funding of \$26.1 million to FY 2030, based on a delay in the design phase of the project, including the identification of cost estimates and financing plans, for further consideration and approval. It also maintained general revenue funding for the Division of Capital Asset Management and Maintenance project managers.

Projects	Status	5 Year Total	Project Total
<i>Pastore Center</i>			
Pastore Center Infrastructure	Revised	\$ 75,000,000	\$ 123,682,015
Pastore Center Hospital Buildings Asset Protection	Revised	7,900,000	16,760,688
Pastore Center Non-Hospital Buildings Asset Protection	Revised	21,950,000	69,460,128
Pastore Center Hospital Reorganization	Ongoing	-	55,147,284
Pastore Center Buildings Demolition	Ongoing	-	11,858,977
Pastore Center Central Power Plant	Ongoing	5,500,000	24,032,962
Total		\$ 110,350,000	\$ 300,942,054

Pastore Center Infrastructure. The Department requested \$122.7 million from Rhode Island Capital Plan funds to be used from FY 2025 through FY 2030 to make infrastructure improvements to the Pastore Center. This includes \$25.3 million to identify and address deficiencies with respect to water and waste water supply and distribution. Funds would be used for design and construction of a new water line and distribution system to increase the quality of water and fire suppression water flow. It includes \$49.5 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 modern information technology and telecommunications and \$9.5 million for engineering and contracted project management services. The project cost of \$123.1 million understates prior year expenses by \$3.4 million. Adjusting for this, it is \$18.2 million more than the approved plan. The project was revised to include use of \$17.8 million of funds in the current year to replace the mechanical, electrical and plumbing system in the Regan building.

The approved plan includes \$44.0 million from Rhode Island Capital Plan funds and previously approved Certificates of Participation as part of the Hospital Reorganization project for ligature risk remediation and to renovate the Regan Building to address accreditation and program operational issues. The Department noted that it makes sense to address the mechanical infrastructure of the building now because it is vacant and will not impact hospital operations. A request for proposals has been issued, and the Department plans to award the project in the fall. The Department’s plan is to make the Pastore Center Infrastructure project whole by extending its completion through FY 2030 and including \$17.8 million. Subsequently, the Department indicated that the Regan component of project costs was revised to approximately \$25 million.

The Governor recommended a project cost of \$129.8 million, including use of \$116.0 million from FY 2025 through FY 2030, and \$10.0 million in the post-FY 2030 period. The total recommendation is \$21.5 million

more than the approved plan, including \$17.8 million for the Regan building; the recommendation assumes that the remaining \$7.2 million for project costs of \$25.0 million would be supported from the existing Hospital Reorganization project.

The Governor subsequently requested an amendment to reduce FY 2025 funding by \$6.1 million to recognize a delay in the steam component of the project. The funds are repurposed for other project increases and will be needed in the post-FY 2030 period. **The Assembly concurred with the amended recommendation.**

Pastore Center Hospital Buildings Asset Protection. The Department requested \$14.9 million from Rhode Island Capital Plan funds from FY 2025 through FY 2030, including \$4.9 million for asset protection projects at 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 request also includes \$10.0 million for FY 2028 and FY 2029 to demolish the Adolf Meyer building. There is a separate project for demolition of buildings on the Pastore Center for which the approved plan includes \$9.9 million for FY 2025; this project is expected to be closed out by the time demolition of the Adolf Meyer building will occur.

The total request of \$16.2 million excludes \$0.5 million of prior year expenses. Adjusting for this, it is \$5.5 million more than the approved plan. Previously approved funding for asset protection projects was reduced by \$4.5 million, offset by expenses for demolition. *The Governor recommended a total of \$16.8 million, \$0.5 million more than requested, reflecting the inclusion of prior year expenses. The recommendation also shifts \$7.6 million of requested expenses from FY 2029 to later years.* **The Assembly concurred.**

Pastore Center Non-Hospital Buildings Asset Protection. The request includes \$55.5 million from Rhode Island Capital Plan funds to be used from FY 2025 through FY 2030 to fund major maintenance and capital repairs to multiple buildings at the Pastore Center. This includes \$12.8 million for projects at Center General, including elevator modernization, window replacement and heating, ventilation and air conditioning system upgrades; \$0.7 million for space reconfiguration in Forand, which houses operations of the Division of Motor Vehicles; and \$6.3 million for an inspection garage to replace the Melrose Street facility that performs inspection and road-testing activities. It also includes \$35.7 million for various other projects, including \$14.7 million to construct a new storage facility and other renovation projects. The request of \$79.9 million excludes \$5.4 million of prior year expenses. Adjusting for this, it is \$14.6 million more than the approved plan, to primarily reflect \$15.0 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's recommendation assumes use of \$22.0 million in the five-year period, for a total project cost of \$69.5 million. This is \$11.5 million less than requested; it adds \$3.4 million of prior year expenses, and removes \$14.9 million, primarily for the storage facility. The Governor subsequently requested an amendment to reduce FY 2025 expenses of \$18.7 million by \$0.4 million to adjust for spending that occurred in FY 2024, based on the audited FY 2024 closing statement. **The Assembly concurred with the amended recommendation.**

Pastore Center Hospital Reorganization. The request includes \$36.5 million from all sources, including the approved amount of \$33.0 million from Rhode Island Capital Plan funds and \$3.6 million borrowed through Certificates of Participation to reorganize hospital operations for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. Funds will be used for ligature risk remediation and to renovate the Regan building to address accreditation and program operational issues, such as secure outdoor space, therapy rooms, and modernizing the nurse station. The request is \$18.6 million less than the approved plan, which understates available Certificates of Participation.

It should be noted that the Department's request assumes use of \$17.8 million from Rhode Island Capital Plan funds for FY 2025 as part of the Pastore Center Infrastructure project to replace the mechanical, electrical and plumbing system in the Regan building. Subsequently, that project expense was revised to approximately \$25 million. The following table shows budgeted expenses for the Regan Hospital; expenses are included in two projects.

Projects	FY 2025
Pastore Center Infrastructure	\$ 17,758,000
Pastore Center Hospital Reorganization	44,112,770
Regan Hospital	\$ 61,870,770

*The Governor's recommendation adjusts for understated available funding and concurred with the remainder of the request, for a total project cost of \$55.1 million; he also assumed use of the Infrastructure project funding as requested. **The Assembly concurred.***

Pastore Center Buildings Demolition. The request includes \$10.4 million from Rhode Island Capital Plan funds for 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 \$13.4 million is consistent with the approved plan, with the exception of excluding \$0.5 million of prior year expenses. *The Governor's recommendation reduces prior year expenses and includes project costs of \$12.9 million. He subsequently requested an amendment further reducing funding by \$1.0 million based on anticipated expenses. **The Assembly concurred with the amended recommendation.***

Pastore Central Power Plant. The Department requested \$6.2 million from Rhode Island Capital Plan funds to be used from FY 2025 through FY 2027 to continue work on the Central Power Plant. This includes \$5.9 million to demolish the old power plant. The request of \$25.7 million is \$0.5 million less than the approved plan. It excludes \$0.2 million of prior year expenses and \$0.4 million of available funds from previously issued Certificates of Participation. *The Governor recommended total project costs of \$24.0 million, which is \$1.7 million less than requested. He excluded \$1.6 million of prior year expenses and reduces FY 2027 expenses by \$0.1 million, reflecting the Department's updated project cost. **The Assembly concurred.***

Projects	Status	5 Year Total	Project Total
<i>Other State Facilities</i>			
Amica Mutual Pavilion (Civic Center)	Revised	\$ 9,100,000	\$ 55,968,654
Cannon Building	Revised	14,275,000	17,404,859
Expo Center	Revised	500,000	1,970,000
Group Homes Replacement & Rehabilitation	Revised	5,000,000	15,000,001
IT Enterprise Operations Center	Revised	9,850,000	17,823,015
Medical Examiners - New Facility	Revised	250,000	12,057,134
Shepard Building	Revised	18,835,000	23,760,023
State House Renovations	Revised	75,387,000	94,439,267
State Office Building	Revised	1,700,000	7,381,234
Veterans Memorial Auditorium Repairs	Revised	1,005,000	5,573,308
Zambarano Buildings and Campus	Revised	6,700,000	43,772,378
Zambarano Long-Term Acute Care Facility	Revised	188,453,575	197,053,252
560 Jefferson Boulevard	Ongoing	2,255,000	3,194,907
Accessibility - Facility Renovations	Ongoing	-	7,613,993
Arrigan Center	Ongoing	600,000	900,000
Big River Management Area	Ongoing	3,864,000	6,730,982
Chapin Health Laboratory	Ongoing	400,000	3,005,523
Communities Facilities Asset Protection	Ongoing	725,000	2,375,000
Convention Center Facility Renovations	Ongoing	12,125,000	59,226,781
Cranston Street Armory	Ongoing	1,000,000	5,934,084
DD & Community Facilities Asset Protection	Ongoing	-	2,453,789
DD & Community Facilities Fire Code Upgrades	Ongoing	-	2,910,563
DD & Regional Facilities Asset Protection	Ongoing	-	4,505,986
Group Homes Asset Protection	Ongoing	-	4,687,656
Group Homes Consolidation	Ongoing	25,201,000	29,526,000
Old State House	Ongoing	1,500,000	8,193,048
Security Measures - State Buildings	Ongoing	3,800,000	8,762,832
Substance Abuse Group Homes - Asset Protection	Ongoing	-	2,045,095
Washington County Government Center	Ongoing	700,000	2,760,609
William Powers Building	Ongoing	8,600,000	24,103,396
Total		\$ 391,825,575	\$ 671,133,369

Amica Mutual Pavilion (Civic Center). The Department requested \$56.6 million from Rhode Island Capital Plan funds 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. Consistent with the approved plan, the request includes \$11.2 million for FY 2025 through FY 2029. It includes \$11.5 million for FY 2030, of which \$10.0 million is for replacement of all glycol lines. It also includes \$10.0 million for post-FY 2030 expenses, which the Authority indicates is meant to represent annual expenses of \$2.0 million for five years. Prior year expenses are overstated by \$0.6 million.

The Center was purchased by the Convention Center Authority with revenue bonds and leased back to the state. Rental payments from the lease are applied to the debt service payments on the revenue bonds. Bond covenants from the 2006 purchase and renovation financing require that funds be set aside each year to maintain the facility. *The Governor's recommendation adjusts for the overstated expenses, delays funding for the glycol lines to post-FY 2030 and includes a total project cost of \$56.0 million.* **The Assembly concurred.**

Cannon Building. The request includes \$20.8 million from Rhode Island Capital Plan funds, of which \$16.7 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 \$2.1 million or 11.0 percent more than the approved plan, reflecting the Department's revised project costs. Consistent with the approved plan, it includes \$0.7 million for FY 2025, including \$0.2 million for asset protection and \$0.5 million for a feasibility study to identify the renovation projects to be undertaken.

The Governor recommended project costs of \$18.9 million, which is \$1.6 million more than the approved plan, primarily reflecting annual funding for FY 2030. He subsequently requested an amendment reducing funding by \$1.5 million, including \$0.6 million from FY 2025 and \$0.9 million from FY 2026. This reflects the Department's updated project timeline, which aligns expenses with the completion of the Capitol Hill Master Plan. The Assembly concurred.

Expo Center. The approved plan includes \$1.5 million from Rhode Island Capital Plan funds, including \$1.2 million for FY 2025 for various asset protection projects, including masonry, heating, ventilation and air conditioning work in the Expo Center, in West Springfield, Massachusetts. The Center houses the state's exhibit home at the Big E, which holds an agricultural fair as well as other events. The exhibit home is a replica of the Old State House in Newport and is used to promote Rhode Island as a tourism destination. The project has been revised to include an additional \$0.5 million for FY 2026 for updated construction costs and a larger scope to include exterior renovations, and \$50,000 each for FY 2026 and FY 2027 for asset protection. These changes increase total project costs to \$2.1 million. *The Governor concurred with adding \$0.5 million but did not provide future funding for asset protection. The Assembly concurred.*

Group Homes Replacement and Rehabilitation. The Department requests \$31.0 million from Rhode Island Capital Plan funds to construct and/or renovate various group homes from its current portfolio of 120 homes and 29 community facilities. The reported project cost is \$21.0 million more than the approved plan. Adjusting for the exclusion of prior year expenses, it is \$25.0 million more, which assumes use of \$5.0 million annually in the five-year period similar to its request last year. The Department noted that the facilities conditions assessment that was conducted seven years ago identified \$52.0 million of deferred maintenance expenses, and in FY 2024, it issued a request for proposals to develop a strategic plan, which will be used to guide the process of replacing or renovating the facilities. The request includes \$1.0 million in carryforward funds from FY 2024 for exterior renovations and septic systems replacement, which have since been completed. During FY 2025, the Department will renovate facilities in Cranston and Johnston.

The Governor recommended \$15.0 million, or \$5.0 million more than the approved plan for FY 2026. He subsequently requested an amendment to reduce FY 2025 funding by \$0.5 million to adjust for spending that occurred in FY 2024, based on the audited FY 2024 closing statement. The Assembly concurred with the amended recommendation.

IT Enterprise Operations Center. The Department requested \$17.3 million from Rhode Island Capital Plan funds, of which \$16.3 million will be used from FY 2025 through FY 2030 for various projects at the Information Technology Enterprise 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 \$6.2 million more than the approved plan; it understates prior year expenses by \$0.3 million and adds \$6.5 million for FY 2026 for updated expenses for the roof replacement and the rooftop heating, ventilation and air conditioning units.

The Department noted that the project was revised to also include relocation expenses; the building will need to be vacant during that phase. Subsequent to the budget submission, the project cost was further

revised and higher than requested. The Department noted that it is working with an engineer to alter the second phase to be more cost effective and less intrusive.

The Governor did not recommend the additional funding for roof replacement and the rooftop heating, ventilation and air conditioning units, and includes a project cost of \$10.8 million essentially as approved. He did recommend \$31.0 million from Rhode Island Capital Plan funds to acquire and renovate a new facility in East Providence, which does include a data center.

The Assembly did not concur with the Governor's proposal to acquire and renovate a new facility in East Providence. It provided an additional \$7.0 million from Rhode Island Capital Plan funds, \$3.5 million for each FY 2026 and FY 2027, reflecting updated expenses for the roof replacement and the rooftop heating, ventilation, and air conditioning systems.

Medical Examiners - New Facility. The Department requested \$3.7 million from all sources, including \$3.5 million from Rhode Island Capital Plan 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 includes interior renovations to accommodate the relocation of the entire Medical Examiners' staff from Chapin to the new facility.

The request excludes \$5.3 million of FY 2024 expenses and \$0.7 million of available federal funds. Adjusting for that, it is \$1.2 million more than the approved plan; available Rhode Island Capital Plan funds from FY 2024 are overstated by \$0.2 million. The request includes new expenses of \$0.1 million for annual asset protection and \$0.9 million for FY 2026 for a new roof. The current roof is less than 15 years old. Subsequently, the Department indicated that an evaluation of the roof was conducted; minor repairs that were recommended will be made. It requested that funding for a new roof be included for FY 2030, when the roof is 20 years old. *The Governor recommended a total project cost of \$12.1 million. This is \$8.3 million more than requested, reflecting the inclusion of prior year expenses from federal funds, which were shown in the Department of Health's budget. The recommendation includes requested expenses for the new roof in the post-FY 2030 period.* **The Assembly concurred.**

Shepard Building. The request includes \$22.8 million from Rhode Island Capital Plan funds to be used from FY 2025 through FY 2030 for various projects at the Shepard Building, including a new roof, restroom renovation and improvements to the Westminster Street and Washington Street entrances. Project costs of \$23.4 million are \$1.2 million more than the approved plan; however, prior year expenses are understated by \$1.9 million. Adjusting for this, it is \$3.1 million more, primarily for interior renovations. Expenditures for previously approved projects were updated, reflecting the Department's revised costs to demolish an old bridge that connects to Clemence Street. The building is currently occupied by the Dr. Pat Feinstein Child Development Center, Departments of Elementary and Secondary Education, and Housing, the Office of Postsecondary Commissioner, and a small office space for the Division of Capital Asset Management and Maintenance. The building occupancy plan has changed considerably since last year; the Department of Human Services will be moving in November 2024, and the Division is working to consolidate space for other agencies.

The Governor recommended a project cost of \$23.8 million, including \$2.8 million for FY 2026, \$3.9 million for FY 2027, \$3.8 million each for FY 2028 and FY 2029, and \$4.5 million for FY 2030. The recommendation is \$0.4 million more than requested, which adjusts for understated prior year expenses and shifts funding to later years, reflecting the Department's revised project schedule. The Governor also proposed that the Human Rights Commission move from leased space to the Shepard Building. **The Assembly concurred.**

State House Renovations. The request includes \$82.4 million from Rhode Island Capital Plan funds in the five-year period for various projects at the State House. The request of \$100.7 million understates prior year expenses by \$3.0 million and adjusting for this, it is \$16.6 million more than the approved plan. This includes \$8.3 million for FY 2030, of which \$8.0 million is for interior common space renovations and \$0.3 million is for asset protection. Expenditures for previously approved projects were updated, reflecting the Department's revised project costs, including \$1.3 million for the restoration of the Independent Man for project costs of \$2.3 million. It should be noted that some of these expenses will be reimbursed through an insurance claim. Expenses to modernize the mechanical systems were revised by \$2.4 million, for a total of \$42.4 million; \$1.3 million for exterior walkway repairs; and \$0.3 million for interior stair repairs. *The Governor recommended a total project cost of \$94.4 million, \$7.3 million more than approved, including \$8.3 million in FY 2030.* **The Assembly concurred.**

State Office Building. The Department requested \$7.8 million from Rhode Island Capital Plan funds, of which \$2.7 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 excludes \$0.1 million of prior year expenses and adds expenses of \$1.5 million, including \$250,000 for FY 2026 to repair an antenna in the Traffic Management Center. It also includes \$1.3 million for FY 2029 and FY 2030 for a roof, which the Department indicates is currently leaking; repairs will be made to keep it operational. *The Governor recommended a total project cost of \$7.4 million, which is \$0.4 million less than requested, reflecting the exclusion of prior year expenses. It also delays expenses for the new roof to later years.* **The Assembly concurred.**

Veterans Memorial Auditorium Repairs. The Convention Center Authority's request includes \$3.3 million from FY 2025 through the later years from Rhode Island Capital Plan funds for ongoing asset protection costs at the Veterans Memorial Auditorium. Total project costs of \$12.3 million are \$1.7 million more than the approved plan, including \$0.9 million in the later years. Revisions include new expenses of \$0.2 million to replace the exterior door and \$0.3 million each to upgrade lighting and to replace a freight elevator. The Authority requested funding for these expenses last year; however, they were not recommended by the Governor nor approved by the Assembly. *The Governor recommended only \$0.3 million more than the approved plan in the five-year period.* **The Assembly concurred.**

Zambarano Buildings and Campus. The request includes \$28.7 million from Rhode Island Capital Plan funds from FY 2025 through FY 2030 for capital repairs to various buildings at the Zambarano Campus of the Eleanor Slater Hospital in Burrillville. The project cost of \$41.1 million is \$5.8 million more than the approved plan; however, it excludes \$4.0 million of prior year expenses. Adjusting for this, it is \$9.8 million more, including \$4.0 million for updated project costs to demolish unoccupied buildings, for total expenses of \$10.7 million. Design work associated with the demolition has started and, once completed, will provide estimates.

The Department anticipated these expenses being closer to those for demolition of buildings on the Pastore Center for which the approved plan includes a total of \$10.9 million. The request also includes an additional \$1.2 million for lead, mold and asbestos abatement in the Beazley Building, \$1.1 million to make modifications to the wastewater treatment facility to meet Department of Environmental Management's permitting requirements, \$0.9 million for paving and lighting projects throughout the campus, and \$0.7 million to modernize three elevators.

The Governor recommended a project cost of \$33.7 million, including \$5.1 million for the five-year period. This is largely consistent with the approved plan, and added \$150,000 for annual funding in FY 2030. He subsequently requested two amendments to add \$10.1 million from Rhode Island Capital Plan funds, based on updated expenses. This includes \$7.0 million, based on bids received to replace the wastewater treatment facility; this component is now expected to cost \$11.0 million. The amendment also revises

*expenses for demolition of several buildings on campus; actual costs will be known when bids are received. **The Assembly concurred with the amended recommendation.***

Zambarano Long-Term Acute Care Facility. The Department of Administration's request includes \$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 indicated that the current building is not suitable for renovation into a medical facility that would meet compliance with current standards.

The official request is \$4.5 million, or 4.2 percent more than the approved plan, but the Department noted that actual costs would be determined once design is complete, which is expected to be by the end of calendar year 2026. Furthermore, the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals also submitted a request for an additional \$90.0 million of debt to be issued through Certificates of Participation, which brings the total project cost to \$201.6 million. The Division of Capital Asset Management and Maintenance noted that the additional funding is intended to bring the project estimate closer to what the cost will probably be; further refinement would be done in another two years. Assuming an interest rate of 5.0 percent and a 15-year term, the annual debt service would be \$8.6 million, for a total of \$133.1 million. The debt service would be supported by federal funds and general revenues. It is unclear why the significant increase is shown in a budget separate from the approved project.

*The Governor recommended \$197.1 million from all sources, which is \$90.0 million more than approved from debt to be issued through Certificates of Participation. The recommendation budgets \$34.6 million of spending in FY 2025 and FY 2026 from Rhode Island Capital Plan funds and assumes that the Assembly will eventually approve the newly proposed debt, but the Governor's budget does not contain the debt approval proposed. It is unclear how the project can proceed as scheduled without an approved plan for updated costs. **The Assembly was not presented with a debt authorization for the project. It shifted FY 2026 funding of \$26.1 million to FY 2030, based on a delay in the design phase of the project, including the identification of cost estimates and financing plans, for further consideration and approval.***

560 Jefferson Boulevard. The Department requested \$3.3 million from Rhode Island Capital Plan funds for FY 2025 to install a new roof, and heating, ventilation and air conditioning units for 560 Jefferson Boulevard, and annual expenses of \$50,000 for asset protection. The facility is currently occupied by the Office of the State Fire Marshal, Office of Veterans Services, and the Office of Cannabis Regulation. The project cost of \$3.6 million is essentially consistent with the approved plan, with the exception of excluding unspent asset protection funds for FY 2024. *The Governor recommended \$390,000 less than requested. This includes \$450,000 less for FY 2025, reflecting the Department's revised project cost for the heating, ventilation and air conditioning units, and adds \$55,000 in the post-FY 2030 period for asset protection. **The Assembly concurred, with the exception of shifting \$2.0 million from FY 2025 to FY 2026, based on a project delay.***

Accessibility - Facility Renovations. The request includes \$0.9 million from Rhode Island Capital Plan funds for 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. After FY 2025, these expenses will be included in individual project costs. The request of \$7.9 million excludes prior year expenses of \$0.3 million. *The Governor recommended a total project cost of \$7.6 million, which further reduces prior year expenses. **The Assembly concurred.***

Arrigan Center. The Department requested \$4.8 million from Rhode Island Capital Plan funds to renovate the Arrigan Center, which offers comprehensive physical and occupational therapy to assist injured workers. The request includes \$0.5 million, essentially as approved, for asset protection for FY 2025

through FY 2029. It includes new expenses of \$4.3 million for FY 2027 through FY 2029 for exterior repairs and upgrades to the heating, ventilation and air conditioning system. A previously approved plan included funding for some of these expenses; however, the Governor requested an amendment to his FY 2024 budget proposal removing the funding because future use of the facility was uncertain. The Department noted that the improvements to the building are needed to prevent it from falling into a state of disrepair. A similar proposal was included in the Department's FY 2025 capital budget request; however, the Governor did not recommend funding. The Department of Labor and Training has submitted a separate request for \$0.8 million to replace the pool. *The Governor recommended project costs of \$0.9 million, which is \$0.2 million more than approved, reflecting annual funding for FY 2030 and the out-years.* **The Assembly concurred.**

Big River Management Area. The Department requested \$6.4 million from Rhode Island Capital Plan funds, of which \$3.9 million will be used in the five-year period for infrastructure repairs and improvements at the Big River Management Area. This project includes funding for security, litter/dumping enforcement and demolition of vacant homes to protect the area for future development as a source of potable water, and improvement of culverts to address flooding and other environmental concerns. Adjusting for the exclusion of \$0.5 million of prior year expenses, the request is \$0.7 million more than the approved plan, primarily reflecting annual funding for the later years. *The Governor recommended funding essentially as requested and adjusted for some understated prior year expenses, for a total project cost of \$6.7 million.* **The Assembly concurred.**

Chapin Health Laboratory. Consistent with the approved plan, the request includes \$650,000 from Rhode Island Capital Plan funds for FY 2026 and FY 2027 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 total request of \$3.4 million understates prior year expenses by \$0.4 million. Adjusting for this, it is \$0.2 million less than the approved plan, reflecting the exclusion of unspent asset protection funds from FY 2024. *The Governor concurred. He subsequently requested two amendments to recognize savings of \$350,000 from asset protection projects.* **The Assembly concurred with the amended recommendation.**

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 essentially consistent with the approved plan, with the exceptions of understating prior year expenses by \$55,000 and reducing the carryforward balance by \$0.1 million, reflecting anticipated expenses. *The Governor recommended \$2.4 million, which is \$0.2 million more than requested, reflecting the inclusion of prior year expenses and \$0.1 million in the later years.* **The Assembly concurred.**

Convention Center Facility Renovations. Consistent with the approved plan, the request includes \$13.7 million from Rhode Island Capital Plan funds for FY 2025 through FY 2029 for improvements to the Convention Center Facility. The state must pay Convention Center debt service that is not covered by operating revenue. To the extent the Authority sets aside resources for upkeep, its operating deficit grows, increasing the state's debt service costs. The request of \$61.7 million is \$8.1 million more than the approved plan; this includes \$7.5 million for post-FY 2030 expenses, which the Authority indicated is meant to represent annual expenses of \$1.5 million for five years. *The Governor recommended a project cost of \$59.2 million, which is \$5.6 million more than the approved plan. Prior year expenses are understated by \$1.9 million and \$7.5 million is added in the post-FY 2030 period, consistent with the Authority's request.* **The Assembly concurred.**

Cranston Street Armory. The Department requested \$1.3 million from Rhode Island Capital Plan funds from FY 2025 through FY 2030 for asset protection for the Cranston Street Armory. Adjusting for the

exclusion of \$0.2 million of prior year expenses, the request is essentially consistent with the approved plan. It adds \$0.1 million for FY 2030 annual funding and excludes unspent funds from FY 2024. A 2016 feasibility study produced recommendations for use, including as a state laboratory, 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 2024 Assembly reduced the project cost by \$6.0 million, pending a plan for the use of the funds. *The Governor recommended a project cost of \$5.9 million, essentially as requested. The recommendation adds \$100,000 in the post-FY 2030 period and excludes \$70,002 of prior year expenses. The Assembly concurred.*

DD and Community Facilities Asset Protection. The request includes \$0.3 million of unspent Rhode Island Capital Plan funds from FY 2024 for repairs to developmental disability community facilities, including roof, siding, door and window replacement. The request of \$1.9 million is \$0.8 million less than approved, reflecting the exclusion of prior year expenses. The approved plan merges future funding for this project into the Group Homes Consolidation project, for which \$4.3 million each is included for FY 2025 through FY 2027, \$4.4 million for FY 2028 and \$5.5 million for FY 2029. *The Governor's recommendation includes the remaining \$0.3 million for FY 2025 as requested. The Assembly concurred.*

DD and Community Facilities Fire Code Upgrades. The Department requested \$0.1 million from FY 2024 unspent Rhode Island Capital Plan funds for fire code upgrades to state group homes and private developmental disabilities residences. The request of \$3.6 million excludes \$0.6 million of prior year expenses. Future funding for this project was merged into the Group Homes Consolidation project. *The Governor recommended the remaining \$143,473 for FY 2025 as requested. The Assembly concurred.*

DD and Regional Facilities Asset Protection. The Department requested \$0.3 million from FY 2024 unspent Rhode Island Capital Plan funds 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 approved plan merges future funding for this project into the Group Homes Consolidation project. The request understates prior expenses by \$2.5 million, which would bring total project costs to \$4.7 million. *The Governor recommended the remaining \$0.3 million for FY 2025 as requested. The Assembly concurred.*

Group Homes Asset Protection. The Department requested \$3.6 million from Rhode Island Capital Plan funds, of which \$0.2 million from FY 2024 unspent funds will be used for asset protection projects at the state's group homes for the developmentally disabled. There is a total of 120 state-owned group homes; 97 are operated by private providers and 23 are state-run. As previously noted, the approved plan merges future funding for this project into the Group Homes Consolidation project. The request understates prior year expenses by \$1.6 million and is otherwise consistent with the approved plan. *The Governor recommended the remaining \$0.2 million for FY 2025 as requested. The Assembly concurred.*

Group Homes Consolidation. The 2024 Assembly concurred with the Governor's recommendation to consolidate five projects into a single project, Group Homes Consolidation. 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. The request

includes a total project cost of \$41.4 million, which is \$13.0 million more than the approved plan, including \$7.0 million in the later years. Costs for previously approved projects were also revised to reflect updated estimates, based on pending facilities condition assessments.

*The Governor recommended a project cost of \$29.5 million, which is \$6.7 million more than the approved plan, including \$5.7 million for FY 2030 annual funding. It also includes \$1.0 million more for FY 2026, reflecting anticipated expenses. The Governor also recommended the transfer of two positions from the Department of Administration's Division of Capital Asset Management and Maintenance to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to oversee maintenance and operations of the state-owned group homes. **The Assembly concurred.***

Old State House. The Department requested \$5.4 million from all sources, including the approved amount of \$3.8 million from Rhode Island Capital Plan funds to be used from FY 2025 through FY 2029 for projects at the Old State House. This includes \$4.3 million, of which \$1.3 million is from federal funds that the Historical Preservation and Heritage Commission was awarded for accessibility projects at the Old State House. The project is ongoing and is scheduled to be completed by December 2024. The request of \$9.3 million is \$0.7 million more than the approved plan, primarily reflecting updated funding from the federal grant award. *The Governor recommended a total of \$8.2 million, which is \$1.1 million less than requested; it excludes \$1.2 million of prior year expenses and adds \$0.1 million for FY 2030 annual funding. **The Assembly concurred.***

Security Measures-State Buildings. The Department requested \$3.7 million from Rhode Island Capital Plan funds to be used in the five-year period to address security issues throughout state facilities. The total request of \$7.7 million is essentially consistent with the approved plan. It excludes \$0.5 million of prior year expenses and adds a like amount over several years, reflecting the Department's updated project costs. This includes \$300,000 for security enhancements to the Eleanor Slater Hospital, and \$150,000 to replace several gate arms in parking lots. *The Governor's recommendation adjusts for some prior year expenses and adds \$0.8 million in the later years for a total project cost of \$8.8 million. **The Assembly concurred.***

Substance Abuse Group Homes Asset Protection. The request includes \$1.3 million from Rhode Island Capital Plan funds, including \$18,341 from FY 2024 unspent funds for emergency repairs to nine community facilities housing substance abuse clients. The reported project cost is \$0.8 million less than the approved plan, reflecting the exclusion of prior year expenses. As previously noted, the approved plan merges future funding for this project into the Group Homes Consolidation project. *The Governor recommended \$2.0 million, consistent with the approved plan. **The Assembly concurred.***

Washington County Government Center. The Department requested \$32.7 million from Rhode Island Capital Plan funds, of which \$30.3 million would be used in the five-year period 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. Consistent with last year's request, the current request includes \$29.1 million to renovate the building, including elevators and heating, ventilation and air conditioning system upgrades. This estimate is preliminary; the Department is conducting a study to refine the project scope and updated estimates will be provided. The request also understates prior year expenses by \$0.5 million.

*The Governor recommended a total of \$3.9 million, essentially consistent with the approved plan. He subsequently requested an amendment to exclude funding for the architectural and engineering services, including \$0.7 million from FY 2025 and \$0.5 million from FY 2026. The administration noted that the feasibility study will identify construction projects and architectural and engineering services. **The Assembly concurred with the amended recommendation.***

William Powers Building. The Department requested \$8.6 million from Rhode Island Capital Plan funds to be used in the five-year period for repairs and improvements, such as bathroom renovations, window replacement and electrical and mechanical upgrades at the William Powers Building. The total request of \$22.5 million excludes \$2.3 million of prior year expenses. Adjusting for this, it is \$0.5 million more than the approved plan, including \$0.2 million for asset protection for FY 2030, and \$0.3 million for FY 2026, reflecting the Department's updated project costs. *The Governor concurred with requested expenses in the five-year period. Compared to the request, the recommendation adds \$1.4 million for prior year expenses and \$0.2 million for the post-FY 2030 period. The Assembly concurred.*

State Office Property Acquisition. Subsequent to his original FY 2025 budget submission, the Governor requested an amendment authorizing the issuance of \$33.7 million through Certificates of Participation to acquire a 210,000 square foot facility located at 115 Tripps Lane in East Providence. This includes costs to purchase as well as renovations to prepare the facility for occupancy. The property is located on 25 acres of land, has approximately 130,000 square feet of office space, a cafeteria, a data center and 849 parking spaces. The annual debt service would be \$4.5 million, assuming a 5.5 percent interest rate and a 10-year term, for total debt service of \$44.5 million. The Assembly did not recommend issuance of new debt for the facility.

In 2009, the state acquired a property off Jefferson Boulevard with a data center. It completed major renovations, including security, bathroom, heating, ventilation and air condition, and elevator upgrades, and moved into the facility in November 2011. Office spaces were made available for the Treasurer's Office, State Police, and information technology staff. The Department's current request includes a total project cost of \$17.3 million for the Information Technology Operations Center, including new expenses of \$6.5 million to replace the roof and rooftop heating, ventilation and air conditioning units.

The Governor recommended \$31.0 million from Rhode Island Capital Plan funds to acquire, renovate, and move various state operations to a 210,000-square-foot building in East Providence. These one-time costs would be offset by terminating state leases over a period of time. It would house operations for the Department of Environmental Management, currently in leased space, as well as Division of Enterprise Technology Strategy and Services staff, and the Office of Energy Resources. The Governor's recommendation maintains funding essentially as approved for the current Information Technology Operations Center. The Assembly did not concur.

Projects	Status	5 Year Total	Project Total
<i>Other Projects</i>			
State Office Reorganization and Relocation	Revised	\$ 1,750,000	\$ 6,322,520
Community Learning Center Grant Program	Ongoing	-	81,720,130
Environmental Compliance	Ongoing	1,125,000	4,361,524
Replacement of Fueling Tanks	Ongoing	1,250,000	5,348,655
South County Groundwater Protection/Acquisition	Ongoing	1,307,870	8,000,000
State Land Use Planning Study	Ongoing	-	250,000
Statewide Emergency Water Interconnect Projects	Ongoing	155,520	5,000,000
Statewide Facility Master Plan	Ongoing	-	3,705,201
Enterprise Resource Planning	IT	38,923,646	107,058,634
Gateway to Government	IT	3,900,000	7,500,000
Hospital Information System	IT	15,878,428	22,400,000
DCAMM Vehicle Replacements	Fleet	1,500,000	1,500,000
Total		\$ 65,790,464	\$ 253,166,664

State Office Reorganization and Relocation. The Department included annual expenses of \$250,000 from Rhode Island Capital Plan funds for FY 2026 through FY 2029 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. The total request of \$5.5 million understates prior year expenses by \$0.6 million. Adjusting for this, it is \$0.3 million less than the approved plan. This reflects the removal of funds programmed in the later years based on anticipated expenses.

The Governor recommended \$7.3 million, which is \$1.8 million more than requested, including \$1.5 million for FY 2026 for potential relocation costs for statewide agencies, including the Department of Environmental Management, Division of Statewide Planning, the Executive Office of Commerce and others, and \$0.3 million for FY 2030. This may duplicate some costs included in the property acquisition project. The Assembly did not concur with the Governor's property acquisition project, decreased relocation expenses by \$1.0 million, and provided a project cost of \$6.3 million.

Community Learning Center Grant Program. Consistent with the approved plan, the request includes \$81.7 million from the Capital Projects Fund for grants to cities and towns seeking to renovate or build community learning centers that comply with work, education, and health monitoring requirements set by the U.S. Department of the Treasury. The request includes \$59.8 million for FY 2025 and \$10.0 million each for FY 2026 and FY 2027; \$2.1 million was spent in FY 2024. Two grant rounds thus far have resulted in a total of \$55.5 million in grant funds awarded to 19 municipalities. These projects would be eligible for the remaining funds and redistribution of unused allocations. *The Governor recommended the remaining \$79.6 million in FY 2025, for a total project cost of \$81.7 million. The Assembly concurred.*

Environmental Compliance. The Department requested \$3.7 million from Rhode Island Capital Plan funds, including \$1.1 million in the five-year period, for projects that assist state agencies in complying with state and federal environmental rules and regulations. Funds will also be used to support the costs of mitigating asbestos, contaminated soil remediation and other environmental issues for buildings under the Department's jurisdiction. The request adds \$0.2 million for FY 2030 and excludes \$0.6 million of prior year expenses. *The Governor recommended \$4.4 million, \$0.6 million more than requested, to adjust for some understated expenses and added \$0.2 million in the post-FY 2030 period. The Assembly concurred.*

Replacement of Fueling Tanks. The request includes \$2.4 million from Rhode Island Capital Plan funds from FY 2025 through FY 2029 to replace failing tanks at the 14 state-owned and operated fueling stations for state vehicles. The request includes \$1.1 million for FY 2025 to install tanks on Pontiac Avenue, and \$0.4 million for FY 2026 and FY 2027 to replace tanks at the Veterans' Cemetery. Adjusting for the exclusion of \$0.6 million of prior year expenses, the request of \$5.2 million is \$0.4 million more than the approved plan. This includes \$0.1 million for FY 2029 for unforeseen tank replacement, and expenses were revised to include an additional \$0.3 million to add canopies on the fueling tanks. *The Governor concurred and included \$0.2 million to adjust for some understated expenses. The Assembly concurred.*

South County Groundwater Protection/Acquisition. The request includes \$1.8 million from approved general obligation bond proceeds to be used for FY 2025 and FY 2026 to purchase water development rights from private landowners for well sites identified as high capacity. The purpose of this project is to preserve and protect valuable state groundwater resources and to ensure safe quality groundwater for future generations through residential and economic development. The total project cost is consistent with the approved plan; the project is funded from \$8.0 million of bond proceeds, authorized by the voters in 2004. *The Governor recommended funding as requested. The Assembly concurred.*

State Land Use Planning Study. The request includes the approved amount of \$250,000 from Rhode Island Capital Plan funds for a land use planning study of state-owned property in Exeter. The Department had originally anticipated the study beginning in the second quarter of FY 2024, with a completion date in early FY 2025. The study needs to be rebid; however, a FY 2025 completion date is still anticipated. The

approved plan includes a total of \$46.0 million, of which \$1.0 million is from State Fiscal Recovery funds and \$45.0 million is from Rhode Island Capital Plan funds for a female youth facility to be constructed on state-owned property in Exeter. Funding for this project is included in the Department of Children, Youth and Families' budget. *The Governor concurred. The Assembly concurred.*

Statewide Emergency Water Interconnect Projects. The request includes \$0.5 million from previously approved general obligation bonds to be used in FY 2025 and FY 2026 to continue a project to establish statewide emergency water interconnections between the state's 32 largest water supply systems. A system of interconnections will enable the movement of water from one source or system to another during any emergency, such as pipe breaks or water source contamination. The project is funded with \$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 \$0.3 million less than the approved plan, reflecting the exclusion of prior year expenses. *The Governor recommended \$5.0 million, consistent with the approved plan. The Assembly concurred.*

Statewide Facility Master Plan. The Department requested \$1.1 million from Rhode Island Capital Plan funds to be used in FY 2025 for master plans. This includes \$107,000 for remaining expenses 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 Administration to make renovations to its garage. It also includes \$500,000 for the Pastore Center Master Plan, \$250,000 for facility condition assessments of group homes, and \$250,000 for a State Archives Study. The 2024 Assembly provided \$500,000 from Rhode Island Capital Plan funds for further analysis and options including site selection and options for an archives facility that could be expanded in phases over time. The capital budget also maintains \$4.5 million for FY 2027 pending the outcome of that study. The administration noted that the Secretary of State will use its funds to obtain work that is out of scope. The request of \$3.8 million is essentially consistent with the approved plan, adjusting for understated expenses of \$27,931. *The Governor recommended a project cost of \$3.7 million, which further understates prior year expenses. The Assembly concurred.*

Enterprise Resource Planning System. The Department requested \$66.8 million from all sources, including \$25.4 million from the Large Systems Initiatives Fund, \$2.7 million from the Information Technology Restricted Receipt account, and \$38.8 million to be financed through agency billings, to develop and implement an Enterprise Resource Planning System for FY 2025 through FY 2030. 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. 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 reported project cost of \$77.8 million is \$2.5 million more than approved; however, it appears to understate prior year expenses by \$13.0 million and understates available funds by \$10.6 million, including \$6.7 million from approved Information Technology Restricted Receipts. Adjusting for this, expenses would be \$101.4 million or \$26.1 million more than approved, which represents annual operating expenses for the new system. The approved plan includes \$2.6 million for FY 2026, increasing to \$2.9 million for FY 2029. The request includes \$6.7 million for FY 2026 and \$7.6 million for FY 2027. *The Governor recommended \$91.3 million. This is \$13.5 million more than requested, reflecting available funds in FY 2025 and FY 2026; the recommendation retains understated prior year expenses.*

He subsequently requested an amendment to update the Enterprise Resource Planning System project cost to \$84.5 million, with no more than \$55.1 million being supported from the Large Systems Initiatives Fund. That fund had accrued \$16.1 million in interest through March 2025 because of delays and favorable interest rates. He also proposed legislation authorizing the director of the Department of Administration

to allocate and charge capitalized costs to agencies that benefit from projects funded through the Large Systems Initiatives Fund.

The Assembly concurred, with the exception of requiring that any capitalized costs charged to agencies be in accordance with a statewide cost allocation plan and any planned billings be reported first as part of planning for the following fiscal year.

Gateway to Government. 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. Though the total project cost is consistent with the approved amount, the project completion has been delayed two years. The Department noted that the scope of the project needed further reviewing to ensure that system needs of each agency involved are met. It anticipated issuing a request for proposals in October 2024. *The Governor recommended \$7.5 million, consistent with the approved plan. This includes \$3.6 million for FY 2025, \$1.8 million for FY 2026 and \$2.1 million for FY 2027.* **The Assembly concurred.**

Hospital Information System. The request includes \$22.1 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 request is \$0.3 million less than the approved plan. The Department estimated a 30-month implementation to be completed in December 2026.

It should be noted that the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals submitted a request for additional expenses of \$33.8 million, or total project costs of \$56.2 million. It indicated that based on Centers for Medicare and Medicaid Services regulations and facility electronic medical record needs, it was determined that one records system was not an option. The additional funding is a placeholder for anticipated expenses for the State Psychiatric Hospital, which would be similar to the system being implemented for Eleanor Slater Hospital. Additionally, the Forensic Division would procure a similar system that is used by the Departments of Corrections, and Children, Youth and Families. Its request assumes use of \$11.3 million each for FY 2025 through FY 2027. Funding for this has not been approved and the Large Systems Initiatives Fund does not have sufficient resources to absorb this expense. *The Governor recommended \$22.4 million consistent with the approved plan.* **The Assembly concurred.**

DCAMM Vehicle Replacements. The Division of Capital Asset Management and Maintenance is responsible for managing and maintaining state property and state-owned facilities. It is also responsible for overseeing new construction and rehabilitation projects, and controlling and supervising the acquisition, operation, maintenance, repair and replacement of state-owned motor vehicles by state agencies. The 2008 Assembly established a State Fleet Replacement Revolving Loan Fund to purchase vehicles for state agencies. Recipient agencies are charged over three to seven years depending on the cost or type of vehicle acquired. The proceeds from the repayment are deposited into the fund, which had a balance of \$5.6 million at the end of FY 2024. In May 2023, Governor McKee signed Executive Order 23-06, establishing goals to reduce greenhouse gas emissions, such that the light-duty state fleet consist of 25.0 percent zero emission vehicles by 2030. The 2024 Assembly authorized the director of the Department of Administration to centralize state fleet operations under its purview for light and medium duty vehicles. *The capital budget request does not include expenses for vehicle replacement. The Governor recommended \$0.3 million annually for project costs of \$1.5 million from the revolving loan fund.* **The Assembly concurred.**

DEM - Environmental Permitting and Licensing. The request includes use of \$4.5 million from the Large Systems Initiatives Fund to make improvements to the Department of Environmental Management's information technology for online permitting and licensing systems for environmental and agricultural permitting, fish and wildlife, commercial fishing, and boating registration. A vendor was selected in August 2023, testing will occur in October 2024, and the Department anticipates the project being complete in March 2025. The request is \$1.3 million less than the approved amount, reflecting the exclusion of unspent funds appropriated for FY 2024. *The Large Systems Initiatives Fund includes total expenses of \$3.6 million, including \$2.8 million for FY 2025. The recommendation excludes some available funds for this project.* **The Assembly included funding consistent with the approved plan.**

DLT - Mainframe Legacy Modernization. The request includes \$18.2 million from the Large Systems Initiatives Fund to be used through FY 2029 to replace the Department of Labor and Training's Temporary Disability Insurance and Employer Tax functions. A request for proposals was issued in 2023; no bids were received. Subsequently, another request for proposals was issued and eight bids were received. A strategic planning assessment evaluated all systems and made recommendations. The Division of Workforce Regulations and Safety's database system will be the first project; a request for proposals should be issued in October. The system supports the division's efforts for licensing and inspections, prevailing wage and labor standards, and Hazardous Substances Right-to-Know Act reporting and tracking. The administration noted this system will then determine subsequent projects. The request is \$1.2 million less than the approved plan, reflecting the exclusion of unspent FY 2024 funds. *The Governor recommended \$19.4 million, consistent with the approved plan.* **The Assembly concurred.**

Energy Efficiency. The request includes \$19.1 million from Rhode Island Capital Plan funds and Regional Greenhouse Gas Initiative funds, of which \$10.5 million will be used in the five-year period for energy efficiency projects, including indoor and outdoor lighting projects; new heating, ventilation and air conditioning; renewable energy; and building automation systems. Governor Raimondo issued Executive Order 15-17 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 total request is essentially consistent with the approved plan; however, it adds \$4.0 million for FY 2030 and the later years and understates prior year expenses by \$2.0 million. It also removes \$1.0 million from Rhode Island Capital Plan funds for FY 2025 and further reduces funding by \$0.5 million each for FY 2026 and FY 2027. Subsequently, the Office noted that it had not intended to remove or reduce Rhode Island Capital Plan funds. Based on staff's estimate, the request appears to be understated by \$11.2 million. It would include new expenses of \$5.0 million for FY 2030 and the later years, and \$5.0 million to be used as state match for a new federal grant; \$1.5 million from Rhode Island Capital Plan funds and \$3.5 million from restricted receipts. The approved plan assumed use of \$1.0 million from restricted receipts for FY 2024 for energy efficiency projects in state office buildings; it appears that the funds were not expended. The Office indicated that expenses for FY 2025 should be increased by \$1.3 million, reflecting the unspent funds and additional project expenses.

The Governor's budget reflects the Office of Energy Resources as a standalone agency. He recommended \$18.9 million, including \$8.1 million from restricted receipts and \$10.8 million from Rhode Island Capital Plan funds. The recommendation maintains annual expenses of \$2.0 million, consistent with the approved plan. **The Assembly concurred.**

RIBridges 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. It should be noted that the Executive Office of Health and Human Services and the Department of Human Services also submitted capital budgets requesting \$7.9 million from federal funds for FY 2025 and FY 2026 to match the approved funding to add new features to the mobile application. This would bring the project cost to \$14.6 million. It is unclear why the requests split the project costs. *The Large Systems Initiatives Fund includes \$4.5 million, adjusting for understated prior year expenses of \$2.2 million; the recommendation is consistent with the approved plan.* **The Assembly concurred.**

RIBridges System Enhancements. The request includes \$10.5 million from restricted receipts for HealthSource RI's portion of expenses for system enhancements to the state Unified Health Infrastructure Project, also called RIBridges. The Executive Office of Health and Human Services and the Department of Human Services also submitted capital requests of \$55.3 million and \$40.9 million, respectively, for total project funding of \$106.7 million. The requests do not include individual estimates for any policy or required system changes assumed in the fiscal years. Expenses for the system from FY 2016 through the FY 2025 enacted budget total \$794.1 million, including \$165.6 million from general revenues. This includes design, development and implementation as well as maintenance and operations. The capital budget does not include expenses for this. *The Governor recommended \$29.1 million for FY 2025 and \$27.8 million for FY 2026 for maintenance and operations and system enhancements; these expenses are excluded from the capital budget.* **The Assembly concurred.**

RIBridges System Modernization. The capital budget requests from the Departments of Administration and Human Services, and the Executive Office of Health and Human Services include a total of \$85.0 million from all sources, of which \$16.9 million is from general revenues, to modernize the Unified Health Infrastructure Project, or RIBridges. The request includes \$8.7 million from the Information Technology Restricted Receipt account for HealthSource RI's share of the project. Based on available resources and projected receipts, the account would not have sufficient resources to support this expense. A request for proposals for a strategic planning vendor has been issued. *The Governor did not recommend this project.* **The Assembly concurred.**

RICHIST System Replacement. The approved plan includes \$56.7 million from all sources, including \$24.1 million from the Large Systems Initiatives Fund to support the state's share of the cost for a new child welfare system to replace the current Rhode Island Children's Information System. Federal fund expenses for the project are included in the Department of Children, Youth and Families' budget, the awarding agency. Its request includes a reported project cost of \$45.4 million, or \$11.2 million less than the approved plan, reflecting the exclusion of prior year expenses and unspent funds. The Department of Children, Youth and Families completed the design and implementation plan, which has been approved by the appropriate federal agency. The administration is waiting for the federal government to sign off on the contract before the project can start. A July 2027 completion date is anticipated. *The Governor recommended \$56.9 million, including \$28.5 million from federal funds, \$24.7 million from the Large Systems Initiatives Fund, and \$3.8 million from general revenues. This is largely consistent with the approved plan but adjusts funding between sources to include a state share of 50.0 percent, an increase from 48.5 percent in the approved plan.* **The Assembly concurred.**

Wi-Fi and Technology at the ACI. The request includes \$2.2 million from the Large Systems Initiatives Fund for the purchase and installation of Wi-Fi systems at the adult correctional institutions. The Department has obtained the equipment and the project is in the implementation phase. The reported project cost excludes \$0.9 million of prior year expenses, and appears to understate available funds. *The Large Systems Initiatives Fund assumes expenses of \$2.9 million, which is \$0.2 million more than approved.* **The Assembly included funding consistent with the approved plan.**

Office of Energy Resources

Projects	Status	5 Year Total	Project Total
Energy Efficiency	Revised	\$ 10,000,000	\$ 18,917,673
Total		\$ 10,000,000	\$ 18,917,673
Sources of Funds			
Restricted Receipts		\$ 5,000,000	\$ 8,142,003
Rhode Island Capital Plan Fund		5,000,000	10,775,675
Total		\$ 10,000,000	\$ 18,917,678

Summary. The Department of Administration submitted its FY 2026 through FY 2030 capital budget, requesting \$19.1 million from Rhode Island Capital Plan funds and restricted receipts for energy efficiency projects, which are managed by the Office of Energy Resources. 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 assumes use of \$10.5 million in the five-year period for projects, including indoor and outdoor lighting projects; new heating, ventilation and air conditioning; renewable energy; and building automation systems. The total request is essentially consistent with the approved plan; however, it adds \$4.0 million for FY 2030 and the later years and understates prior year expenses by \$2.0 million. It also removes \$1.0 million from Rhode Island Capital Plan funds for FY 2025 and further reduces funding by \$0.5 million each for FY 2026 and FY 2027. Subsequently, the Office noted that it had not intended to remove or reduce Rhode Island Capital Plan funds. Based on staff’s estimate, the request appears to be understated by \$11.2 million. It would include new expenses of \$5.0 million for FY 2030 and the later years, and \$5.0 million to be used as state match for a new federal grant; \$1.5 million from Rhode Island Capital Plan funds and \$3.5 million from restricted receipts. The approved plan assumed use of \$1.0 million from restricted receipts for FY 2024 for energy efficiency projects in state office buildings; it appears that the funds were not expended. The Office indicated that expenses for FY 2025 should be increased by \$1.3 million, reflecting the unspent funds and additional project expenses.

*The Governor’s budget reflects the Office of Energy Resources as a standalone agency. He recommended \$18.9 million, including \$8.1 million from restricted receipts and \$10.8 million from Rhode Island Capital Plan funds. The recommendation maintains annual expenses of \$2.0 million, consistent with the approved plan. **The Assembly concurred.***

Department of Business Regulation

Projects	Status	5 Year Total	Project Total
Fire Academy Expansion	Revised	\$ 7,962,000	\$ 13,230,999
Vehicle Fleet	Fleet	4,351,904	4,737,458
Total		\$ 12,313,904	\$ 17,968,457
Sources of Funds			
Rhode Island Capital Funds		\$ 7,962,000	\$ 13,230,999
State Fleet Replacement Revolving Loan Fund		4,351,904	4,737,458
Total		\$ 12,313,904	\$ 17,968,457

Summary. The Department of Business Regulation requested total capital expenditures of \$23.2 million from all sources for seven projects, including two new projects and four information technology projects. Funding in the five-year period totals \$8.2 million, including \$7.2 million from Rhode Island Capital Plan funds. *The Governor recommended \$18.0 million from all sources for two projects. The recommendation includes \$7.7 million in the five-year period, of which \$3.4 million is from Rhode Island Capital Plan funds.* **The Assembly concurred but adjusted the timing of funds; funding in the five-year period totals \$12.3 million, including \$8.0 million from Rhode Island Capital Plan funds.**

Fire Academy Expansion. The approved plan includes \$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 expand certification offerings and meet growing demand. Funds are programmed at \$0.6 million for prior years, \$7.1 million for FY 2025, and \$0.7 million for FY 2026. The request excludes \$48,221 of prior year spending and inadvertently excludes \$30,721 of unspent FY 2024 funds but is otherwise consistent with the approved plan. Construction is anticipated to begin in December 2024. *The Governor's recommendation corrects for inadvertently excluded carryforward and adds \$2.7 million programmed for FY 2026, based on bids received. It also incorporates the Evidence Room project described below, adding \$2.2 million for the post-FY 2030 period.* **The Assembly concurred but reprogrammed funding based on an updated timeline from the Department, shifting \$4.6 million from FY 2025 to later years, including \$3.6 million to FY 2026 and \$1.0 million to FY 2027.**

Vehicle Fleet. The approved plan includes \$2.1 million from the State Fleet Replacement Revolving Loan Fund for the FY 2025 through FY 2029 period to replace the Department's existing fleet of 73 vehicles on a four- to five-year cycle. Its capital request did not include a vehicle replacement plan. *The Governor's recommendation includes \$4.7 million for the same period, which is \$1.2 million more than approved for anticipated fire engine replacements. It adds \$40,245 for FY 2026, \$0.9 million for FY 2027, \$0.1 million for FY 2028, \$0.2 million for FY 2029, and assumes \$1.4 million for FY 2030.* **The Assembly concurred.**

Evidence Room. The Department requested \$2.2 million from Rhode Island Capital Plan funds, including \$0.2 million for FY 2026 and \$2.0 million for FY 2027, to convert a storage building into an evidence repository. Evidence is currently stored at the Cranston Street Armory; however, the Department indicates that future plans for the armory MAY require relocation and THE space does not meet security and environmental requirements. The new Exeter location would meet all state and federal requirements and contain flammable liquid evidence storage, an examination area, office space, and restrooms. Planned work includes utility upgrades, interior renovation, security system installation, and improvements to prevent evidence contamination, such as two separate ventilation systems. *The Governor recommended \$2.2 million for this project as part of the Fire Academy Expansion project.* **The Assembly concurred.**

Workspace Renovation. The Department requested \$250,000 from Rhode Island Capital Plan funds for FY 2026 for office furniture for the Division of Commercial Licensing. Expenses do not appear to meet the definition of a capital project. The Department occupies four floors at Pastore Center buildings 68 and 69; three were recently remodeled after flood damage in 2022. It indicates its remaining floor is 10-15 years out of date. Associated electrical work will be conducted at the same time for around \$54,000 from general revenues within its operating budget. The Department subsequently noted it intended to request \$341,418, which includes remodeling adjacent Office of the Health Insurance Commissioner workspace. The Department's FY 2025 revised request includes \$230,000 from general revenues for similar work for the Insurance Division. *The Governor's capital budget excludes this project; his revised recommendation contains funding consistent with the request.* **The Assembly concurred.**

Cannabis Platform. The Department requested \$2.9 million from Rhode Island Capital Plan funds, including \$0.5 million annually from FY 2025 to FY 2030, for recurring cannabis-related information technology licenses. The current system, completed in FY 2023, allows automated code compliance for customers, and prevents abuse of the home-grow system. The request shifts expenses from medical and retail cannabis restricted receipt accounts created to finance necessary regulatory expenses. It is also \$0.3 million more annually for licensing costs than assumed in the FY 2025 enacted budget, associated with expanded data collection and analysis. Some of these costs reflect services billed as-needed, and actual expenses may be lower. Rhode Island Capital Plan funds are typically limited to capital projects related to physical assets and are not allowed for ongoing operating expenses. The Department unsuccessfully submitted a similar request last year. *The Governor's capital budget excludes this project; however, his operating recommendation includes the enacted amount of \$0.3 million for recurring licensing costs.* **The Assembly concurred and included funding in the Cannabis Control Commission's operating budget.**

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, programmed at \$6.5 million for FY 2024 and \$1.0 million for FY 2025. The project originated in the Department of Business Regulation but is now organized under a steering committee through the Division of Information Technology. The request includes an identical amount budgeted within the Department of Administration for tracking purposes, but delays funding by one year to reflect an updated project scope. The Division indicated that it would not be able to accomplish the initial scope of the project without first upgrading the Secretary of State's business registry system. A request for proposals for this work was issued in November 2024. *The Governor recommended total funding consistent with the approved plan in the Department of Administration's budget.* **The Assembly concurred.**

Fire Academy Learning Management System. The Department requested \$325,000 from Rhode Island Capital Plan funds for a new project for Fire Academy education management software. The existing vendor went out of business and a modern system would help transition from paper exams, administer physical and digital tests, and adapt to curriculum changes. The request includes \$200,000 for FY 2025 to replace its current system and \$25,000 annually for recurring operating costs programmed out to FY 2030. The Fire Academy does collect restricted receipts from fees charged to those taking courses to support its facility and instructors. Rhode Island Capital Plan funds are not allowed for ongoing operating expenses. *The Governor did not recommend funding specifically for this project.* **The Assembly concurred.**

Information Technology Projects. The Department requested \$1.8 million from Rhode Island Capital Plan funds for a new project comprising four distinct technological upgrade and replacement subprojects. Of these funds, \$1.1 million reflects ongoing operating funding, programmed at \$0.2 million annually after completion. Rhode Island Capital Plan funds are not allowed for ongoing operating expenses. The remaining \$0.7 million is for initial costs to replace its outdated e-licensing platform with a modern alternative, upgrade wireless internet access and workstation equipment, create an interagency website portal to look up professional licenses, and update its open government permitting website. *The Governor did not recommend funding specifically for this project.* **The Assembly concurred.**

Executive Office of Commerce

Projects	Status	5 Year Total	Project Total
PFAS Mitigation	New	\$ 1,000,000	\$ 1,000,000
I-195 Redevelopment District	Revised	2,100,000	7,423,171
I-195 Redevelopment District Parks	Revised	1,100,000	7,100,000
Port of Davisville	Revised	5,635,990	65,000,000
Broadband Infrastructure	Revised	-	25,786,500
Quonset Infrastructure	Ongoing	5,000,000	7,500,000
Quonset Port Road	Ongoing	12,000,000	15,000,000
Quonset Carrier Pier	Ongoing	-	2,250,000
Port of Davisville Infrastructure at Quonset	Ongoing	-	20,000,000
Industrial Site Development	Ongoing	25,420,000	40,000,000
Port of Providence	Ongoing	-	20,000,000
Innovation Campus	Ongoing	12,152,600	20,000,000
Total		\$ 64,408,590	\$ 231,059,671
Sources of Funds			
Federal - ARP - CPF		\$ -	\$ 25,786,500
Federal - ARP - SFRF		5,635,990	65,000,000
General Obligation Bonds		49,572,600	119,000,000
Other Funds		-	-
Rhode Island Capital Funds		9,200,000	21,273,171
Total		\$ 64,408,590	\$ 231,059,671

Summary. The Executive Office of Commerce requested total expenditures of \$232.4 million for 14 projects, three of which are new. Funding in the five-year period is \$86.4 million, including \$21.2 million from federal funds, \$51.3 million from general obligation bond proceeds, and \$13.9 million from Rhode Island Capital Plan funds. *The Governor recommended \$231.1 million, including one new project for \$1.0 million. The Assembly provided total funding as recommended and shifted \$1.0 million from Rhode Island Capital Plan funds from FY 2025 to FY 2026.*

PFAS Mitigation. The Executive Office requested \$1.0 million from Rhode Island Capital Plan funds for FY 2026 for a new project to conduct engineering, permitting and other pre-construction services that are necessary prior to constructing a potable water treatment system at Quonset Business Park. The Quonset Water System services over 14,000 employees at 239 businesses within the park. The system includes 35 miles of pipeline and two elevated storage tanks with one million gallons of storage in total, and provides approximately 290 million gallons of potable water per year. The Executive Office indicated that it is currently unlikely that the System will be able to comply with the new federal regulatory Per- and Polyfluoroalkyl Substances (PFAS) limit. Currently, the system's water sources are separated into two parcels approximately one mile apart. The project would combine the sources into one central location where they can be blended and treated. The Executive Office stated it may seek federal grant funding, Rhode Island Department of Health loan funding, and PFAS lawsuit settlement funding to support a final construction project. *The Governor recommended funding as requested. The Assembly concurred.*

I-195 Redevelopment District. The Executive Office requested \$8.1 million from Rhode Island Capital Plan funds to support the Commission's planning and zoning expenses. Adjusted for the exclusion of

funding for FY 2024, the request is \$1.4 million more than the approved plan and extends current funding annually to FY 2029 and FY 2030. The Commission reported there are seven closed transactions and six pending transactions regarding Commission-owned land parcels. Expenses include professional, legal, and engineering services related to the maintenance and marketability of the I-195 land. The requested expenditures typically do not fit the definition of capital projects; however, the Commission capitalizes these costs, which are project-specific. *The Governor's recommendation is consistent with the approved plan.* **The Assembly concurred.**

I-195 Redevelopment District Parks. The Executive Office requested \$3.3 million, including \$150,888 from general obligation bond proceeds approved in the March 2021 special election and \$3.1 million from Rhode Island Capital Plan funds, to finance infrastructure and development projects for the District's parks. Compared to the approved plan, the request omits \$3.8 million of previously spent general obligation bond proceeds and adds \$0.1 million from Rhode Island Capital Plan funds. Work includes a food and beverage service pavilion, utility infrastructure, landscaping, and replacement of trash receptacles and benches. The plan assumes vendor revenues will offset the operating costs for the park, reducing the need for state operating support over time. The Commission approved the concept design of the pavilion on August 18, 2023. A contractor was recently selected and the Executive Office anticipated the project would break ground late summer/early fall 2024. The Executive Office indicated the \$0.1 million from Rhode Island Capital Plan funds requested for FY 2026 would be used for furniture and fixture replacement, hardscape repairs, and other minor landscaping improvements, which are outside the scope of the pavilion project. *The Governor's recommendation provides the requested increase from Rhode Island Capital Plan funds and includes all other approved funds.* **The Assembly shifted \$1.0 million from Rhode Island Capital Plan funds from FY 2025 to FY 2026 based on an updated project schedule.**

Port of Davisville. The Executive Office requested the approved \$65.0 million from State Fiscal Recovery funds to support infrastructure at the Port of Davisville, but extended completion two years to FY 2026. 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 Executive Office indicated funding is being programmed to align with project timelines. *The Governor recommended funding consistent with the request. It should be noted that the Governor's Capital Budget publication inadvertently overstates prior year expenses by \$4,000, and all other documents are consistent with the approved plan, which was the intent.* **The Assembly concurred.**

Broadband Infrastructure. The request includes \$25.0 million from federal Capital Projects funds consistent with the approved plan 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; however, matching funds and a five-year statewide strategic plan are required. The strategic plan was submitted in December 2022. Compared to the approved plan, the request extends completion by three years and programs \$0.7 million in prior funds, \$8.6 million for FY 2025, \$13.2 million for FY 2026, and \$2.4 million for FY 2027. The Commerce Corporation reported it closed a request for proposals on August 12, 2024, with responses from four vendors. It expected to have contracts in place by December 31, 2024. All funds will be disbursed by the December 31, 2026, spending deadline.

In June 2023, Rhode Island was awarded \$108.7 million through the Infrastructure Investment and Jobs Act. As of September 2024, the federal government had not yet announced how Digital Equity Act funds would be awarded. The National Telecommunications and Information Administration expects to issue

awards during FY 2025. *The Governor recommended \$0.8 million more for FY 2025 to incorporate administrative costs associated with the project that were previously budgeted separately. **The Assembly concurred.***

Quonset Infrastructure. Consistent with the approved plan, the Executive Office requested \$7.5 million from Rhode Island Capital Plan funds, including \$2.5 million annually from FY 2025 to FY 2027, for a project to modernize and expand infrastructure within the Quonset Business Park to attract and accommodate new tenants and jobs. The Quonset Development Corporation manages infrastructure for the Quonset Business Park to support over 14,000 employees at more than 239 tenant companies. The infrastructure systems within the park include components of the water supply and distribution system, the wastewater treatment facility, and buildings owned by the Corporation, as well as equipment to support the Corporation's work. *The Governor recommended funding as requested. **The Assembly concurred.***

Quonset Port Road. Consistent with the approved plan, the Executive Office requested \$15.0 million from general obligation bond funds to be approved by the voters on the November 2024 ballot to prepare landside facilities and infrastructure at Quonset for offshore wind development. Completion of the Access Road will provide an oversized freight corridor directly between the new Terminal 5 Pier and 40 acres of existing laydown area that is available at the Port. It will allow offshore wind and other large project cargo that is unloaded at the Terminal 5 Pier to be transported to the laydown area without the interference of overhead wires and other obstructions close to the right-of-way. The request programs \$3.0 million for FY 2025, \$9.0 million for FY 2026, and \$3.0 million for FY 2027; the approved plan assumed an FY 2026 start. It should be noted that recently approved bonds typically do not provide proceeds for use within the same fiscal year as approval. *The Governor recommended funding as requested. **The Assembly concurred.***

Quonset Carrier Pier. Consistent with the approved plan, the Executive Office requested \$2.3 million from Rhode Island Capital Plan funds for FY 2025 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 indicated 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 indicated that federal and private funds may be available, however talks are preliminary, and work included in the request is a prerequisite for any federal grant application. *The Governor recommended funding as requested. **The Assembly concurred.***

Port of Davisville Infrastructure at Quonset. Consistent with the approved plan, the Executive Office requested \$20.0 million from general obligation bond funds approved by voters in March 2021 to support infrastructure at the Quonset Business Park. The request includes the remaining \$3.4 million for FY 2025 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 recommended funding as requested. **The Assembly concurred.***

Industrial Site Development. Consistent with the approved plan, the Executive Office requested \$40.0 million from general obligation bond funds voters approved in March 2021 for offshore wind and industrial site development, reshoring of jobs, and economic revitalization. In January 2022, the Quonset Development Corporation launched RI Ready to assist municipalities in developing pad-ready industrial sites, which are enrolled on a rolling basis for up to \$200,000 for predevelopment work. Enrolled sites are also eligible to apply for additional competitive funding to support activities related to manufacturing, assembly, distribution, offshore wind, and job creation. As of August 2024, the program had enrolled 18

sites. If the Corporation funds a project, it is required to secure a Rhode Island benefits agreement. Compared to the approved plan, the request shifts \$2.5 million from FY 2024 to FY 2027 and advances \$3.1 million from FY 2028 to FY 2027. *The Governor's recommendation includes a programming of funds similar to the request, and a total of \$25.0 million is programmed for use over FY 2025 and FY 2026.* **The Assembly concurred.**

Port of Providence. Consistent with the approved plan, the Executive Office requested \$20.0 million from general obligation bond funds approved by the voters on the November 2016 ballot for land acquisition and infrastructure improvements to the Port of Providence. Compared to the approved plan, the request shifts \$2.5 million from prior funds to FY 2025, and advances \$2.5 million from FY 2026 to FY 2025. 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 Executive Office indicated 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 \$0.8 million. It further notes that the remaining \$11.0 million will fund the purchase of additional parcels, which are expected to occur in FY 2025. *The Governor's recommendation programs all remaining funds for FY 2025 to reflect updated project timelines.* **The Assembly concurred.**

Innovation Campus. Consistent with the approved plan, the Executive Office requested \$20.0 million from general obligation bond funds approved by the voters in 2016 for one or more innovation campuses to facilitate collaboration between the University of Rhode Island, other higher education institutions, and the business community to expedite the conversion of research into marketable production or producers. This collaboration is intended to address economic gaps within the state including both the capacity of small businesses to develop innovative products and services and the ability of institutions of higher education to transform cutting edge research into commercial products and services, spin off new companies, and create jobs. The request shifts \$5.6 million to later years but retains the expected FY 2029 completion date. The Executive Office plans to launch a competitive process in FY 2026 to award remaining project funds. *The Governor recommended funding as requested.* **The Assembly concurred.**

EOC Office Space. The Executive Office requested \$100,000 from Rhode Island Capital Plan funds for FY 2026 for a new project to renovate its existing office space. The Executive Office stated that its leased office space has not been renovated since 2017, and much of the existing office structures were built in place for the previous tenant. The Office indicated that with an increased staffing level including interns, there is a limited amount of workspace available for personnel.

The Executive Office has since stated that it has decided not to move forward with this project after discussions with the Office of Management and Budget. *The Governor did not recommend funding for this project.* **The Assembly concurred.**

I-195 Redevelopment District Offramp. The Executive Office requested \$5.2 million from Rhode Island Capital Plan funds for FY 2025 and FY 2026 for a new project to relocate an offramp in the I-195 District. 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 Commission indicated that the new position would better accommodate development projects on parcels 6, 8, 8a, and 9, alleviating congestion concerns and impacting quality of life for Fox Point neighborhood residents. The project also includes associated signage, rights of way, and a new connection between Pike Street and Alves Way. *The Governor did not recommend funding for this project.* **The Assembly concurred.**

Department of Housing

Projects	Status	5 Year Total	Project Total
Affordable Housing	Ongoing	\$ 112,400,000	\$ 225,000,000
Total		\$ 112,400,000	\$ 225,000,000
Sources of Funds			
General Obligation Bonds		\$ 112,400,000	\$ 225,000,000
Total		\$ 112,400,000	\$ 225,000,000

Summary. The approved plan for the Department of Housing includes \$225.0 million from general obligation bond proceeds for housing programs, including \$120.0 million on the November ballot for voter approval and \$105.0 million approved in 2016 and 2021. The Department requested \$227.2 million, which is \$2.2 million more than approved from Rhode Island Capital Plan funds for one new project. *The Governor recommended only \$225.0 million from general obligation bond funds for one existing project. The Assembly concurred.*

Affordable Housing. The approved plan includes \$225.0 million from general obligation bond proceeds to support affordable housing and community development, including \$40.0 million approved by the voters in November 2016, \$65.0 million approved in March 2021, and \$120.0 million approved in November 2024; as of August 2024, \$70.0 million has been spent. Of the \$120.0 million approved by voters in November, the bond question designates \$80.0 million for affordable housing development, of which \$10.0 million may be used to support a new public housing development program. It also designates \$20.0 million for development of homeownership units, \$10.0 million for community revitalization, \$5.0 million for site acquisition, \$4.0 million for housing related infrastructure, and \$1.0 million for municipal planning supports. This continues several programs currently funded from State Fiscal Recovery funds, for which the FY 2025 enacted budget includes a total of \$154.8 million.

The Department requested total funding consistent with the approved plan, shifted \$19.0 million from unspent FY 2024 funds to FY 2025, and extended the timeline for expending funds from FY 2028 to FY 2030. Funds are programmed at \$42.7 million for FY 2025, \$22.4 million for FY 2026, \$44.2 million for FY 2027, \$31.8 million for FY 2028, \$11.0 million for FY 2029, and \$2.9 million for FY 2030. *The Governor recommended funding as requested but programmed \$26.4 million for FY 2025, \$50.2 million for FY 2026, \$25.0 million each for FY 2027 and FY 2028, \$10.0 million for FY 2029, and \$2.2 million for FY 2030. The Assembly concurred.*

Asset Protection. The Department requested \$2.2 million from Rhode Island Capital Plan funds for asset protection at newly acquired facilities in Providence at 100 Randall Street and 662 Hartford Avenue, the former sites of Charlesgate Nursing Center and a group home, respectively. The Department intends to use both facilities as shelters, and requested asset protection funds for work necessary to prepare these buildings, such as roof replacement and heating, ventilation and air conditioning system upgrades. In November 2022, the Division of Capital Asset Management and Maintenance transferred management of 662 Hartford Avenue to the Department, which subsequently awarded funds in January 2023 to Crossroads Rhode Island for an emergency couple's shelter. In June 2023, the Department announced its purchase of 100 Randall Street, final approval for which is expected in September 2024. Work on this facility would also prepare the building for conversion into affordable housing, although the Department did not provide details regarding when this might occur.

Funds are programmed annually at \$0.3 million for FY 2026 and FY 2027, \$0.5 million for FY 2028 through FY 2030, and \$0.1 million for the post-FY 2030 period. The Department submitted a similar request for asset protection funds last year that was not recommended or approved. *The Governor did not recommend funding for this project.* **The Assembly concurred.**

Department of Labor and Training

Summary. The Department of Labor and Training requested \$51.9 million for 11 projects, of which nine are new information technology projects. The request includes \$49.4 million for the five-year period, including \$0.8 million from Rhode Island Capital Plan funds. Multiple projects do not have an identified source of funding. *The Governor did not include these projects in his capital plan.* **The Assembly concurred.**

Arrigan Pool. The Department requested \$750,000 from Rhode Island Capital Plan funds for FY 2026 for a new project to repair and rehabilitate the Arrigan Center therapy pool in order to reopen and for the Center's aquatic therapy program. The cost estimate is based on previous bids with the inclusion of cost escalations. The Department reported that, upon completion, ongoing maintenance costs for the pool would be required beginning in FY 2027. This project has been included as a separate request, rather than under the Department of Administration as is typical of other Arrigan Center requests. The Division of Capital Asset Management and Maintenance deemed this project a programmatic request. The Division would still manage the project, if approved. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

Bathroom Remodel - W. Warwick Local Office. The Department requested \$305,480 from federal funds for FY 2025 for a new project to renovate and update the public and staff bathrooms and the breakroom in the West Warwick American Job Center for compliance with the Americans with Disabilities Act. The cost estimate is based on a current bid per a request for proposal process. The Department has since indicated that this project has been canceled due to a reduction in federal funding. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

DLT UI TDI Reservation System. The Department requested \$2.0 million from Temporary Disability Insurance funds for the FY 2026 through FY 2030 period for a new project to establish a reservation system to schedule appointments with the call center, rather than requiring customers to remain on hold. The Department reported it was seeking federal funding and internal requirements are being developed; its cost estimate is based on licensing costs and implementation in two other unspecified states. A financial analysis for this project was also included in a strategic plan authored by IBM. The request programs \$0.6 million for FY 2026, \$0.8 million for FY 2027, and \$0.6 million for FY 2028. The Department requested this project last year, with \$0.5 million to establish a system and \$0.3 million for annual operating expenses. It was not recommended by the Governor or approved by the Assembly. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

UI, TDI, ICON Implementation. The Department requested \$29.4 million from Temporary Disability Insurance funds and potentially other sources for a new project to fully modernize the Unemployment Insurance and Temporary Disability Insurance applications, including replacing the current mainframe with a modern scalable system to improve operational performance, customer experience, and system security. The request programs funding through FY 2030. The Department reported it was seeking federal funding, which would reduce the use of requested funds. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

Financial Management - FARS Replacement. The Department requested \$5.5 million from undefined state sources for a new project to move its Federal Accounting Reporting System off the current mainframe and replace it with a modern application over FY 2027 and FY 2028. The Department indicated its current system requires significant manual programming, and this project is meant to reduce expenses and increase departmental capacity. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

DLT Laptop/Monitor Refresh. The Department requested \$1.8 million from unidentified agency funds for a new project to replace its laptops and potentially some monitors. The request assumes the annual replacement of one-third of agency laptops, with monitors replaced as needed. The Department reported having over 475 laptops for its 461.7 authorized positions. The request programs \$675,000 for FY 2025, \$150,000 each for FY 2026 and FY 2027, \$400,000 for FY 2028, and \$200,000 each for FY 2029 and FY 2030. The higher costs in FY 2025 coincide with replacing more laptops in the beginning of a replacement cycle and in FY 2028 to refresh items purchased in FY 2025. The Department unsuccessfully requested a similar project last year, with \$250,000 annually. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

CRM, Customer 360 Case Management. The Department requested \$5.0 million from unidentified state sources for a new project to implement a system to facilitate customer engagement and services. The system would integrate all Department divisions and contacts to streamline service, customer experience, and case management and would provide data and reporting for use in strategic analysis, planning, and executive decision-making. The request programs funding through FY 2029. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

Document Management System. The Department requested \$1.0 million from all sources for a new project to address foundational and architectural issues with the Department's current document management system, migrate to a cloud-based version, and increase its licenses to improve operational performance and customer experience. The request programs \$500,000 for FY 2025 to migrate to a new Cloud hosted version, remediate additional deficiencies to stabilize the system, and implement an agency-wide fax server; as well as \$500,000 for FY 2026 for additional enhancements. The Department has identified Governor's Workforce Board restricted receipt funding, Temporary Disability Insurance funds, and potentially other funding sources for this project. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

Data Strategy. The Department requested \$3.5 million from Governor's Workforce Board restricted receipt funds for a new project to utilize a cloud-based Data Lake or on-premise warehouse to perform data analysis and reporting using modern tools. The request programs \$0.9 million for FY 2026, \$2.1 million for FY 2027, and \$0.5 million for FY 2028. The Department reported it was also seeking federal funding. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

Partner Support Systems - Job Training. The Department requested \$1.6 million from unidentified state sources from FY 2027 to FY 2030 for a new project to implement a new system to assist with managing invoicing and payment for the Workforce Development Services/Governor's Work Board-provided job training programs. The Department stated there is currently no system to manage or track this activity, and that the current process is manual and labor intensive, with no workflow or management capabilities. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

DLT Printing Consolidation, Printer, Refresh and Upgrades. The Department requested \$1.1 million from unspecified agency funds for a new project to either purchase new printers or establish a centralized printing system with multifunction machines in order to lower the cost of operations. The Department replaces its printers as needed, but is reportedly without a long-term printing strategy. The request programs \$250,000 each for FY 2025, FY 2026, and FY 2027; the submission reports that printing supplies and costs will be determined following an assessment, but includes \$100,000 annually following the initial project phase for planning purposes. The Department stated the request is based on updated projections from vendors, as well as refined costs based on the strategic plan authored by IBM. It should be noted that the strategic plan does not include a financial analysis for this project. The Department requested \$900,000 for this project last year, with \$200,000 for FY 2024, \$300,000 for FY 2025, and \$100,000 annually following the initial project phase for planning purposes. It was not recommended by the Governor or approved by the Assembly. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

Department of Revenue

Projects	Status	5 Year Total	Project Total
Lottery - Generator	Revised	\$ -	\$ 850,000
Lottery - Office Space	Revised	-	1,350,000
Total		\$ -	\$ 2,200,000
Sources of Funds			
Other Funds		\$ -	\$ 1,350,000
Rhode Island Capital Funds		-	850,000
Total		\$ -	\$ 2,200,000

Summary. The Department of Revenue requested \$3.7 million, including \$0.9 million from Rhode Island Capital Plan funds for three projects, of which one is a new information technology project. *The Governor recommended \$2.0 million and no new projects.*

*The Governor subsequently requested an amendment to add \$0.2 million from Rhode Island Capital Plan funds for the generator project in FY 2025, which was his original intent. **The Assembly concurred with the amended recommendation.***

Lottery - Generator. The Department requested \$0.9 million from Rhode Island Capital Plan funds for FY 2025 for the purchase of a generator to support operations and expand functionality of the lottery building. This project is part of the office space project within the approved plan, but is being requested as a stand-alone project. Funding for the generator is consistent with what was programmed in the approved plan for FY 2024, which was not spent because of an issue with purchasing. This is inconsistent with the Department's FY 2026 operating request, which includes \$0.4 million from Rhode Island Capital Plan funds. *The Governor recommended only \$0.6 million from Rhode Island Capital Plan funds.*

*He subsequently requested an amendment to add \$0.2 million from Rhode Island Capital Plan funds for FY 2025 to fund the project as requested, which was his original intent. **The Assembly concurred with the amended recommendation.***

Lottery - Office Space. The Department requested \$1.4 million from lottery funds to complete changes to office space and temperature control systems that began in FY 2024. The scope is different from the approved plan for which \$500,000 was allocated for both FY 2025 and FY 2026. The request separates the generator purchase as a stand-alone project, and the remaining work is part of this revised total. *The Governor recommended funding as requested. **The Assembly concurred.***

Tax Credit Management System. The Department requested \$1.5 million from an unidentified source for a new project to purchase software for its integrated tax system to monitor tax credits and aid in compliance. The Division of Taxation currently performs these functions outside of the integrated tax system. The Department requested funding for this project last year, but it was not approved.

The enacted budget includes \$6.1 million for the integrated tax system, which now includes the contingency contract collections originally authorized by the 2016 Assembly. The 2022 Assembly also authorized \$2.3 million to migrate the system to a cloud-based technology, which was completed during FY 2023. It also provided \$0.6 million to replace the document scanning hardware, which was at the end of its service life;

those scanners were installed prior to the 2023 tax season. *The Governor did not recommend funding.* **The Assembly concurred.**

Office of the Secretary of State

Projects	Status	5 Year Total	Project Total
Rhode Island Archives and History Center	Ongoing	\$ 4,500,000	\$ 5,000,000
Total		\$ 4,500,000	\$ 5,000,000
Sources of Funds			
Rhode Island Capital Funds		\$ 4,500,000	\$ 5,000,000
Total		\$ 4,500,000	\$ 5,000,000

Summary. The Office of the Secretary of State requested \$5.3 million from Rhode Island Capital Plan funds for one new project and one ongoing project during the five-year period. The new project is for information technology for which Rhode Island Capital Plan funds may not be an appropriate fund source. *The Governor recommended \$5.0 million for the Rhode Island Archives and History Center.* **The Assembly concurred.**

Rhode Island Archives and History Center. Consistent with the approved plan, the Secretary of State requested \$5.0 million from Rhode Island Capital Plan funds to develop a new state archives facility. The Assembly provided \$0.5 million for FY 2025 for conducting further analysis of the Archives and History Center project, including site selection, architectural and design work, and \$4.5 million for FY 2027 pending the outcome of the study.

The request notes that Rhode Island is the only state nationally to utilize commercially-leased space for its archives. The archives have been stored in two different leased facilities for over 30 years; the first of which was susceptible to flooding. Furthermore, its available storage capacity is insufficient, leading to the use of third-party, improper, or high-risk storage for artifacts. *The Governor recommended funding as requested.* **The Assembly concurred.**

OpenGov Application and Website. The Secretary of State requested \$750,000 from Rhode Island Capital Plan funds for a new project to reprogram the state's OpenGov application and website to improve three applications, which share an integrated surface: the government directory, open meetings portal, and boards and commissions appointments functions.

The 2023 Assembly enacted legislation, submitted by request of the Secretary of State, mandating that "the Secretary of State shall maintain an up-to-date online directory of government officials" to include federal, state, local and quasi-governmental entities. The integrated nature of the interface creates an opportunity to improve the functionality of all three integrated features. The request programs \$400,000 and \$350,000 for FY 2026 and FY 2027, respectively. This project was requested last year but not recommended by the Governor or approved by the Assembly. Rhode Island Capital Plan funds are typically limited to physical assets. *The Governor did not recommend funding for this project.* **The Assembly concurred.**

Public Utilities Commission

Projects	Status	5 Year Total	Project Total
Asset Protection	Ongoing	\$ 575,000	\$ 700,000
Total		\$ 575,000	\$ 700,000
Sources of Funds			
Restricted Receipts		\$ 575,000	\$ 700,000
Total		\$ 575,000	\$ 700,000

Summary. The Public Utilities Commission requested \$700,000 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 2025 through FY 2029. The project comprises six sub-projects ranked as follows: first floor water mitigation, interior renovations and upgrades, exterior window replacement, climate control system upgrade, membrane roof replacement, and parking lot and accessibility improvements. The request does not include funding for FY 2030. *The Governor recommended funding as requested.* **The Assembly concurred.**

Executive Office of Health and Human Services

Summary. The Executive Office of Health and Human Services requested \$451.6 million for six information technology projects, including \$402.4 million from federal funds, \$47.0 million from general revenues, and \$2.2 million from restricted receipts. The request includes \$363.7 million for FY 2026 through FY 2030. *The Governor did not include these projects in his capital plan. His operating budget did include support for all of them in FY 2025 and FY 2026, which is discussed separately in the Agency Analysis section of this publication.* **The Assembly concurred.**

Medicaid Enterprise System. The Executive Office requested \$313.9 million for a Medicaid Enterprise System to replace the current Medicaid Management Information System. This includes \$278.1 million from federal funds and \$35.8 million from general revenues. The Executive Office identified a need for \$353.3 million in its FY 2025 through FY 2029 capital request; \$46.1 million for FY 2025 is included in its operating budget.

The updated request is \$52.1 million for FY 2025, or \$6.0 million more than enacted, and includes \$57.2 million for FY 2026, \$59.5 million for FY 2027, \$53.7 million for FY 2028, \$44.7 million for FY 2029, and \$40.5 million for FY 2030. Expenses over the five-year period include \$23.8 million for project planning and \$290.0 million to replace the system.

The Executive Office's request excludes the \$9.0 million for independent verification and validation services included in last year's capital request. This appears to be an error, and updated information from the Executive Office indicates that it plans on using these services throughout the project, suggesting the total cost of the new system is understated. *The Governor recommended \$52.1 million for FY 2025 and \$62.2 million for FY 2026 for maintenance and operations and system enhancements, but as noted, excluded this project from the capital budget.* **The Assembly provided \$4.3 million for FY 2025 and \$14.2 million for FY 2026 in the operating budgets to reflect an updated project schedule.**

RIBridges System Enhancements. The Executive Office requested \$55.3 million to support system enhancements to the state Unified Health Infrastructure Project, also called RIBridges. The request includes \$46.8 million for FY 2026 through FY 2030 and \$8.5 million for FY 2025. The Departments of Human Services and Administration also submitted capital requests of \$40.9 million and \$10.5 million, respectively, for total project funding of \$106.7 million. The requests do not include individual estimates for any policy or required system changes.

System expenses from FY 2016 through the FY 2025 enacted budget total \$794.1 million, including \$165.6 million from general revenues. This includes design, development, implementation, maintenance, and operations. The FY 2025 enacted budget includes \$67.5 million, of which \$15.1 million is from general revenues, for the Executive Office's portion of expenses, but it is not clear if the capital request contains specific changes to those assumptions. *The Governor recommended \$29.1 million for FY 2025 and \$27.8 million for FY 2026 for maintenance and operations and system enhancements, but as noted, excluded this project from the capital budget. He requested amendments to shift funding between fiscal years.* **The Assembly concurred with the amended recommendation.**

RIBridges System Modernization. The FY 2026 through FY 2030 capital requests from three agencies total \$85.0 million, of which \$25.7 million is from general revenues, to modernize the Unified Health Infrastructure Project, or RIBridges. The Executive Office's request includes \$43.9 million from both federal and information technology funds. The Departments of Human Services and Administration request \$32.3 million and \$8.7 million, respectively. The Executive Office reports that this is a preliminary estimate done in coordination with the Department of Administration's Division of Enterprise Technology and

Strategy Services. A request for proposals for a strategic planning vendor was released on August 31, 2024. *The Governor did not recommend the funding. **The Assembly concurred.***

RIBridges Healthy Rhode Mobile Application. The Executive Office requested \$5.9 million, and the Department of Human Services requested \$2.0 million from federal funds to match \$6.7 million from information technology funds to add new features to the mobile application in FY 2025 and FY 2026. This brings the total to \$14.6 million, or \$7.8 million more than the approved plan. The Department of Administration's capital request includes \$2.2 million for FY 2025 and FY 2026 from Large Systems Initiatives funds to support RIBridges Mobile and Childcare Tracking project expenses; FY 2024 expenses were \$2.2 million. *The Governor recommended \$8.6 million for FY 2025 and \$3.8 million for FY 2026 for the mobile application across the three agencies. He requested amendments to reflect updated project expenses. **The Assembly provided \$1.6 million for FY 2025 and \$9.4 million for FY 2026.***

eLTSS Information Technology Modernization. The Executive Office requested \$23.6 million to establish a unified electronic long-term service 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 Services and Supports program and the Office of Healthy Aging. The cloud-based system also includes assessments and meets federal requirements for the state to provide person-centered planning and increase program choice and accessibility.

The request includes \$13.2 million from eligible funds through the provision of the American Rescue Plan Act that required any general revenue savings from a temporary increase to the Medicaid rate to be reinvested to fund expansionary home- and community-based activities. Funds must be spent before June 30, 2026, and these time-limited funds will support the system operations through FY 2026. On February 28, 2022, a contract was signed with WellSky to operate the system, which will be fully functional in FY 2026. The request includes \$10.5 million in operating costs in the five-year plan beginning with FY 2026, an average of \$2.0 million annually from general revenues and matching federal Medicaid funds. *The Governor recommended \$4.9 million in FY 2025 and \$0.2 million in FY 2026 for the multi-year project, but as noted, excluded this project from the capital budget. He requested an amendment to shift a portion of expenses from FY 2025 to FY 2026. **The Assembly concurred with the amended recommendation.***

CurrentCare Opt-Out Implementation. The Executive Office requested \$9.0 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 \$8.0 million from federal funds, \$0.7 million from general revenues, and \$0.3 million from restricted receipts. The request includes \$5.0 million for FY 2025, \$1.6 million for FY 2026, \$1.7 million for FY 2027 and \$0.3 million for FY 2028 through FY 2030 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 costs. The Executive Office made a similar request in its prior capital budgets, which were not included in the Governor's capital budget recommendation. The Assembly did concur with his recommendation to provide \$6.0 million, of which \$0.6 million is from general revenues, for FY 2025 as part of the operating budget. The current request is \$1.0 million less than that. *The Governor recommended \$2.0 million in FY 2025 and \$1.9 million for FY 2026, but as noted, excluded this project from the capital budget. **The Assembly concurred.***

Department of Children, Youth and Families

Projects	Status	5 Year Total	Project Total
Psychiatric Residential Treatment Modification	Revised	\$ -	\$ 750,225
Residential Treatment Facilities	Revised	15,000,000	45,999,754
RICHIST System Replacement	Ongoing	36,310,932	56,920,852
Rhode Island Training School Asset Protection	Ongoing	1,250,000	3,123,278
Total		\$ 52,560,932	\$ 106,794,109
Sources of Funds			
Federal Funds		\$ 18,973,617	\$ 28,460,426
Federal Funds - ARPA - SFRF		-	1,749,979
General Revenues		2,540,284	3,810,426
Large Systems Initiative Fund		14,797,031	24,650,000
Rhode Island Capital Funds		16,250,000	48,123,278
Total		\$ 52,560,932	\$ 106,794,109

Summary. The Department of Children, Youth and Families requested \$64.6 million for the five-year period for total project costs of \$108.6 million. Funding in the five-year plan includes \$16.3 million from Rhode Island Capital Plan funds, \$24.9 million from federal funds, \$20.6 million from the Large Systems Initiative Fund, and \$2.9 million from general revenues. The request is for nine projects; five are information technology. *The Governor recommended total project costs of \$106.8 million, including \$52.6 million in the five-year period for four approved projects. He requested an amendment to expand the scope of the Residential Treatment Facilities Project. The Assembly concurred with the amended recommendation.*

Psychiatric Residential Treatment 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 programs funding at \$2.3 million in prior year spending, \$4.3 million in FY 2025, and \$4.3 million in FY 2026.

Throughout the 2024 Legislative session, concerns about safety and quality of care at St. Mary's were raised and heard in multiple committees. These concerns were prompted by a December letter from the Office of the Child Advocate detailing its investigation into safety and quality of care issues at St. Mary's. The Department engaged a new provider for the facility in May, and the Assembly made no changes to the funding for the project as the Department was working through a change in providers. In August, following the submission of the request, St. Mary's announced its closure. The Department reports that the project is being canceled and that it is working with the Pandemic Recovery Office to return unspent State Fiscal Recovery funds.

The Governor's capital budget only shows \$0.8 million of prior spending, which appears to understate actual expenses. He recommended making \$6.5 million from State Fiscal Recovery funds available in the Department's operating budget for FY 2025 to expand and maintain a psychiatric residential treatment facility at Bradley Hospital. The Assembly made no changes to this allocation, pending a final plan from the Department and Administration to address capacity for these youth.

Residential Treatment Facilities. Consistent with the enacted budget, the request maintains the approved \$45.0 million from Rhode Island Capital Plan funds over FY 2024 through FY 2026 for the state to construct a residential treatment facility for females. The request inadvertently excludes the \$1.0 million in prior year funds provided from State Fiscal Recovery funds to design the facility. Based on an updated timeline, the request includes a carryforward of \$13.6 million from FY 2024 to FY 2025. Construction for the 16-bed facility broke ground on state-owned property in Exeter on August 13 and is anticipated to be completed by Spring 2026. The Department is developing a request for proposals for a vendor to run the facility, which it expects to release by October 2024. *The Governor recommended the approved \$46.0 million, including the \$1.0 million from State Fiscal Recovery funds used for the design of the facility.*

Based on anticipated underspending in the project, he subsequently requested an amendment to shift \$4.0 million from FY 2026 to FY 2027 and expand the scope of the project to include an additional facility. The amended plan assumes \$2.0 million will be used in FY 2026 for planning costs and a feasibility study. The Assembly concurred with the amended recommendation.

RICHIST System Replacement. The Department requested \$45.4 million, including \$20.8 million from the Large Systems Initiatives Fund, \$20.8 million from federal funds, and \$3.8 million from general revenues for a new information system to replace the current Rhode Island Children's Information System. The request is \$11.2 million less than the approved plan, which appears to reflect the inadvertent exclusion of prior year expenses and unspent funds. The contract to implement the new system has been sent to the appropriate federal agency for final approval. The project is expected to begin by November with completion by October 2026. The \$3.8 million general revenue share in the capital request is approximately 14 percent more than the approved plan and does not appear to be included in the Department's FY 2025 enacted budget.

The Governor recommended \$56.9 million, including \$28.5 million from federal funds, \$24.7 million from the Large Systems Initiatives Fund, and \$3.8 million from general revenues. This is largely consistent with the approved plan but adjusts funding between sources to include a state share of 50.0 percent, an increase from 48.5 percent in the approved plan. The Assembly concurred.

Rhode Island Training School Asset Protection. The Department requested \$4.2 million from Rhode Island Capital Plan funds for various repairs and improvements at the Youth Development Center at the Rhode Island Training School. Specific projects include security upgrades, bathroom door replacements, and the purchasing of landscaping equipment. The requested funding is consistent with the approved plan of \$250,000 annually and includes an additional year of funding for the post-FY 2030 period. *The Governor recommended \$0.1 million more for FY 2025, reflecting the carryforward of unspent FY 2024 funding. He also excluded \$1.2 million of prior spending shown in the request. The Assembly concurred.*

Workforce and Wellness Support Program. The Department requested \$65,000 from general revenues for a new information technology project to provide a wellness support program to its workers. The request programs \$25,000 in FY 2026 for implementation of the program and \$10,000 annually through FY 2030 for contract expenses. The Department indicated that this program would promote workforce development, assist employees with work related issues, and provide mental health and general wellness support to employees. *The Governor's capital budget does not include funding for this project. The Assembly concurred.*

Coordination of Care - Realtime Data Sharing. The Department requested \$0.5 million from general revenues in FY 2026 for a new system to integrate with hospitals' electronic medical record systems. It indicated that this would allow for better coordination between community care and healthcare organizations for children in state care with medical needs. The request notes that there would be annual maintenance expenses if approved, although this amount is unspecified. *The Governor's capital budget does not include funding for this project. The Assembly concurred.*

Application Modernization with Low-Code Solutions. The Department requested \$0.5 million from general revenues for a new information technology project to implement a more efficient record tracking and maintenance system. The Department noted that the new system would be more efficient and reduce heavy workloads for its staff by decreasing the need for paper-based processes that it currently employs. Requested funding includes \$0.2 million in FY 2026 and \$0.1 million in FY 2027 for development and implementation of the new applications, and \$50,000 annually thereafter for storage and maintenance costs. *The Governor's capital budget does not include funding for this project.* **The Assembly concurred.**

Natural Language Processing for Cases. The Department requested \$1.8 million from general revenues for a new information technology project to implement a natural language processing system for case management. This would be an artificial intelligence-assisted system to automate the reading and summarizing of narrative data from cases. The Department reported that this system will assist in meeting federal reporting requirements and improve coordination between caseworkers, health care, and mental health providers. Funding is programmed at \$0.6 million for FY 2027 and \$0.4 million annually from FY 2028 through FY 2030. The Department had not identified potential vendors, and there would likely be annual maintenance expenses of \$0.4 million if approved. *The Governor's capital budget does not include funding for this project.* **The Assembly concurred.**

Dental System Cloud Implementation. The Department requested \$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 Department care. The Department indicated that it is no longer supported. The request includes \$50,000 for the transition and a \$6,000 licensing fee each year afterward. An identical project was requested for FY 2025 and not recommended by the Governor or enacted by the Assembly. *The Governor's capital budget does not include funding for this project.* **The Assembly concurred.**

Department of Health

Projects	Status	5 Year Total	Project Total
Health Lab. & Medical Examiners Equipment	Ongoing	\$ 2,000,000	\$ 4,198,704
New Health Laboratory	Ongoing	8,363,883	97,679,521
Total		\$ 10,363,883	\$ 101,878,225
Sources of Funds			
Federal Funds		\$ -	\$ 81,716,590
Restricted Receipts		-	33,368
Rhode Island Capital Funds		10,363,883	20,128,267
Total		\$ 10,363,883	\$ 101,878,225

Summary. The Department of Health requested \$110.6 million from all sources, including \$86.0 million or 77.7 percent from federal funds. The request is for two capital and six information technology projects and assumes use of \$19.8 million for the FY 2026 through FY 2030 period. It is \$8.9 million more than the approved plan, primarily for information technology projects. *The Governor recommended \$101.9 million from all sources for two approved projects.* **The Assembly concurred, with the exception of shifting \$4.3 million of expenses from restricted receipts to Rhode Island Capital Plan funds.**

Health Laboratories and Medical Examiner Equipment. Consistent with the approved plan, the request includes annual expenses of \$0.4 million from Rhode Island Capital Plan funds to replace obsolete medical equipment. The equipment is used to process DNA samples or upload data into the national database; conduct analysis of metals in drinking water and food, including arsenic, lead, mercury and copper; and measure levels of certain substances, such as alcohol or drugs. The total project cost of \$3.8 million is \$0.2 million less than the approved plan; it excludes \$0.6 million of prior year expenses and adds \$0.4 million for annual funding for FY 2030. *The Governor recommended \$4.2 million, \$0.4 million more than requested, to adjust some of prior year expenses.* **The Assembly concurred.**

New Health Laboratory Building. Consistent with the approved plan, the request includes \$97.7 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. Construction started in August 2023 and the Department anticipates occupancy of the facility in the third quarter of 2025. The request includes the approved amount of \$11.6 million from Rhode Island Capital Plan funds and \$4.4 million from restricted receipts. The current Chapin facility was built in 1976 and has 70,000 square feet. It previously housed the Office of State Medical Examiners, and various laboratories, which perform chemical, physical and microbiologic analyses of environmental samples, clinical specimens and forensic evidence. *The Governor concurred.* **The Assembly concurred, with the exception of shifting \$4.3 million of expenses from indirect cost recovery restricted receipts to Rhode Island Capital Plan funds. These receipts have more flexible uses, including operating expenses.**

Customer Relationship Management System. The Department licenses approximately 150,000 healthcare professionals and 2,400 health care facilities. Currently, non-COVID phone calls to the Department are routed to voicemail boxes and staff follow-up are tracked on excel spreadsheets, which the Department notes are prone to errors. The request includes \$1.0 million from information technology funds to be used in FY 2025 and FY 2026 for a pilot system to manage customer relationships for licensing and regulation personnel. *The Governor did not recommend funding this project.* **The Assembly concurred.**

Laboratory Information Management System. The Department requested \$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. The Department noted that the current system is outdated. It was created to allow healthcare professionals to electronically store, capture and access patient health information in a variety of healthcare settings. The request includes upfront costs of \$1.2 million in FY 2025, which are included in the FY 2025 enacted operating budget. It also includes annual maintenance costs of \$0.3 million, which are not typically included in capital budgets. *The Governor's capital budget does not include this expense.* **The Assembly concurred.**

Research Electronic Data Capture Outbreak Management System. The Department requested \$1.5 million from available federal funds for the development of a system to manage outbreaks, including flu and foodborne illnesses. This would be similar to the "Crush Covid RI" application, which allowed residents to track COVID-19 symptoms, report self-test results, find COVID-19 vaccine records, and learn about COVID-19 testing, treatment, and vaccination. The Department noted that a vendor has been selected and estimates annual maintenance of \$0.2 million; \$0.5 million is included in the FY 2025 operating budget. The Department is required to report "nationally notifiable conditions" to the Centers for Disease Control and Prevention. *The Governor's capital budget does not include this expense.* **The Assembly concurred.**

Statewide Mandatory Rental Registry. The Department requested \$1.5 million from general revenues to establish the mandated statewide publicly accessible online database of all rentals to ensure compliance with the Residential Landlord and Tenant Act. The legislation adopted in 2023 requires all landlords to register certain information with the Department, including a lead certificate of conformance for each dwelling unit built before 1978, individual landlords or the business entity responsible for leasing, telephone number and address, and other requirements, by September 1, 2024; they are also required to re-register annually thereafter. In a second phase, the system would be enhanced to allow the Department to cross reference lead certificate data with landlord property data, fines, and other administrative tasks. Operating expenses are projected to cost \$0.8 million annually. The request is \$0.2 million more than the approved plan. *These expenses are not included in the Governor's capital budget; the FY 2025 revised budget includes the enacted amount of \$1.3 million for the registry, and the FY 2026 recommendation includes \$0.7 million for annual maintenance and operating costs.* **The Assembly concurred.**

Vital Records System - Imaging Module. The Department records deaths, fetal deaths, and induced terminations of pregnancies, which are all classified as death vital records. It completed the installation of the electronic birth module in 2014 and the electronic death registration in 2021; prior registrations are maintained on paper. Pursuant to current law, the Department maintains 100 years of birth and marriage records and 50 years of death records on site, and these records are considered confidential. After that time frame, the records are sent to the State Archives, which is operated by the Office of the Secretary of State. Sealed vital records are permanently maintained in the Department.

Legislation adopted in 2024 requires the Department to provide electronic copies to local registrars, prior to transferring them to the State Archives. The request includes \$1.5 million from information technology funds to digitize all current paper records maintained by the Department and to provide electronic copies to municipalities. This would allow individuals to obtain records from any municipality, regardless of where the event had occurred. *The Governor did not recommend this project.* **The Assembly concurred.**

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 serves approximately 20,000 women. The request includes \$0.8 million from available federal funds to develop a system to manage the data. *The Governor's capital budget does not include this expense.* **The Assembly concurred.**

Department of Human Services

Projects	Status	5 Year Total	Project Total
<i>Office of Veterans Services</i>			
Veterans' Cemetery Asset Protection	Revised	\$ 2,965,000	\$ 10,493,235
Veterans' Home Asset Protection	Revised	2,925,000	5,683,882
New Veterans' Home	Ongoing	-	33,500,000
<i>Other Projects</i>			
Early Childhood Care & Education Capital Fund	Ongoing	-	15,000,000
Blind Vending Facilities	Ongoing	825,000	2,407,019
State Fleet Replacement	Fleet	-	88,050
Total		\$ 6,715,000	\$ 67,172,186
Sources of Funds			
Federal Funds		\$ 1,500,000	\$ 7,510,335
General Obligation Bonds		-	48,500,000
Restricted Receipts		-	363,294
Rhode Island Capital Funds		5,150,000	10,493,557
State Fleet Replacement Funds		65,000	305,000
Total		\$ 6,715,000	\$ 67,172,186

Summary. The Department of Human Services requested \$111.1 million for the five-year period FY 2026 through FY 2030 for 14 projects totaling \$180.5 million. Three of the existing projects are for the Office of Veterans Services. The request includes seven information technology projects, six including funding for the current year. Three of the information technology project requests are new. *The Governor recommended \$67.2 million, including \$6.7 million in the five-year period. He added \$0.1 million from State Fleet Replacement funds for FY 2027. The Assembly concurred.*

Office of Veterans Services

Veterans' Cemetery Asset Protection. The Department requested \$12.7 million through the post-FY 2030 period, including \$7.1 million from federal funds, \$5.2 million from Rhode Island Capital Plan funds, and \$0.4 million from restricted receipts for projects at the Veterans' Memorial Cemetery in Exeter. Asset protection projects include the construction of additional columbarium walls, cemetery expansion for pre-placed crypts, a new maintenance facility, and in-ground water piping. The request is \$2.1 million more than the approved plan, which reflects adding funding for later years and updated costs. The request is about \$1.5 million more than what was requested in FY 2025, and does not include State Fleet Replacement Revolving Loan funds. 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 \$0.4 million to purchase three new vehicles and a new backhoe, though such purchases are not considered asset protection. The request programs \$3.6 million for FY 2025, \$2.0 million for FY 2026, \$0.6 million for FY 2027, \$0.5 million for FY 2028 and FY 2029, \$0.9 million for FY 2030, and \$3.7 million for the post-FY 2030 period. *The Governor recommended \$10.5 million, including \$3.0 million in the five-year period. He recommended \$1.4 million from Rhode Island Capital Plan funds for the five-year period, which is consistent with the approved plan and adds an additional year of funding. The Governor*

also recommended \$0.1 million from State Fleet Replacement funds for FY 2027, replacing restricted receipt funds, and the requested \$1.5 million from federal funds for FY 2026. **The Assembly concurred.**

Veterans' Home Asset Protection. The Department requested total project costs of \$5.7 million through the FY 2030 period, including \$5.2 million from Rhode Island Capital Plan funds and \$0.4 million from restricted receipts for asset protection projects at the Veterans' Home in Bristol. The request is \$1.3 million less than the approved plan. The request delays the higher levels of funds authorized in FY 2026 through FY 2028 to later years based on specific projects planned. Based on the feasibility of projects being completed, the planned projects only require the amount requested. Funds are needed to maintain the useful life of this new structure and to avoid deterioration of the facility, which is the only long-term care facility available to care for veterans. *The Governor recommended the requested reduction and shift of funding to later years.* **The Assembly concurred.**

New Veterans' Home. The Department requested \$0.7 million from general obligation bonds for FY 2025, for the final phase of construction of the Veterans' Home, including upgrades to the security system. In total, this phase of the project costs \$33.2 million. 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 Governor's capital budget programs the remaining \$1.1 million for FY 2025.* **The Assembly concurred.**

Other Projects

Early Childhood Care and Education Capital Fund. The Department's request includes the final \$0.3 million of expenses for the Early Childhood Care and Capital Fund. The Fund was capitalized with \$15.0 million of general obligation bonds approved by the voters in March 2024 for physical improvements and development of licensed early child care and education facilities. To date, all funds have been awarded and allocated to twenty-five recipients. Of the twenty-five projects, eleven have fully expended their allocated funds and the remaining fourteen are in position to have their funds expended prior to September 2024. *The Governor recommended funding as requested.* **The Assembly concurred.**

Blind Vending Facilities. Consistent with the approved plan, the Department requested \$165,000 annually from Rhode Island Capital Plan funds for blind vending facilities. The project supports the construction and renovation of Randolph Sheppard Vending Facilities Coffee Plus Snack Bars and Vending sites statewide, which are necessary to keep facilities 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 recommended funding as requested.* **The Assembly concurred.**

State Fleet Replacement. The Department requested \$0.1 million for FY 2025 from indirect cost recovery restricted receipts to purchase two new vehicles to meet the immediate need for the Adult Protective Services unit within the Office of Healthy Aging. The approved plan is to purchase a replacement vehicle in FY 2025 and one in FY 2026. Initially, the Office had requested State Fleet Replacement Revolving Loan funds but has decided to utilize available indirect cost recovery funds. 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 are expected to reach the end of their useful life in the next few years. *The Governor recommended funding as requested.* **The Assembly concurred.**

Field Office Renovations. The Department requested \$0.8 million from all sources, including \$0.4 million from general revenues and \$0.4 million from federal funds during FY 2025 and 2026, to complete renovations to the Shepard Building in Providence in order to turn it into a public-facing, appointment-only office, and to complete the expansion of the Holden Street office. The Department planned to move into the Shepard building by the end of 2024. Those renovations include comprehensive upgrades to the

physical office space and network infrastructure (software and hardware) upgrades. General revenues totaling \$1,185,057 were reappropriated to FY 2025 for capital and equipment costs for reorganizing department field offices and renovating the Shepard Building. The Department reports that it will utilize reappropriated funds for furniture and information technology expenses for the field offices being renovated while remaining funds will be utilized for all other field office expenses that may not qualify as capital. The Department requested funding last year for a new project to renovate its Holden Street and One Reservoir Avenue field office locations, but it was not approved. It should be noted that the FY 2023 final and FY 2024 enacted budgets included \$0.5 million each from general revenues in the Department's operating budget for potential costs related to office relocation projects currently underway. *The Governor did not include this as a stand-alone capital project. As noted, this is funded through the operating budget.* **The Assembly concurred.**

Call Center Modernization. The Department requested \$1.0 million from federal funds and \$1.0 million from Information Technology Investment funds for a new project for FY 2026 and FY 2027 to modernize the Department of Human Services' call center. The Department has identified the following federal programs to support this project: Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, and Medicaid. The Department reports that demands on the call center continue to be high. Call center modernization efforts would focus on reducing call handle time and call wait time by increasing self-service options and streamlining agent processing. The Department is evaluating twelve features to modernize the call center and is currently refining cost estimates. These estimates are based on licensing and implementation costs from various sources, including past projects and market research. *The Governor did not recommend funding.* **The Assembly concurred.**

Child Support Services New Hires Directory National Medical Support. The Department requests \$0.3 million from all sources, including \$0.2 million from federal funds and \$0.1 million from general revenues, for a new project for FY 2025 and FY 2026 to streamline compliance with federal child support laws. Funds will support a contract to combine New Hire Directory services with the National Medical Support Notice processing. Federal Administration for Children and Families funds have been requested. The state must establish an automated system to match new hire employment data with child support cases. The existing New Hire Directory already tracks this data to help ensure children are enrolled in available private medical coverage. The National Medical Support Notice mandates that employers are informed when a child must be covered under a parent's medical plan. *The Governor did not include this as a stand-alone capital project but did recommend \$17,680 from general revenues and \$34,320 from federal funds in his FY 2025 revised and \$84,278 from general revenues and \$163,598 from federal funds in his FY 2026 operating budgets.* **The Assembly concurred.**

RIBridges System Enhancements. The Department of Human Services requested \$40.9 million, and the Department of Administration requested \$10.5 million during FY 2025 through FY 2030 for an ongoing information technology project to support system enhancements to the state Unified Health Infrastructure Project, also called RIBridges. The Executive Office of Health and Human Services also requests \$55.3 million to support system enhancements, for total project funding of \$106.7 million. The requested do not include individual estimates for any policy or required system changes assumed in the fiscal years.

Expenses for the system from FY 2016 through the FY 2025 enacted budget total \$794.1 million, including \$165.6 million from general revenues. This includes design, development and implementation, and maintenance and operations. The FY 2025 enacted budget includes \$32.1 million, of which \$13.9 million is from general revenues, for the Department's portion of expenses, but it is unclear if the capital request contains specific changes to those assumptions. *The Governor recommended \$29.1 million for FY 2025 and \$27.8 million for FY 2026 for maintenance and operations and system enhancements but excluded this project from the capital budget. He requested an amendment to shift funding from FY 2025 to FY 2026, resulting from the data breach.* **The Assembly concurred.**

RIBridges - Mobile App. The Department of Human Services requested \$2.0 million, and the Executive Office of Health and Human Services requested \$5.9 million from federal funds to match \$6.7 million from technology investment funds for a total of \$14.6 million to add new features to the mobile application in FY 2025 and FY 2026. New features within this mobile application include enhancing the current RIBridges Child Care Provider Portal by creating a child care attendance and tracking capability to reduce the administrative burden for child care providers, enhance the Department's ability to report on enrollment and attendance, and reduce the time needed for the Department to process child care payroll. Additionally, the Department has proposed further expansion of functionality in the mobile application, including Electronic Benefit Transfer capabilities, submitting key changes, and easy access to dates and information. The FY 2025 enacted budget includes \$2.5 million from Large Systems Initiatives funds in the Department of Administration's budget to support RIBridges Mobile and Childcare Tracking project expenses. *The Governor recommended \$8.6 million for FY 2025 and \$3.8 million for FY 2026 for the mobile application across the three agencies. The Governor requested an amendment to shift funding from FY 2025 to reflect a delay in implementing projects, including the mobile application, resulting from the data breach. This would provide \$2.1 million for FY 2025 and \$9.2 million for FY 2026.* **The Assembly concurred.**

RIBridges System Modernization. The FY 2026 through FY 2030 capital requests from three agencies total \$85.0 million, of which \$25.7 million is from general revenues to modernize the Unified Health Infrastructure Project, or RIBridges. The Department of Human Services request includes \$32.3 million from federal funds and general revenues. The Executive Office and the Department of Administration requested \$43.9 million and \$8.7 million, respectively. The Executive Office reports that this is a preliminary estimate done in coordination with the Department of Administration's Division of Enterprise Technology and Strategy Services. A request for proposals for a strategic planning vendor was released on August 31, 2024. *The Governor did not recommend funding.* **The Assembly concurred.**

RI Start Early System. The Department requested \$3.3 million for a new information technology project for FY 2025 and FY 2026, including \$3.0 million from federal Child Care Development Block Grant funds and \$0.3 million from federal Preschool Development Grant funds to improve early childhood operational systems and licensing. These systems include early childhood provider licensing, renewals, and workforce registry, the child care consumer website, and other functionalities as needed. The goal is to increase child care program quality, ensure efficiencies, and create an easily navigable system for families and child care providers. The Department reports that it used the cost to build and maintain its current operational systems to estimate the requested project in addition to consumer website inspections and monitoring. It further reports that its current early childhood operational systems are inadequate and affect the agency's ability to comply with federal regulations. The Department requested this project last year, but it was not funded. This year's request is \$2.9 million less than last year and includes the same information and licensing components. *The Governor did not recommend funding.* **The Assembly concurred.**

Child Support Services Transition Off Mainframe. The Department requested \$31.3 million from all sources, including \$10.6 million from general revenues and \$20.6 million from federal funds, for FY 2025 through FY 2029 to fully transition the Child Support Case Management system to a web-based platform. RIKidsBridge is the Child Support Case Management system of record, which is predominantly a legacy mainframe-based application. The Department anticipates that the other state agencies using the mainframe will transition off of it by 2028. This would leave the Office of Child Support Services as the sole agency using the system. The Department reports that Connecticut estimated \$68 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 results of the planning vendor hired in FY 2025 will generate a more precise cost estimate for this project. The Assembly authorized \$1.0 million in the operating budget, including \$0.4 million from general revenues and \$0.7 million from federal funds, for a strategic planning vendor to assist with cost estimate revisions for the transition. *The Governor did not include this as a stand-alone capital project. As noted, this is funded through the operating budget.* **The Assembly concurred.**

Dept. of Behavioral Healthcare, Developmental Disabilities and Hospitals

Projects	Status	5 Year Total	Project Total
RISPH Equipment	New	\$ 500,000	\$ 500,000
ESH Hospital Equipment	Revised	1,500,000	4,173,992
DD Residential Support	Ongoing	500,000	2,344,744
Total		\$ 2,500,000	\$ 7,018,736
Source of Funds			
Rhode Island Capital Funds		\$ 2,500,000	\$ 7,018,736
Total		\$ 2,500,000	\$ 7,018,736

Summary. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals requested \$126.8 million for 14 projects, nine of which are information technology projects being submitted with the traditional capital budget request. Of this amount, \$114.8 million will be spent from FY 2026 through FY 2030. The request includes \$85.5 million from Certificates of Participation, \$24.5 million from information technology and other federal funds, \$4.2 million from Rhode Island Capital Plan funds, and \$0.6 million from general revenues. The approved capital plan totals \$2.2 million for two projects. *The Governor recommended \$2.5 million for the five-year period and \$0.8 million for FY 2025 for three projects, including a new one.* **The Assembly concurred.**

RISPH - Equipment. The Department requested \$0.1 million annually from Rhode Island Capital Plan funds from FY 2026 through FY 2030 to replace hospital beds, physical therapy equipment, automated external defibrillators, blood pressure monitors, patient lifts, and to provide customized wheelchairs at the Rhode Island State Psychiatric Hospital.

Prior fiscal year spending for asset protection projects at Eleanor Slater Hospital included expenses at the Benton Building, now separately licensed as the state psychiatric hospital. The Assembly annually provided \$300,000 for asset protection projects. Rather than apportioning the funding between the two hospitals, the request adds new spending. *The Governor recommended funding as requested.* **The Assembly concurred.**

ESH - Hospital Equipment. The Department requested \$2.1 million from Rhode Island Capital Plan funds for medical and other equipment at both Eleanor Slater hospital system campuses. The request includes \$0.6 million for FY 2025 and \$0.3 million annually from FY 2026 through FY 2030. This is consistent with approved funding, adjusted for a carryforward from FY 2024. Annual expenses since FY 2022 have been \$0.3 million. There is a separate request for the Rhode Island State Psychiatric Hospital, formerly part of the spending attributed to Eleanor Slater Hospital. *The Governor recommended funding as requested.* **The Assembly concurred.**

DD Residential Support. The Department requested \$0.1 million annually from Rhode Island Capital Plan funds for the FY 2026 through FY 2030 period to fund the thresholds program for residential development with additional funding provided by RI 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 homes and provides furniture for the residents.

This is consistent with the approved plan and adds \$0.1 million for FY 2030. The Department included \$0.2 million for FY 2025, of which \$0.1 million is unspent from FY 2024. The request excludes prior year expenses of \$8.8 million, mostly from general obligation bonds. *The Governor recommended funding as requested.* **The Assembly concurred.**

Zambarano Long-Term Acute Care Facility. The Department of Administration's FY 2026 through FY 2030 capital request includes \$111.6 million from Rhode Island Capital Plan funds to construct a 100-bed long-term care facility at the Zambarano Campus of Eleanor Slater Hospital to replace the Beazley building or \$4.5 million more than approved. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals requested the use of an additional \$90.0 million from Certificates of Participation for a combined project cost of \$201.6 million. The request inexplicably reduces capital expenses based on potential Medicaid reimbursements; the presentation is not consistent with how capital budgets are submitted. It is also not clear why a portion of the project is shown separately, and neither request contains the total amount, which has nearly doubled in size.

The Governor's capital budget includes \$197.1 million, which is \$90.0 million or 84.0 percent more than the approved plan. It assumes that the Assembly will eventually approve the newly proposed debt to supplement current pay-go allocations. However, the Governor's budget did not contain the debt approval for Assembly consideration; it is unclear how the project can proceed as scheduled without an approved plan for updated costs. **The Assembly shifted \$26.1 million from FY 2026 to FY 2030 based on project delays. A final price estimate will not be available until later in 2025.**

RICLAS Vehicles. The Department requested \$1.7 million from Rhode Island Capital Plan funds for FY 2026 to purchase 22 new passenger vans for its state-run residential system for adults with developmental disabilities. The system operates 19 group homes and has residents in two apartment complexes.

The FY 2025 enacted budget includes \$0.3 million from state and federal Medicaid funds for vehicles ordered but not delivered in FY 2024. This includes three wheelchair vans and three 12-passenger express vans. *The Governor did not recommend the funding.* **The Assembly concurred.**

Electronic Medical Records. The Department requested \$33.8 million from information technology funds for two of three electronic medical records systems at Eleanor Slater Hospital and the Rhode Island State Psychiatric Hospital, programmed as \$11.3 million for FY 2025 through FY 2027. The approved capital plan includes \$22.4 million through the Department of Administration for one electronic medical records system. Combined, this brings the total to \$56.2 million.

The Department reported that three systems are needed based on the Centers for Medicare and Medicaid Services' regulations and significant differences between Eleanor Slater Hospital, Rhode Island State Psychiatric Hospital, and the outpatient forensic clinic operated out of the Regan building.

The systems would update the hospital's administrative, financial, clinical, and reporting activities. The Department also reported that it would maximize reimbursements and develop treatment and residential options for psychiatric patients, including geriatric and developmentally disabled adults. The two separate state hospitals currently do not have electronic medical records systems. *The Governor recommended \$22.4 million, consistent with the approved plan, for the medical records system in the Department of Administration's budget.* **The Assembly concurred.**

Licensing System. The Department requested \$500,000 for FY 2026 from information technology funds matched by federal Medicaid funds to replace its licensing system. The request also includes \$100,000 annually for FY 2027 through FY 2030 for related operating expenses. The Department licenses approximately 750 providers and facilities and requested a new web-based system that is accessible to

submit applications, update information, and automate annual reviews. *The Governor did not recommend the funding.* **The Assembly concurred.**

Document Management System. The Department requested \$300,000 from information technology funds for a document management system to replace the current paper-based system used for record storage in the Division of Developmental Disabilities for the state-run residential program for FY 2026. The request also includes \$45,000 in annual operating costs beginning in FY 2027, with general revenues matching federal Medicaid funds. *The Governor did not recommend the funding.* **The Assembly concurred.**

Workforce Management System. The Department requested \$100,000 from information technology funds for FY 2026 to automate direct care workforce scheduling at the three 24-hour operations: Eleanor Slater Hospital, the state psychiatric hospital, and the state-run residential system for adults with developmental disabilities, known as RICLAS. The request also includes \$50,000 for related operating expenses starting in FY 2027, with general revenues matching federal Medicaid funds. *The Governor did not recommend the funding.* **The Assembly concurred.**

RISPH - Wi-Fi and Patient Tablets. The Department requested \$100,000 from information technology funds for FY 2026 for a bundled package that provides a Wi-Fi connection and tablets for patients. This would be similar to the services provided by the Department of Corrections for its inmate population. The request also includes \$25,000 from general revenues for annual expenses starting in FY 2027. *The Governor did not recommend the funding.* **The Assembly concurred.**

Risk Management System. The Department requested \$180,000 to automate and centralize the reporting and analysis of all incidents and events at Eleanor Slater Hospital, which currently uses 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 changes to patient care plans and improvements to facilities and security processes. The request includes \$60,000 from information technology funds for the system in FY 2026 and \$30,000 for annual expenses starting in FY 2027, with general revenues matching federal Medicaid funds. A similar request was made in two prior years, but not recommended. It is also unclear if this type of capability will be part of the new Electronic Medical Records System. *The Governor did not recommend the funding.* **The Assembly concurred.**

Prevention Collection and Reporting System. The Department requested \$100,000 from information technology funds for FY 2026 to replace its behavioral health prevention collection and reporting system. It includes \$20,000 from general revenues for annual maintenance expenses starting in FY 2027. This web-based application allows for a compliance monitoring system for community-based organizations receiving prevention funds from the Department. This system contains standard data elements that enable the Division of Behavioral Healthcare to quantify and compare the number and type of primary prevention and early intervention services delivered. *The Governor did not recommend the funding.* **The Assembly concurred.**

Policy Management Software. The Department requested \$60,000 from information technology funds for FY 2026 to purchase a system to track, update, and approve policies to maintain compliance with state and federal regulations. The request includes \$30,000 annually for operating expenses starting in FY 2027, with general revenues matching federal Medicaid funds. *The Governor did not recommend the funding.* **The Assembly concurred.**

Dietary Management Software. The Department requested \$180,000 from information technology funds to replace the dietary/nutrition management software system to streamline the planning, production, and meal delivery for Eleanor Slater Hospital and the psychiatric hospital. This includes \$100,000 for FY 2026 to purchase the software and \$20,000 annually for FY 2027 through FY 2030 for related operating expenses. *The Governor did not recommend the funding.* **The Assembly concurred.**

Department of Elementary and Secondary Education

Projects	Status	5 Year Total	Project Total
Davies School Wing Renovation	Revised	\$ 32,500,000	\$ 39,514,955
School for the Deaf Asset Protection	Revised	900,000	2,698,622
Met School Asset Protection	Ongoing	1,275,000	7,740,172
Davies Asset Protection	Ongoing	3,025,000	5,815,206
Davies Health Career Classrooms	Ongoing	6,911,727	7,000,000
Davies School HVAC	Ongoing	250,000	2,143,895
School Construction Bond	Ongoing	155,000,000	500,000,000
School for the Deaf Vehicle Replacement	Fleet	235,000	235,000
Total		\$ 200,096,727	\$ 565,147,850

Sources of Funds			
General Obligation Bonds		\$ 155,000,000	\$ 500,000,000
Rhode Island Capital Funds		44,861,727	64,912,850
State Fleet Replacement Revolving Loan Fund		235,000	235,000
Total		\$ 200,096,727	\$ 565,147,850

Summary. The Council on Elementary and Secondary Education requested capital project expenditures totaling \$821.8 million, including \$434.6 million to be spent in the FY 2026 through FY 2030 period. This includes three new projects, one of which is for the Davies Career and Technical School. *The Governor recommended \$560.6 million with \$193.2 million to be spent in the five-year period for eight approved projects.*

He subsequently requested two amendments relating to Davies, which increased the total project costs by \$4.5 million. The Assembly shifted funding for one project based on a revised schedule and concurred with the remainder of the amended recommendation.

Davies School Wing Renovation. Consistent with the approved plan, the Council requested 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 lab space, including the pre-engineering, graphics and interactive media programs, and is reportedly in need of significant renovations. To improve cohesion in its Facility Master Plan, the wing renovation is being coordinated with the health career classrooms upgrades under a single owner's project manager. The request shifts the project timeline out by one year, with expected completion in FY 2027 as a result of the procurement of the design-build contractor taking longer than anticipated. As of the end of September, a tentative award has been issued for the project, with anticipated completion by December 2026.

Costs are projected at \$2.5 million for design and demolition, \$30.0 million for construction, and \$2.5 million for furniture and furnishings. The estimates are based on School Building Authority guidelines, including \$600 per square foot for the 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 with planning. The request programs \$2.4 million for FY 2025, \$30.0 million for FY 2026, and \$2.5 million for FY 2027. *The Governor recommended funding essentially as requested. He subsequently requested an amendment to add \$4.5 million from Rhode Island Capital Plan funds in FY 2026 to reflect a*

necessary replacement of the roof, which was determined to require more extensive repair than previously estimated, while maintaining the scope of the project. **The Assembly concurred.**

School for the Deaf Asset Protection. The Council requested \$3.3 million from Rhode Island Capital Plan funds, including \$1.8 million in the five-year period for asset protection projects at the School for the Deaf. The request is \$1.1 million more than the approved plan and adds \$250,000 for post-FY 2030. The request programs a higher base level for general building repairs of \$150,000 for FY 2027 and FY 2028 and \$200,000 for FY 2029 and FY 2030. It also adds funding for specific projects for some years. This includes \$0.4 million in FY 2025 for security enhancements, replacing outdated climate control units, and replacing expansion joints on the school's exterior, \$50,000 to replace the backboards in the gym in FY 2026, \$0.2 million to replace the gym floor in FY 2027, and \$0.8 million for roof replacement or refurbishment in FY 2029. The approved plan assumed a lower level of extra funding for the roof replacement.

*The Governor recommended \$2.7 million, including \$0.9 million in the five-year period. The recommendation excludes \$0.3 million of prior spending shown in the request, programs \$0.1 million of base support for FY 2026 through FY 2028 consistent with the approved plan, moves the gym projects to FY 2029 and FY 2030, and shifts the roof replacement project to post-FY 2030. **The Assembly concurred.***

Met School Asset Protection. The Council requested \$7.1 million, including \$1.3 million in the five-year period for asset protection projects at the Metropolitan Career and Technical School. This includes \$3.6 million in FY 2025 to complete the roof replacement projects at the Peace Street and Public Street campuses of the Met. However, most of the construction is done during the summer months, so it is likely that the work will not be completed until FY 2026. The request appears to exclude \$1.0 million in prior-year spending while adding an extra year of asset protection for the post-FY 2030 period but is otherwise consistent with the approved plan. *The Governor recommended \$25,000 more than requested and adjusted the project total to include \$0.7 million of prior spending. **The Assembly concurred.***

Davies Asset Protection. The Council requested \$5.7 million from Rhode Island Capital Plan funds for asset protection projects at Davies Career and Technical School. This includes \$2.8 million in the five-year period and inadvertently excludes \$0.4 million in unspent funds from FY 2024. Adjusting for that, the request is \$0.1 million less than the approved plan. It shifts funding to later years, based on current plans to coordinate some of the funding for necessary facility improvements related to other capital projects. Funding is programmed at \$0.7 million for FY 2025, \$250,000 for each FY 2026 and FY 2027, and \$750,000 annually from FY 2028 to FY 2030.

The Governor recommended total funding of \$5.8 million, which is consistent with the approved plan. The recommendation excludes \$0.5 million of unspent funding and maintains the previous programming of funds, including \$0.8 million for FY 2026 and FY 2027, and assumes that this allocation will be sufficient for the athletic field renovation, which was requested separately.

*He subsequently requested an amendment to reduce FY 2025 Rhode Island Capital Plan funding by \$0.3 million to adjust for spending that occurred in FY 2024, based on the audited FY 2024 closing statement. There is no change to the total over those two years. **The Assembly concurred with the amended recommendation.***

Davies Health Career Classrooms. The Council requested \$7.0 million from Rhode Island Capital Plan funds for upgrades to the Davies Health Careers technical facility. This is \$25,477 more than the approved plan and reflects unspent funds programmed for FY 2026. The project is programmed through FY 2026, with substantial competition in FY 2025. Classrooms for health career programs are located in a modular building, which was opened in the 1970s and has since exceeded its useful life. To improve cohesion in its Facility Master Plan, the health career classrooms upgrades are being coordinated with the 1970s wing

renovation under a single owner's project manager. As of the end of September, a tentative award has been issued for the project, with anticipated completion by December 2026. *The Governor recommended funding as requested.* **The Assembly shifted \$6.9 million from FY 2025 to FY 2026 based on an updated project schedule.**

Davies School HVAC. The Council requested \$2.4 million, including \$1.6 million in the five-year period for repairs to and long-term asset protection of the heating, ventilation, and air conditioning system at Davies Career and Technical School. The request adds \$150,000 for FY 2025 for critical upgrades to the system as part of the wing renovation project, requested separately. *The Governor recommended \$2.1 million, which excludes the \$150,000 increase requested for FY 2025 and the \$0.1 million of prior year expenses included in the request.* **The Assembly concurred.**

School Construction Bond. Consistent with the approved plan, the Council requested \$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 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. The incentives are available to projects that meet spending requirements and begin and end within a specific time frame.

The Council's request programs \$97.8 million for FY 2025, \$100.0 million for FY 2026, \$50.0 million for FY 2027, and \$5.0 million for FY 2028. Funds are used to support the state share of the traditional housing aid program and are offered to districts on an upfront basis. The School Building Authority operationalized this requirement by generally offering 15.0 percent of the base state share of estimated project costs, including interest for those projects that are bond funded. There were also equity adjustments to some projects in high need districts. Funding cannot be used to reimburse debt service for previously approved projects. *The Governor recommended funding as requested.* **The Assembly concurred.**

School for the Deaf Vehicle Replacement. The Council requested \$328,780 from general revenues to purchase a 14-passenger mini activity bus and a 7-8 passenger minivan or Ford Transit for the School for the Deaf. These vehicles would replace a 2002 minibus and a 2012 14-passenger van that are still in use but problematic. The request includes \$275,000 for an electric plug-in mini bus in FY 2025 and \$53,780 for an electric minivan in FY 2026. These purchases were requested last year but not recommended by the Governor or enacted by the Assembly. *The Governor recommended \$235,000 from the State Fleet Replacement Revolving Loan Fund based on updated estimates for the costs of the vehicles, including \$110,000 for a gas mini bus.* **The Assembly concurred.**

Rhode Island Solar Schools. The Council requested \$250.0 million from a new general obligation bond to be placed before the voters on the November 2026 ballot to create a program that would provide solar panels to all public schools in the state. Requested funding programs \$5.0 million in FY 2027, \$25.0 million in FY 2028, \$100.0 million each in FY 2029 and FY 2030, and \$20.0 million in the post-FY 2030 period. The School Building Authority estimates the total cost to convert energy to solar at \$300.0 million. This estimate is based on \$3 per watt and an estimated 100 million kilowatt hours of electricity used by schools in Rhode Island annually. The estimated cost does not appear to consider school buildings' size, number, or condition. In order to make up the difference in funding, local education agencies would be responsible for securing federal funding for renewable energy projects authorized under the Inflation Reduction Act.

Annual debt service for the new bond would be \$20.7 million, assuming a 5.0 percent interest rate and a 20-year term; total debt service would be \$400.3 million. The program's goal would be to eliminate electricity bills for local education agencies. Reported expenditure data show that in FY 2023, public schools spent approximately \$23 million on electricity. *The Governor did not recommend funding for this project.* **The Assembly concurred.**

Facility Equity Initiative. The Council requested \$10.0 million from Rhode Island Capital Plan funds for FY 2026 to support the School Building Authority Capital Fund. Funding would be used to support ongoing projects, prioritizing funding for local education agencies with a 60.0 percent or greater state share ratio. These communities include Central Falls, Providence, Pawtucket, West Warwick, and Woonsocket. This was requested in FY 2024 as a \$40.0 million project and in FY 2025 as a \$50.0 million project but neither were recommended by the Governor or approved by the Assembly. The Rhode Island Capital Plan Fund is limited to use on state facilities. *The Governor did not recommend funding for this project.* **The Assembly concurred.**

Davies School Athletic Field. The Council requested \$1.0 million from Rhode Island Capital Plan funds for a new project to repair the outdoor athletic facilities at Davies Career and Technical School. The request programs \$0.5 million each for FY 2026 and FY 2027. The School had identified a number of renovations that it indicates are necessary for safety and accessibility. The project includes improving stormwater drainage and capture, leveling the field and replacement of turf, and constructing an Americans with Disabilities Act-accessible walkway. *The Governor did not recommend this as a standalone project and assumed the school can utilize its yearly asset protection allocation for these renovations.* **The Assembly concurred.**

Public Higher Education

Projects	Status	5 Year Total	Project Total
Systemwide			
Asset Protection	Revised	\$ 125,714,187	\$ 398,875,521
Office of Postsecondary Commissioner		1,778,725	11,795,543
Community College		78,162,985	103,038,241
College		102,261,275	228,236,104
University		763,944,472	1,106,499,173
Total		\$ 1,071,861,644	\$ 1,848,444,582
Sources of Funds			
Certificates of Participation		\$ 558,725	\$ 10,575,543
General Obligation Bonds		266,325,345	437,800,000
Other Funds		34,408,299	51,587,349
Rhode Island Capital Funds		369,076,881	803,014,201
RIHEBC		373,112,331	494,477,475
University and College Funds		28,380,063	50,990,014
Total		\$ 1,071,861,644	\$ 1,848,444,582

Summary. The governing bodies approved five-year capital requests for projects totaling \$2,720.2 million, of which \$1,731.9 million would be spent between FY 2026 and FY 2030 and \$252.7 million in FY 2025. *The Governor recommended \$1,833.4 million, with \$1,038.2 million to be spent in the FY 2026 through FY 2030 period and \$249.4 million to be spent in FY 2025. Average outlays for the five-year period total \$207.6 million.*

The Governor subsequently requested an amendment to reduce FY 2025 Rhode Island Capital Plan funding for three Rhode Island College projects by \$3.9 million to reflect expenses that belong to a prior year based on the audited FY 2024 closing statement. Expenditures over the two-year period are unchanged. The Assembly concurred and also added a total of \$15.0 million from Rhode Island Capital Plan funds for a new University building envelope project and reprogrammed spending for three Community College projects based on updated plans.

New Bond Initiatives. The current request includes \$407.5 million from new general obligation bonds for three projects, one each at the University, Community College, and College. The University's Historic Quadrangle Building Renovations Phase I project would be placed on the November 2026 ballot for \$110.5 million.

The new general obligation bonds for the phased renovations of the College's academic buildings are split between two ballot years. The Academic Buildings Phase V project would include \$85.0 million on the 2026 ballot for the Fogarty Life Sciences building and \$75.0 million on the 2028 ballot for Adams Library and Student Learning and Success Center.

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, including \$40.0 million on the 2026 ballot, \$46.0 million on the 2028 ballot, and \$51.0 million on the 2030

ballot. The annual debt service for all the newly requested general obligation bonds, assuming a 20-year term and a 5.0 percent interest rate, is \$33.7 million, totaling \$652.5 million.

*The Governor's capital budget does not contemplate any new bond initiatives. Those will be presented next year. **The Assembly concurred.***

Requested General Obligation Bonds				
Project		2026 Ballot	2028 Ballot	2030 Ballot
Historic Quadrangle Building Renovations Phase I	URI	\$ 110,500,000	\$ -	\$ -
Academic Buildings Phase V: Fogarty, Whipple, and Adams Library	RIC	85,000,000	75,000,000	-
Renovation and Modernization Phase II-IV	CCRI	40,000,000	46,000,000	51,000,000
Total		\$ 235,500,000	\$ 121,000,000	\$ 51,000,000

Other Debt. The current request also includes projects funded from revenue bonds. If a revenue stream is available, that revenue pays the debt service on the bonds. For example, housing fees would pay the debt service on a new dorm or renovation project. For projects without a dedicated revenue stream, debt service is paid from either general revenues or tuition and fee revenues. The current request includes \$759.8 million from revenue bonds, including \$638.4 million in the five-year period. The annual debt service on the \$638.4 million, assuming a 20-year term and a 5.0 percent interest rate, is \$32.8 million. The annual debt service on the entire \$759.8 million is \$62.9 million.

*The Governor's recommendation includes a request for Assembly approval to increase the authorization for revenue bonds for two previously approved projects for the University of Rhode Island. Both projects received initial approval in 2019 and were subsequently increased in 2021. The current revisions reflect significant changes in cost and timing, as well as updated interest rate projections. It increases the authorization for the Memorial Union project by \$60.4 million, from \$57.6 million to \$118.0 million, and for the Combined Health and Counseling Center by \$4.6 million, from \$29.0 million to \$33.6 million. Total debt service payments, including the additional requested authorization, are expected not to exceed \$350.0 million, supported by student fees and retail lease payments. **The Assembly concurred.***

Systemwide Projects

Asset Protection. The approved plan includes \$119.4 million from Rhode Island Capital Plan funds for asset protection projects in the five-year period from FY 2025 through FY 2029. The governing bodies requested \$136.1 million from Rhode Island Capital Plan funds for that same period and assumed the use of \$30.2 million for FY 2025 and \$25.5 million for FY 2026. The five-year request for FY 2026 through FY 2030 is \$134.4 million, adding \$28.5 million for FY 2030 for all schools. For the University, the request is \$27.9 million, or 37.1 percent higher than the approved capital plan.

The Governor recommended \$3.1 million more than the approved plan for FY 2026 through FY 2029, including \$1.5 million for the College and \$1.6 million for the Community College. He added two additional years of funding for all institutions. For the Community College, this includes \$2.9 million and \$3.0 million for FY 2030 and the post-FY 2030 period, respectively. For the College, this includes \$6.9 million for FY 2030 and \$6.7 million for the post-FY 2030 period. For the University, the amounts are \$16.3 million and \$16.6 million, respectively.

*The Governor subsequently requested an amendment to reduce Rhode Island College's FY 2025 allocation by \$838,440 to reflect expenses that belong to a prior year based on the audited FY 2024 closing statement. Expenditures over the two-year period are unchanged. **The Assembly concurred.***

Postsecondary Commissioner

Projects	Status	5 Year Total	Project Total
<i>Office of Postsecondary Commissioner</i>			
Nursing Education Center	Ongoing	\$ 558,725	\$ 10,575,543
Westerly Higher Education Center Expansion	Ongoing	1,220,000	1,220,000
Total		\$ 1,778,725	\$ 11,795,543

Nursing Education Center. Consistent with the approved plan, the Office requested the use of the remaining \$0.8 million from Certificates of Participation to furnish and equip the Nursing Education Center, initially authorized by the 2014 Assembly. The request includes \$0.3 million each for FY 2025 and FY 2026 and \$0.2 million for FY 2027. It extends the project by adding \$0.1 million for FY 2028, reflecting the refinement of its purchasing plan and project timeline. This will provide instructional equipment, new simulation software and hardware, and facility improvements. *The Governor recommended funding as requested. The Assembly concurred.*

Westerly Higher Education Center Expansion. Consistent with the approved plan, the Office requested \$1.2 million from Rhode Island Capital Plan funds for FY 2026 to expand the Westerly Higher Education and Job Skills Center to an annex site, providing between 8,000 and 10,000 additional square feet. The request extends the project by one year to FY 2026 because of delays in the construction and development of the proposed location. The expansion will enable the Center to establish a Computer Numerical Control Machine Laboratory, a Pearson Certified Nursing Assistant Skills Test Laboratory, and additional classrooms, as well as conference space. *The Governor recommended funding as requested. The Assembly concurred.*

Northern RI Education Center Expansion. The approved plan includes \$1.2 million from Rhode Island Capital Plan funds in FY 2026 and FY 2027 to expand the adult job training and workforce development space at the Northern RI Education Center. In FY 2022, construction of a job training and workforce development site in northern Rhode Island was completed for \$1.7 million, including \$1.2 million from Rhode Island Capital Plan funds and \$0.6 million from donations. The Office did not include this project in its capital budget request, as it has been put on hold. The Office decided to focus on its other capital projects that are further along in the process, as it had concerns about its capacity to manage both the Westerly Education Center project and this project concurrently. *The Governor recommended removing the funding as requested. The Assembly concurred.*

Community College of Rhode Island

Projects	Status	5 Year Total	Project Total
<i>Community College of Rhode Island</i>			
Accessibility Improvements	Revised	\$ 1,725,000	\$ 1,925,000
Campuswide Renovation and Modernization Phase II-IV	Revised	9,100,000	9,100,000
Campuswide Renovation and Modernization Phase I	Ongoing	38,880,273	59,499,999
Data, Cabling, and Power Infrastructure	Ongoing	18,573,207	20,013,242
Infrastructure Improvements - Flanagan Campus	Ongoing	9,884,505	12,500,000
Total		\$ 78,162,985	\$ 103,038,241

Accessibility Improvements. The Community College requested \$1.9 million from Rhode Island Capital Plan funds for continued accessibility improvements on the Knight Campus. The request is \$1.0 million more than the approved plan, extending the project's completion by two years to FY 2029. Funds will

address outstanding compliance issues initially identified in a prior review of all facilities; the Community College plans to reengage with an architectural firm to conduct another accessibility review in FY 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Campuswide Renovation and Modernization Phase II-IV. The Community College requested \$137.0 million from new general obligation bonds on three successive ballots and \$10.7 million from Rhode Island Capital Plan funds to renovate and modernize academic and student support spaces, as well as other infrastructure, on its four campuses. This is \$142.7 million more than the approved plan and includes \$40.0 million to be presented to voters in 2026, \$46.0 million in 2028, and \$51.0 million in 2030. It also includes \$5.0 million from Rhode Island Capital Plan funds for FY 2026, \$4.1 million for FY 2027, and \$1.6 million for FY 2028. The total cost of the three bonds, assuming a 5.0 percent interest rate and a 20-year term, would be \$219.4 million, with annual debt service of \$11.3 million, supported by general revenues. This was requested in the previous year, and the Governor recommended \$5.0 million from Rhode Island Capital Plan funds to begin work on the second phase in FY 2026, which the Assembly approved.

This is a comprehensive renovation and modernization request that 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.

The Governor recommended \$9.1 million from Rhode Island Capital Plan funds from FY 2026 through FY 2028. This is \$4.1 million more than approved levels and includes \$850,000 for the Newport Campus Culinary and Hospitality Hub and \$550,000 to construct office space for the Office of Work-Based Learning and Apprenticeships. Both are presented in the Governor's budget as his "Rhode to Prosperity" initiative. The Assembly concurred.

Campuswide Renovation and Modernization Phase I. Consistent with the approved plan, the Community College requested \$59.5 million from all sources for the first phase of a plan 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. Specific projects include classroom renovations, student commons upgrades, simulation laboratory expansion, security camera installation, and parking lot repavement. *The Governor recommended funding as requested.*

The Assembly revised the programming of Rhode Island Capital Plan funds based on updated plans. This includes removing \$10.5 million from FY 2025 and adding \$2.0 million to FY 2026, \$2.7 million to FY 2027, \$3.0 million to FY 2028, and \$2.8 million to FY 2029.

Data, Cabling, and Power Infrastructure. Consistent with the approved plan, the Community College requested \$20.0 million from all sources to assess, design, and construct 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. At the time of the request, the Community College indicated that it is nearing the end of the design phase. *The Governor recommended funding as requested.*

Based on updated spending plans, the Assembly shifted \$4.2 million from Rhode Island Capital Plan funds from FY 2025 to the out-years. This includes \$600,000 more for FY 2026, \$356,000 for FY 2027, \$850,000 for FY 2028, and \$2.4 million for FY 2029.

Infrastructure Improvements - Flanagan Campus. Consistent with the approved plan, the Community College requested \$12.5 million from Rhode Island Capital Plan funds for renovations and upgrades to the

Flanagan Campus in Lincoln. Subprojects include laboratory expansion, renovation, exterior painting, and window replacement. At the time of its request, the Community College indicated that the expansion project is in the design phase, which is expected to be completed in FY 2025.

The Community College is scheduling classrooms to go offline while maintaining functionality for all science courses. Science lab renovations are expected to progress more quickly, which is why the request indicates a completion date of FY 2027; however, it is more likely that some funding will be delayed into FY 2028 due to scheduling complications. *The Governor recommended funding as requested.*

The Assembly revised the programming of Rhode Island Capital Plan funds based on updated plans. This includes removing \$4.0 million from FY 2025 and adding \$866,000 to FY 2027, \$2.5 million to FY 2028, and \$584,000 to FY 2029.

Rhode Island College

Projects	Status	5 Year Total	Project Total
<i>Rhode Island College</i>			
Infrastructure Modernization	Revised	\$ 29,261,275	\$ 76,507,807
Academic Buildings Phase V: Fogarty, Whipple, and Adams Library	Ongoing	73,000,000	73,500,000
Clarke Science Modernization	Ongoing	-	53,228,297
Horace Mann Renovation (School of Education)	Ongoing	-	25,000,000
Total		\$ 102,261,275	\$ 228,236,104

Infrastructure Modernization. The College requested \$76.6 million from Rhode Island Capital Plan funds programmed through FY 2030 for infrastructure modernization. The request adds \$6.2 million for FY 2030. Planned work includes the modernization and replacement of steam and sewer distribution lines, power plant upgrades, improvements to electric, gas, and water systems, campus-wide drainage, signage, and supporting information technology. This project appears to be designed to promote ongoing support for improvements similar to asset protection. *The Governor recommended \$6.1 million of new funding for FY 2030. His capital budget also assumes \$6.2 million for post-FY 2030.*

The Governor subsequently requested an amendment to reduce FY 2025 by \$123,472 to reflect expenses that belong to a prior year based on the audited FY 2024 closing statement. Expenditures over the two-year period are unchanged. The Assembly concurred.

Academic Buildings Phase V: Fogarty, Whipple, and Adams Library. The College requested \$233.0 million from general obligation bonds and \$0.5 million from Rhode Island Capital Plan funds to continue the fifth phase of its project to modernize and rehabilitate academic buildings. The approved plan includes \$0.5 million from Rhode Island Capital Plan funds and \$73.0 million in new general obligation bonds for the Whipple Hall renovation on the November 2024 ballot.

The request adds \$160.0 million from new general obligation bonds, including \$85.0 million for the Fogarty Life Science building to go on the November 2026 ballot and \$75.0 million for Adams Library to go on the November 2028 ballot. The College requested \$202.0 million for this project last year, but the Assembly only authorized the \$73.0 million component for Whipple Hall. It should be noted that the estimates for future work have not been updated for the new timeline. The College indicated that a revision to the cost estimate will likely be needed in the next fiscal year, with data from the Whipple Hall renovation informing the new estimate. *The Governor recommended funding consistent with the approved plan. The Assembly concurred.*

Clarke Science Modernization. Consistent with the approved plan, the College requested \$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. The building was rated poor as part of a facilities condition assessment in September 2016. The College projected that the renovations would extend the building's useful life by 50 years. *The Governor's capital budget shows \$0.3 million less from Rhode Island Capital Plan funds in the pre-FY 2025 period; however, the intent was to provide \$15.0 million, consistent with the approved plan, through FY 2025.*

*The Governor subsequently requested an amendment to reduce FY 2025 by \$2,947,933 to reflect expenses that belong to a prior year based on the audited FY 2024 closing statement. Expenditures over the two-year period are unchanged. **The Assembly concurred.***

Horace Mann Renovation (School of Education). Consistent with the approved plan, the College requested \$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 multi-phase project to modernize and rehabilitate academic buildings. The College noted that this project has been closed out and that the remaining general obligation bond funding will address related infrastructure and other aspects of the building that were not included in the completed rehabilitation. The request extends the project an additional year to FY 2025. *The Governor recommended funding as requested. **The Assembly concurred.***

University of Rhode Island

Projects	Status	5 Year Total	Project Total
<i>University of Rhode Island</i>			
Automotive and Administration Services	New	\$ 14,400,000	\$ 14,400,000
Building Envelope Improvements	New	15,000,000	15,000,000
Campus Accessibility	New	7,000,000	7,000,000
Academic Mechanical, Electrical, and Plumbing	Revised	14,185,893	25,899,287
Brookside Apartments II	Revised	164,323,752	169,600,000
Combined Health and Counseling Center	Revised	43,045,430	45,600,000
Dining Facilities Improvements	Revised	4,690,774	5,300,000
Fine Arts Center Renovation and Addition Phase II	Revised	14,506,710	93,533,691
Memorial Union Renovation and Addition	Revised	120,753,215	126,000,000
PFAS Removal Water Treatment	Revised	16,239,669	21,699,999
Utility Infrastructure Upgrades - Phase II	Revised	2,724,850	17,365,809
Athletic Complex Renewal	Ongoing	71,981,958	83,100,000
Biomedical Sciences Building	Ongoing	88,450,000	88,450,000
Blue Technology Innovation Center	Ongoing	4,936,845	5,250,000
Facilities Services Sector Upgrade	Ongoing	11,958,975	13,000,000
Fire Protection - Academic Phase II	Ongoing	1,641,903	16,521,310
Fire Protection - Auxiliary Enterprises Phase II	Ongoing	768,913	2,583,482
Fraternity Circle Master Plan	Ongoing	725,718	1,400,000
Narragansett Bay Campus Renewal - Phase I	Ongoing	10,834,229	62,167,861
Narragansett Bay Campus Renewal - Phase II	Ongoing	121,112,105	129,000,000
Ranger Hall - Phase II	Ongoing	-	8,713,803
Repaving and Hardscape Improvements	Ongoing	20,000,000	20,000,000
Repaving, Hardscape and Landscape	Ongoing	-	12,604,415
Soloviev Basketball Practice Facility	Ongoing	-	7,783,805
Stormwater Management	Ongoing	4,252,678	4,700,000
Utility Infrastructure Upgrades - Phase I	Ongoing	-	7,415,355
Utility Infrastructure Upgrades - Phase III	Ongoing	9,191,250	9,191,250
White Horn Brook Apartments	Ongoing	340,005	92,339,506
Vehicle Replacement	Fleet	879,600	879,600
Total		\$ 763,944,472	\$1,106,499,173

Automotive and Administration Services. The University requested \$14.4 million from revenue bonds for a new project to construct an addition to the central warehouse for mail and printing, as well as a new automotive repair building. The request programs \$1.3 million for FY 2027, \$5.0 million for FY 2028, and \$8.1 million for FY 2029. Assuming a 20-year term and a 5.0 percent interest rate, the total project cost would be \$23.1 million, with an annual debt service of \$1.2 million, supported by tuition and fees.

The automotive repair shop is located in a building that was once an animal barn, which the University states is not conducive to the work currently being performed. In 2023, the University engaged a planning team that targeted the existing mail and printing services building as the best site for the new automotive building. Moving the mail and printing services to a new addition of the central warehouse will enable efficient use of space and facilitate cross-training potential. *The Governor recommended funding as requested. Any debt authority would need to be approved by the 2026 Assembly.* **The Assembly concurred.**

Building Envelope Improvements. The University requested \$53.0 million from Rhode Island Capital Plan funds for a new project to address repairs to building envelope systems across the University's campuses. This project programs \$2.3 million in FY 2026, \$11.1 million in FY 2027, and \$19.8 million each in FY 2028 and FY 2029. Roofs, windows, and exterior cladding would be repaired and improved to provide better interior air quality, enhanced energy efficiency, and improved appearance of the University's campuses, which the University noted is a key marketing tool for achieving success.

This project has similar elements to asset protection. The University currently controls 322 buildings, fifteen of which have active roof leaks. The University would like to separate building envelope repairs from its asset protection project so that roof repairs would have a dedicated and sufficient source. Currently, asset protection only supports one roof replacement per year, which does not meet the rate at which the roofs decline. *The Governor did not recommend funding.* **The Assembly allocated \$15.0 million from Rhode Island Capital Plan funds, providing \$3.0 million annually from FY 2026 through FY 2030.**

Campus Accessibility. The University requested \$16.5 million from Rhode Island Capital Plan funds for a new project to enhance campus accessibility for individuals with disabilities. The request programs \$3.0 million for FY 2026 and FY 2027, and \$3.5 million each in FY 2028 through FY 2030. Projects include restrooms, exterior renovations, and building improvements, such as elevator modernizations.

The University has campus buildings that are over 100 years old, and the Kingston Campus elevation change exceeds 124 feet. The University also has 80 elevators; 19 are more than 30 years old, and only 18 are newer than 10 years old. Many of the University's buildings are served by a single elevator, and this, combined with the age of the equipment, often results in downtime and limits access. The request would enable the University to modernize two to three units or replace one unit annually for the project's duration. The University will also use funding to upgrade restroom facilities. As soon as funding becomes available for the project, the University will engage an architectural and engineering firm to further develop its plans. *The Governor recommended \$7.0 million from Rhode Island Capital Plan funds programmed as \$2.3 million for FY 2026, \$1.7 million for FY 2027, and \$1.0 million each for FY 2028 through FY 2030.* **The Assembly concurred.**

Academic Mechanical, Electrical, and Plumbing Improvements. The University requested \$25.9 million from Rhode Island Capital Plan funds for a project to make mechanical, electrical, and plumbing improvements in Fogarty and White halls. Fogarty Hall would get a new heating, ventilation, and air conditioning distribution system as well as new plumbing and electrical equipment. 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. Beaupre Center for Chemical and Forensic Sciences building, which was also sized to serve White Hall. The University indicated that White Hall is under active construction, and an additional \$7.9 million would be necessary to take Fogarty Hall from the design phase to the construction phase. The request is \$7.9 million more than the approved plan, extending the project to FY 2028. In addition to the cost increase associated with the delay, some newly discovered code-required electrical upgrades are necessary to replace the heating, ventilation, and air conditioning system. They will require bringing new underground electrical service to the building from about a quarter mile away. *The Governor recommended adding \$8.0 million, essentially as requested.* **The Assembly concurred.**

Brookside Apartments II. The University requested \$280.8 million to construct a new 500-bed apartment-style residence hall, designed similarly to Brookside Hall, which opened in January 2020. Funding includes \$274.3 million from revenue bonds and \$6.5 million from University funds, with funding from FY 2025 through FY 2029. The request is \$110.2 million more than the approved plan, extending the project two years to FY 2029. Assuming a 20-year term and a 5.0 percent interest rate, the total debt service would be \$440.2 million, with an annual debt service of \$22.7 million. Dorm fees will support debt service on the bond.

The University noted that legislation passed in 2024 prohibits cities and towns from renting to less than one person per bedroom, with a cap of five. This affects an ordinance from the Town of Narragansett that restricts the number of students who may live in a single dwelling to three. As a result, the University noted that additional rooms may become available; however, the overall number of rentals available remains the same. This project will only be pursued if the current effort to engage with a public-private partner to achieve 900 new apartment-style beds is unsuccessful.

The Governor recommended \$169.6 million, \$1.0 million less than the approved plan. He recommended \$163.1 million from revenue bonds and \$6.5 million from University funds from FY 2025 through FY 2029. Instead of pursuing this project, the University reports progress on a public-private partnership to build a new dorm. The Assembly concurred.

Combined Health and Counseling Center. The University requested \$45.6 million from all sources for a project to consolidate its health services and the counseling center into a single facility, including \$33.6 million in revenue bonds and \$12.0 million from University funds. The request is \$8.6 million more than the approved plan, which the University attributes to an extended escalation period because of the delayed timeline. This equates to a 23.2 percent annual increase in delay. The project aims to address the insufficient capacity of both facilities to meet service demand, as the currently separate buildings require duplication of support staff and medical record-keeping. Prior Assemblies have approved debt for this program, including \$26.1 million in 2019 and an additional \$2.9 million in 2021.

The request delays the project by one year to FY 2028, allowing for a focus on student housing construction. The project is currently on hold, and the University has indicated that the extension is based on plans to restart the project in fall 2024. Debt service would be paid through health service fees, resulting in an additional annual cost of approximately \$215 per student.

The Governor recommended funding as requested, and his budget includes authorization for the Assembly to increase the approved debt by \$4.6 million to \$33.6 million. Total debt service is not expected to exceed \$78.0 million. The Assembly concurred.

Dining Facilities Improvements. The University requested \$5.3 million from University funds to renovate the Hope Commons building. This is \$1.7 million more than the approved plan and reflects an estimate provided after the schematic design. The project focuses on the interiors of the Hope Commons dining areas, including upgrades to building mechanical systems. Construction is expected to begin in FY 2026 and be completed in FY 2027. *The Governor recommended funding as requested. The Assembly concurred.*

Fine Arts Center Renovation and Addition Phase II. The University requested \$80.5 million to complete the second part of the comprehensive renovations and enhancements project to the 120,720-square-foot fine arts center on the Kingston Campus, which houses the musical, theatrical, visual, and graphic arts programs. This includes \$57.3 million from general obligation bonds, \$16.0 million from Rhode Island Capital Plan funds, and \$7.2 million from University funds. The request is \$7.2 million more than the approved plan based on the final construction bid and extends the project one year to FY 2027. Because of structural issues, certain areas of the building, including audience spaces, are not compliant with the Americans with Disabilities Act. This project will address that as part of the renovations. *The Governor's capital budget includes the \$21.0 million from Rhode Island Capital Plan funds spent prior to FY 2025. Adjusted for this, the recommendation is consistent with the request. The Assembly concurred.*

Memorial Union Renovation and Addition. The University requested \$126.0 million for the complete renovation and expansion of the Memorial Student Union, a 133,000-square-foot, four-story building that houses over 180 student groups and the organizations and offices for Student Affairs. It proposed renovating and expanding the building with a 9,000-square-foot addition, while improving adjacent parking

and landscaping. The request is \$57.4 million or 83.7 percent more than the approved plan and includes \$118.0 million from revenue bonds and \$8.0 million from University funds. Prior debt authorization for this project includes \$57.6 million, and the request increases that by \$60.4 million and reduces University funds by \$3.0 million. The increase reflects an updated cost estimate, which the University noted had not been made since the summer of 2020. The additional debt service of \$60.4 million will be funded through student fees, which the University estimates will increase by \$685 per year for undergraduates and \$465 per year for graduates, assuming a 30-year loan with an interest rate of 6.5 percent. Annual Memorial Union fees are currently \$464 for undergraduates and \$316 for graduate students.

*The Governor recommended funding as requested, and his budget includes authorization for the Assembly to increase the approved debt by \$60.4 million to \$118.0 million. Total debt service is not expected to exceed \$272.0 million. **The Assembly concurred.***

PFAS Removal Water Treatment. The University requested \$21.7 million from Rhode Island Capital Plan funds to construct a per- and polyfluoroalkyl substances (PFAS) water treatment plant. The request spreads approved funding through FY 2027, including \$0.6 million for FY 2024, \$4.9 million for FY 2025, \$13.8 million for FY 2026, and \$2.5 million for FY 2027. This is \$1.7 million more than the approved plan based on updated cost estimates. State law mandates that all public water supply systems not exceed PFAS contamination levels of twenty parts per trillion by July 1, 2023. The University reported that its three wells exceed the legal limit and that a water treatment plant will be needed for compliance.

The University awarded a design-build construction contract for phase one of a temporary PFAS water filtration plant, which is anticipated to be completed in the fall of 2024. This will provide the University with water that is within statutory compliance. The University is also preparing to issue a subsequent design/build/operate request to complete phase two of the permanent PFAS water filtration plant. The Phase two design is currently 10 percent complete, and the project's finalization is anticipated in December 2026.

*The Governor recommended the total funding requested, but included \$20.0 million from Rhode Island Capital Plan funds, consistent with the approved plan. He recommended financing the new \$1.7 million through other sources, potentially the Emerging Contaminants Program at the Rhode Island Infrastructure Bank. **The Assembly concurred.***

Utility Infrastructure Upgrades - Phase II. The University requested \$17.4 million from revenue bonds, supported by general revenues and tuition and fees, for the second phase of a three-phase utility infrastructure upgrade project. This is \$1.9 million more than the approved plan, reflecting premiums and interest received on the debt issuance. The 2022 Assembly authorized \$15.5 million from revenue bonds, with annual debt service not expected to exceed \$1.4 million, and a total cost not expected to exceed \$27.0 million. The total debt service on the \$1.9 million of new debt would be \$3.0 million, with an annual debt service of \$0.2 million. General revenues, tuition, and fees would support debt service.

The total request for all phases of the utility infrastructure upgrade plan is \$34.0 million from revenue bonds, including \$7.4 million for the first phase, \$17.4 million for the second phase, and \$9.2 million for the third phase. The project involves replacing the steam/condensate distribution, water distribution, electrical distribution, sanitary sewer, and stormwater management systems. *The Governor recommended funding as requested. **The Assembly concurred.***

Athletic Complex Renewal. Consistent with the approved plan, the University requested \$83.1 million from all sources of funds, including \$65.8 million from Rhode Island Capital Plan funds and \$17.3 million from private funding, to renovate six athletic facilities. Renovations include Meade Stadium East Grandstands, Slade Track & Field, Beck Baseball Field, the softball field, Tootell Aquatics Center, and the soccer field. The project will also examine the potential of constructing a new boathouse for the rowing

team. At the time of the request, the University had released a request for proposals for a vendor to assist with project planning. Funding is requested through FY 2027, with more of the expenses shifted to that year based on an updated schedule. *The Governor recommended funding as requested. The Assembly concurred.*

Biomedical Sciences Building. The University requested \$88.5 million to construct a laboratory and research facility to expand the Ryan Institute for Neuroscience. Requested funding includes \$950,000 from new private funding and \$87.5 million from a general obligation bond approved by voters on the November 2024 ballot. The total cost of the requested bond, assuming a 5.0 percent interest rate and a 20-year term, is \$140.4 million, with annual debt service of \$7.0 million, supported by general revenues. The request notes that this project directly aligns with several goals outlined in the Transformational Goals for the 21st Century report, which identifies neuroscience as a field targeted for rapid faculty growth. Furthermore, developing a Ryan Institute laboratory facility demonstrates the institution's commitment to investing in neuroscience. *The Governor recommended funding as requested. The Assembly concurred.*

Blue Technology Innovation Center. Consistent with the approved plan, the University requested \$5.3 million from third-party financing to construct a Blue Technology Innovation Center on the Narragansett Bay Campus. The request extends the project to FY 2029. The source is the previously authorized Innovation Campus general obligation bond. The Executive Office of Commerce'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, thereby expediting the conversion of research into marketable production.

The new facility, located on the Bay Campus, will offer a comprehensive suite of services to support businesses with technology-based innovation and provide wrap-around services for both new and established companies. The focus will be on helping establish pathways to business ownership and wealth-building for historically excluded communities. The facility will have laboratory spaces for collaborative prototyping, testing, and proof-of-concept builds; spaces for industry and academia to work with partners on design, modeling, and digital verification; rentable working modules; convertible and open meeting space for presentations; training programs; events; and office space for staff and key partners. *The Governor recommended funding as requested. The Assembly concurred.*

Facilities Services Sector Upgrade. Consistent with the approved plan, the University requested \$13.0 million from revenue bonds to complete improvements to the service sector area that houses the operations and maintenance functions and stores equipment, furniture, and supplies. The request calls for demolishing the automotive garage and the grounds building. New buildings will accommodate equipment and furniture storage, automotive garages, and any necessary workshops within the facility's compound, while largely keeping the operations out of public view. The 2022 Assembly approved the revenue bonds, and annual debt service is not expected to exceed \$1.2 million. The total cost is not expected to exceed \$23.0 million, supported by revenues from the University's unrestricted budget, including general revenues and tuition and fees. The Board of Trustees approved the resolution for bond issuance at its meeting on September 23, 2022. *The Governor recommended funding as requested. The Assembly concurred.*

Fire Protection - Academic Phase II. Consistent with the approved plan for the five-year period, the University requested \$16.5 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. The request extends the project an additional year to FY 2026. *The Governor recommended funding as requested. The Assembly concurred.*

Fire Protection - Auxiliary Enterprises Phase II. Consistent with the approved plan, the University requested \$2.6 million from revenue bonds and interest earnings programmed through FY 2026 for the second phase of a two-phase project to upgrade existing fire alarm systems and install fire-suppressing sprinkler systems in all auxiliary enterprise buildings that are not presently equipped with sprinkler and addressable alarm systems. The second phase, which involves establishing a central bank of generators, is currently in design and is expected to begin construction in 2024. Debt was issued in 2018 and is paid from auxiliary revenue sources. *The Governor recommended funding as requested. The Assembly concurred.*

Fraternity Circle Master Plan. Consistent with the approved plan, the University requested \$1.4 million from both third-party and University funds for the project's second phase, which will involve road, utility, and landscaping improvements to Fraternity Circle. The request extends the project an additional year to FY 2026. Work for the project's second phase includes the construction of pedestrian walkways, new site lighting, and recreational amenities. Construction for the first phase is complete. Phase two will commence once the third-party organizations assisting in funding the project, namely fraternities and sororities, indicate their desire to begin the work. *The Governor recommended funding as requested. The Assembly concurred.*

Narragansett Bay Campus Renewal - Phase I. The University requested \$62.2 million for the first phase of a potential three-phase project to complete a comprehensive renewal of the Narragansett Bay Campus. The request adds \$2.0 million in University funds. The first phase includes improvements to the existing pier and marine operations facilities, which are necessary to adequately support the new 198-foot research vessel awarded by the National Science Foundation. Funding includes \$45.0 million from general obligation bonds approved by the voters in 2018, \$12.0 million from Rhode Island Capital Plan funds, \$0.7 million from private funding, \$2.4 million from third-party financing, and \$2.1 million from University funds. Parking and infrastructure construction have been completed. Construction has commenced on the Ocean Robotics Laboratory, with an expected completion date of early 2026. *The Governor recommended funding as requested. The Assembly concurred.*

Narragansett Bay Campus Renewal - Phase II. Consistent with the approved plan, the University requested \$129.0 million for the second phase of a potential three-phase project to complete a comprehensive renewal of the Narragansett Bay Campus programmed through FY 2028. Funding includes \$100.0 million from general obligation bonds approved by the voters on the 2022 ballot, \$25.0 million from Rhode Island Capital Plan funds, and \$4.0 million from private funding.

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 are necessary to meet the future programmatic plans. *The Governor recommended funding as requested. The Assembly concurred.*

Ranger Hall - Phase II. Consistent with the approved plan, the University requested \$8.7 million for the second phase of the rehabilitation and restoration of Ranger Hall. Funding includes \$5.1 million from private funding and \$3.6 million from University funds. The project will allow for the renovation of the hall's second, third, and fourth floors, which house the Harrington School of Communication and Media and general assignment classrooms. The project was completed at the beginning of FY 2023, in time for the fall 2022 semester, and is in the final closeout phase. *The Governor recommended funding as requested. The Assembly concurred.*

Repaving and Hardscape Improvements. Consistent with the approved plan, the University requested \$20.0 million from revenue bonds from FY 2027 through FY 2029 for the fifth phase of its efforts to repave and reconstruct major parking facilities, internal roadways, and walkways. The total cost of the requested bond, assuming 5.0 percent interest and a 20-year term, is \$32.1 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 occur across three campuses: Kingston, Narragansett, and W. Alton Jones. *The Governor recommended funding as requested. The Assembly concurred.*

Repaving, Hardscape, and Landscape. Consistent with the approved plan, the University requested \$12.6 million from revenue bonds and interest earnings through FY 2025 for the fourth phase of the effort to repave and reconstruct major parking facilities, internal roadways, and walkways. The University engaged Pare Engineering to study, scope, and prioritize future repaving, hardscape, and landscape projects, and its work has been completed. Construction has commenced, and the final work is anticipated to be completed in the summer of 2025. The 2018 Assembly authorized the bonds, with annual debt service totaling \$0.8 million and 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 recommended funding as requested. The Assembly concurred.*

Soloviev Basketball Practice Facility. Consistent with the approved plan, the University requested \$7.8 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 and women's basketball practice facility, which will include a new entry, court, heating, ventilation, and air conditioning system, and lighting. The request programs funding through FY 2025, which is one year later than the approved plan. The project is now complete and is in the final closeout phase. *The Governor recommended funding as requested. The Assembly concurred.*

Stormwater Management. Consistent with the approved plan, the University requested \$4.7 million from Rhode Island Capital Plan funds for stormwater improvements to existing drainage systems on campus 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 recommended funding as requested. The Assembly concurred.*

Utility Infrastructure Upgrades - Phase I. Consistent with the approved plan, the University requested \$7.4 million from revenue bonds for the first phase of the three-phase utility infrastructure upgrade project. The project involves replacing the steam and condensation distribution, water and electrical distribution, sanitary sewer, and stormwater management systems. The total request for all three phases of the utility infrastructure upgrade plan is \$33.9 million from revenue bonds, including \$7.4 million for the first phase, \$17.4 million for the second phase, and \$9.2 million for the third phase. Final expenditures of \$0.6 million are programmed for FY 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Utility Infrastructure Upgrades Phase III. Consistent with the approved plan, the University requested \$9.2 million from revenue bonds supported by general revenues, tuition, and fees for the final phase of the three-phase utility infrastructure upgrade project. The project has been delayed a year, and funding is programmed from FY 2026 through FY 2027. The total request for all phases of the utility infrastructure upgrade plan is \$34.0 million from revenue bonds, including \$7.4 million for the first phase, \$17.4 million for the second phase, and \$9.2 million for the third phase. The project involves replacing the steam/condensate, water distribution, electrical distribution, sanitary sewer, and stormwater management systems. *The Governor recommended funding as requested. The Assembly concurred.*

White Horn Brook Apartments. Consistent with the approved plan, the University requested \$92.3 million for a six-story residence hall that will provide 500 new, apartment-style beds for third- and fourth-year students. Funding includes \$85.2 million from revenue bonds, \$5.0 million from University funds, \$2.0 million from interest earnings, and \$97,273 from third-party financing. The request extends the project

an additional year to FY 2026. While the residence hall portion of the project is complete and students have moved in, the project is in the final closeout phase, as it is preparing a permanent space for facilities operations staff relocated during construction. *The Governor recommended funding as requested. The Assembly concurred.*

Vehicle Replacement. The University's operating budget typically includes funding for vehicle purchases when needed. It did not submit a vehicle replacement plan as part of its capital budget request. *The Governor recommended \$879,600 from the State Fleet Replacement Revolving Loan Fund for FY 2026 to replace 18 vehicles for the natural resource science, police, custodial, athletics, and maintenance programs. The Assembly concurred.*

Campus Access Control. The University requested \$1.5 million from Rhode Island Capital Plan funds for FY 2026 for a new project to upgrade campus-wide access control systems. This initial, one-time funding would allow the University to centralize its disparate systems.

The current different access control systems were implemented in many stages over the past few decades. This has resulted in an inability to manage access control across the campus, including the need to quickly lock down the campus in the event of an emergency or manage access to address public health concerns. The University believes it would be better positioned to respond to incidents by combining the existing systems into one centralized system. *The Governor did not recommend funding. The Assembly concurred.*

Carothers Library Heating, Ventilation, and Air Conditioning System Replacement. The University requested \$64.3 million from Rhode Island Capital Plan funds for a new project to replace the heating, ventilation, and air conditioning system in the Carothers Library. The request programs \$3.9 million in FY 2026, \$16.6 million in FY 2027, \$29.2 million in FY 2028, and \$14.6 million in FY 2029. The initial core structure of the library was constructed in 1965 and renovated in two supplemental phases in the early 1990s. Many air handling units are original to the building, have exceeded their expected 30-year lifetime, and are in relatively poor condition. This project would install a modern, energy-efficient system to improve indoor air quality and reduce ongoing operational costs. *The Governor did not recommend funding. The Assembly concurred.*

Historic Quadrangle Building Renovations - Phase I. The University requested \$110.5 million from new general obligation bonds to go on the November 2026 ballot for voter approval for the first phase to renovate the historic quadrangle's buildings. Funding is programmed from FY 2028 through the post-FY 2030 period. The first phase encompasses the renovation and restoration of Edwards, East, Washburn, and Morrill Halls. The total cost of this phase, assuming a 5.0 percent interest rate and a 20-year term, is \$176.9 million, with annual debt service of \$9.1 million, supported by general revenues. This request was made in the previous year but was not recommended or approved. Although project timing remained unchanged, the total cost increased by \$14.2 million, which the University attributes to an updated cost estimate. The University is currently undertaking a comprehensive campus plan that will evaluate this and other potential projects to ensure that the final request for the 2026 bond referendum includes the project deemed most critical to the University's mission and the state's economic development. *The Governor did not recommend funding. The Assembly concurred.*

Narragansett Bay Campus Shoreline Stabilization. The University requested \$6.4 million from multiple sources for a new project to reinforce the shoreline at the Narragansett Bay campus. A temporary fix for the shoreline and designs for the permanent solution are currently underway using funding from the University's Repaving, Hardscape, and Landscape bond funds of \$0.3 million. Adjusting for this, the total project cost is \$6.7 million. This project is a joint effort with the United States Army Corps of Engineers, which is providing 65 percent of the funding for construction. By source, the project includes \$4.2 million from federal funds, \$2.2 million from Rhode Island Capital Plan funds, and \$0.3 million from bonds.

The Bay Campus has experienced increased shoreline erosion over the past six months as storms have intensified. This affects the area directly adjacent to Pier Road, currently the University's only access to the new pier. The new pier will house the future \$125 million research vessel, renamed Narragansett Dawn. The University has already partnered with the United States Army Corps of Engineers to design this project. *The Governor did not recommend funding. The Assembly concurred.*

New Graduate Housing. The University requested \$154.1 million from revenue bonds to fund a new project, constructing a 200-bed graduate residence hall on the Kingston campus. The request programs \$8.8 million in FY 2026, \$28.6 million in FY 2027, \$57.7 million in FY 2028, and \$58.9 million in FY 2029. Assuming a 20-year term and a 5.0 percent interest rate, the project's total cost would be \$246.8 million, with annual debt service of \$12.8 million, supported by dormitory fees.

The new graduate housing is part of the second goal of the University's 2023–2033 strategic plan: to increase graduate student enrollment and enhance degree completion rates. *The Governor did not recommend funding. The Assembly concurred.*

New Water Tower. The University requested \$10.7 million from Rhode Island Capital Plan funds for a new project to design and construct a second water tower on the Kingston Campus. The request programs \$0.6 million for FY 2029, \$3.6 million for FY 2030, and \$6.5 million for the post-FY 2030 period. The construction of a second tower would provide the additional capacity necessary to support the recent and future growth of the campus's potable water and fire protection systems. Additionally, this tower would provide redundancy in case a tower needs to be taken offline for routine maintenance. *The Governor did not recommend funding. The Assembly concurred.*

Public Safety Building. The University requested \$48.3 million from Rhode Island Capital Plan funds for a new project to build a facility for the University's public safety operations adjacent to the Ryan Center. The request programs \$5.2 million in FY 2027, \$9.0 million in FY 2028, \$21.6 million in FY 2029, and \$12.4 million in FY 2030. Current public safety operations are located in three buildings spread across the Kingston campus. This project would consolidate these operations into one centrally located new building. The requested total is based on a professional cost estimate conducted during the feasibility study, which was subsequently inflated by approximately 50 percent; this discrepancy is not explained. *The Governor did not recommend funding. The Assembly concurred.*

Rhode Island State Council on the Arts

Projects	Status	5 Year Total	Project Total
Creative and Cultural Economy Bonds	Ongoing	\$ 10,489,066	\$ 46,000,000
Total		\$ 10,489,066	\$ 46,000,000
Sources of Funds			
General Obligation Bonds		\$ 10,489,066	\$ 46,000,000
Total		\$ 10,489,066	\$ 46,000,000

Summary. The approved plan for the Rhode Island State Council on the Arts includes \$46.0 million from general obligation bond proceeds for the Creative and Cultural Economy Grants program, including \$11.8 million for the five-year period. Funding includes \$30.0 million from general obligation bonds approved in 2014, \$6.0 million approved in 2021, and \$10.0 million on the November 2024 ballot for voter approval. Of the latter \$10.0 million, the bond question allocates \$4.0 million for competitive grants and \$2.0 million each to projects for Tomaquag Museum, Newport Contemporary Ballet, and Trinity Repertory Company. The 2021 bond question allocated \$6.0 million for awards, including \$4.0 million to specific arts organizations and \$2.0 million on a competitive basis. The Council reports the program has supported 25 grants and \$2.5 million has been disbursed as of August 2024.

The Council requested \$45.8 million, which excludes \$0.2 million in prior year funds. It included \$32.1 million of prior year spending and programs remaining funds at \$3.2 million for the current year, \$5.2 million for FY 2026, \$3.0 million for FY 2027, \$1.0 million for FY 2028, \$0.8 million for FY 2029, and \$0.5 million for FY 2030. *The Governor's recommendation reflects \$0.2 million more in prior year funds but is otherwise consistent with the request.* **The Assembly concurred.**

Rhode Island Atomic Energy Commission

Projects	Status	5 Year Total	Project Total
Asset Protection	Ongoing	\$ 255,000	\$ 787,098
Total		\$ 255,000	\$ 787,098
Sources of Funds			
Rhode Island Capital Funds		\$ 255,000	\$ 787,098
Total		\$ 255,000	\$ 787,098

Summary. The Rhode Island Atomic Energy Commission requested \$868,904 from Rhode Island Capital Plan funds for asset protection projects at the Rhode Island Nuclear Science Center in Narragansett. The request is essentially consistent with \$50,000 annually in the approved five-year plan and adds \$50,000 for FY 2030. The request increases funding to \$51,099 in the post-FY 2030 period. The Commission divides asset protection projects into several categories to address the immediate and long-term needs of the facilities. These include landscaping improvements, exterior renovations, interior renovations, mechanical systems, and capability upgrades. *The Governor recommended funding consistent with the approved plan and added \$55,000 for FY 2030 and for the post-FY 2030 period.* **The Assembly concurred.**

Historical Preservation and Heritage Commission

Projects	Status	5 Year Total	Project Total
Artifact Relocation	Revised	\$ -	\$ 150,000
Old State House Renovation	Ongoing	-	500,000
State Preservation Grants	Ongoing	328,218	11,000,000
Total		\$ 328,218	\$ 11,650,000
Sources of Funds			
Federal Funds		\$ -	\$ 600,000
General Obligation Bonds		328,218	11,000,000
Rhode Island Capital Funds		-	50,000
Total		\$ 328,218	\$ 11,650,000

Summary. The Historical Preservation and Heritage Commission requested total capital expenditures of \$6.7 million for three projects. Funding includes \$0.6 million from federal funds, \$6.0 million from previously approved general obligation bonds, \$50,000 from Rhode Island Capital Plan funds, and in-kind work valued at \$50,000. The request is \$0.5 million more than the approved plan for the five-year period. *The Governor's recommendation adds \$5.0 million of prior year general obligation bond funds and excludes in-kind work valued at \$50,000.* **The Assembly concurred.**

Artifact Relocation. The Commission requested \$200,000 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 is \$50,000 more than approved from Rhode Island Capital Plan funds to reflect higher than initially anticipated estimates to renovate storage space at the University. Newly requested funds will support the purchase and installation of shelving, although the Commission indicated federal funds may be available for this purpose.

The request also includes the approved amounts of \$100,000 from federal grant funds and \$50,000 of in-kind staff cataloging and moving to supply the required match. Compared to the approved plan, the request shifts all federal funding to FY 2025 to reflect slow federal approval and delays associated with Commission turnover. 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 excluded the \$50,000 of in-kind work as it does not qualify as an expense and concurred with the remainder of the request, including the new \$50,000 from Rhode Island Capital Plan funds for FY 2025.* **The Assembly concurred.**

Old State House Renovation. Consistent with the approved plan, the Department of Administration's budget contains \$4.2 million, including \$1.3 million from federal funds and \$3.0 million from Rhode Island Capital Plan funds, for upgrades to the Old State House and its grounds. The Commission's request includes \$500,000 of these federal funds programmed for FY 2026. Work is intended to bring the Old State House into regulatory compliance, reopen the building to the general public, and prepare the site for the country's 250-year anniversary celebration. Subprojects include asbestos abatement, interior and exterior renovations, exterior ground restoration, historical research, and Americans with Disabilities Act compliant bathrooms and elevator access for all levels of the building. *The Governor's recommendation advances the \$500,000 within the Commission's budget to FY 2025 but is otherwise consistent with the approved plan.* **The Assembly concurred.**

State Preservation Grants. The Commission requested \$6.0 million from general obligation bonds to support the State Preservation Grants program. This includes \$5.0 million approved by the voters in 2014 and \$1.0 million approved in 2021. 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. The request is \$33,991 less than approved, which the Commission indicated is in error. Of the total grants awarded \$5.3 million has been disbursed; the request programs the remaining \$0.7 million for FY 2025. *The Governor's recommendation corrects for the inadvertently excluded funds, reflects \$5.0 million more in prior year spending, and shifts \$0.3 million of remaining funds to FY 2026 based on an updated timeline for disbursements.* **The Assembly concurred.**

Office of the Attorney General

Projects	Status	5 Year Total	Project Total
Renovation and Asset Protection	Revised	\$ 4,880,000	\$ 6,950,769
Equitable Sharing Capital Projects	Ongoing	1,200,000	1,700,000
Total		\$ 6,080,000	\$ 8,650,769
Sources of Funds			
Federal Funds		\$ 1,200,000	\$ 1,700,000
Rhode Island Capital Funds		4,880,000	6,950,769
Total		\$ 6,080,000	\$ 8,650,769

Summary. The Office of the Attorney General requested \$8.1 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 recommended \$6.1 million in the five-year period, essentially as requested. The Assembly concurred.*

Renovation and Asset Protection. The Office requested \$6.4 million, including \$4.9 million in the five-year period from Rhode Island Capital Plan funds for asset protection and building renovations at its Providence locations. The request reduces approved spending by \$0.9 million to reflect the roof replacement project at 150 South Main Street being less costly than assumed. The request also includes funding consistent with the approved plan for projects at 180 South Main Street, which includes \$2.4 million for FY 2026 to replace the heating, ventilation, and air conditioning system, \$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 yearly for unspecified asset protection work. *The Governor recommended funding essentially as requested and adjusted the project total to include \$0.6 million of prior year spending excluded from the request. The Assembly concurred.*

Equitable Sharing Capital Projects. The Office requested \$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. Total requested funding is consistent with the approved plan but adjusted between years to reflect updated timing to purchase and install electric vehicle chargers at the offices in Providence. The Office indicates that it is continuing to work on implementation as a result of its limited parking spaces on South Main Street. *The Governor recommended funding as requested. The Assembly concurred.*

Department of Corrections

Projects	Status	5 Year Total	Project Total
Facilities Renovations	Revised	\$ 10,598,925	\$ 27,226,913
HVAC Replacement	Revised	32,794,616	41,100,000
Asset Protection	Ongoing	24,677,650	53,383,796
Total		\$ 68,071,191	\$ 121,710,709
Sources of Funds			
Rhode Island Capital Funds		\$ 68,071,191	\$ 121,710,709
Total		\$ 68,071,191	\$ 121,710,709

Summary. The Department of Corrections requested \$755.5 million for the five-year period for total project costs of \$1,044.9 million. Funding in the five-year period includes \$732.0 million from Rhode Island Capital Plan funds, \$15.0 million from information technology funds, \$5.6 million from general revenues, and \$2.9 million from State Fleet Replacement Revolving Loan funds. The request is \$908.8 million more than the approved plan, including \$790.6 million for a major new project. The totals also include a significant new technology project and fleet replacements. *The Governor recommended \$122.7 million from Rhode Island Capital Plan funds for three previously approved projects only. This includes \$39.2 million for the five-year period, which is \$1.0 million more than approved.* **The Assembly provided \$1.0 million less than recommended and included a total of \$68.1 million for the five-year period.**

Facilities Renovations. The Department requested \$48.5 million from Rhode Island Capital Plan funds, \$7.5 million more than the approved plan, for expansion and renovation of its existing facilities. The approved plan provides \$41.0 million, including \$10.9 million for a behavioral management unit at the Maximum Security facility and \$30.2 million to reflect prior spending on completed projects. The request adds \$10.4 million for an indoor firing range, adds \$7.0 million for an additional Behavioral Management Unit at the Women's facility, shifts \$0.3 million of unspent FY 2024 funds to FY 2025, and excludes \$9.9 million of prior year spending. The firearms range component was requested in the previous year but not approved.

The request includes \$17.8 million for behavioral management units, including \$10.8 million previously approved for High Security and a newly requested \$7.0 million for the Women's facility. The units are planned to accommodate around 50 inmates and 20 inmates, respectively, and would provide psychiatric treatment for individuals who need specialized clinical intervention. As of August 2024, the Department has begun design work. The 2023 Assembly authorized 32.0 new positions to staff the behavioral management unit, the existing restrictive housing unit, and a pilot program. 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 \$10.9 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 Governor recommended funding consistent with the approved plan.* **The Assembly retained only \$250,000 for a feasibility study for FY 2025 and delayed all other funding by one year based on an updated timeline provided by the**

Department, resulting in a total of \$3.2 million for FY 2026 and \$7.4 million for FY 2027. The pilot program began operation in January 2025.

HVAC Replacement. The Department requested \$118.1 million from Rhode Island Capital Plan funds to replace the heating, ventilation, and air conditioning systems at its facilities. The approved plan includes \$41.1 million for work at the Intake Service Center. The request adds \$77.0 million for the Medium Security Facility and shifts \$6.9 million of unspent FY 2024 funds to FY 2025. The Intake Center was prioritized as disrepair prevents the current system from being controlled, which causes fire alarm and other issues for inmates and staff. The system is also experiencing issues and is anticipated to reach its end-of-life in FY 2026. The request programs \$6.9 million for FY 2025, \$0.9 million for FY 2026, \$19.3 million each for FY 2028 and FY 2029, and \$18.4 million for FY 2030. The Department's prior request also included replacement of the Medium Security system, which was not approved.

*The Governor's recommendation includes funding consistent with the approved plan, but shifts unspent FY 2024 funds to FY 2025 as requested. **The Assembly provided \$22.5 million less for FY 2025, \$17.5 million more for FY 2026, and \$5.0 million more for FY 2027 based on an updated project timeline provided by the Department.***

Asset Protection. The Department requested \$55.0 million from Rhode Island Capital Plan funds for asset protection projects at various facilities, including \$4.1 million annually for the FY 2025 through the post-FY 2030 period. This request delays \$5.7 million of unspent FY 2024 funds to FY 2025, adds \$4.0 million for the post-FY 2030 period, and is otherwise consistent with the approved plan. Planned work includes replacing plumbing, architectural and engineering, and heating, ventilation and air conditioning systems across all facilities.

Current year funding includes \$0.1 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 excluded \$0.6 million of historical funding and added \$1.0 million for FY 2026 associated with refurbishing a component of the Medium Security Facility to accommodate his operating budget proposal to transfer all inmates from the Minimum Security Facility, which would close.

The Assembly did not concur with the facility consolidation proposal, excluded the associated \$1.0 million, and delayed \$4.2 million from FY 2025 to FY 2026 based an updated spending timeline provided by the Department.

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 requested \$790.6 million from Rhode Island Capital Plan funds to build a new Minimum Security facility and Intake Service Center, as well as replace the Maximum and High Security facilities. The Department submitted similar requests for the past three years, but none were approved. The current request is \$51.7 million more than the Department's prior year request, which reflects a 7.0 percent inflationary adjustment.

The consolidated facility would replace the two highest security facilities at a requested cost of \$352.7 million, programmed at \$31.5 million for FY 2026 and \$160.1 million each for FY 2027 and FY 2028. The report assumed ten years for construction on the site of the current High Security Facility. The average July 2024 occupancy was 297 at the Maximum Security facility and 74 at High Security for a total of 371

inmates. The new facility 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 request includes \$228.6 million for the new Minimum Security facility, programmed at \$11.4 million for FY 2027 and \$108.6 million each for FY 2028 and FY 2029. The report assumed eight years for construction. The average July 2024 occupancy was 169 inmates at the existing facility while the new facility is expected to contain 600 beds. The Department indicates that the existing design lacks a secure perimeter, which prevents it from housing certain types of inmates, such as sex offenders. The new facility would allow space for 300 additional inmates primarily transferring from Medium Security.

The request includes \$210.3 million for the new Intake Service Center, programmed at \$19.1 million for FY 2030 and \$191.2 million in the post-FY 2030 period. The report assumed eight years for construction. The average July 2024 occupancy was 892 inmates at the existing facility while the new facility is expected to contain 986 beds. It is worth noting that, consistent with the approved plan, the Department's request also contains a separate project for \$41.1 million for replacement of heating, ventilation and air conditioning systems at the Intake Service Center scheduled to be completed in FY 2026. If this project were to be approved, the Department indicated it would forgo the air conditioning replacement; however, associated work began in September 2024. *The Governor did not recommend funding for this initiative.* **The Assembly concurred.**

Vehicle Fleet. The Department requested \$5.4 million from the State Fleet Replacement Revolving Loan Fund to replace existing vehicles. At the time of its request, the Department had 93 vehicles and planned to replace all of them by 2032. This is the first time the Department has submitted a vehicle fleet replacement plan as part of its capital request, it previously replaced vehicles on an ad hoc basis using general revenues. The request programs funds at \$1.2 million for FY 2025, \$0.6 million for FY 2026, \$0.5 million for FY 2027, and \$0.6 million annually for FY 2028 through FY 2030, and \$1.3 million for the post-FY 2030 period. *The Governor's capital recommendation does not contemplate vehicle replacements.* **The Assembly did not specify funding for vehicle replacements.**

Information Technology Projects. The Department requested \$27.4 million from all sources for a new project comprising three distinct technological upgrade and replacement subprojects. Of these funds, \$5.6 million is from general revenues to reflect ongoing operating funding estimated at \$1.7 million annually once all projects are complete; these expenses do not meet the definition of a capital project. It also included \$1.5 million to reflect remaining Large Systems Initiatives funds for a previously approved project contained in the Department of Administration's budget to install Wi-Fi at the adult correctional institutions and purchase a probation and parole E-supervision system. The remaining \$20.3 million is from information technology funds for two projects, \$20.0 million to replace the Inmate Facility Tracking System and \$0.3 million to transition the Department's existing electronic medical records system to a cloud-based system.

The new inmate tracking system would centralize all information on an inmate from intake to release and community supervision, such as identification numbers, housing areas, pictures, approved visitors, gang affiliations, time off for good behavior, and other data. Currently, for a complete record of an offender's history, the Department must combine information from different systems manually. The new medical tracking system would replace a current program that does not support newer operating systems. *The Governor did not recommend specific funding for this project.* **The Assembly did not provide specific funding for this project.**

Judicial Department

Projects	Status	5 Year Total	Project Total
Judicial Complexes Asset Protection	Ongoing	\$ 7,550,000	\$ 20,500,141
Judicial Complexes - HVAC	Ongoing	2,500,000	11,429,882
Judicial Complexes - Fan Coil Unit Replacements	Ongoing	3,100,000	5,600,000
Garrahy Judicial Complex - Asset Protection	Ongoing	2,250,000	4,510,615
Licht Window and Masonry Repairs	Ongoing	3,045,000	4,337,541
Total		\$ 18,445,000	\$ 46,378,179
Sources of Funds			
Rhode Island Capital Funds		\$ 18,445,000	\$ 46,378,179
Total		\$ 18,445,000	\$ 46,378,179

Summary. The Judiciary requested capital expenditures of \$47.8 million from Rhode Island Capital Plan funds, of which \$18.4 million would be used from FY 2026 through FY 2030 for five ongoing projects. The request indicates that the Judiciary is also evaluating the potential for a new courthouse to replace the Garrahy Judicial Complex, which may be included in future requests. *The Governor's recommendation contains \$17,021 more than requested for the five-year period and excludes \$1.4 million of historical spending.* **The Assembly concurred.**

Judicial Complexes Asset Protection. The Judiciary requested \$9.8 million from Rhode Island Capital Plan funds for the FY 2025 through FY 2030 period. The request excludes \$0.8 million of historical spending, shifts \$0.3 million from unspent FY 2024 funds to FY 2025, and is otherwise consistent with the approved plan. Projects planned through FY 2030 include LED lighting replacements, interior restorations, and upgrades for the elevators, fire suppression and alarm systems, and security systems. Funds are programmed at \$2.5 million for FY 2025 and \$1.5 million annually thereafter through FY 2030. *The Governor recommended \$17,021 more for FY 2030 and excluded \$0.5 million of historical spending.* **The Assembly concurred.**

Judicial Complexes - HVAC. The Judiciary requested \$3.0 million from Rhode Island Capital Plan funds for the FY 2025 through FY 2030 period, programmed at \$0.5 million annually, for the ongoing replacement or restoration of the heating, ventilation, and air conditioning systems at the Licht, Garrahy, Murray, McGrath, and Noel judicial complexes, the Traffic Tribunal, and the Fogarty Judicial Annex. The Judiciary utilizes this funding to address ongoing issues as they arise, requesting funding indefinitely. The request excludes \$0.5 million of historical spending and adds \$0.5 million for ongoing support for FY 2030. *The Governor recommended funding as requested, but excluded \$0.9 million of historical spending.* **The Assembly concurred.**

Judicial Complexes - Fan Coil Unit Replacements. The Judiciary requested \$3.6 million from Rhode Island Capital Plan funds for the FY 2025 through FY 2030 period to replace the fan coil units at the various complexes. The request adds annual funding of \$0.5 million for FY 2030 and is otherwise consistent with the approved plan. Many of the current fan coil units are approximately 30 years old, five years beyond their useful life. The Judiciary notes that replacement of the units will result in energy savings. *The Governor recommended funding as requested.* **The Assembly concurred.**

Garrahy Judicial Complex - Asset Protection. The Judiciary requested \$4.5 million from Rhode Island Capital Plan funds to restore the interior of the Garrahy Judicial Complex. This includes repairing tiles,

removing and replacing floors and carpets, sealing and repainting walls and ceilings, woodwork refinishing, and employee bathroom upgrades. Compared to the approved plan, the request excludes \$0.7 million of historical spending, shifts \$136,029 from unspent FY 2024 funding to FY 2025, and adds \$10,616 for FY 2025. The Judiciary's request specifically notes that there was underspending in a now complete but separate capital project that equals the requested increase. *The Governor recommended funding as requested.* **The Assembly concurred.**

Licht Window and Masonry Repairs. Consistent with the approved plan, the Judiciary requested \$4.3 million from Rhode Island Capital Plan funds for window and masonry repairs to the Licht Judicial Complex. The Judiciary reports this is decennial maintenance and it distinguishes this work from asset protection based on anticipated cost, scope, and reoccurrence. The request includes \$1.3 million of historical spending and \$1.5 million each for FY 2028 and FY 2029. 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 Governor recommended funding as requested.* **The Assembly concurred.**

Military Staff

Projects	Status	5 Year Total	Project Total
Air National Guard Asset Protection	New	\$ 9,035,000	\$ 14,212,864
Aviation Readiness Center	Revised	14,741,863	67,400,302
Army National Guard Asset Protection	Revised	40,230,006	75,990,704
Counter Drug Training Facility	Ongoing	1,025,250	8,449,766
Quonset Airway Runway Reconstruction	Ongoing	14,137,209	58,059,003
Quonset Air National Guard Headquarters Facility	Ongoing	901,297	38,595,297
Repair Squadrons Operations Facility	Ongoing	3,400,000	3,400,000
Sun Valley Armory Addition	Ongoing	-	7,171,550
Total		\$ 83,470,625	\$ 273,279,486
Sources of Funds			
Federal Funds		\$ 59,203,994	\$ 227,423,506
Rhode Island Capital Funds		24,266,631	45,855,980
Total		\$ 83,470,625	\$ 273,279,486

Summary. The Military Staff requested a total of \$266.7 million for eight projects, one of which is new. Funding in the five-year period includes \$58.2 million from federal funds and \$15.1 million from Rhode Island Capital Plan funds. This is \$45.3 million more than the approved plan over the five-year period, including \$36.7 million more from federal funds and \$8.6 million more from Rhode Island Capital Plan funds. *The Governor recommended \$261.4 million for the eight requested projects. This is \$5.3 million less than requested, including \$1.7 million less for the five-year period.*

He subsequently requested an amendment to add \$11.9 million from Rhode Island Capital Plan funds to reflect an updated cost share agreement and estimate for the Aviation Readiness Center project, and one to reduce FY 2025 funding for the Sun Valley Armory Addition project by \$0.1 million to reflect the audited FY 2024 closing. The Assembly concurred with the amended recommendation.

Air National Guard Asset Protection. The Military Staff requested \$14.2 million from federal funds for a new project for Air Force asset protection projects. The agency identified 22 items, including repairs and upgrades to existing infrastructure, energy efficiency projects, and a project in partnership with the University of Rhode Island. Previously, Air Force asset protection projects did not flow through the Cooperative Agreement with the National Guard Bureau. Therefore, Air Force asset protection projects previously did not have federal funding flowing through the state budget nor were they authorized any state match, in contrast with Army asset protection projects. The Air Guard has since begun utilizing the Cooperative Agreement 31. Subsequently, the Executive Military Staff created a separate request for Air Force asset protection projects and is seeking state match. *The Governor recommended funding as requested. The Assembly concurred.*

Aviation Readiness Center. The Military Staff requested \$55.5 million, including \$51.8 million from federal funds and \$3.7 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 \$5.7 million more than the approved plan, including \$0.3 million more from Rhode Island Capital Plan funds, based on the current working estimate. 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 agency indicated that the project has received an approved federal construction estimate and a design firm was selected in June 2023. *The Governor recommended funding essentially consistent with the request.*

*The Governor subsequently requested an amendment to add \$4.3 million for FY 2026 and \$7.6 million for FY 2027 from Rhode Island Capital Plan funds to reflect an increased cost estimate, as well as an increased state share as required by the National Guard Bureau. **The Assembly concurred with the amended recommendation.***

Army National Guard Asset Protection. The Military Staff requested \$41.9 million from all sources for the five-year period for Army asset protection projects, including \$29.2 million from federal funds and \$12.8 million from Rhode Island Capital Plan funds. The agency identified 13 distinct items including repairs and upgrades to heating, ventilation, and air conditioning systems, interiors, roadways, and energy efficiency projects. Compared to the approved plan, the request is \$41.4 million more, including \$20.5 million more for the five-year period. It adds \$11.1 million from federal funds to prior year spending and shifts \$0.3 million from Rhode Island Capital Plan funds from FY 2024 to FY 2025.

The Military Staff indicated this increase is partially due to four projects increasing in size and scope and the addition of one new project. Additionally, the Military Staff indicated that a previous backlog has caused higher costs as projects are being put back out to bid, which accounts for the remaining increase. Annual asset protection funding is designed to be flexible for changing priorities without increases in any given year. *The Governor's recommendation adds \$4.3 million from Rhode Island Capital Plan funds to the approved plan and \$1.7 million for FY 2030. **The Assembly concurred.***

Counter Drug Training Facility. The Military Staff requested \$8.4 million over FY 2025 and FY 2026, including \$3.0 million from Rhode Island Capital Plan funds and \$5.4 million from federal funds, to construct a new counter drug training facility at Camp Fogarty in East Greenwich. 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 request is \$0.2 million more from federal funds than the approved plan. The federal funds from the Google settlement accrue interest, which accounts for the increase. *The Governor recommended funding as requested. **The Assembly concurred.***

Quonset Airway Runway Reconstruction. The Military Staff requested \$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 essentially consistent with the approved plan. The agency utilizes the Quonset State Airport for military operations, including training and aviation operations. According to the Military Staff, the airport's runway requires repairs and does not currently meet military regulations for safety overruns, taxiway separation, pavement type, and taxiway width. The project would permit the runway to accommodate most military aircraft. State funds represent administrative costs of the Airport Corporation and a 5.0 percent required match for federal funds provided through the Air National Guard and the Federal Aviation Administration. *The Governor recommended funding as requested. **The Assembly concurred.***

Quonset Air National Guard Headquarters Facility. The Military Staff requested \$38.6 million, including \$35.6 million from federal funds and \$3.0 million from Rhode Island Capital Plan funds, to

construct an operation, training, medical, and dining facility on an empty lot at the Quonset Air National Guard Base. The request is \$0.6 million more than the approved plan from federal funds and extends completion by one year from FY 2025 to FY 2026. 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 began in FY 2024 and the project is expected to be complete by October 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Repair Squadron Operations Facility. Consistent with the approved plan, the Military Staff requested \$3.4 million, including \$2.8 million from federal funds and \$0.6 million from Rhode Island Capital Plan funds, to renovate and upgrade the Air National Guard's Repair Squadron Operations Facility in Quonset. The 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 recommended funding as requested. The Assembly concurred.*

Sun Valley Armory Addition. The Military Staff requested \$7.2 million, including \$6.4 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 \$0.4 million less from federal funds than the approved plan to reflect lower than expected furniture costs. Construction began in 2024 and is expected to be complete in summer 2025. The Military Staff indicated that the current facility lacks space for sensitive equipment, and egress routes currently doubling as additional storage space pose 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 recommended funding essentially as requested.*

The Governor subsequently requested an amendment to reduce FY 2025 funding by \$0.1 million from Rhode Island Capital Plan funds to reflect the audited FY 2024 closing. The Assembly concurred with the amended recommendation.

Rhode Island Emergency Management Agency

Projects	Status	5 Year Total	Project Total
Rhode Island Statewide Communications Network Infrastructure Upgrades	Revised	\$ 345,404	\$ 2,809,804
RISCON Tower Replacement	Revised	550,000	1,050,000
Emergency Management Building Feasibility Study	Ongoing	-	250,000
RISCON Warehouse Feasibility Study	Ongoing	-	250,000
RISCON 700MHZ Project	Ongoing	-	2,776,375
State Emergency Operations Center Upgrade	Ongoing	-	604,657
Total		\$ 895,404	\$ 7,740,836
Sources of Funds			
Rhode Island Capital Funds		\$ 895,404	\$ 7,740,836
Total		\$ 895,404	\$ 7,740,836

Summary. The Rhode Island Emergency Management Agency requested capital project expenditures totaling \$9.9 million, all from Rhode Island Capital Plan funds. The request includes seven projects, including one new project and two feasibility studies. The request programs \$4.5 million to be spent in the FY 2026 through FY 2030 period. *The Governor recommended \$7.7 million from Rhode Island Capital Plan funds, with \$0.9 million to be spent in the five-year period.* **The Assembly concurred.**

Rhode Island Statewide Communications System Network Infrastructure Upgrades. The Agency requested \$2.8 million from Rhode Island Capital Plan funds for equipment and hardware upgrades to increase the capabilities of the statewide communications system network. Adjusting for the exclusion of \$1.4 million of expenditures in FY 2024, the request is \$1.7 million more than the approved plan and extends the project two years to FY 2030. This project includes replacing propane generators, adding generators to sites, providing more resilient fiber cable connections, adding repeaters to extend the range of communications, and hardening current security, lighting, and camera systems. The increase appears to relate to a separate request to replace more towers. The network is a radio system that expedites emergency phone calls and disaster-related communications throughout the state.

The Governor recommended \$0.7 million for FY 2025 and \$0.3 million for FY 2026 as requested, which is \$0.3 million more than the approved plan. He recommended only \$15,000 for FY 2027 and FY 2028, consistent with the approved plan. **The Assembly concurred.**

RISCON Tower Replacement. The Agency requested \$1.8 million from Rhode Island Capital Plan funds for FY 2026 through FY 2030 to replace Rhode Island Statewide Communications System Network towers experiencing issues. This request excludes \$0.5 million of expenditures in FY 2024. The current request is to address five tower sites, Foster, Warren, and three additional sites that have not been identified. The Agency noted that the project is for the material cost of the towers only, and construction costs will be borne by a combination of Rhode Island Capital Plan funds through the separate Rhode Island Statewide Network Infrastructure Upgrades project and federal grants, which have not been identified by the Agency or included in either project. It is unclear why. *The Governor recommended the \$550,000 requested for FY 2026 only.* **The Assembly concurred.**

Emergency Management Building Feasibility Study. The Agency requested \$250,000 from Rhode Island Capital Plan funds carried forward from FY 2024 for a feasibility study of its headquarters in

Cranston and its warehouse for use as a State Emergency Operations Center. In addition to other responsibilities, the Emergency Management Agency is tasked with providing Rhode Island with a State Emergency Operations Center from which the state's response to man-made and natural disasters can be directed and coordinated. 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 that meets the Agency's needs. At the time of its request, the Agency had noted that it was awaiting the Division of Capital Asset Management and Maintenance to provide a project manager. Work is now expected to be done in FY 2025. *The Governor recommended funding as requested. The Assembly concurred.*

RISCON Warehouse Feasibility Study. Consistent with the approved plan, the Agency requested \$250,000 from Rhode Island Capital Plan funds for FY 2025 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 indicated the current warehouse, which is not state-owned, is inadequate and cannot be renovated to meet its spacing needs. The study would consider the location and configuration. *The Governor recommended funding as requested. The Assembly concurred.*

RISCON 700MHZ Project. Consistent with the approved plan, the Agency requested \$2.8 million from Rhode Island Capital Plan funds to upgrade the high-performance data system previously used by the Rhode Island Public Transit Authority. The current request delays \$1.4 million in approved funding from FY 2024 to FY 2025. The high-performance data system was decommissioned because the manufacturer of the system 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, is co-located with the current Rhode Island Statewide Communications Network. *The Governor recommended funding as requested. The Assembly concurred.*

State Emergency Operations Center Upgrade. The Agency requested \$0.9 million from Rhode Island Capital Plan funds to upgrade the State Emergency Operations Center. This is \$0.3 million more than the approved plan and extends the project two years to FY 2027. The request would add geographic information system software and a video display control panel in the Center.

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 and determine the feasibility of renovating other state facilities or, alternatively, identify a more suitable location that meets the Agency's needs. The Agency acknowledges that many of the upgrades requested would be non-transferable to a new facility. The Agency noted the study is awaiting the Division of Capital Asset Management and Maintenance to provide a project manager. *The Governor recommended \$80,000 for FY 2025, consistent with the approved plan. The Assembly concurred.*

RIPCON Cameras. The Agency requested \$632,800 from Rhode Island Capital Plan funds for FY 2026 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 request is similar to one made last fiscal year for the same project for which the Governor did not recommend funding, and the Assembly concurred. *The Governor did not recommend funding. The Assembly concurred.*

Department of Public Safety

Projects	Status	5 Year Total	Project Total
Asset Protection	Revised	\$ 4,275,000	\$ 10,433,240
New Southern Barracks	Ongoing	16,750,000	41,355,556
State Police Body-Worn Cameras and Vehicle Cameras	Ongoing	1,447,565	3,504,778
Microwave System Replacement	Ongoing	245,048	1,197,002
Training Academy Upgrades	Ongoing	4,010,000	6,597,390
State Police and Security Services Vehicle Replacement	Fleet	11,539,050	19,418,207
Information Technology	IT	2,130,761	2,830,761
Total		\$ 40,397,424	\$ 85,336,934

Sources of Funds			
Federal Funds	\$	-	\$ 271,250
General Revenues		4,861,326	12,726,446
Other Funds		9,139,050	10,939,050
Restricted Receipts		1,117,000	1,817,000
Rhode Island Capital Funds		25,280,048	59,583,188
Total	\$	40,397,424	\$ 85,336,934

Summary. The Department of Public Safety requested \$87.8 million, of which \$47.1 million will be used in the five-year period, for seven projects. The request is \$22.2 million more than the approved plan and includes revisions to three projects. *The Governor recommended \$85.3 million, including \$40.4 million in the five-year period.* **The Assembly concurred.**

Asset Protection. The Department requested \$11.2 million from Rhode Island Capital Plan funds for asset protection projects, including \$4.8 million from FY 2026 to FY 2030. The request is \$1.2 million more than approved and includes \$0.9 million for a new communications tower in West Greenwich that may be needed to serve the new Southern Barracks, as well as a cost increase for the Radio Bureau building repair. Projects include health and safety improvements to the barracks, renovations to the Administrative Support Building, and upgrades to communication towers. The request programs \$3.6 million for FY 2025, \$1.2 million for FY 2026, \$1.8 million for FY 2027, \$0.7 million for FY 2028, \$0.7 million for FY 2029, and \$0.3 million for FY 2030. *The Governor recommended a total of \$10.4 million. This includes funding consistent with the approved plan through FY 2027 and funding consistent with the request for FY 2028 through FY 2030.* **The Assembly concurred.**

New Southern Barracks. Consistent with the approved plan, the Department requested \$41.3 million from Rhode Island Capital Plan funds to construct 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 be transferred to the Department of Administration. Since its approval, this project has undergone several cost and scope revisions. The design is complete, but construction documents were still in development at the time of the request. *The Governor recommended funding consistent with the approved plan.* **The Assembly concurred.**

State Police Body-Worn Cameras and Vehicle Cameras. Consistent with the approved plan, the Department requested \$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 and 40 body-worn cameras for the State Police Academy's FY 2024 trainees. The request programs \$0.7 million annually for both FY 2026 and FY 2027. *The Governor recommended funding as requested.* **The Assembly concurred.**

Microwave System Replacement. Consistent with the approved plan, the Department requested \$1.2 million from Rhode Island Capital Plan funds to replace the Rhode Island Statewide Communications Network's microwave system. Installation was completed in FY 2022. The Department has a five-year payment plan with the project's contractor. The request reflects the remaining payments of \$0.2 million for FY 2025 and FY 2026. *The Governor recommended funding as requested.* **The Assembly concurred.**

Training Academy Upgrades. Consistent with the approved plan, the Department requested \$6.6 million from Rhode Island Capital Plan funds for rehabilitation and ongoing asset protection to the Training Academy, including classroom renovations, grounds improvements, environmental and safety upgrades to the firing range, and two feasibility studies. While some elements have been delayed, it appears the plan is to continue funding at the \$150,000 level annually. The Department reported it is delaying other phases of this project to ensure that this project will be consistent with the anticipated field house feasibility study. The request programs \$0.8 million for FY 2025, \$1.9 million for FY 2026, \$1.1 million for FY 2027, \$0.7 million for FY 2028, and \$0.2 million annually for FY 2029 and FY 2030. *The Governor recommended total funding as requested for the five-year period, but shifted \$775,000 from FY 2026 and FY 2027 to FY 2029 and FY 2030.* **The Assembly concurred.**

State Police and Security Services Vehicle Replacement. The Department's FY 2026 operating budget request includes \$4.5 million in FY 2025 and \$0.8 million in FY 2026 for outright vehicle replacement and repayment to the State Fleet Replacement Revolving Loan Fund for the State Police, Capitol Police, and Sheriffs. This assumes the use of \$2.2 million from the Fund for purchases in FY 2026 only. *The Governor's capital budget includes \$19.4 million for vehicle purchases, including \$8.5 million from general revenues and \$10.9 million from the revolving fund through FY 2030. The recommendation assumes \$2.9 million from general revenues for FY 2025 and \$0.6 million for FY 2027 through FY 2030. FY 2026 includes \$2.9 million from the revolving fund only.* **The Assembly concurred.**

Information Technology. The Department requested \$2.8 million from all sources for technology upgrades. This includes \$1.0 million from general revenues and \$1.8 million from restricted receipts. The Department completed State Police technology upgrades in FY 2023. It previously identified a need for \$2.6 million, for which \$0.3 million from restricted receipts was in its operating budgets for FY 2024 and FY 2025. The updated request is \$0.7 million in FY 2025, including \$0.4 million from unspent FY 2024 funds, caused by delays in receiving E-911 equipment. It programs \$0.7 million for FY 2026, \$0.3 million for FY 2027 and FY 2028, \$0.4 million for FY 2029, and \$0.5 million for FY 2030. *The Governor recommended funding as requested.* **The Assembly concurred.**

Records Management. The Department requested \$21.2 million from all sources to install, operate, and maintain a statewide dispatch and records management system. This includes \$1.1 million from federal funds, \$3.8 million from general revenues, \$16.0 million from restricted receipts, and \$0.3 million from other funds. The Department identified a need for \$18.0 million in its prior capital request, for which \$2.7 million is included in its FY 2025 operating budget. The updated request is \$3.0 million for FY 2025, or \$0.3 million more than enacted for contracted expenses needed until a project manager was hired in September. It includes \$3.1 million for FY 2026 and \$3.7 million annually for FY 2027 through FY 2030. Total implementation expenses are \$4.6 million; maintenance of the records system will cost \$1.5 million in FY 2026; in the following fiscal years, the maintenance contract will be \$3.7 million annually, with funding from user fees. *The Governor recommended \$3.4 million in the operating budget for FY 2026, which is revised from the request to include the \$0.3 million of expected support from the Judiciary.* **The Assembly concurred.**

Department of Environmental Management

Projects	Status	5 Year Total	Project Total
Galilee Piers	Revised	\$ 42,413,820	\$ 74,051,720
Marine Infrastructure/Pier Development	Revised	700,000	6,349,999
Recreational Facilities Improvements	Revised	47,078,551	96,577,526
Brownfields Remediation	Ongoing	10,242,559	23,000,000
Climate Resiliency	Ongoing	3,560,000	7,000,000
Dam Repair	Ongoing	21,511,030	33,121,776
Facilities Asset Protection	Ongoing	3,795,000	7,106,007
Farmland Development Rights Acquisition	Ongoing	5,085,819	14,500,000
Fish and Wildlife Facilities	Ongoing	4,000,000	5,066,403
Flood Prevention	Ongoing	622,001	3,000,000
Forest Conservation and Habitats	Ongoing	6,400,000	8,000,000
Fort Adams Trust	Ongoing	2,500,000	5,293,637
Local Land Acquisition Grants	Ongoing	1,034,530	8,000,000
Local Recreation Development Grants	Ongoing	7,038,324	30,500,000
Narragansett Bay and Watershed Restoration Fund	Ongoing	3,214,170	15,500,000
Natural and Working Lands	Ongoing	1,930,000	3,000,000
Natural Resources Offices and Visitors Center	Ongoing	17,123,418	18,465,909
Newport Cliff Walk	Ongoing	2,000,000	3,000,000
Newport Piers	Ongoing	1,000,000	2,337,219
Roger Williams Park and Zoo	Ongoing	2,000,000	12,000,000
State Bikeway Development	Ongoing	1,675,454	15,000,000
State Land Acquisition - Open Space	Ongoing	4,930,000	13,150,000
Stormwater Pollution Prevention	Ongoing	317,903	3,000,000
Wastewater Treatment Facility Resilience Improvements	Ongoing	-	5,000,000
Woonasquatucket River Watershed Council	Ongoing	1,171,044	2,000,000
Total		\$ 191,343,623	\$ 414,020,196
Sources of Funds			
Federal Funds		\$ 34,950,000	\$ 39,450,000
General Obligation Bonds		65,051,804	203,050,000
Rhode Island Capital Funds		91,341,819	171,520,196
Total		\$ 191,343,623	\$ 414,020,196

Summary. The Department of Environmental Management requested a total of \$432.4 million, of which \$219.8 million will be used from FY 2026 through FY 2030 for 25 capital projects. The request includes revisions to three existing projects. Funding in the five-year period includes \$35.1 million from federal funds, \$64.3 million from approved general obligation bonds, \$24.9 million from general obligation bonds for a future ballot, and \$95.5 million from Rhode Island Capital Plan funds. *The Governor recommended \$414.0 million, including \$179.0 million in the five-year period. The Assembly revised the programming of Rhode Island Capital Plan funds for the dam repair and Galilee piers projects based on revised project schedules and concurred with the remainder of the recommendation.*

Galilee Piers. The Department requested \$69.9 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 Department's Coastal Resources division headquarters and parking lot. The request is \$5.6 million more than the approved plan, which reflects adding \$2.8 million for FY 2029 and FY 2030 for ongoing asset protection projects, similar to the funding approved for FY 2028. It programs \$13.3 million for FY 2025, \$16.5 million for FY 2026, \$14.1 million for FY 2027, and \$2.8 million annually for FY 2028 through FY 2030. *The Governor recommended funding consistent with the approved plan through FY 2027. He recommended \$1.5 million for FY 2028 through the post-FY 2030 period for ongoing asset protection projects.* **Based on a revised project schedule, the Assembly removed \$7.3 million from FY 2025 and added \$4.0 million to FY 2026 and \$3.3 million to FY 2027.**

Marine Infrastructure/Pier Development. The Department requested \$4.8 million from all sources to create a new Port Sakonnet at the Chase Marina in Tiverton. This includes \$2.6 million from federal funds and \$2.2 million from Rhode Island Capital Plan funds. This is \$3.8 million less than the approved plan, including \$2.6 million less from federal funds and \$1.2 million less from Rhode Island Capital Plan funds. The Department reported that it is currently in the preliminary stages of design. Once that is complete, it may apply for additional federal funding if costs exceed the current request. The reduction from Rhode Island Capital Plan funds was requested in error. *The Governor recommended federal funds as requested and \$3.7 million from Rhode Island Capital Plan funds. He excluded unused Rhode Island Capital Plan funds from FY 2024, maintained the approved \$1.0 million for FY 2025, and added \$700,000 for FY 2026.* **The Assembly concurred.**

Recreational Facilities Improvements. The Department requested \$129.2 million from all sources for major capital development projects at state parks, beaches, and campgrounds. This includes \$51.0 million from Rhode Island Capital Plan funds, \$20.2 million from federal funds, \$33.0 million from general obligation bonds approved by the voters in November 2020, and \$25.0 million in new general obligation bonds to go before voters in November 2026. This is \$31.3 million more than the approved plan, including \$0.3 million from federal funds and \$6.0 million from Rhode Island Capital Plan funds, along with the proposed 2026 bonds.

The Department reported that the out-year plan for federal funding is based on historically available funding and that the approved plan is based on available funding for the projects it has identified. Projects include the construction of maintenance garages at Fort Adams State Park, rehabilitation of the stone barn and bathroom replacement at Colt State Park, and various improvements to Misquamicut and Roger Wheeler beaches, Beavertail, Brenton Point, Fort Adams, Wetherill, and Rocky Point State Parks and Burlingame, Echo Lake, and Fishermen's Memorial campgrounds. *The Governor recommended funding consistent with the approved plan through FY 2029 and added \$2.5 million from Rhode Island Capital Plan funds for FY 2030.* **The Assembly concurred.**

Brownfields Remediation. The Department requested \$18.0 million 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 \$13.0 million approved by voters in three prior elections and \$5.0 million of new funding approved by the voters in November 2024. The request assumes all existing bonds will be exhausted by FY 2028 and programs new funding from FY 2027 through FY 2029. Of the previously approved bonds, \$3.1 million remains uncommitted and available for new projects. *The Governor's capital budget includes \$5.0 million approved by the voters in 2014, which was excluded from the request.* **The Assembly concurred.**

Climate Resiliency. Consistent with the approved plan, the Department requested \$7.0 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 that 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 \$2.0 million of new funding approved by voters in November 2024. If approved, annual debt service would be \$0.2 million, assuming a 5.0 percent interest rate and a 20-year term; total debt service would be \$3.2 million. The request assumes all existing bonds will be exhausted by FY 2026 and programs new funding for FY 2026 and FY 2027. Of the previously approved bonds, \$0.8 million remains uncommitted and available for new projects. *The Governor recommended funding as requested. The Assembly concurred.*

Dam Repair. The Department requested \$33.8 million from all sources to repair “high hazard” state-owned dams at various recreational and management areas operated by the Department. This includes \$29.4 million from Rhode Island Capital Plan funds and \$4.4 million from general obligation bonds approved by voters in 2018. The request omits \$0.1 million from federal funds in the approved plan. The Department indicated that it believes it will receive this funding in FY 2025 but has excluded it from its request. Rhode Island Capital Plan funds are \$0.4 million less than approved; however, this reduction was in error and represents carryforward from FY 2024 for Burlingame Upper and Burlingame Lower dams. *The Governor recommended \$33.1 million. General obligation bonds are consistent with the approved plan and request. Rhode Island Capital Plan funds total \$28.7 million, which is \$0.4 million less than approved for the five-year period but adds \$1.0 million for FY 2030 and \$4.0 million in the post-FY 2030 period. The Assembly revised the programming of Rhode Island Capital Plan funds based on an updated schedule. This includes shifting \$5.0 million from FY 2025 to FY 2028.*

Facilities Asset Protection. The Department requested \$6.7 million from Rhode Island Capital Plan funds, including \$3.8 million in the five-year period, FY 2026 through FY 2030, for asset protection and emergency repair projects at most facilities, including recreational facilities, office spaces, and marine infrastructure. The request appears to understate pre-FY 2024 expenditures by \$0.8 million and is consistent with the approved plan for the five-year period. Work generally includes replacing heating, ventilation, and air conditioning systems, upgrading building envelopes, and addressing fire code and Americans with Disabilities Act compliance. *The Governor recommended \$15,000 less than requested for the five-year period. The Assembly concurred.*

Farmland Development Rights Acquisition. Consistent with the approved plan, the Department requested \$14.5 million from general obligation bonds to provide farmland acquisition grants. The Agricultural Land Preservation Commission accepts and scores farmland applications for these funds. The goal is to eliminate economic pressures on farmers to sell land for residential or commercial development. The request includes \$9.5 million from general obligation bonds approved by voters in three prior elections, \$1.0 million of which remains uncommitted and available to acquire new development rights. It also includes \$5.0 million from new general obligation bonds approved by the voters in November 2024. The request assumes all existing bonds will be exhausted by FY 2026 and programs new bonds at \$1.0 million annually for FY 2026 through FY 2030. 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 recommended funding as requested. The Assembly concurred.*

Fish and Wildlife Facilities. The Department requested \$4.4 million from all sources for repairs and renovations to Division of Fish and Wildlife facilities. Funding includes \$1.4 million from Rhode Island Capital Plan funds and \$3.0 million from federal funds. The request 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, consistent with the approved plan, and adds \$200,000 from Rhode Island Capital Plan funds for FY 2030. *The Governor recommended adding \$800,000 for FY 2030. The remainder of the recommendation is consistent with the request. The Assembly concurred.*

Flood Prevention. Consistent with the approved plan, the Department requested \$3.0 million from general obligation bonds approved by voters in 2014 to reduce flood risks, enhance public safety, and improve the resiliency of vulnerable habitats and floodplains. The program provides grants related to dam repairs and restoration of coastal habitats, rivers, and stream floodplains to public and nonprofit entities. The request delays completion by one year to FY 2026; this project's completion has been repeatedly delayed. *The Governor recommended funding as requested.* **The Assembly concurred.**

Forest Conservation and Habitats. Consistent with the approved plan, the Department requested \$8.0 million from general obligation bonds to provide farmland acquisition grants. The Agricultural Land Preservation Commission accepts and scores farmland applications for these funds. The program aims to eliminate economic pressures on farmers to sell land for residential or commercial development. The request includes \$3.0 million from general obligation bonds approved by voters in 2022, \$2.8 million of which remains uncommitted and available. It also includes \$5.0 million from new general obligation bonds approved by the voters in November 2024. The request assumes all existing bonds will be exhausted by FY 2026 and programs new bonds at \$1.0 million annually for FY 2026 through FY 2030. 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 recommended funding as requested.* **The Assembly concurred.**

Fort Adams Trust. The Department requested \$0.5 million annually beginning in FY 2026 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 of \$2.9 million is consistent with the approved annual funding and adds \$500,000 for FY 2030. The FY 2025 total of \$0.4 million includes prior year unspent funds. *The Governor recommended funding as requested.* **The Assembly concurred.**

Local Land Acquisition Grants. Consistent with the approved plan, the Department requested \$8.0 million from general obligation bonds approved by the voters in three prior elections for local land acquisition grants available to municipalities, local land trusts, and nonprofit organizations. Funding is programmed through FY 2026. *The Governor recommended funding as requested.* **The Assembly concurred.**

Local Recreation Development Grants. Consistent with the approved plan, the Department requested \$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 approved by the voters in November 2024. *The Governor recommended funding as requested.* **The Assembly concurred.**

Narragansett Bay and Watershed Restoration Fund. Consistent with the approved plan, the Department requested \$15.5 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 Department has awarded 67 grants for projects across the state, which include riparian buffer restoration, fish passage projects, and stormwater abatement projects. Of the approved bond funds, the Department has \$3.1 million available to acquire new development rights. *The Governor recommended funding as requested.* **The Assembly concurred.**

Natural and Working Lands. Consistent with the approved plan, the Department requested \$3.0 million from general obligation bonds approved by voters in March 2021. The Department protects Rhode Island's farmlands from development that would shift its use away from agriculture by purchasing the land and development rights and selling it back to farmers. The Agricultural Land Preservation Commission is a

quasi-governmental commission that works with the Department to oversee applications for the purchase of farmland development rights through the State Farmland Access Program. The request delays project completion three years to FY 2029 and programs \$0.7 million for FY 2026 and \$0.4 million annually for FY 2027 through FY 2029. *The Governor recommended funding as requested, with minor revisions to the programming of funds between years.* **The Assembly concurred.**

Natural Resources Offices and Visitors Center. The Department requested \$18.7 million, \$0.3 million less than the approved plan, from all sources to construct new office facilities and visitors center for the Divisions of Forestry and Fish and Wildlife. The request includes \$13.8 million from federal funds and \$5.0 million from Rhode Island Capital Plan funds. 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 Governor recommended funding as requested adjusted for pre-FY 2025 expenditures.* **The Assembly concurred.**

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 2023 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 later received a \$16.0 million federal grant to support this project and related improvements. Consistent with the approved capital plan, the request includes \$3.0 million from general obligation bonds authorized on the November 2024 ballot. *The Governor recommended funding as requested.* **The Assembly concurred.**

Newport Piers. The Department requested \$2.0 million from Rhode Island Capital Plan funds to complete infrastructure improvements to Newport Piers. The project will support asset protection work, facility repairs and renovations, and the construction of a wave attenuation system to reduce the physical forces that cause wear on the infrastructure. This is consistent with the approved plan, which programs \$0.5 million annually from FY 2025 through FY 2027. *The Governor adjusted for pre-FY 2025 spending, added \$0.1 million in available carryforward to FY 2025, and included \$500,000 for FY 2026 and FY 2027 as requested.* **The Assembly concurred.**

Roger Williams Park and Zoo. Consistent with the approved plan, the Department requested \$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 programs \$2.0 million for FY 2026 to complete the project, one year later than assumed in the approved plan. *The Governor recommended funding as requested.* **The Assembly concurred.**

State Bikeway Development. Consistent with the approved plan, the Department requested \$15.0 million from general obligation bonds approved by voters in 2016 and 2018 for new bikeway design and construction, including continued work on the Blackstone bikeway and the South County bikeway. Funding is programmed through FY 2027. *The Governor recommended funding as requested.* **The Assembly concurred.**

State Land Acquisition - Open Space. Consistent with the approved plan, the Department requested \$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 approved by the voters in November 2024. The request assumes all existing bonds would be exhausted by FY 2027 and programs \$1.0 million from new bonds annually from FY 2026 through FY 2028. *The Governor's budget inadvertently overstates the value of the 2022 bond by \$1.0 million.* *The*

*Budget Office confirmed the intent was to show the correct value of the 2022 bonds. **The Assembly concurred.***

Stormwater Pollution Prevention. Consistent with the approved plan, the Department requested \$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. *The Governor recommended funding as requested. **The Assembly concurred.***

Wastewater Treatment Facility Resilience Improvements. The Department requested \$5.0 million from general obligation bonds approved by the voters in 2018 to improve sanitary treatment facilities prone to flooding, storm events, and environmental degradation, and provide up to 50.0 percent matching funds. Funding is programmed through FY 2025, and all of the approved funds have been committed. *The Governor recommended funding as requested. **The Assembly concurred.***

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 through FY 2028. *The Governor recommended funding as requested. **The Assembly concurred.***

Coastal Resources Management Council

Projects	Status	5 Year Total	Project Total
Confined Aquatic Dredged Material Disposal Cells	Revised	\$ 102,752,820	\$ 102,752,820
Coastal and Estuary Habitat Restoration Program and Trust Fund	Ongoing	1,250,000	4,250,000
Little Narragansett Bay Study	Ongoing	-	50,000
Pawcatuck Resiliency Elevation Study	Ongoing	-	50,000
Providence Rivers Dredging/Waterplace Park	Ongoing	1,000,000	13,000,000
South Coast Restoration Project	Ongoing	7,000,000	9,221,755
Total		\$ 112,002,820	\$ 129,324,575
Sources of Funds			
Certificates of Participation		\$ 23,000,000	\$ 23,000,000
Federal Funds		68,372,820	68,372,820
General Obligation Bonds		1,000,000	13,000,000
Restricted Receipts		1,250,000	4,250,000
Rhode Island Capital Funds		18,380,000	20,701,755
Total		\$ 112,002,820	\$ 129,324,575

Summary. The Coastal Resources Management Council requested \$164.9 million, of which \$147.4 million would be used in FY 2026 through FY 2030. Funding in the five-year period includes \$30.0 million through Certificates of Participation, \$68.4 million from federal funds, \$1.0 million from general obligation bonds, \$1.3 million from restricted receipts, and \$46.8 million from Rhode Island Capital Plan funds. The request is for eight projects, two of which are new. There are significant revisions to four others. *The Governor recommended \$140.0 million, including \$122.7 million for the five-year period.*

The Governor subsequently requested an amendment to add \$5.0 million from Rhode Island Capital Plan funds in FY 2026 for the South Coast Restoration project based on updated project cost estimates for the Charlestown Breachway, among other projects. He also requested an amendment for Assembly approval of \$23.0 million through Certificates of Participation for the confined aquatic dredged material disposal cells project and to reduce FY 2027 Rhode Island Capital Plan funding by \$8.7 million based on the updated financing plan. The Assembly concurred with the amended recommendation.

Confined Aquatic Dredged Material Disposal Cells. The Council requested \$118.5 million, including \$30.0 million through Certificates of Participation and \$20.1 million from Rhode Island Capital Plan funds as the state match to \$68.4 million of federal funds to construct new confined aquatic disposal cells with the Army Corps of Engineers. Cells allow for the management of dredged materials unsuitable for open water disposal. The request is \$9.5 million more than the approved plan and assumes \$10.0 million more from borrowed funds. The Governor recommended an additional \$9.5 million through Certificates of Participation as part of his FY 2025 recommended budget, but did not propose debt approval pending a more definitive schedule. The FY 2026 request increases Certificates of Participation by \$19.5 million, which will require debt resolution in the 2025 session. The Council noted that the total cost is finalized and requested all funding for FY 2026. *The Governor recommended \$20.1 million from Rhode Island Capital Plan funds for FY 2027, \$0.5 million less than approved but consistent with the request. It does not appear that the debt proposal revisions to meet the funding assumptions have been completed. As such, his budget does not include a resolution for debt approval in 2025.*

*The Governor subsequently requested an amendment for Assembly approval of \$23.0 million through Certificates of Participation for the confined aquatic dredged material disposal cells project and to reduce FY 2027 Rhode Island Capital Plan funding by \$8.7 million based on the updated financing plan. **The Assembly concurred.***

Coastal and Estuary Habitat Restoration Program and Trust Fund. Consistent with the approved plan, the Council requested \$250,000 annually from the Oil Spill Prevention, Administration and Response Fund for the Coastal and Estuary Habitat Restoration Program and Trust Fund. The 2004 Assembly mandated the annual amount of \$250,000 from the Fund to the Program and Trust Fund. The Fund awards applicants who meet specific criteria to complete restoration projects that preserve or restore coastal wetlands, fish runs, eelgrass beds, and other coastal ecology. The project is on schedule with its annual requests for proposals. *The Governor recommended funding as requested. **The Assembly concurred.***

Little Narragansett Bay Study. The Council requested \$1.5 million from Rhode Island Capital Plan funds to study how dredging in Little Narragansett Bay can be accomplished. Shifting sands and a strong current have caused the only entrance and exit in Rhode Island waters to become difficult to navigate, requiring dredging to expand access. The study will be conducted in partnership with the Army Corps of Engineers, which will provide a 50.0 percent match. The request is \$1.5 million more than the approved plan of \$50,000 and reflects a significant change in scope. The Council noted that its initial request was intended to serve as a placeholder as costs were finalized with the Army Corps. The request is the same as that proposed unsuccessfully last year and reflects the costs of project management, engineering, field investigations, and surveys. The request programs \$0.5 million for FY 2026, \$0.7 million for FY 2027, and \$0.3 million for FY 2028. *The Governor recommended the approved amount of \$50,000 and shifted those unexpended funds to FY 2025. **The Assembly concurred.***

Pawcatuck Resiliency Elevation. The Council requested \$16.0 million from Rhode Island Capital Plan funds to construct non-structural floodproofing projects on residential structures in Narragansett, South Kingstown, Charlestown, and Westerly. The project assumes a partnership with the Army Corps of Engineers with a 65.0 percent federal cost share. The approved plan contains only \$50,000, and the request reflects a significant change in scope. The Council noted its initial request was intended to serve as a placeholder for the project as costs were finalized with the Army Corps. Similar to last year's proposal, the 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 affected by severe storms. The request programs \$4.0 million annually for FY 2026 through FY 2029 to cover the state share of the project. *The Governor recommended the approved amount of \$50,000 and shifted those unexpended funds to FY 2025. **The Assembly concurred.***

Providence Rivers Dredging/Waterplace Park. The Council requested \$13.0 million from general obligation bonds approved by voters in 2018 and 2021 to dredge sections of the Providence River in two components. Total funding is consistent with the approved plan; however, the project's timeline has been extended by two years to FY 2027; the approved plan previously advanced most funding for FY 2025 to FY 2024. The Council noted that most of the work has been completed, but its contract with The Nature Conservancy runs through December 2027. Dredging for the second phase includes sections of the Providence River from the 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 \$3.3 million for FY 2025 and \$0.5 million for FY 2026 and FY 2027. *The Governor recommended funding as requested. **The Assembly concurred.***

South Coast Restoration Project. The Council requested \$6.2 million from Rhode Island Capital Plan funds to maintain sediment levels within the breachways of each South County coastal lagoon and ensure that the habitat restoration projects, 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

from the request. Chronically accumulating sediment revived the need for the project again in FY 2023. The request is \$2.0 million more than the approved plan and reflects a new project to repair the Ninigret Breachway in FY 2026, which was damaged in the 2023-2024 storms. It also shifts the \$2.0 million approved for FY 2027 for the next anticipated dredging to FY 2028. Dredging typically occurs every three to five years, with the Council responsible for all costs. *The Governor recommended \$4.2 million, consistent with the approved plan, but advanced it to FY 2026 from FY 2027.*

*The Governor subsequently requested an amendment to add \$5.0 million from Rhode Island Capital Plan funds in FY 2026 for the South Coast Restoration project based on updated project cost estimates for the Charlestown Breachway, among other projects. **The Assembly concurred.***

Point Street Creosote Pilings Removal. The Council requested \$3.2 million from Rhode Island Capital Plan funds for FY 2026 for a new project to remove creosote-covered pilings near the Point Street Bridge on the Providence River in downtown Providence. Creosote is a commonly used term for a mixture used as a wood preservative that contains polycyclic aromatic hydrocarbons, phenols, and creosols, which the Council reported are negatively impacting the wildlife of Providence River and Narragansett Bay. The river running north of the Point Street Bridge has benefited from a multi-year dredging project completed by the Council in 2023. This has improved the navigation potential of the river, and as a result, navigational use is expected to increase. *The Governor did not recommend funding. **The Assembly concurred.***

Narrow River Dredging. The Council requested \$2.0 million from Rhode Island Capital Plan funds for FY 2026 for a new project to dredge and dispose of dredged material from the mouth of the Narrow River, where it connects to Narragansett Bay. The Council reported that due to the severity of winter storms in the 2023-2024 season, a significant amount of sediment from the ocean has been pushed into the Narrow River, making it less safe to navigate. The basis for the cost estimate is unclear and may increase if additional obstacles are identified during dredging. *The Governor did not recommend funding. **The Assembly concurred.***

Rhode Island Infrastructure Bank

Projects	Status	5 Year Total	Project Total
Clean Energy Fund	Revised	\$ 90,000,000	\$ 113,000,000
Clean Water State Revolving Fund	Revised	335,000,002	815,111,101
Drinking Water State Revolving Fund	Revised	267,236,352	856,311,352
Municipal Road and Bridge Revolving Fund	Revised	95,000,000	202,376,300
Municipal Resiliency	Revised	-	10,000,000
Efficient Buildings Fund	Revised	47,500,000	75,500,000
Water Pollution Control Revolving Fund	Revised	1,250,000	1,500,000
Water Quality Protection Charge Fund	Ongoing	5,000,000	7,500,000
Total		\$ 840,986,354	\$2,081,298,753

Sources of Funds			
Agency Funds	\$	30,000,000	\$ 42,500,000
Agency Revenue Bonds		302,954,644	652,918,343
Bond Premiums		-	68,026,300
Federal (EPA)		265,300,426	706,540,426
General Obligation Bonds		-	10,000,000
General Revenues		38,481,284	54,110,684
Interest Earnings		250,000	300,000
Other Funds		110,000,000	132,000,000
Revolved Capital		94,000,000	414,903,000
Total	\$	840,986,354	\$2,081,298,753

Summary. The Rhode Island Infrastructure Bank requested a total of \$2,248.3 million, of which \$988.0 million would be used in the five-year period. As requested, the five-year period includes \$122.0 million from new general obligation bonds, \$5.0 million from the Bank's funds, \$303.0 million from the Bank's revenue bonds, \$265.3 million from federal funds, \$38.5 million from general revenues, \$0.3 million from interest earnings, \$94.0 million from revolved capital, and \$160.0 million from other funds. The request is for 10 projects, none of which are new. *The Governor recommended total project costs of \$2,081.3 million for eight previously approved projects.* **The Assembly concurred.**

Clean Energy Fund. The Infrastructure Bank requested \$113.0 million, including \$95.0 million from demand-side management gas and electric funds available to the bank by statute, \$17.5 million from agency revenue bonds, and \$0.5 million from revolved capital for the Clean Energy Fund established by the 2021 Assembly to provide technical, administrative, and financial support to individuals, businesses and governments for renewable energy, energy efficiency, or demand-side projects.

Adjusting for the exclusion of \$7.5 million spent from revenue bond funds in FY 2024, this is \$18.0 million more than the approved plan, which reflects adding one more year of funding including \$15.0 million from demand-side funds, \$2.9 million from revenue bonds, and \$0.1 million from revolved capital. *The Governor recommended funding as requested.* **The Assembly concurred.**

Clean Water State Revolving Fund. The Infrastructure Bank requested \$815.1 million from all sources for the Clean Water State Revolving Fund, including \$335.0 million for the five-year period, to maintain a subsidized loan program for local governmental units to finance wastewater infrastructure projects. This is

\$52.5 million more than the approved plan; it excluded \$78.7 million spent in FY 2024, \$8.7 million more than the approved plan; and added \$25.0 million for FY 2025 and \$97.5 million in the five-year period. The request for the five-year period includes \$168.7 million from revenue bonds, \$88.8 million from federal Environmental Protection Agency funds, \$60.0 million from revolved capital, and \$17.5 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, 2023, and 2024; between the clean and drinking water programs the request assumes the use of \$60.7 million, or \$10.3 million more than appropriated. This appears to reflect the state match assumed to be necessary for FY 2029 and FY 2030. *The Governor recommended funding as requested. The Assembly concurred.*

Drinking Water State Revolving Fund. The Infrastructure Bank requested \$856.3 million from all sources, with \$267.2 million for use in the five-year period for the Drinking Water State Revolving Fund. Spending for the five-year period includes \$21.0 million from previously approved general revenues, \$176.5 million from federal funds, \$54.8 million from revenue bonds, and \$15.0 million from revolved capital. This is \$53.8 million less than the approved plan. It excluded \$73.2 million spent in FY 2024, \$27.6 million less than the approved plan partially offset by adding \$1.1 million for FY 2025 and \$45.8 million for the five-year period. As previously noted, the General Assembly provided \$50.4 million from general revenues to reflect the required state match; between the clean and drinking water programs, the request assumes the use of \$60.7 million, or \$10.3 million more than appropriated to reflect the state match assumed to be necessary for FY 2029 and FY 2030. 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 recommended funding as requested. The Assembly concurred.*

Municipal Road and Bridge Revolving Fund. The Infrastructure Bank requested \$202.4 million, including \$95.0 million for the five-year period, for the Municipal Road and Bridge Revolving Fund, which subsidizes loans to mitigate underinvestment in local roads. The request includes \$66.0 million from revenue bonds, \$18.4 million from revolved capital, \$68.0 million from state contributions, and \$50.0 million from other funds. This is \$22.0 million more than the approved plan. It excludes \$3.5 million spent in FY 2024, \$3.5 million less than the approved plan, offset by adding \$10.0 million from revenue bonds from FY 2026 through FY 2029, and programs \$21.0 million from all sources for FY 2030. 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 recommended funding as requested. The Governor also proposed legislation in Article 2 of 2025-H 5076 to expand project eligibility for the Fund to projects not on a project priority list or projects that have not obtained voter approval if the assistance would match other federal, state, local, or other funding. The Assembly concurred with the recommended allocation, but limited expanded eligibility to projects as a match for other state funding only.*

Municipal Resiliency. The Infrastructure Bank requested \$145.0 million to provide grants to municipalities for projects that mitigate the effects of climate change. This is \$119.0 million more than the approved plan. Consistent with the approved plan, the request includes \$16.0 million from general obligation bond funds approved by the voters in 2022 and \$10.0 million from new general obligation bond funds approved by voters in November 2024. The request adds \$7.0 million of prior spending and assumes the use of \$112.0 million from new general obligation bond proceeds to go before voters in future bond

questions. 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 Governor's recommendation includes only the \$10.0 million from general obligation bond proceeds approved by voters in November 2024 for FY 2025.* **The Assembly concurred.**

Efficient Buildings Fund. The Infrastructure Bank requested \$75.5 million from all sources for the Efficient Buildings Fund, including \$47.5 million for the five-year period. The program provides technical, funding, and administrative support to public entities for energy efficient and renewable energy upgrades to public buildings and infrastructure. The request is \$37.0 million less than the approved plan. It excludes \$0.3 million spent in FY 2024, which is \$6.2 million less than authorized in the approved plan. It also includes \$8.0 million less per year from utility system benefits charges and Regional Greenhouse Gas Initiative receipts from FY 2025 through FY 2029 to align funding with the program's current demand, and adds FY 2030 funding of \$9.5 million from all sources. *The Governor recommended funding as requested.* **The Assembly concurred.**

Water Pollution Control Revolving Fund. The Infrastructure Bank requested \$1.5 million from revolved capital and interest earnings for the Water Pollution Control State Revolving Fund, \$0.6 million more than the approved plan; it programs \$250,000 annually for the FY 2025 to FY 2030 period. Compared to the approved plan, the request excludes \$2.3 million spent in FY 2024 and adds \$100,000 from revolved capital annually from FY 2025 through FY 2029. Historically, this fund receives capital funding from general obligation bond proceeds and transfers the appropriate state match to the clean water and drinking water state revolving funds. It has also been used to fund loans that do not meet those federal requirements. *The Governor recommended funding as requested.* **The Assembly concurred.**

Water Quality Protection Charge Fund. The Infrastructure Bank requested \$7.5 million from water quality protection surcharges to provide funding for watershed protection and other projects requested by water suppliers. This is \$0.8 million more than the approved plan; it excluded \$0.8 million from FY 2024 spending and added \$1.0 million for FY 2030. 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 is retained by the individual suppliers for administrative costs, and the remaining funds are distributed with 57.0 percent for state general revenues and 36.1 percent for the Infrastructure Bank. *The Governor recommended funding as requested.* **The Assembly concurred.**

Ocean State Climate Adaptation and Resilience Fund. The Infrastructure Bank requested \$29.0 million to capitalize the Ocean State Climate Adaptation and Resilience Fund authorized by the 2021 Assembly. 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 request is for \$23.0 million in new resources and accounts for the \$4.0 million from general revenues authorized as part of the FY 2023 enacted budget. The request also assumes the use of \$2.0 million from new general obligation bond funds approved by 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. The source of remaining funds is not specified.

The 2024 Assembly provided \$750,000 from general revenues for the Infrastructure Bank to prepare a statewide coastal resilience plan within the Executive Office of Commerce's budget. In accordance with Rhode Island General Laws 46-23.4-2, the plan shall be completed by June 30, 2025. *The Governor's recommendation excludes this funding.* **The Assembly concurred. It passed 2025-H 6252 to authorize the Resilient Rhody Infrastructure Fund to leverage existing Bank resources to create a replenishing source of revenue to support resiliency and stormwater abatement projects long-term; the Bank has indicated that the Fund may finance projects identified in the statewide coastal resilience plan.**

Housing - Housing Related Infrastructure. The approved plan includes \$4.0 million from new general obligation bonds approved by the voters in November 2024 for housing-related infrastructure. The Infrastructure Bank request includes only \$3.0 million from general obligation bond funds, in error. It intended to program \$3.0 million from federal American Rescue Plan Act funds previously allocated for the Department of Housing for this purpose and exclude \$4.0 million from general obligation bonds pending their approval. The Infrastructure Bank will conduct a request for proposals to allocate general obligation bond funding upon voter approval. The funds are to be used to support pre-development activities and the development of site-related infrastructure for affordable housing, including road and utility connections. *The Governor's recommendation includes \$3.0 million as enacted in the Department of Housing's capital budget.* **The Assembly concurred.**

Narragansett Bay Commission

Projects	Status	5 Year Total	Project Total
Field's Point Resiliency Improvements	Revised	\$ 95,211,500	\$ 117,033,100
Wastewater Treatment Facilities	Revised	46,290,800	65,672,300
Infrastructure Management	Revised	4,956,400	8,660,900
Bucklin Point Resiliency Improvements	Revised	8,412,300	37,279,600
Sewer System Improvements	Revised	18,490,800	39,885,600
Combined Sewer Overflow Phase III Facilities	Ongoing	181,903,200	1,346,549,500
Interceptor Inspection, Cleaning, Restoration, and Construction	Ongoing	12,099,800	21,735,900
Total		\$ 367,364,800	\$1,636,816,900
Sources of Funds			
Other Funds		\$ 367,364,800	\$1,636,816,900
Total		\$ 367,364,800	\$1,636,816,900

Summary. The Narragansett Bay Commission requested a total of \$1,636.8 million, of which \$367.4 million would be used in the five-year period for seven previously approved projects. Funding for all projects comes from the Rhode Island Infrastructure Bank's revolving funds, Commission revenue bonds, and federal funds. *The Governor recommended funding as requested.* **The Assembly concurred.**

Field's Point Resiliency Improvements. The Commission requested \$117.0 million from the Rhode Island Infrastructure Bank's revolving funds, Commission revenue bonds, and federal funds for ongoing improvements that ensure the 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 that finances 49.0 percent of project resiliency improvements. The request includes upgrades to the Field's Point wastewater treatment facility, building modifications at the Ernest Street pump station, construction of new maintenance buildings, installation of standby power capabilities, and construction of a solar carport. The total request is \$5.1 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 two-year delay to FY 2030. It also reflects updated cost estimates to replace the Lincoln Septage Receiving Station, projected to start construction in the current fiscal year. The completed cybersecurity project was excluded from the Commission's request. *The Governor recommended funding as requested.* **The Assembly concurred.**

Wastewater Treatment Facilities. The Commission requested \$65.7 million from the Infrastructure Bank's revolving funds and Commission revenue bonds for several wastewater treatment improvement projects, including \$46.3 million in the five-year period. Improvements include projects such as long-range biosolids disposal, data communications upgrades, electrical improvements, upgrades to digesters, and building improvements. Two new subprojects within the request include upgrades to infrastructure concerns at Field's Point and a service building demolition. The request is \$37.4 million more than approved, which reflects the addition of the two new subprojects and either an expanded scope or a delayed start to all other elements. *The Governor recommended funding as requested.* **The Assembly concurred.**

Infrastructure Management. The Commission requested \$8.7 million, \$2.5 million more than the approved plan, from the Infrastructure Bank's revolving funds and Commission revenue bonds for ongoing infrastructure management, with \$5.0 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. This reflects two new subprojects, one for asset management and one to replace the Commission's current Enterprise Resource Planning system, as well as updated cost estimates that delay completion by two years to FY 2030. *The Governor recommended funding as requested. The Assembly concurred.*

Bucklin Point Resiliency Improvements. The Commission requested total project costs of \$37.3 million, of which \$8.4 million will be used in the five-year period for various improvements to the Bucklin Point wastewater treatment facility. The 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. The request is \$39.3 million less than the approved plan, which reflects a removal of one completed subproject and a reduced scope for the remaining work. *The Governor recommended funding as requested. The Assembly concurred.*

Sewer System Improvements. The Commission requested \$39.9 million from the Infrastructure Bank's revolving funds and Commission revenue bonds, with \$18.5 million in the five-year period for maintenance and upgrades to sewers and easement restorations. The request is \$1.3 million less than approved, mainly due to updated construction costs for regulator modifications expected to be completed in FY 2026. *The Governor recommended funding as requested. The Assembly concurred.*

Combined Sewer Overflow Phase III Facilities. The Commission requested \$1,346.5 million, \$40.2 million less than the approved plan, for the combined sewer overflow phase III facilities. The request excludes three subprojects totaling \$33.3 million and reflects reduced cost estimates completed for two other subprojects. This project 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 \$181.9 million in the five-year period and \$468.5 million post-FY 2030 from the Infrastructure Bank's revolving funds, Commission revenue bonds, and Environmental Protection Agency Water Infrastructure and Innovation Act program loan funds. The project will reduce stormwater inflow through stormwater infiltration projects, including an 11,600-foot rock tunnel in Pawtucket, a pump station, drop shafts, and consolidation conduits, followed by the construction of interceptors and a stub tunnel that will convey flow to the Pawtucket tunnel. *The Governor recommended funding as requested. The Assembly concurred.*

Interceptor Inspection, Cleaning, Restoration, and Construction. The Commission requested \$21.7 million from the Infrastructure Bank's revolving funds and Commission revenue bonds, with \$12.1 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 Governor recommended funding as requested. The Assembly concurred.*

Rhode Island Resource Recovery Corporation

Projects	Status	5 Year Total	Project Total
Materials Operating Facility Building Improvements	Revised	\$ 150,000	\$ 200,000
Phase VI Construction	Ongoing	13,763,999	153,300,730
Material Recycling Facility Construction	Ongoing	33,000,000	55,000,000
Material Recycling Facility Design	Ongoing	2,250,000	3,000,000
Material Recycling Facility Roof	Ongoing	100,000	200,000
Main Scale Replacement	Ongoing	1,300,000	1,300,000
Total		\$ 50,563,999	\$ 213,000,730
Sources of Funds			
Resource Recovery Corporation General Revenue		\$ 50,563,999	\$ 213,000,730
Total		\$ 50,563,999	\$ 213,000,730

Summary. The Rhode Island Resource Recovery Corporation requested a total of \$213.0 million from its general revenues for six projects, of which \$50.6 million would be used in the five-year period. *The Governor recommended funding as requested. The Assembly concurred.*

Materials Operating Facility Building Improvements. The Corporation requested \$0.2 million for FY 2025 through FY 2030 from its general revenues for a revised project to provide building improvements and repairs to the materials operating facility to keep it functional until the construction of the new material recycling facility has been completed. This includes \$50,000 for asphalt, \$25,000 for elevator repairs, and other miscellaneous improvements. The request is \$1.6 million less than the approved plan. The scope of this project was reduced as the timeline for the replacement of the material recycling facility has been accelerated. The Corporation is planning to construct a new material recycling facility during FY 2025 through FY 2027, which is a separate project. *The Governor recommended funding as requested. The Assembly concurred.*

Phase VI Construction. The Corporation requested \$153.3 million from its general revenues, of which \$13.8 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. The project is expected to provide solid waste disposal capacity for the state through 2043. *The Governor recommended funding as requested. The Assembly concurred.*

Material Recycling Facility Construction. The Corporation requested \$55.0 million from its general revenues for FY 2025 through FY 2027 to replace the materials recycling facility. Funding is consistent with the approved plan, but the project schedule has been accelerated from the original FY 2028 end date. The Corporation reported that the project is necessary to continue its operations as the sole residential and commercial recycling processing facility in the state. In prior year requests, design and construction plans had been repeatedly delayed. In recent requests, the Corporation had scheduled the construction project for the post-five-year period due to tentative project undertakings, recent and continual upward trends in construction costs, as well as deliberations on constructing a new facility. *The Governor recommended funding as requested. The Assembly concurred.*

Material Recycling Facility Design. The Corporation requested \$3.0 million from its general revenues for FY 2025 through FY 2029 to site, plan, and design a new material recycling facility. Total funding requested is consistent with the approved plan, but extends completion by one year to FY 2029. The

Corporation reported that design and consulting work will end in FY 2029, even though the Material Recycling Facility Construction project will be completed in FY 2027. The Corporation did not specify what kind of design and consulting work would be done after the construction project's completion. In a prior request, the project had been expanded to include the costs related to the request for proposal bidding preparations and construction oversight. The Corporation reported that the project is necessary to continue operating as the sole residential and commercial recycling processing facility in the state. *The Governor recommended funding as requested. The Assembly concurred.*

Material Recycling Facility Roof. The Corporation requested \$0.2 million for FY 2025 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 \$0.1 million less than the approved plan, excludes approved funding from FY 2024, and reflects a lower cost. The Corporation is planning to construct a new material recycling facility between FY 2026 and FY 2028, which is a separate project. The roof repairs for the existing facility are intended to keep the building in working condition until the new facility is built. *The Governor recommended funding as requested. The Assembly concurred.*

Main Scale Replacement. The Corporation requested \$1.3 million from its general revenues for FY 2026 and FY 2027 to replace its current main scale and the building that houses it. Funding is consistent with the approved plan, but the request has been delayed a year as it can only be done following the completion of the new entrance opening and the ability to re-route traffic, which has also been delayed. 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 cost associated with replacing the main scale and the building that houses it is from engineering estimates procured by the Corporation. *The Governor recommended funding as requested. The Assembly concurred.*

Department of Transportation

Projects	Status	5 Year Total	Project Total
Highway Improvement Program	Revised	\$ 4,144,598,270	\$ 8,426,121,694
Salt Storage Facilities	Revised	16,800,000	28,475,442
Bike Path Asset Protection	Ongoing	2,000,000	3,946,003
Capital Equipment Replacement	Ongoing	47,597,678	108,954,869
Commuter Rail (Fixed Guideway)	Ongoing	59,610,000	98,667,000
Maintenance Facility Improvements	Ongoing	3,734,756	8,347,877
Mass Transit Hub Infrastructure	Ongoing	9,345,323	35,000,000
State Funded Capital Improvements	Ongoing	146,000,000	323,129,000
Train Station Asset Protection	Ongoing	2,500,000	5,552,134
Welcome Center Improvements	Ongoing	1,250,000	2,255,431
Information Technology Investment Strategy	IT	13,248,402	28,191,298
Total		\$ 4,446,684,429	\$ 9,068,640,748
Sources of Funds			
Federal - ARP - SFRF		\$ -	\$ 35,000,000
Federal Funds		3,354,678,488	6,758,714,460
Federal GARVEE Bonds		94,800,000	340,000,000
Gasoline Tax		55,680,054	109,197,951
General Obligation Bonds - Approved		81,045,323	106,700,000
Highway Maintenance Account		437,890,456	637,389,456
Land Sales		1,387,538	27,518,825
Other		-	300,000
Rhode Island Capital Funds		251,202,570	843,820,056
Toll Revenue		170,000,000	210,000,000
Total		\$ 4,446,684,429	\$ 9,068,640,748

Summary. The Department of Transportation requested \$4,645.7 million from all sources to be used from FY 2026 through FY 2030 for projects totaling \$9,212.1 million. The request is for 16 projects, four of which are new. It is \$946.4 million more than the approved plan, including \$395.6 million for the new projects. It assumes use of \$441.9 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 2022 and 2023 Assembly provided the Department a total of \$163.0 million from Rhode Island Capital Plan funds to match additional federal funds.

The Governor recommended \$9,046.6 million from all sources for 11 approved projects. This includes \$4,404.7 million programmed for the five-year plan, which averages \$880.9 million annually. The recommendation is \$165.5 million less than requested and does not fund new projects. This includes \$140.0 million from recently issued Grant Anticipation Revenue Vehicle Program funds for the Washington Bridge Project, and \$210.0 million from toll revenue, including \$10.0 million in FY 2026. The U.S. Court of Appeals for the First Circuit affirmed the legality of the tolling program with the exception of the daily caps, which are severable from the rest of the statute. Specifics of timing and other potential changes in the toll program are not known.

*He subsequently requested an amendment to increase FY 2025 funding by \$0.1 million for two projects to reflect the audited FY 2024 closing statement. **The Assembly concurred with the amended recommendation and provided \$22.0 million more from Rhode Island Capital Plan funds in FY 2027, to cover increased state match for the Washington Bridge project, based on the June bid selection.***

Highway Improvement Program. The Department requested \$3,922.1 million from all sources for Highway Improvement Program expenditures to be used in the five-year period, for project costs of \$8,050.6 million. This assumes an average annual outlay of \$784.4 million. The Highway Improvement Program represents those highway and intermodal projects that utilize federal funds administered by the Federal Highway Administration. The program utilizes state funds for matching purposes in the form of proceeds from general obligation bonds, Rhode Island Capital Plan funds and resources from the Highway Maintenance Account. It includes \$1,848.5 million for bridges, \$2,133.8 million for major capital projects, \$792.1 million for paving projects, and \$332.9 million for active transportation projects.

The request is \$381.0 million more than the approved plan. Accounting for the exclusion of \$813.8 million of prior year expenses, it is \$1,194.8 million more, including annual funding of \$467.0 million for FY 2030. Expenditures in the previously approved period were revised by an additional \$727.8 million. This includes \$424.4 million from federal funds, including \$332.0 million for two awarded discretionary grant projects, \$140.0 million from newly issued Grant Anticipation Revenue Vehicle bonds for the Washington Bridge replacement project that the 2024 Assembly authorized, and \$156.6 million from available highway maintenance funds. Expenditures from Rhode Island Capital Plan funds are \$16.7 million less, reflecting the Department's proposal to include this funding as part of the Commuter Rail project.

The Governor recommended \$4,087.7 million in the five-year period for project costs of \$8,387.4 million. This is \$336.9 million more from all sources than requested, including \$210.0 million from toll revenue and \$162.8 million more from Rhode Island Capital Plan funds. This includes \$155.6 million for prior year expenses and available funds; funding from FY 2027 through FY 2030 is reduced by \$5.0 million in each year when adjusted for shifting of the fixed guideway. The plan appears to assume \$27.2 million in annual funding post-2030.

*The Governor also proposed legislation instituting annual registration fees of \$150 for battery electric vehicles and \$75 for plug-in hybrid vehicles. The fees are estimated to generate \$1.8 million in FY 2026, increasing to \$13.9 million in FY 2030. The revenues would be deposited into the Highway Maintenance Account to support transportation expenses. The recommended capital budget does not assume use of these funds. **The Assembly established annual registration fees of \$200 for battery electric vehicles, \$100 for plug-in hybrid electric vehicles, and \$50 for hybrid electric vehicles. It increased the current surcharges on license and most vehicle registrations from \$30 to \$40. These changes would take effect on January 1, 2026, and would generate \$6.7 million for FY 2026, or \$4.9 million more than the Governor's budget assumed.***

It provided \$4,144.6 million from all sources in the five-year period, \$56.9 million more from Rhode Island Capital Plan funds than recommended. Consistent with the approved plan, it maintained funding in this project, in lieu of a stand-alone Commuter Rail (Fixed Guideway) project. Based on

an updated timeline for the Washington Bridge project, it shifted \$20.0 million from Rhode Island Capital Plan funds from FY 2025 to FY 2026. The contract was awarded in June, with construction starting in July. It also provided \$22.0 million in FY 2027 for updated state match needed based on the increased costs.

Salt Storage Facilities. The Department requested \$16.8 million from all sources, including \$6.8 million from Rhode Island Capital Plan funds, to be used in the five-year period for the construction of salt storage facilities at various locations 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. Originally developed to address the significant number of uncovered facilities, this project has evolved to include building numerous covered structures to house road salt, with the eventual goal of eliminating all open area storage facilities; five sites have been closed.

The request is \$26.3 million, \$12.9 million more than the approved plan. It excludes \$0.6 million of prior year expenses and adds \$1.5 million from Rhode Island Capital Plan funds for FY 2030 annual funding. The project was revised to include \$2.0 million annually from gas tax proceeds. 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 averaging \$1.4 million is no longer sufficient to cover the cost. In FY 2024, a condition assessment was conducted in ten salt storage facilities; they received an average of 2.4 out of 5. The request includes expenses of \$3.2 million each for FY 2025 through FY 2027 and \$3.5 million each for FY 2028 through FY 2030. It should be noted that the Department submitted a separate project, requesting \$3.4 million from Rhode Island Capital Plan funds for a new salt storage shed facility on Block Island, for which a prior approved plan had included \$80,000 as part of this project.

*The Governor recommended project costs of \$28.5 million, which is \$2.2 million more than requested, primarily for the inclusion of prior year expenses. He subsequently requested an amendment to increase FY 2025 Rhode Island Capital Plan funding for the Salt Storage Facilities project by \$0.1 million to reflect where spending occurred consistent with the audited FY 2024 closing statement. **The Assembly concurred with the amended recommendation.***

Bike Path Asset Protection. The Department requested annual funding of \$0.4 million from Rhode Island Capital Plan funds in the five-year period to repave bike paths. It noted that no major replacement has occurred since some of the bike paths were constructed more than 20 years ago. Through an agreement, the Department of Environmental Management maintains the bike paths and performs minor repairs; larger scale improvements, such as repaving, are the responsibility of the Department of Transportation. Certain sections of the paths are deteriorating. The total project cost of \$3.6 million is essentially consistent with the approved plan; it excludes prior expenses of \$0.4 million and adds a like amount of funding for FY 2030. *The Governor adjusted for understated prior year expenses and included a project cost of \$3.9 million. **The Assembly concurred.***

Capital Equipment Replacement. The Department requested \$61.3 million from all sources in the five-year period to replace capital equipment, including heavy trucks, sweepers, loaders, backhoes and tractors to replace the Maintenance Division's existing equipment. The request of \$133.3 million is \$30.3 million more than the approved plan and prior year expenses are understated by \$12.2 million. The project was also revised to include new funding of \$24.1 million from a source not yet identified, and \$18.3 million from gas tax proceeds and Rhode Island Capital Plan funds for FY 2030 and the later years. The approved plan includes average annual outlays of \$9.5 million; the request assumes \$12.3 million. The increase is also reflective of increased costs for electric vehicles. It should be noted that prior to the pandemic, some equipment required a six-month lead time to obtain. Since then, the lead time has increased to two years. *The Governor recommended project costs of \$109.0 million. This is \$24.3 million less than requested, to exclude expenses for which a source was not identified. The recommendation is \$5.9 million more than the approved plan, primarily for an additional year of funding. **The Assembly concurred.***

Commuter Rail (Fixed Guideway). The Department requested \$74.5 million from federal and Rhode Island Capital Plan funds to be used from FY 2025 through FY 2030 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. Funds are used to maintain train stations. The reported project cost of \$115.3 million is \$42.0 million more than the approved plan; it excludes prior year expenses of \$5.0 million. Accounting for this, it is \$46.9 million more primarily for projects to be identified. This includes \$30.3 million from federal funds to reflect potential federal discretionary funds for transit projects. The project was revised to include the state match of \$16.9 million from Rhode Island Capital Plan funds, which were historically included in the Highway Improvement Program. This change in presentation was requested last year; however, it was not recommended by the Governor nor approved by the Assembly.

Subsequently, the Department noted that it is considering merging the expenses for Commuter Rail with the Highway Improvement Program in future requests. *The Governor concurred with the original request; there is an inconsistency with how these expenses are included in the operating budget. Additionally, these expenses are assumed as part of the Highway Improvement Program in the post-FY 2030 period.* **The Assembly provided a project cost of \$98.7 million and maintained funding of \$16.9 million as part of the Highway Improvement Program, consistent with the approved plan.**

Maintenance Facility Improvements. The Department requested \$55.4 million from all sources to construct new facilities and to make repairs at eight maintenance facilities throughout the state and its headquarters in Warwick. Improvements include pavement repair, replacement and repairs of the roof and heating, ventilation and air conditioning systems, roof replacement and improvements to windows and garage doors at several facilities. The project cost is \$47.0 million more than the approved plan, including \$39.8 million from a source not yet identified and \$7.2 million from Rhode Island Capital Plan funds. In FY 2024, the Department conducted a condition assessment at its seven facilities; they received an average rating of 2.8 out of 5. The request includes new expenses of \$36.0 million to construct four new facilities in Glocester, North Kingstown, Johnston and Providence. The property for the Providence facility was purchased in August 2023. The request also includes \$9.3 million for project expenses that have not been identified. It should be noted that there is a separate request for \$28.0 million to build a new maintenance facility in Warwick.

The Governor recommended \$8.3 million from Rhode Island Capital Plan funds, essentially consistent with the approved plan and added \$0.5 million each for FY 2030 and the post-FY 2030 period. He subsequently requested an amendment to increase FY 2025 funding by \$17,387 to reflect project spending in the correct year, consistent with the audited FY 2024 closing statement. **The Assembly concurred with the amended recommendation.**

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. Since approval of the bond funds, several requests for proposals have been issued and through FY 2024, \$13.9 million has been spent. The approved plan sets aside \$21.0 million from the proceeds to create a new intermodal transit facility. This includes restrooms, interior waiting space, a customer service center, ticket vending machines, and retail and dining space. The request of \$21.5 million is \$13.4 million less than the approved plan, reflecting the exclusion of prior year expenses.

The project is in the preliminary phase and the Rhode Island Public Transit Authority is coordinating with the Department on a public-private partnership for the development of the project. The Authority noted that this structure would ensure the long-term viability of the project, including maintenance and daily operations. In January 2023, it submitted a request for proposals for the design, construction, financing, operation, and maintenance of the new transit center. The Authority received one bid and awarded the contract in January 2024. The location of the project has not been determined; the I-195 Redevelopment

District Commission authorized the potential use of a parcel for this project, which the Authority subsequently indicated that it was no longer considering. A definitive project is expected to be submitted in December 2025. *The Governor concurred with the total approved amount. The Assembly concurred.*

State Funded Capital Improvements. The request includes \$201.0 million from highway maintenance funds to be used from FY 2025 through the later years for project expenses without a federal match, including \$57.0 million for highway drainage improvements pursuant to a consent decree with the U.S. Department of Justice. The Department is required to maintain storm drains and address pollutants that are going into Narragansett Bay and other waterways. The request also includes \$144.0 million for road and bridge repairs. Historically, these capital expenses were shown as part of the Highway Improvement Program; however, the Governor's FY 2022 budget presented this as a stand-alone project, which is intended to separate them from projects that do qualify for federal match. The reported project cost is \$3.0 million more than the approved plan. It adds annual funding of \$29.0 million for FY 2029, partially offset by the exclusion of prior year expenses. *The Governor concurred. The Assembly concurred.*

Train Stations Asset Protection. The Department requested \$0.5 million from Rhode Island Capital Plan funds annually in the five-year period for repairs at five train stations: Pawtucket/Central Falls, Woonsocket, Kingston, Wickford Junction and Westerly. Four of the stations are currently active, while the Woonsocket station serves as a bus depot. Funding is used for asset protection projects, such as roof and window repairs, and heating, ventilation and air conditioning upgrades. The request of \$5.3 million is \$0.4 million less than the approved plan; it excludes \$0.3 million of prior year expenses and \$0.6 million of available funding, and adds annual funding of \$0.5 million for FY 2030. The Department identified \$10.7 million of project expenses in the five-year period, which is \$8.2 million less than the amount requested, to maintain the approved funding level. *The Governor recommended a project cost of \$5.6 million, \$0.3 million more than requested to adjust for understated expenses. The Assembly concurred.*

Welcome Center Improvements. The Department requested \$1.9 million from Rhode Island Capital Plan funds and gas tax proceeds, of which \$1.3 million will be used in the five-year period, to renovate the Welcome Center facility in Richmond. The Department reopened the facility in May 2016 with portable restrooms, and several months later opened the indoor facilities, which need roof repairs, heating, ventilation and air conditioning upgrades, and a new filtration system. Compared to the approved plan, the request excludes \$0.6 million of prior expenses and available Rhode Island Capital Plan funds and adds \$150,000 of annual funding for FY 2029 and the later years. *The Governor recommended \$2.3 million, \$0.3 million more than requested to adjust for available funds. The Assembly concurred.*

Information Technology Investment Strategy. The Department requested \$28.2 million from all sources, of which \$13.2 million will be used from FY 2025 through FY 2030 to fund information technology projects. Projects include replacement of personal computers, server blades, and maintenance agreements for its asset management system. It also includes 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 \$0.3 million more than the approved plan; prior year expenses are understated by \$3.4 million and \$2.6 million is added for FY 2030 annual funding. The request reflects updated costs for construction bidding software, the project management system and the systems used for claims, facilities and property management. *The Governor concurred. The Assembly concurred.*

360 Lincoln Avenue - New Maintenance Facility. The Department requested \$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. In 2023, it purchased a 33,000 square foot building in Providence, which it had leased on a temporary basis.

The request includes \$0.5 million for FY 2025, \$20.0 million for FY 2026 and \$7.5 million for FY 2027, and assumes that design would start and be completed in FY 2025, with construction starting thereafter. Provided that the Governor recommends funding and the Assembly approves this project, the timing of such approval makes it unlikely that design would be completed in FY 2025. *The Governor did not recommend funding this project. The Assembly concurred.*

Block Island Facility and Salt Storage. The request includes \$2.5 million each for FY 2025 and FY 2026 from a source not yet identified for work at the Block Island Facility, including \$3.4 million to build a salt storage shed. A prior approved plan included \$0.1 million for this expense as part of the Salt Storage Facilities project, based on an earlier estimate. The Department noted that the approved amount would not be sufficient given mobilization expenses and Department of Environmental Management requirements.

The remaining \$1.6 million would be used to build a maintenance facility on state-owned space. 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. Prior requests of \$3.9 million for the facility were based on the assessment. The current request is \$2.3 million less and the Department noted that it will be reviewing this request as the scope from the assessment was not revised. 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 expired on 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 did not recommend funding this project. The Assembly concurred.*

Discretionary Grant Match. The request includes \$222.6 million from a source not yet identified for use from FY 2027 through FY 2030 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. The request also includes \$283.0 million as part of the Highway Improvement Program for projects to be determined and future grant requests. This is \$382.0 million less than the amount assumed in the Department's prior year request; since then, two discretionary grants totaling \$332.0 million have been awarded.

The Infrastructure Investment and Jobs Act, authorized in November 2021, provided the Department with an additional \$574.6 million of formula funds through federal FY 2026, which would require \$115.0 million of matching funds. The act authorized several competitive grant programs for which a match would also be required. The Department noted the state would be more competitive when applying for such grants if the match were already available.

The 2021 Assembly required the Department to report quarterly all federal, discretionary, and any other grants that it has applied for and to identify any changes from its prior report. The Department must also identify if the state's match is available under currently authorized funding. The July 2024 Quarterly RhodeWorks Report identified seven grant applications pending for projects totaling \$1,167.0 million. The required match would be \$233.4 million, which the Department indicated is partially available under currently authorized funding. The discretionary grant applications include \$221.0 million for the replacement of the Washington Bridge; the 2024 Assembly provided pay-go funding, including State Fiscal Recovery funds, Rhode Island Capital Plan funds and Department sources for the match. It also includes \$251.0 million for major rehabilitation and deck replacement of five bridges along Interstate 95 from Cranston to Providence; this grant has been awarded. The report also noted four upcoming grant applications for projects totaling \$20.7 million. *The Governor did not recommend funding this project. The Assembly concurred.*

Municipal Roads Grant Program/RhodeRestore. The 2024 Assembly provided the Department with a total of \$27.0 million from State Fiscal Recovery funds, including \$20.0 million for FY 2024 and \$7.0 million for FY 2025 for the Municipal Roads Grant Program for the construction and maintenance of roads, sidewalks and bridges. A municipal match of 67.0 percent is required. The Department requests new funding of \$5.0 million annually in the five-year period, for a total of \$25.0 million from Rhode Island Capital Plan funds to continue the program. This is not an allowable use of Rhode Island Capital Plan funds.

*The Governor's recommendation makes this grant program permanent and includes \$6.5 million from gasoline tax proceeds for FY 2026. The recommendation does not specify how the funds will be distributed or if a match is required. **The Assembly maintained the current match requirement and required that 25.0 percent of the funds be distributed equally and 75.0 percent be allocated proportionally based on each municipality's share of municipally maintained road miles, as determined by the most recent data available from the Department. This is consistent with the prior distribution plan.***

Statewide Pavement. The Department requested \$20.0 million annually beginning in FY 2025 from Rhode Island Capital Plan funds for a statewide pavement program. Work would include pavement resurfacing, crack sealing, and micro surfacing of state-owned roads. The Department previously requested this project; however, neither the Governor nor the Assembly concurred. Provided that the Governor recommends funding and the Assembly approves this project, the timing of such approval makes it unlikely that this expense would begin in the current fiscal year as requested.

It should be noted that the requested amount is in addition to \$792.1 million of pavement projects included in the amended ten-year Transportation Improvement Program. Additionally, the Assembly provided a total of \$27.0 million from State Fiscal Recovery funds for the Municipal Roads Grant Program. There is a separate request for \$25.0 million from Rhode Island Capital Plan funds to maintain the Municipal Roads Grant Program. *The Governor did not recommend funding this project. **The Assembly concurred.***

Rhode Island Public Transit Authority

Projects	Status	5 Year Total	Project Total
College Hill Bus Tunnel	Revised	\$ -	\$ 22,471,016
Kingston Station Mobility Hub	Revised	3,360,000	5,700,000
Land and Buildings	Revised	130,702,877	257,650,708
Bus Purchases	Ongoing	160,902,275	341,876,440
Paratransit Vehicles	Ongoing	20,221,662	46,882,900
Pawtucket Bus Hub and Transit Corridor	Ongoing	-	5,945,794
Pawtucket Bus Hub Passenger Facility	Ongoing	1,500,000	5,000,000
Providence High-Capacity Transit Corridor Study	Ongoing	470,000	1,700,000
Total		\$ 317,156,814	\$ 687,226,858

Sources of Funds			
Federal Funds		\$ 257,740,870	\$ 574,771,183
Highway Maintenance Account		-	12,467,610
Local Funds		-	149,186
Paratransit Revolving Fund		4,044,332	9,376,610
Rhode Island Capital Funds		23,101,157	37,821,652
RIPTA Capital Funds		90,000	821,045
RIPTA Operating Funds		32,180,455	47,619,572
State Fleet Replacement Revolving Loan Fund		-	4,200,000
Total		\$ 317,156,814	\$ 687,226,858

Summary. The Rhode Island Public Transit Authority requested \$605.2 million for the FY 2026 through FY 2030 period for 14 projects for project costs of \$1,031.7 million. Funding in the five-year plan includes \$458.7 million, or 75.8 percent from federal funds; \$116.5 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 2026 ballot for bus shelters. The request includes five new projects and is \$233.3 million more than the approved plan, including \$124.8 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 request reallocates a total of \$22.4 million of these funds to eight other projects. *The Governor recommended \$687.2 million, including \$314.1 million in the five-year period for eight approved projects. This is \$344.4 million less than requested for new projects and an expected level of federal funds.* **The Assembly concurred, with the exception of shifting \$3.1 million from Rhode Island Capital Plan funds from FY 2025 to FY 2027, reflecting project delays.**

College Hill Bus Tunnel. The Authority requested \$25.5 million from all sources to make structural and drainage repairs and safety improvements to the College Hill Bus Tunnel. More than 300 trips are reportedly made daily through the tunnel, which was built in 1914 and was last renovated in 1992. The request includes \$20.4 million from federal funds, \$2.1 million from Authority sources, and \$3.0 million from Rhode Island Capital Plan funds, reallocated from previously approved funding for the Land and Buildings project. The request is \$7.7 million or 30.1 percent more than the approved plan, reflecting

updated construction costs. The Authority noted that structural improvements and leak remediation were much more extensive than originally assumed. Construction is expected to be completed in FY 2025. *The Governor concurred, with the exception of including the requested \$3.0 million from Rhode Island Capital Plan funds in this project; all previously approved Rhode Island Capital Plan funds are retained in the Land and Buildings project. The Assembly concurred.*

Kingston Station Mobility Hub. The approved plan includes \$7.4 million from federal funds and matching funds of \$0.5 million from highway maintenance funds and \$850,000 from Rhode Island Capital Plan funds to construct a new bus hub at the University of Rhode Island Kingston Campus. The project has been revised to reflect a shift in location from the campus to the Kingston Station. The Authority noted that the new location would better serve passengers and encourage multi-modal transit from the Kingston Station. The request includes \$5.7 million from federal funds or \$1.7 million less than the approved plan, reflecting the Authority's revised project scope; the entire \$1.1 million of matching funds is requested from Rhode Island Capital Plan funds, which is \$0.3 million more than approved. A feasibility review and conceptual design development are underway. *The Governor concurred. The Assembly concurred.*

Land and Buildings. The Authority requested \$314.1 million in the five-year period to improve security at its Elmwood facilities and provide upgrades to various 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 \$471.9 million is \$73.4 million more than the approved plan, including new expenses of \$300.0 million from federal funds and \$72.0 million from Rhode Island Capital Plan funds for match requirement. These increases are partially offset by the exclusion of prior year expenses and the reallocation of approximately \$120 million to eight other projects, of which \$22.4 million is from Rhode Island Capital Plan funds.

The Infrastructure Investment and Jobs Act established many competitive grant programs and included increased funding for existing programs. The request includes an average of \$62.6 million annually in the five-year period. This includes \$12.6 million from Rhode Island Capital Plan funds to match \$50.0 million from federal funds, assuming a substantial amount from discretionary grants are awarded even though the act is authorized through federal FY 2026 and many of the grant opportunities have already been notified. Under the prior federal authorization, the Authority received \$2.5 million annually for this project. As of August 2024, it has less than \$2.0 million in pending grant applications. In December 2024, the Authority submitted an administrative amendment to the Transportation Improvement Program, which added \$28.2 million of additional funding to the plan, reflecting known federal awards from 2023 and 2024. *The Governor recommended \$257.7 million, including \$127.6 million in the five-year period. This is \$214.3 million less than requested, reflecting an expected level of federal funds. The Assembly concurred, with the exception of shifting \$3.1 million from Rhode Island Capital Plan funds from FY 2025 to FY 2027, reflecting project delays. The status of federal discretionary grant funds for two projects is uncertain.*

Bus Purchases. The Authority requested \$191.3 million from all sources for FY 2025 through FY 2030 to purchase 152 buses. This includes \$153.0 million from federal funds and \$38.3 million from the Department of Transportation's share of the Highway Maintenance Account, for the required match. Funds would replace 64 percent of the Authority's current fleet of 238 fixed-route buses and 15 flex vehicles. Buses being replaced have or will have exceeded their useful lives, which is defined by Federal Transit Administration regulations and varies depending on the type of vehicle. In FY 2024, the Authority purchased 29 diesel buses. Consistent with the approved plan, the request includes \$30.4 million for FY 2025 to purchase 25 electric buses to be used in the Newport/Middletown garage. The request of \$343.1 million is \$35.1 million more than the approved plan, primarily reflecting annual expenses for FY 2030. *The Governor recommended \$341.9 million, which is \$1.1 million less than requested, reflecting updated expenses for FY 2025. The recommendation assumes \$33.4 million less from the Department's share of highway maintenance funds, offset by \$32.2 million from Authority sources. The Assembly concurred.*

Paratransit Vehicles. The Authority requested \$20.2 million from all sources for the five-year period to purchase 105 paratransit vehicles. Its fleet includes 104 vehicles, and spare vehicles, which are used to allow for unscheduled repairs and preventive maintenance. These vehicles have a useful life of five years, as determined by the Federal Transit Administration; however, the Authority decides which vehicle to retire, and when based on mechanical condition. In FY 2024, it purchased 25 vehicles. The request of \$46.9 million is \$7.5 million more than the approved plan, including annual funding of \$4.2 million for FY 2030 and previously approved expenses were revised based on updated costs. *The Governor recommended funding as requested.* **The Assembly concurred.**

Pawtucket Bus Hub and Transit Corridor. The Authority requested \$7.0 million from all sources, including \$5.6 million from federal funds, to build a transit hub adjacent to the new commuter rail station on the Pawtucket/Central Falls border. The project includes bus berths, shelters, real-time bus information, ticket vending machines, and waiting space. The project is essentially complete and \$1.1 million is included for FY 2025 to close it out. The request is consistent with the approved plan, once adjusted for the inclusion of \$1.3 million of prior year expenses. *The Governor concurred, with the exception of including the requested \$1.1 million for FY 2025; the project is complete.* **The Assembly concurred.**

Pawtucket Bus Hub Passenger Facility. The Authority requested \$5.0 million from Rhode Island Capital Plan funds, for the Pawtucket Bus Hub Passenger Facility. Funds will be used to enhance a transit hub project that is being constructed adjacent to the new commuter rail station on the Pawtucket/Central Falls line. The request is \$0.7 million less than the approved plan, which was based on the availability of unused funds from the Pawtucket Bus Hub and Transit Corridor project. That project is essentially complete and there is a residual balance; however, the actual project cost for the new facility is \$4.7 million. *The Governor concurred.* **The Assembly concurred.**

Providence High-Capacity Transit Corridor Study. The Authority requested \$1.7 million from all sources, including \$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 Transit Forward RI 2040 Plan, which is designed to enhance mobility and help reduce greenhouse gas emissions. It is envisioned to connect Downtown Providence with low-income and high-minority neighborhoods. The Authority indicated that the study will also assess the costs, benefits, and design concepts. The request is \$0.3 million more than the approved plan, reflecting updated project costs. The Authority noted that it will use federal formula funds and its request reallocates \$0.1 million from Rhode Island Capital Plan funds for the Land and Buildings project to cover the increase. *The Governor concurred.* **The Assembly concurred.**

265 Melrose Rehabilitation. The Authority requested \$27.8 million from all sources to rehabilitate the facility on Melrose Street, which houses a vehicle maintenance garage and office space. The facility has remained largely unoccupied since administrative functions were relocated to the Elmwood Avenue building in 2010. The project will include a new employee training facility, exterior finishes, electrical upgrades, plumbing and draining systems, and replacing elevators. It includes \$22.2 million from federal funds and \$5.6 million from Rhode Island Capital Plan funds, which reflects funding reallocated from the approved Land and Buildings project. In July 2024, the Authority was awarded a \$7.4 million discretionary grant toward the total project costs. The project will be done in phases; phase I will use the newly awarded funds to abate asbestos, repair the building shell, and upgrade the heating, ventilation, and air conditioning system. The Authority noted that it will continue to apply for grant funds for the remaining phases and use federal formula funds if new grants are not secured. *The Governor's recommendation does not separately fund this project; funding is included in the Land and Buildings project.* **The Assembly concurred.**

Bus Shelters. The Authority requested \$39.4 million from all sources, including \$30.0 million from new general obligation bonds to go before voters in 2026, to add and replace 600 bus shelters statewide. This equates to \$50,000 per bus shelter. The Authority has 300 shelters that are more than 20 years old; the Federal Transit Administration's standard is 15 years. It noted that replacing these shelters would provide

enhanced amenities for passengers to make transit more attractive. Assuming a 5.0 percent interest rate and a 20-year term, annual debt service would be \$2.4 million; the total cost would be \$46.7 million. This request expedites the existing plan to replace shelters over time, if the bond referendum is not approved. It maintains approved funding of \$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. *The Governor did not recommend this project.* **The Assembly concurred.**

Dorrance Street (Providence) Transit Center. In 2014, the voters approved a \$35.0 million general obligation bond referendum to be used to expand and improve the state's transit hubs. Since approval of the bond funds, several requests for proposals have been issued, and \$13.9 million has been spent through FY 2024. Consistent with the approved plan, the request includes \$21.1 million from the general obligation bonds to create a new intermodal transit facility. The location of the project has not been determined; the I-195 Redevelopment District Commission authorized the potential use of a parcel for this project, which the Authority subsequently indicated it was no longer considering. 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, reportedly to ensure the long-term viability, including maintenance and daily operations of the facility. In January 2023, the Authority submitted a request for proposals for the design, construction, financing, operation, and maintenance of the new transit center. It received one bid and awarded a \$16.9 million contract to start the design. A definitive project is expected to be submitted in December 2025. *The Governor concurred; expenses are included in the Mass Transit Hub Infrastructure Project in the Department of Transportation's budget.* **The Assembly concurred.**

Newport/Middletown Garage Electrification. The Authority requested \$40.8 million, including \$32.6 million from federal funds and \$8.2 million of matching funds from Rhode Island Capital Plan funds to electrify the Newport/Middletown garage; \$22.4 million from discretionary funds have been secured. The match is from a reallocation of funds previously approved for the Land and Buildings project. The project includes infrastructure improvements, including 12 charging stations in the garage, two stations at the Newport Transportation Center on America's Cup Avenue, and two stations at the University of Rhode Island. Expenses to purchase 25 electric buses are included in the Bus Purchases project, for which the request includes \$30.4 million for FY 2025. *The Governor's recommendation does not separately fund this project; funding is included in the Land and Buildings project.* **The Assembly concurred.**

Rapid Bus Network. The Authority requested \$10.6 million from all sources, including \$8.5 million from federal discretionary grant funds and \$2.1 million from Rhode Island Capital Plan funds for project planning, development, and engineering costs 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 and noted that increasing transit services along these corridors will increase 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; funding is included in the Land and Buildings project.* **The Assembly concurred.**

Safe Streets for All. The Infrastructure Investment and Jobs Act established the Safe Streets and Roads for All discretionary grant program, which is aimed at preventing roadway deaths and injuries. The Authority received a \$5.0 million grant to develop a comprehensive safety action plan for 31 municipalities. It does not include the following municipalities: Charlestown, Coventry, Exeter, Jamestown, North Smithfield, Providence, Scituate, and Tiverton. Providence submitted its own application and received a \$27.2 million grant. The request includes \$1.3 million from Rhode Island Capital Plan funds for the required 20.0 percent match, which is from a reallocation of funds previously approved for the Land and Buildings project. *The Governor's recommendation does not separately fund this project; funding is included in the Land and Buildings project.* **The Assembly concurred.**

Rhode Island Airport Corporation

Projects	Status	5 Year Total	Project Total
Outlying General Airports Improvements	Ongoing	\$ 74,920,500	\$ 122,451,500
Rhode Island T.F. Green International Airport General Improvements	Ongoing	82,437,941	219,022,190
Total		\$ 157,358,441	\$ 341,473,690
Sources of Funds			
Agency Funds		\$ 860,000	\$ 5,238,585
Federal Funds		99,719,400	221,843,571
Other Funds		25,159,143	59,002,225
Passenger Facility Charges		31,619,898	55,389,309
Total		\$ 157,358,441	\$ 341,473,690

Summary. The Rhode Island Airport Corporation requested capital expenditures of \$341.5 million from all sources, including \$157.4 million from FY 2026 through FY 2029 for two existing projects. *The Governor recommended funding as requested. The Assembly concurred.*

Outlying General Airports Improvements. The Corporation requested project costs of \$122.5 million from all sources, of which \$74.9 million will be used from FY 2026 through FY 2029 to make improvements at its five general aviation airports, including rehabilitation of runways, taxiways and aircraft parking aprons. Consistent with the approved plan, the request includes \$63.0 million for the joint project with the Rhode Island Air National Guard for the reconstruction of runway 16/34 at Quonset, and \$25.0 million to realign the taxiway at the Quonset State Airport. The request is \$12.5 million more than the approved plan, primarily reflecting expenses for three projects at the Newport State Airport.

The request does not include any expenditures beyond FY 2029. The Corporation indicated that the capital budget is based on a “tentative plan.” *The Governor recommended funding as requested. The Assembly concurred.*

Rhode Island T.F. Green International Airport General Improvements. The Corporation requested \$219.0 million from all sources, of which \$199.2 million would be used from FY 2025 through FY 2029 for general improvement projects at Rhode Island T.F. Green International Airport. The request is for 56 projects, which are grouped into three categories. This includes \$71.5 million for terminal and restroom renovations, roof replacement and security projects; and \$129.5 million for airside projects such as the reconstruction of runway 5/23, taxiway rehabilitation, and the Southside Site Work and Grading project, which includes new utility connections and grading improvements to ready a parcel at the airport for future development. It also includes \$18.0 million for all remaining projects, including noise mitigation, master plan, information technology, and garage elevator renovations. The request is \$4.6 million or 2.1 percent more than the approved plan. *The Governor recommended funding as requested. The Assembly concurred.*

Rhode Island Turnpike and Bridge Authority

Projects	Status	5 Year Total	Project Total
Administrative Facilities Asset Protection	Revised	\$ 481,000	\$ 2,453,000
Jamestown Verrazzano Bridge	Ongoing	7,336,000	13,133,000
Minor Bridges	Ongoing	1,656,000	3,409,000
Mount Hope Bridge	Ongoing	70,938,000	88,374,000
Newport Pell Bridge	Ongoing	134,322,000	163,578,000
Route 138 Connector Highway	Ongoing	3,227,000	3,500,000
Sakonnet River Bridge	Ongoing	1,891,000	3,913,000
Total		\$ 219,851,000	\$ 278,360,000
Sources of Funds			
Revenue Bonds		\$ 219,851,000	\$ 278,360,000
Total		\$ 219,851,000	\$ 278,360,000

Summary. The Rhode Island Turnpike and Bridge Authority requested \$219.9 million from revenue bonds in the FY 2026 through FY 2030 period, for project costs of \$278.4 million. The request is \$8.7 million more than the approved plan, primarily reflecting the Authority's updated project costs for the Mount Hope and Newport Pell bridges. It should be noted that the Authority has secured a total of \$109.5 million in federal funds, including \$82.5 million for the Newport Pell Bridge project; the request inadvertently omitted the federal funds, and assumes revenue bonds for all expenses. *The Governor concurred; expenditures were not updated to reflect the federal grants.* **The Assembly concurred.**

Administrative Facilities Asset Protection. The Authority's request includes \$2.5 million from revenue bonds for various projects for asset protection work at its administrative facilities. The total project cost is \$1.5 million more than approved, primarily reflecting expenditures for the Safety Barrier Study. Though the request assumes revenue bonds, \$1.8 million from State Fiscal Recovery funds was provided to identify and evaluate the options to prevent and address the risk of suicide on bridges under the Authority's purview. The cost of the study for the four main bridges is estimated at \$1.9 million, \$136,000 more than appropriated. The Authority will pay this from its sources and noted that it is necessary because all four main bridges were not originally part of the project scope. The study is completed; Mount Hope and Jamestown Bridges were completed in May 2024 and Newport and Sakonnet bridges were completed in February 2025. *The Governor recommended funding as requested.* **The Assembly concurred.**

Jamestown Verrazzano Bridge. The Authority requested \$13.1 million from revenue bonds, or \$0.2 million more than the approved plan for asset protection work on the Jamestown Verrazzano Bridge, including box girder repairs, joint repairs, and replacements. Of the requested amount, \$8.2 million from FY 2028 through the later years will be used to rehabilitate the main span of the bridge. *The Governor recommended funding as requested.* **The Assembly concurred.**

Minor Bridges. Consistent with the approved plan, the Authority requested \$3.4 million from revenue bonds, of which \$1.7 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 a total of \$1.5 million for FY 2026 and FY 2027 to repair the Hummocks Avenue Bridge in Portsmouth. It also includes \$1.2 million for the fishing pier access road project in North Kingstown, which includes steel repairs, painting and joint replacements. *The Governor recommended funding as requested.* **The Assembly concurred.**

Mount Hope Bridge. The Authority requested \$88.4 million from revenue bonds, of which \$70.9 million would be used in the five-year period to make structural improvements to the Mount Hope Bridge, which connects Portsmouth with Bristol. It should be noted that the Authority has secured \$27.0 million of federal funds toward a \$35.4 million project to install a dehumidification system to deter corrosion in the wires of the main cables that support the bridge. This lowers the amount needed from revenue bonds. As with most transportation projects, a match is required. At the end of FY 2023, the Authority had approximately \$143 million in available funds from previously issued revenue bonds and gas tax proceeds to fund its capital projects. Its cash flow analysis does not foresee a need to issue new revenue bonds, unless project expenses are substantially more than budgeted. Of the requested amount, \$29.2 million is also included for deck replacement and \$23.8 million for other projects, including painting and steel repair of the suspended span and painting the tower of the bridge. The request is \$1.4 million more than the approved plan, reflecting expenses programmed in the out-years. *The Governor concurred.* **The Assembly concurred.**

Newport Pell Bridge. The Authority requested \$134.3 million from revenue bonds to be used in the five-year period to upgrade the Newport Pell Bridge. In September 2022, the Authority was awarded an \$82.5 million federal grant to rehabilitate the bridge, including deck replacement or rehabilitation, dehumidification to deter corrosion in wires of the main support cables, security improvements, and repairs to the tower elevators. That project cost is \$137.5 million; the awarded amount funds 60.0 percent of the project cost. As with most transportation projects, a match is required. 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 total request of \$163.6 million is \$4.8 million more than the approved plan, primarily reflecting expenses for FY 2030 and the out-years. *The Governor recommended funding as requested.* **The Assembly concurred.**

Route 138 Connector Highway. The Authority requested \$3.5 million from revenues bonds 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 request is \$0.1 million more than the approved plan, for expenses programmed in the out-years. *The Governor recommended funding as requested.* **The Assembly concurred.**

Sakonnet River Bridge. The Authority requested \$1.9 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 \$3.9 million is \$0.5 million more than the approved plan, reflecting additional expenses programmed in the out-years. *The Governor concurred.* **The Assembly concurred.**

Section V

FY 2025 Revised Budget

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FY 2025 Revised Budget

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Function*				
General Government	\$ 2,294.6	\$ 2,286.0	\$ 2,795.4	\$ 2,772.1
Human Services	5,688.7	6,265.9	6,340.9	6,286.1
Education	3,425.0	3,483.3	3,579.9	3,551.6
Public Safety	729.1	888.6	938.1	921.0
Natural Resources	118.8	149.9	173.9	161.6
Transportation	773.0	889.6	1,105.0	1,075.3
Total	\$ 13,029.2	\$ 13,963.2	\$ 14,933.2	\$ 14,767.6
Expenditures by Category*				
Salaries and Benefits	\$ 1,926.4	\$ 2,107.1	\$ 2,147.0	\$ 2,148.1
Contracted Services	552.6	620.0	659.1	598.4
Subtotal	\$ 2,479.0	\$ 2,727.1	\$ 2,806.1	\$ 2,746.5
Other State Operations	1,033.8	1,198.3	1,251.0	1,239.1
Aid to Local Units of Government	2,168.2	2,102.7	2,140.3	2,141.2
Assistance, Grants, and Benefits	5,922.0	6,393.2	6,819.4	6,834.3
Capital	527.8	1,014.4	1,325.6	1,219.0
Capital Debt Service	270.7	271.6	265.8	265.8
Operating Transfers	627.7	256.0	325.0	321.8
Total	\$ 13,029.2	\$ 13,963.2	\$ 14,933.2	\$ 14,767.6
Sources of Funds*				
General Revenue	\$ 5,236.1	\$ 5,594.9	\$ 5,610.7	\$ 5,597.6
Federal Aid	4,935.7	5,066.5	5,660.4	5,612.7
Restricted Receipts	473.7	463.1	491.0	491.6
Other	2,383.7	2,838.7	3,171.1	3,065.7
Total	\$ 13,029.2	\$ 13,963.2	\$ 14,933.2	\$ 14,767.6
FTE Authorization	15,652.8	15,772.8	15,772.8	15,772.8
FTE Average	13,934.7			

*Data in millions

Summary

The Governor's revised budget recommendations for FY 2025 are contained in 2025-H 5075, introduced on January 16, 2025. The Governor recommended total revised expenditures of \$14,933.2 million for FY 2025, which is \$970.0 million or 6.9 percent more than enacted by the 2024 Assembly.

Total expenditures would increase by \$1,903.2 million or 14.6 percent over FY 2024 expenditures based on draft audit data. General revenue expenditures are \$15.8 million or 0.3 percent more than the FY 2025 budget adopted by the 2024 Assembly and \$374.6 million or 7.2 percent more than FY 2024. Expenditures from federal funds are \$593.8 million more than enacted and \$723.9 million more than spent in FY 2024.

Expenditures from restricted receipts are \$27.8 million more than enacted and \$17.3 million more than FY 2024. Those from other funds, including the gas tax, Rhode Island Capital Plan funds, and unemployment

trust funds, are \$332.5 million, or 11.7 percent more than enacted, and \$787.5 million more than spent in FY 2024, with approximately half of that amount coming from Rhode Island Capital Plan funds for ongoing capital projects.

The Assembly provided total expenditures of \$14,767.6 million, which is \$165.6 million less than the Governor recommended. The final budget adopted in Article 13 of 2025-H 5076, Substitute A, as amended, contains \$5,597.6 million from general revenues, \$13.1 million less than the Governor recommended.

FY 2025 Revised	General Revenue	Federal	Restricted	Other	All Funds
FY 2024 Final	\$ 5,334.9	\$ 5,608.3	\$ 435.7	\$ 2,753.6	\$ 14,132.5
FY 2024 Audit	5,236.1	4,935.7	473.7	2,383.7	13,029.2
Difference	\$ (98.8)	\$ (672.6)	\$ 38.0	\$ (370.0)	\$ (1,103.3)
FY 2025 Enacted	\$ 5,594.9	\$ 5,066.5	\$ 463.1	\$ 2,838.7	\$ 13,963.2
Governor's FY 2025 Revised	5,610.7	5,660.4	491.0	3,171.1	14,933.2
Governor's Change to Enacted	\$ 15.8	\$ 593.8	\$ 27.8	\$ 332.5	\$ 970.0
Percent Change	0.3%	11.7%	6.0%	11.7%	6.9%
FY 2025 Final	\$ 5,597.6	\$ 5,612.7	\$ 491.6	\$ 3,065.7	\$ 14,767.6
Change to Enacted	2.7	546.1	28.5	227.0	804.4
Percent Change	0.0%	10.8%	6.2%	8.0%	5.8%
Change to Governor	\$ (13.1)	\$ (47.7)	\$ 0.7	\$ (105.5)	\$ (165.6)
Change to FY 2024	\$ 361.5	\$ 676.9	\$ 17.9	\$ 682.0	\$ 1,738.4
Percent Change to FY 2024	6.9%	13.7%	3.8%	28.6%	13.3%

\$ in millions

The FY 2024 final budget projected \$279.0 million would be available for FY 2025. Preliminary closing data showed an increase in that total, attributed to lower spending. Excess revenues are committed to the pension and supplemental budget reserve funds.

FY 2024 Closing	Enacted	Audited	Variance
Open: Free Surplus	\$ 412,262,973	\$ 412,262,973	\$ -
Plus: Reappropriated Surplus	45,152,130	45,152,130	-
Equals: Total Surplus	\$ 457,415,103	\$ 457,415,103	\$ -
Plus: Revenues	5,373,862,738	5,418,703,841	44,841,103
Plus: Adjustment to Fund Balance (FEMA)	14,717,153	23,811,475	9,094,322
Minus: Transfer to Budget Stabilization Fund	(173,583,771)	(175,124,919)	(1,541,148)
Equals: Total Available	\$ 5,672,411,223	\$ 5,724,805,500	\$ 52,394,277
Minus: Expenditures	(5,334,922,662)	(5,236,111,578)	98,811,084
Minus: Transfers*	(58,469,506)	(84,469,506)	(26,000,000)
Equals: Closing Surplus	\$ 279,019,055	\$ 404,224,416	\$ 125,205,361
Minus: Reappropriations	-	(34,569,423)	(34,569,423)
Minus: Transfer to Retirement/SRD	-	(43,299,956)	(43,299,956)
Equals: Free Surplus	\$ 279,019,055	\$ 326,355,037	\$ 47,335,982

*Closing documents treat two items as transfers that enacted assumptions show as expenditures or revenues.

This accounts for \$28.0 million of the expenditure variance and \$2.0 million of the revenue variance

As of early February, the State Controller had not yet finalized the closing statements. Draft data, incorporated into the Governor's budget assumptions, showed a surplus of \$326.4 million, or \$47.3 million more than anticipated when the budget was finalized. It is also \$34.6 million higher than the preliminary statements issued in mid-September, weeks past the statutory deadline. The audit was finalized in April and contained minor revisions to the draft data assumed in the Governor's budget.

Revenues were up \$44.8 million or 0.8 percent above estimates. Total taxes were \$49.7 million, or 1.1 percent above amounts budgeted, and other revenues were \$4.9 million, or 0.5 percent below. Sales tax and lottery revenues were below final estimates. This was more than offset by the overperformance of income and business taxes. All excess revenues above the final estimates are dedicated to the retirement system and the recently established supplemental budget reserve fund. They each receive half of the excess, but the Governor has proposed legislation to rescind both transfers for the FY 2024 closing only, and assumes the estimated \$43.3 million as available for use in his budget.

Complicating the closing of expenditure data in the past couple of years has been the accounting rules for reimbursements from the Federal Emergency Management Agency. This process is nearly complete, and the FY 2024 closing reflects an additional \$9.1 million from these reimbursements.

Excluding underspending reappropriated for use in FY 2025, general revenues including transfers, were otherwise underspent by about \$38.2 million. This includes \$12.3 million at the Department of Corrections, which is notable because the final budget added resources to close a projected deficit that was apparently overstated. Medicaid caseloads were also \$7.7 million less than budgeted. Additionally, there was underspending for staffing and services through the Department of Human Services and the Veterans Home. Teacher retirement costs and other aid categories were about \$3.0 million less than expected. There was also overspending for services to those with developmental disabilities and state funded expenses for the Department of Children, Youth and Families partially attributable to failure to claim federal resources budgeted.

The preliminary results again 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 again formally communicated his concerns about these problems and their negative impacts. The audit figures reflect corrections to some of the issues identified.

Expenditures from all other sources of funds were \$1,003.8 million less than enacted, or 11.4 percent. While the budget attempts to account for expenses as they are planned to occur, the recent influx of grant funding, without more precise spending plans or timing estimates, has made this more difficult. 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 2025.

The November consensus estimate showed a \$67.5 million revenue increase, and the caseload estimate lowered general revenue expenses by \$23.3 million. The Governor's revised budget made other revisions to spending and revenue assumptions based on updated information or policy choices that increased available resources for use in FY 2026.

The May revenue conference noted a combined revenue increase of \$80.2 million compared to November. The concurrent caseload conference also reflected some changes in expenditures in both years. These changes, in concert with items already included in the Governor's budget, meant there would be about \$65 million more in available resources over the two-year period.

Also, information provided through required quarterly reporting and requested amendments from the Governor highlighted other changes needed, including labor contract agreements that substantially exceeded amounts budgeted. There was other underspending from vacancies and delayed technology projects. The Assembly adjusted current year spending to account for these issues, including rejecting the Governor's proposal not to transfer \$21.6 million in excess revenues from FY 2024 to the retirement system.

The pages that follow include full analyses of the expenditure changes by agency. The tables in those analyses contain comparisons to FY 2024 spending data, as does the first table in this report.

The revised budget, as recommended by the Governor, would have left a \$187.3 million surplus for use in FY 2026. The final FY 2025 budget has a \$230.2 million surplus. The FY 2026 enacted budget has a \$1.0 million ending surplus, which is presented as part of the overview of the FY 2026 budget in that section of this publication.

	Enacted	Final	Difference
Opening Surplus			
Free Surplus	\$ 279,019,055	\$ 326,355,037	\$ 47,335,982
Reappropriated Surplus	-	34,569,423	34,569,423
Subtotal	\$ 279,019,055	\$ 360,924,460	\$ 81,905,405
Revenues			
Enacted	\$5,489,117,361	\$5,489,117,361	\$ -
Governor	-	78,082,639	78,082,639
Assembly	-	57,075,831	57,075,831
Revenues	\$5,489,117,361	\$5,624,275,831	\$ 135,158,470
Budget Stabilization and Cash Reserve Fund	\$ (173,044,092)	\$ (178,518,926)	\$ (5,474,834)
Total Available Resources	\$5,595,092,324	\$5,806,681,365	\$ 211,589,041
Expenditures			
Enacted	\$5,594,861,257	\$5,594,861,257	\$ -
Reappropriations	-	34,569,423	34,569,423
Governor	-	(18,760,160)	(18,760,160)
Assembly	-	(13,072,447)	(13,072,447)
Total Expenditures	\$5,594,861,257	\$5,597,598,073	\$ 2,736,816
Total Surplus	\$ 231,067	\$ 209,083,292	\$ 208,852,225
Transfers	(100,000)	21,129,766	21,229,766
Free Surplus	\$ 131,067	\$ 230,213,058	\$ 230,081,991
<i>Operating Surplus/(Deficit)</i>	<i>(278,787,988)</i>	<i>(117,271,745)</i>	<i>161,516,243</i>
Budget Stabilization and Cash Reserve	\$ 288,406,821	\$ 297,531,543	\$ 9,124,723
Percent of Revenues	5.3%	5.3%	0.0%

Department of Administration

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Central Management	\$ 18,282,298	\$ 49,433,141	\$ 58,715,466	\$ 58,515,466
Accounts & Control	6,250,778	7,989,065	8,272,562	8,272,562
Office of Management & Budget	11,902,253	12,763,999	16,652,756	16,152,756
Purchasing	4,430,189	5,265,398	5,618,312	5,568,312
Human Resources	797,932	943,668	947,752	897,752
Personnel Appeal Board	92,941	159,290	159,219	159,219
General	88,468,424	141,746,857	278,605,752	275,808,400
Debt Service	233,946,026	197,825,338	192,495,446	192,550,923
Legal Services	2,340,507	2,491,594	2,649,621	2,649,621
Information Technology	135,144,233	5,217,987	13,464,497	13,347,690
Library Programs	3,535,945	3,562,628	3,594,489	3,594,489
Planning	4,688,046	6,758,419	7,007,348	6,957,348
Energy Resources*	27,544,149	44,824,429	-	-
Statewide	-	32,500,000	17,152,587	1,500,000
Health Benefits Exchange	29,043,428	30,427,443	30,770,508	30,770,508
Equity, Diversity & Inclusion	1,700,520	2,262,640	2,276,863	1,826,863
Capital Asset Mgmt. & Maint.	9,345,344	9,931,679	9,937,223	9,787,223
Total	\$ 577,513,013	\$ 554,103,575	\$ 648,320,401	\$ 628,359,132
Expenditures by Category				
Salaries and Benefits	\$ 33,120,657	\$ 66,732,007	\$ 50,734,111	\$ 37,931,524
Contracted Services	20,867,888	18,394,380	17,295,463	16,795,463
Subtotal	\$ 53,988,545	\$ 85,126,387	\$ 68,029,574	\$ 54,726,987
Other State Operations	32,399,508	27,689,081	22,668,096	18,806,766
Aid to Local Units of Government	12,614,448	14,431,580	14,088,247	14,088,247
Assistance, Grants, and Benefits	44,932,998	66,631,127	125,084,401	125,184,401
Capital	33,748,030	125,500,062	193,054,637	190,157,285
Capital Debt Service	198,282,304	197,725,338	192,395,446	192,395,446
Operating Transfers	201,547,180	37,000,000	33,000,000	33,000,000
Total	\$ 577,513,013	\$ 554,103,575	\$ 648,320,401	\$ 628,359,132
Sources of Funds				
General Revenue	\$ 279,490,231	\$ 255,026,334	\$ 239,384,144	\$ 223,182,559
Federal Aid	44,102,127	78,720,050	152,041,032	151,473,170
Restricted Receipts	152,718,316	49,989,447	34,470,272	34,337,796
Other	101,202,339	170,367,744	222,424,953	219,365,607
Total	\$ 577,513,013	\$ 554,103,575	\$ 648,320,401	\$ 628,359,132
FTE Authorization	683.6	683.6	667.6	667.6
FTE Average	614.5			

*Submitted standalone request; Governor's recommendation separates agency from DOA

FY 2025 Revised Request. The Department of Administration's revised request is \$10.1 million less from all sources and 16.0 fewer full-time equivalent positions than enacted. This includes decreases of \$22.0 million from general revenues, primarily reflecting the distribution of one-time expenses, \$18.6 million from federal funds and \$15.8 million from restricted receipts, and \$46.2 million more from other funds, primarily Rhode Island Capital Plan funds. The Office of Energy Resources submitted its revised budget request as a standalone agency. Accounting for this, the request is \$34.6 million more and staffing as authorized. As of mid-December, there were 49 vacancies.

The Governor concurred with the separation of the Office of Energy Resources. He recommended revised FY 2025 expenses of \$648.3 million from all sources, which is \$104.3 million more than requested. This includes \$6.3 million more from general revenues, of which \$11.2 million is reserved for cost-of-living adjustments for potential costs where settlements were not yet reached, partially offset by \$5.3 million from debt savings. Federal fund expenses are also \$91.9 million more than requested, including \$91.3 million from FY 2024 unspent State Fiscal Recovery and Capital Projects funds for various projects.

The Governor subsequently requested an amendment to distribute the funds reserved for contract settlements to the Departments of Corrections, Elementary and Secondary Education and Public Safety. He also requested several amendments, adjusting Rhode Island Capital Plan funds for several projects, reflecting delays and updated costs, and to adjust for spending that occurred in FY 2024, based on the audited FY 2024 closing statement.

The Assembly provided \$628.4 million from all sources, including \$223.2 million from general revenues. It concurred with the requested amendments and further reduced expenses to reflect additional turnover savings and project delays. It also shifted \$2.5 million from general revenues for Federal Emergency Management Agency funding to FY 2026.

Staffing. Excluding the Office of Energy Resources, the revised request includes \$0.6 million more from all sources than enacted for salaries and benefits. This includes \$0.6 million less from general revenues, primarily reflecting updated staffing costs and allocations to other sources. The request includes the authorized allocation of 248.6 full-time equivalent positions to support non-internal service fund programs. It restores turnover savings equivalent to 4.4 positions; the enacted budget assumed 11.6. As of mid-December, the aforementioned programs had 14 vacancies. It should be noted that the request reflects savings of \$0.4 million from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$140,120, including \$101,746 from general revenues.

*The Governor's recommendation is \$1.3 million more from all sources than requested; this includes \$1.8 million, of which \$1.3 million is from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. This is partially offset by \$0.6 million of additional turnover savings. **The Assembly further reduced expenses by \$0.7 million from general revenues to reflect ongoing vacancies above revised budget assumptions.***

Statewide

Pension Plan Revisions - Distributed. The 2024 Assembly adopted legislation making changes to the pension plan affecting retirees and active members, including the cost-of-living adjustment, pension benefit calculation, public safety pensions, and post-retirement employment. The enacted budget includes \$27.5 million from all sources, including \$20.6 million from general revenues for pension plan revisions. The revised request reflects the distribution of these funds, which were included in the Department of Administration for later distribution. *The Governor concurred. **The Assembly concurred.***

Supplemental Retirement Contribution. Current law requires that for any fiscal year in which the actuarially determined state contribution rate for state employees or teachers is lower than that for the prior fiscal year, the Governor shall include an appropriation to that system equal to 20.0 percent of the rate reduction for the state's contribution rate to be applied to the actuarial accrued liability of the system. The request includes the enacted amount of \$0.3 million for the required contribution for the teachers' share, and \$0.2 million for the contribution for state employees. The pension plan changes noted previously impacted both state employees and teachers. Subsequent rates provided for FY 2025 are higher than FY 2024, and as a result, no additional appropriation to the system is necessary. The first quarter report issued by the State Budget Office does not assume this expense. *The Governor's recommendation excludes this expense.* **The Assembly concurred.**

Reappropriation - Compensation and Job Classification Study. The final budget included \$2.0 million from general revenues for FY 2024 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 administration issued a request for proposals in 2022, which it later indicated was over-scoped and issued another request for proposals in May 2023. The contract with the vendor was finalized in July 2024, for a project cost not to exceed \$1.9 million.

The revised request includes \$750,000 from the required \$2.0 million reappropriation for the study. This is \$1.1 million less than the maximum contract amount. The Department rescoped the study and negotiated with the vendor to reduce the number of deliverables. Through December 9, 2024, \$150,000 has been spent. *The Governor recommended funding as requested.* **The Assembly concurred.**

COLA Reserve. Subsequent to enactment of the FY 2025 budget, the McKee Administration reached agreements with a majority of state employee unions that included cost-of-living adjustments of 5.0 percent for FY 2025, 4.0 percent for FY 2026, and 3.0 percent for FY 2027, for a total of 12.0 percent. Agencies were instructed to not include the impact of the settlement in their budget requests.

The Governor's recommended budgets include a total of \$32.8 million from all sources for both FY 2025 and FY 2026 for potential costs where settlements were not yet reached. The general revenue share is \$11.2 million in FY 2025 and \$19.0 million in FY 2026. Expenditures for employees in unions that have settled are reflected in respective agency budgets. He subsequently requested an amendment to distribute the funds to the Departments of Corrections, Elementary and Secondary Education and Public Safety. Settlements were reached that exceeded the aggregate amount set aside for FY 2025 by \$4.1 million from general revenues. **The Assembly concurred with the amended recommendation.**

ARPA - Municipal Public Safety Infrastructure. The FY 2024 final budget includes \$11.0 million from State Fiscal Recovery funds provided as a pool of matching funds for municipal public safety infrastructure projects. Funding priority must be based on project readiness and limited to those for which the total costs exceed \$1.0 million. Matching funds to any municipality will be limited to \$5.0 million for projects that serve a regional purpose and \$1.0 million for others. Preliminary information shows expenses of \$3.7 million to nine municipalities: East Providence, Providence, Foster, Glocester, Middletown, Narragansett, North Smithfield, Smithfield, and South Kingstown. The revised request does not include the unspent funds, which will automatically be reappropriated. *The Governor included the \$7.3 million of unspent funds from FY 2024.* **The Assembly concurred.**

ARPA - Public Health Response Warehouse Support. The request includes the enacted amount of \$0.8 million from State Fiscal Recovery funds for lease expenses to store COVID-19 supplies, including personal protective equipment. The revised request does not include FY 2024 unspent funds of \$1.2 million; any unspent funds are automatically reappropriated. It should be noted that the enacted budget also includes \$0.6 million from general revenues in the Rhode Island Emergency Management Agency's

budget, and its revised request includes \$0.5 million for FY 2025 total funding of \$1.2 million. *The Governor's budget includes the unspent funds of \$1.2 million from FY 2024, for total funding of \$1.9 million; his revised budget includes the enacted amount of \$0.6 million from general revenues in the Rhode Island Emergency Management Agency's budget.* **The Assembly concurred.**

CPF - Community Learning Center Grant Program. The FY 2024 final budget included \$81.7 million from the Capital Projects Fund 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. Through FY 2024, \$2.1 million has been spent and the capital budget request assumes use of \$59.8 million for FY 2025, and \$10.0 million each for FY 2026 and FY 2027. Two grant rounds thus far have resulted in a total of \$55.5 million awarded to 19 municipalities. These projects would be eligible for the remaining funds and redistribution of unused allocations. Any unspent funds are automatically reappropriated. The revised request includes the enacted amount of \$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. *The Governor recommended the unspent \$79.6 million from FY 2024.* **The Assembly concurred.**

FEMA Contingency Reserve. The revised request includes the enacted amount of \$5.0 million from general revenues provided as a contingency reserve for COVID-19 related expenses, in the event reimbursements from the Federal Emergency Management Agency differ from budgeted assumptions. The state is no longer incurring any COVID-related Federal Emergency Management Agency reimbursable emergency expenses, and reimbursement was substantially complete as of FY 2024. In April, the Department submitted management costs to the Agency for review, which is ongoing. *The Governor included \$5.0 million, consistent with the enacted budget.* **The Assembly provided \$1.5 million for FY 2025 and required unspent funds to be automatically reappropriated to FY 2026, for which it also added \$2.5 million. This makes the two year reserve total \$4.0 million.**

Debt

General Obligation Bonds. The revised request includes the enacted amount of \$139.1 million from all sources, including \$106.2 million from general revenues for general obligation debt. This includes \$32.9 million, primarily from gasoline tax proceeds for transportation debt. *The Governor's recommendation includes general revenue savings of \$4.9 million, reflecting an updated issuance. The recommendation also includes savings of \$0.3 million for Higher Education institutions, for statewide savings of \$5.2 million. He subsequently requested an amendment to add \$55,477 from bond funds to reflect the arbitrage yield payment owed to the federal government for issued general obligation bond proceeds.* **The Assembly concurred with the amended recommendation.**

Certificates of Participation Projects. The Department's revised request includes the enacted amount of \$15.5 million from general revenues for all debt issued through Certificates of Participation for FY 2025. This includes \$1.5 million for energy conservation projects completed at the Pastore Center and Zambarano Campus. *The Governor's revised budget includes general revenue savings of \$0.4 million from energy conservation debt service, which was less than expected.* **The Assembly concurred.**

Office of Energy Resources

Operations (-16.0 FTE). The Office of Energy Resources submitted a standalone request. It includes expenses of \$63.1 million from all sources, including the enacted amount of \$0.5 million from general revenues, and staffing of 16.0 full-time equivalent positions. This is \$18.3 million more from all sources, including \$15.6 million from federal funds, of which \$9.2 million is from State Fiscal Recovery funds, for the electric heat pump grant program. The Department's request preceded the Office's request and also included expenses for the Energy Efficiency project, and inadvertently retained \$74,062 of salary and

benefit expenses from restricted receipts. *The Governor's revised budget reflects the Office as a standalone agency. The recommendation corrects for expenses that were retained and transfers the Energy Efficiency project and \$1.0 million from Rhode Island Capital Plan funds for approved energy efficiency projects to the Office. The Assembly concurred.*

HealthSource RI

ARPA - Auto-Enrollment Program. The revised request includes FY 2024 unspent State Fiscal Recovery funds of \$0.2 million 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. It appears that these remaining funds have subsequently been spent. A total of \$1.6 million was provided to support two months of premiums and information technology upgrades to the Unified Health Infrastructure Project. *The Governor concurred. The Assembly concurred.*

Other Expenses. The revised request includes \$0.1 million more from all sources than enacted for all remaining expenses for HealthSource RI. This includes savings of \$1.5 million from general revenues, offset by \$1.6 million more from restricted receipts, reflecting available resources. HealthSource RI reported a surplus that was \$0.9 million more than the final budget had assumed from restricted health reform assessment receipts for FY 2024. It is also projecting additional revenues, reflecting higher than projected enrollment for FY 2025. The enacted budget assumes 46,518 enrollees; but the total was 55,532 as of November 30.

The request includes \$0.2 million more for salaries and benefits, reflecting updated staffing costs, allocations, and statewide benefit changes. Consistent with the enacted budget, the request does not include turnover savings; as of early December, there were no vacancies. These expenses are partially offset by \$0.1 million less for contracted information technology support for the Unified Health Infrastructure Project, and other services. *The Governor concurred and added \$84,293 from restricted receipts to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The Assembly concurred.*

Information Technology

RIBridges Cyberattack. In December 2024, the state was notified of a cybersecurity attack on the enrollment system, which was subsequently taken offline. HealthSource RI extended the open enrollment period from January 31 to February 28 and extended the call center hours. It also offered direct enrollment through Blue Cross and Blue Shield, and Neighborhood Health Plan, with a no-cost option for January and February. The Department's request preceded the cyberattack and did not include any expenses.

Subsequently, Deloitte provided the state with \$5.0 million to help pay for expenses related to the attack. The Department's third quarter report projected \$4.5 million for direct premium assistance and noted it has incurred other direct and indirect costs above that. The administration later reported that it had identified \$6.9 million in expenses associated with the RIbridges data security event through early June. While this estimate is subject to change, it will attempt to reconcile these and any additional costs with Deloitte. This process remains a legal matter. *The Governor's recommended budget did not address any expenses related to the cyberattack.*

The Assembly provided \$0.7 million from general revenues to cover some of the direct expenses identified in the Department's third quarter report that exceeded the allocation from Deloitte.

IT Project Expenses. The revised request includes \$8.5 million more from restricted receipts for information technology expenses, primarily reflecting unspent funds from FY 2024. Of the \$11.6 million requested, \$9.4 million will be used for the Enterprise Resource Planning System, to support operating

expenses. 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. It should be noted that the human resources and payroll systems will be implemented in March; it has been delayed from January 2025 and operating expenses cannot be billed before then. The last module, finance, is anticipated for implementation in the second quarter of calendar year 2025. Salary and benefit expenses are \$30,182 more than enacted, reflecting updated costs and allocations.

The Governor concurred and added \$14,426 from restricted receipts to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. He subsequently requested an amendment to update the Enterprise Resource Planning System project cost to \$84.5 million, with no more than \$55.1 million being supported from the Large Systems Initiatives Fund. Reflecting project delays and spending, the fund has accrued \$16.1 million in interest through March 2025. He also proposed legislation authorizing the director of the Department of Administration to allocate and charge capitalized costs to agencies that benefit from projects funded through the Large Systems Initiatives Fund.

The Assembly concurred, with the exception of requiring that any capitalized costs charged to agencies be in accordance with a statewide cost allocation plan and any planned billings be reported first as part of planning for the following fiscal year.

Cybersecurity Federal Grant Match. The state has been awarded a total of \$11.0 million from a federal cybersecurity grant made available through the Infrastructure Investment and Jobs Act. The act requires states to distribute at least 80 percent of funds to local governments, and a state match, starting at 10.0 percent, increasing to 40.0 percent, is required. The 2024 Assembly provided \$1.4 million from general revenues, including \$250,000 for FY 2024 and \$1.1 million for FY 2025. The Department did not incur any expenses for FY 2024 and noted that, before it can begin expending the funds, specific projects need to be approved by the Federal Emergency Management Agency. Its revised request includes the enacted amount. Updated information regarding further delays shows it now anticipates expenses of only \$0.3 million for FY 2025. *The Governor recommended funding consistent with the enacted amount.* **Based on further delays, the Assembly reduced FY 2025 funding by \$0.8 million and concurred with the recommended expense of \$1.1 million for FY 2026.**

Other Programs

Tort Court Awards - Settlements. The Department's revised request includes the enacted amount of \$1.4 million from general revenues for settlements and legal fees relating to the consent decree with the Department of Justice regarding job training and community services to individuals with developmental disabilities. *The Governor concurred. He subsequently requested an amendment to include an additional \$0.1 million from general revenues, based on anticipated expenses.* **The Assembly concurred with the amended recommendation.**

Centralized Services. The Department requested \$11.1 million from all sources for its share of centralized services for FY 2025. This is \$309,230 less than enacted, for information technology support, including \$26,735 less from general revenues. Expenditures for facilities management and human resources are consistent with the enacted budget. These expenses are \$151,946 less than spent in FY 2024. *The Governor recommended \$0.3 million more than requested from all sources, largely from general revenues to account for adjustments to centralized service billings based on a revision to anticipated expenses including a delay in the implementation of new systems management software.* **The Assembly provided \$0.3 million less from general revenues, reflecting billings through the third quarter.**

Disparity Study. In 2021, a study that examined statewide procurement practices from July 1, 2014 to June 30, 2017, was issued. The 2023 Assembly adopted legislation requiring the study to be conducted every five years, beginning in FY 2025. The 2024 Assembly provided \$500,000 from general revenues to

fund the study, based on the expense incurred for the 2021 study. A request for proposals was issued, and five responses were received; a review team is assessing the responses and most of the funding is not expected to be spent in FY 2025. The Department's request includes funding consistent with the enacted budget. *The Governor concurred; his recommendation for FY 2026 also includes the enacted amount.* **The Assembly reduced FY 2025 expenses by \$450,000 based on the current progress and availability of funding for the study in the FY 2026 budget.**

Other Salaries and Benefits. The revised request includes \$0.5 million more from all sources than enacted for remaining salary and benefit expenses in the Department. This includes \$0.6 million less from general revenues, reflecting updated staffing costs and allocations, and statewide benefit changes. It restores turnover savings equivalent to 4.4 positions; the enacted budget assumed 11.6 vacancies. The request does not include the Governor's recommended reappropriation of \$56,413 from general revenues for four legal positions that were upgraded but not processed before the close of the fiscal year. It should be noted that the request also reflects savings of \$0.4 million from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$132,496, including \$101,746 from general revenues.

The Governor's recommendation is \$1.2 million more from all sources than requested; this includes \$1.7 million, of which \$1.3 million is from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. This is partially offset by \$0.6 million of additional turnover savings. **The Assembly further reduced expenses by \$0.7 million from general revenues to reflect additional turnover savings above revised budget assumptions in Central Management, Office of Management and Budget, and Division of State Purchases.**

Office of Management and Budget. The Department requested \$0.2 million more from general revenues than enacted for all remaining expenses in the Office of Management and Budget for FY 2025. This includes an additional \$47,000 for legal services for expertise relating to debt issuances for total expenses of \$97,000; FY 2024 expenses were \$33,294 or \$46,706 less than budgeted. It also includes \$50,000 for dues and registration, reflecting recent experience, and \$78,087 for computers and software updates.

The Governor concurred and added \$3.1 million from all sources, largely federal funds for administration of State Fiscal Recovery and Capital Projects funds. The recommendation inadvertently budgets these expenses as grants. It also includes \$21,552 more from general revenues, reflecting updated expenses for dues and registration, and software licensing fees. **The Assembly concurred.**

Accounts and Control. The revised request includes \$145,210 more than enacted from all sources, including \$134,105 more from general revenues, for the Office of Accounts and Control. This includes an additional \$14,919 to obtain services, including risk management and auditing. It also adds \$11,105 from restricted receipts for expenses relating to the grants management system, and \$119,186 for operating expenses, primarily for software used by agency chief financial officers to collect data for fiscal reporting. *The Governor concurred, with the exception of including \$8,530 less from general revenues to adjust for software licensing fees and grants management expenses.* **The Assembly concurred.**

Other Capital Projects. The revised request includes \$175.3 million from Rhode Island Capital Plan funds for 36 approved projects. This is \$52.0 million more than enacted, primarily reflecting unspent funds from FY 2024. The request is \$0.7 million more than the capital budget request and corrects for understated expenses for two projects. *The Governor recommended \$6.3 million more than requested; this is consistent with the capital budget. The Governor subsequently requested several amendments, adjusting Rhode Island Capital Plan funds for several projects, reflecting project delays and updated project costs, and to adjust for spending that occurred in FY 2024, based on the audited FY 2024 closing statement.*

The Assembly provided \$178.7 million essentially consistent with the amended recommendation, and shifted \$2.0 million for the 560 Jefferson Boulevard project from FY 2025 to FY 2026, reflecting a delay. A detailed description of the projects is included in the Capital Budget section of this publication.

Washington Bridge - Engineering Analysis. The revised request includes new expenses of \$51,000 from general revenues to conduct a forensic structural engineering analysis and inspection on the Washington Bridge. The administration noted that a firm was hired to be an independent authority and provide peer-review services to the investigation and ongoing procurement of the bridge. It should be noted that \$48,613 from general revenues was spent in FY 2024, for which an appropriation was not made. *The Governor concurred.* **The Assembly concurred.**

Executive Climate Change Coordinating Council Projects. In 2023, the Executive Climate Change Coordinating Council allocated \$100,000 to the Division of Statewide Planning for the Climate Resilience Technical Assistance Program. The Division will work with municipalities to review regulations and identify areas for improvement to promote climate resilience. The FY 2024 final and FY 2025 enacted budgets included \$50,000 from restricted receipts for the program. Reflecting a project delay, the funds were not expended and they were omitted in the Department's revised request for FY 2025. *The Governor recommended the unspent funds from FY 2024 for FY 2025 total funding of \$100,000.* **The Assembly concurred.**

Other Expenses. The revised request includes \$56,870 more from general revenues than enacted for all remaining expenses in the Department. This includes \$46,527 for facility maintenance expenses for buildings not covered by internal service funds, such as the Expo Center. *The Governor concurred with the requested expenses, and included general revenue savings of \$0.1 million from clerical services, staff training and software licensing fees.* **The Assembly concurred.**

Office of Energy Resources

	FY 2024		FY 2025		FY 2025		FY 2025	
	Reported		Enacted*		Revised		Final	
Expenditures by Category								
Salaries and Benefits	\$	-	\$	2,404,049	\$	2,753,773	\$	2,753,773
Contracted Services		-		1,990,400		3,056,190		3,056,190
Subtotal	\$	-	\$	4,394,449	\$	5,809,963	\$	5,809,963
Other State Operations		-		2,673,859		2,179,129		2,179,129
Aid to Local Units of Government		-		-		-		-
Assistance, Grants, and Benefits		-		33,728,538		53,954,965		53,954,965
Capital		-		1,027,583		1,849,994		1,849,994
Capital Debt Service		-		-		-		-
Operating Transfers		-		4,000,000		4,580,100		4,580,100
Total	\$	-	\$	45,824,429	\$	68,374,151	\$	68,374,151
Sources of Funds								
General Revenue	\$	-	\$	500,000	\$	500,000	\$	500,000
Federal Aid		-		15,042,632		35,438,362		35,438,362
Restricted Receipts		-		25,217,475		26,431,400		26,431,400
Other		-		5,064,322		6,004,389		6,004,389
Total	\$	-	\$	45,824,429	\$	68,374,151	\$	68,374,151
FTE Authorization								
		-		16.0		16.0		16.0
FTE Average								
		-						

*FY 2025 enacted duplicates operations transferred from the Department of Administration for reference

FY 2025 Revised Request. The Office of Energy Resources submitted its revised FY 2025 budget request as a standalone agency. Its budget was part of the Department of Administration for administrative purposes. The 2006 Assembly adopted comprehensive energy legislation that created the Office of Energy Resources as a successor to the former State Energy Office and authorized the Office to be assigned to an existing department for administrative purposes. The 2007 Assembly concurred with Governor Carcieri's recommendation to include the Office as a distinct program in the Department of Administration's budget; it had formerly been included within the Department's facilities management program. The Office requested \$63.0 million from all sources, or \$17.2 million more than enacted. It also included 16.0 full-time equivalent positions, consistent with the authorized level. *The Governor's recommendation reflects the Office as a standalone agency and includes \$68.4 million from all sources. This is \$5.4 million more than requested, primarily reflecting unspent State Fiscal Recovery funds.* **The Assembly concurred.**

Salaries and Benefits. The revised request includes \$2.5 million from all sources for salary and benefit expenses of 16.0 full-time equivalent positions. The positions align with the current allocation of Department of Administration staffing. It is \$115,445 more than enacted, reflecting updated staffing costs and allocations, and statewide benefit adjustments. It should be noted that the request reflects savings of \$21,488 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$9,235. It restores turnover savings of \$0.1 million, equivalent to 0.5 positions. The enacted budget funds 14.0 positions and as of early December, there were 2 vacancies, including the commissioner. *The Governor recommended \$0.2 million more than requested, including \$0.1 million to account for statewide adjustments consistent with his recent labor*

agreements and the correct assessed fringe benefit rate. It also includes \$0.1 million to correct for expenses that were inadvertently retained in the Department of Administration's budget. **The Assembly concurred.**

Centralized Services. The revised request includes \$204,497 from all sources for the Office's share of centralized services. This is \$45,630 more than enacted for information technology support. The request is \$55,806 more than FY 2024 expenses and \$45,306 more than projected for FY 2025 based on spending through the first quarter. *The Governor recommended \$17,570 less than requested from restricted receipts, based on a revision to anticipated expenses.* **The Assembly concurred.**

ARPA - Electric Heat Pump Grant Program. The requests include \$9.2 million for FY 2025 and \$7.4 million for FY 2026 from State Fiscal Recovery funds to support low- and moderate-income households, and community organizations to purchase and install energy efficient electric heat pumps. Combined with prior year spending, the requests total \$27.0 million, which is \$2.0 million more than the approved amount. The Office noted this was in error. *The Governor's revised budget includes \$14.0 million for FY 2025. This will close out the program at \$24.4 million, \$0.6 million less than approved; the state has since received \$63.8 million for home electrification and appliance rebates.* **The Assembly concurred.**

Electric Vehicle Charging Stations - Operating. The 2024 Assembly authorized the Office to charge a fee to use electric vehicle charging stations on state properties. The fee was determined through the rules and regulations process and took effect on January 1, 2025. The revenues are deposited as restricted receipts and used to help offset the cost of electricity and maintenance of the charging stations. The Office instituted the fees, including \$0.28 per kilowatt hour for level 2 charging stations and \$0.39 per kilowatt-hour for fast charging stations. The request predates the implementation of the fees and did not include operating expenses. The Office noted that the daily average revenue is \$1,500. *The Governor recommended \$0.3 million from restricted receipts for operating expenses.* **The Assembly concurred.**

Solar for All. In April 2024, the state was awarded a \$49.3 million federal grant for the Solar for All program to reduce greenhouse gas and air pollutants. The revised request includes \$5.0 million from these funds, budgeted as grants. The Office noted that seven financial assistance programs will be made available, including single- and multi-family housing, and community solar projects. Subsequently the Office noted that its request assumes that the workplan would be approved by November, and anticipated a launch date of mid-2025. *The Governor recommended funding as requested.* **The Assembly concurred.**

Executive Climate Change Coordinating Council Projects. The 2023 Assembly authorized a one-time transfer of \$3.0 million and an annual transfer of up to \$1.5 million from Regional Greenhouse Gas Initiative funds to the Executive Climate Change Coordinating Council for its projects. The request includes \$0.8 million, which is \$0.4 million more than enacted, reflecting project delays. *The Governor concurred.* **The Assembly concurred.**

Capital - Energy Efficiency. The revised request includes \$0.3 million from unspent Rhode Island Capital Plan funds from FY 2024 for energy efficiency projects, including indoor and outdoor lighting projects; new heating, ventilation and air conditioning systems; renewable energy; and building automation systems. *The Governor recommended \$65,146 more than requested, reflecting the actual unspent funds from FY 2024.* **The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.**

Other Expenses. The revised request includes \$2.1 million more than enacted for all remaining expenses. This includes an increase of \$1.2 million from federal funds, including \$2.0 million from a new grant to improve the resilience of electric grids, and \$1.5 million for energy improvements in school and public buildings. These increases are offset by \$3.4 million less for home energy rebate programs, reflecting updated expenses. The request includes \$0.6 million more for total funding of \$4.6 million for the National Electric Vehicle Infrastructure program. *The Governor concurred.* **The Assembly concurred.**

Department of Business Regulation

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Central Management	\$ 4,122,227	\$ 3,999,763	\$ 4,136,307	\$ 4,136,307
Banking Regulation	1,831,544	1,967,080	2,066,865	2,066,865
Securities Regulation	797,929	880,722	949,738	949,738
Insurance Regulation	6,266,947	6,717,199	6,690,111	7,240,111
Office of the Health Ins. Comm.	3,876,321	3,988,929	4,204,103	4,078,103
Board of Accountancy	5,158	5,490	5,490	5,490
Commercial Licensing, Gaming &	1,985,271	1,996,604	2,218,338	2,218,338
Building, Design & Fire	9,024,135	17,866,970	17,657,188	13,070,188
Office of Cannabis Regulation	3,046,633	6,697,782	7,047,829	7,047,829
Total	\$ 30,954,832	\$ 44,120,539	\$ 44,975,969	\$ 40,812,969
Expenditures by Category				
Salaries and Benefits	\$ 20,977,092	\$ 24,663,121	\$ 25,503,150	\$ 25,503,150
Contracted Services	4,149,101	4,334,991	4,274,291	4,698,291
Subtotal	\$ 25,124,860	\$ 28,998,112	\$ 29,777,441	\$ 30,201,441
Other State Operations	4,270,458	6,496,140	6,381,521	6,381,521
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	285,000	285,000	285,000
Capital	1,511,293	8,341,287	8,532,007	3,945,007
Capital Debt Service	-	-	-	-
Operating Transfers	48,221	-	-	-
Total	\$ 30,954,832	\$ 44,120,539	\$ 44,975,969	\$ 40,812,969
Sources of Funds				
General Revenue	\$ 22,113,016	\$ 24,091,628	\$ 24,722,492	\$ 24,496,492
Federal Aid	1,018,821	749,043	759,546	859,546
Restricted Receipts	7,190,128	12,156,568	12,356,525	12,906,525
Other	634,200	7,123,300	7,137,406	2,550,406
Total	\$ 30,954,832	\$ 44,120,539	\$ 44,975,969	\$ 40,812,969
FTE Authorization	181.0	181.0	181.0	181.0
FTE Average	151.8			

FY 2025 Revised Request. The Department of Business Regulation requested \$0.3 million less from all sources, including \$0.1 million more from general revenues, \$10,000 more from federal funds, \$0.4 million less from restricted receipts, and \$0.3 million less from other fund sources. *The Governor recommended \$1.2 million more than requested, including \$0.5 million from general revenues, \$503 from federal funds, \$0.6 million from restricted receipts, and \$19,070 from other fund sources. He subsequently requested an amendment to add \$0.6 million from restricted receipts. The Assembly provided \$4.7 million less than the amended recommendation, including \$0.2 million less from general revenues, \$0.1 million more from federal funds, and \$4.6 million less from Rhode Island Capital Plan funds.*

Office of the Health Insurance Commissioner

Dental Insurance Loss Ratio Report. The 2024 Assembly passed legislation requiring the Office of the Health Insurance Commissioner to provide recommendations on comprehensive dental health plans and a minimum percentage of dental premium dollars to be spent on patient care. The difference is defined as the dental insurance loss ratio. The report covers 2023 through 2025 and must be submitted by October 1, 2026. The Assembly authorized the Office to levy a maximum of \$150,000 in total in each year from dental insurers for associated costs. The Office requested the maximum amount of \$150,000 from general revenues for contractors to perform this work. *The Governor recommended funding as requested.* **The Assembly provided \$126,000 less based on the Office's third quarter report, that indicated a total of \$150,000 is required to produce the report, including \$24,000 for FY 2025 and \$126,000 for FY 2026. It made corresponding adjustments to expected revenues.**

Human Service Programs Rates and Benefit Analysis. The Office requested \$7,477 less than enacted, including \$17,477 less from general revenues, to conduct a biennial comprehensive rate and program review of social and human services programs and support 1.0 associated full-time equivalent position. The state contracts and licenses a variety of service providers to conduct social and human services programs. Every odd numbered year an assessment and review of rate adjustments must be completed by September 1. Departments must address the rates in their budget requests by October 1. The Office receives Medicaid reimbursement under an agreement with the Executive Office of Health and Human Services for expenses associated with analyzing rates and developing the report. The decrease reflects changes to medical benefit selections partially offset by an updated estimate of reimbursements.

The Office submitted its final report in September 2023, with some omissions explained within. The 2024 Assembly provided \$163.4 million to fully fund the recommended rate increases. The enacted budget includes \$0.7 million for the majority of work associated with producing the next iteration of the report, which is due in September 2025. It should be noted that the request reflects savings of \$2,048 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$745. *The Governor recommended \$9,860 more than requested from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly shifted \$85,000 from general revenues to additional federal Medicaid matching funds identified in the Office's third quarter report.**

OHIC - Other Personnel and Operations. The Office requested \$28,105 less from all sources for all other staff and operations of the Office of the Health Insurance Commissioner, including \$45,273 less from general revenues and \$17,168 more from restricted receipts. Reduced personnel expenses are partially offset by changes to medical benefit selections and elimination of turnover savings equivalent to 0.1 vacancy included in the enacted budget. As of December 2024, the Office has no vacancies. It should be noted that the request reflects savings of \$17,536 from a reduction to the enacted fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$6,377. *The Governor recommended \$90,896 more than requested, including \$5,849 from general revenues for updated centralized services projections. The recommendation also adds \$85,047, including \$59,356 from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly shifted \$15,000 from general revenues to additional federal Medicaid matching funds identified in the Office's third quarter report.**

Other Business Regulation Programs

E-Permitting Expansion. The Department requested the enacted amount of \$1.2 million from general revenues for construction permitting for all Rhode Island municipalities. Funding supports ongoing operating expenses, such as software licenses for all 39 municipalities, and one associated position.

Municipalities are required to provide online construction permitting by July 1, 2023; as of November 2024, West Greenwich and Charlestown have not completed the transition.

*The Governor recommended \$0.4 million less for operating costs to more closely reflect FY 2024 spending, which the Department reported as resulting from temporary delays. His FY 2026 recommendation contains a similar reduction. **The Assembly concurred but provided \$0.2 million more for FY 2026.***

Office of Cannabis Regulation. The Office of Cannabis Regulation requested \$0.1 million less than enacted from restricted receipts for staffing and operations associated with regulation and oversight of the state's retail and medical marijuana and industrial hemp programs. The requested reduction results from changes in medical benefit selections, however, it also appears to understate personnel costs associated with the Chairperson by \$248,969. It should be noted that the request also reflects savings of \$36,832 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$13,394. *The Governor recommended \$0.5 million more than requested, which corrects for the error and adds \$0.3 million to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. **The Assembly concurred.***

Other Salaries and Benefits. The Department requested \$0.4 million less than enacted for all other staffing expenses, including \$0.2 million from general revenues, \$0.1 million from restricted receipts, and \$19,070 less from Quonset Development Corporation funds. The enacted budget includes turnover savings equivalent to 4.7 full-time equivalent positions. As of November, the Department has 16.0 vacancies; the request includes turnover savings equivalent to 8.4 vacancies. The Department subsequently indicated that turnover savings are overstated by \$0.2 million as a result of updated hiring trends and a data entry error. It should also be noted that the request also reflects savings of \$0.2 million from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$63,928.

*The Governor's recommendation adds \$0.8 million, including \$0.7 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. He subsequently requested an amendment to add \$500,000 from insurance assessment restricted receipts for actuarial services based on an updated estimate of work required. **The Assembly concurred with the amended recommendation.***

Office Renovation. The Department requested \$230,000 from general revenues to renovate the Insurance Division workspace. Work includes new flooring, electrical systems, cubicles, and other improvements to replace damage caused when portions of the building flooded in February 2022. Upgrades are intended to aid productivity, hiring, and retention. The Department's initial FY 2025 request included \$450,000 for this work, including \$225,000 in each FY 2024 and FY 2025. The Assembly did not provide specific funding for the initiative; however, the Department conducted a portion of the work in FY 2024 using funds budgeted for maintenance as well as restricted receipt savings from underspending in other areas such as out-of-state travel. *The Governor recommended funding as requested. He subsequently requested an amendment to add \$50,000 from restricted receipts based on updated estimates. **The Assembly concurred with the amended recommendation.***

Capital Projects. The Department's capital request includes \$7.9 million from Rhode Island Capital Plan funds. This includes \$7.1 million to expand the State Fire Academy in Exeter, consistent with the enacted budget, as well as \$0.8 million for various new information technology projects. The Department's operating request inadvertently excludes funding for the information technology projects. *The Governor recommended \$30,720 more than requested, consistent with his capital recommendation. **The Assembly provided \$4.6 million less for the Fire Academy project based on an updated timeline. A detailed description of the projects is included in the Capital Budget section of this publication.***

Other Operations. The Department requested \$0.2 million less than enacted for all other expenditures, including \$4,256 more from general revenues and \$0.2 million less from restricted receipts. The request includes a number of changes to more closely reflect FY 2024 spending as well as reduced restricted receipts for rate filling work for the Department of Labor and Training that is no longer necessary. The Department subsequently indicated that its request understates restricted receipts by around \$30,000. *The Governor recommended \$189,586 more than requested, including \$154,195 from general revenues and \$35,391 from restricted receipts, to correct for the understatement and account for adjustments to centralized service billings based on a revision to anticipated expenses.* **The Assembly concurred.**

Executive Office of Commerce

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Executive Office of Commerce	\$ 2,102,302	\$ 2,264,703	\$ 2,315,343	\$ 2,315,343
Housing & Community Dev.*	(37,245)	-	-	-
Quasi-Public Appropriations	27,481,922	26,501,060	72,494,379	71,494,379
Economic Dev. Initiative Funds	45,061,800	35,235,000	35,235,001	35,235,001
Commerce Programs	11,673,092	6,776,400	80,426,479	80,426,479
Total	\$ 86,281,871	\$ 70,777,163	\$ 190,471,202	\$ 189,471,202
Expenditures by Category				
Salaries and Benefits	\$ 890,493	\$ 1,064,115	\$ 1,099,683	\$ 1,099,683
Contracted Services	-	-	-	-
Subtotal	\$ 890,493	\$ 1,064,115	\$ 1,099,683	\$ 1,099,683
Other State Operations	219,830	195,338	210,410	210,410
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	(38,025)	24,226,400	143,512,469	143,512,469
Capital	2,667	9,401,430	9,758,759	8,758,759
Capital Debt Service	-	452,553	452,553	452,553
Operating Transfers	85,206,906	35,437,327	35,437,328	35,437,328
Total	\$ 86,281,871	\$ 70,777,163	\$ 190,471,202	\$ 189,471,202
Sources of Funds				
General Revenue	\$ 66,223,935	\$ 40,380,983	\$ 40,431,623	\$ 40,431,623
Federal Aid	19,451,447	22,000,000	141,286,070	141,286,070
Restricted Receipts	-	-	-	-
Other	606,489	8,396,180	8,753,509	7,753,509
Total	\$ 86,281,871	\$ 70,777,163	\$ 190,471,202	\$ 189,471,202
FTE Authorization	5.0	5.0	5.0	5.0
FTE Average	4.3			

*FY 2024 reflects the transfer of operations to the new Department of Housing

FY 2025 Revised Request. The Executive Office of Commerce's revised budget request is \$83 less from general revenues than enacted. *The Governor recommended \$119.7 million more than enacted, including \$50,723 from general revenues, \$119.3 million from federal funds, and \$0.4 million from Rhode Island Capital Plan funds. The Assembly shifted \$1.0 million from Rhode Island Capital Plan funds from FY 2025 to FY 2026, and concurred with the remainder of the recommendation.*

ARPA - Small Business and Technical Assistance. The 2022 Assembly authorized \$31.3 million from State Fiscal Recovery funds to provide grants and technical assistance to businesses impacted by the pandemic and for Washington Bridge-related business support. The FY 2023 final budget allocates \$12.2 million in direct grants; \$15.0 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. Additionally, the FY 2024 final budget allocates \$2.6 million to alleviate the impacts caused by the partial closure of the Washington Bridge, including \$1.2 million for East Providence, \$0.8 million for Providence, and \$0.6 million for the Commerce Corporation.

The Executive Office's request does not include funding. As of the end of FY 2024, \$2.5 million remains unspent. The Executive Office indicates that remaining funds largely reflect Washington Bridge-related business support. Any unspent funds are automatically reappropriated. *The Governor's recommendation includes the remaining funds.* **The Assembly concurred.**

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 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. The 2024 Assembly added \$2.0 million for FY 2025 for public place making improvements and event programming for a total of \$15.0 million. *The Governor's recommendation includes funding essentially consistent with the enacted budget.* **The Assembly concurred.**

State Small Business Credit Initiative. The Executive Office requested the enacted amount of \$20.0 million from federal funds provided under the American Rescue Plan Act to recapitalize the State Small Business Credit Initiative to support small businesses impacted by the economic effects of the coronavirus pandemic. Rhode Island received one-time funding of \$62.5 million from the State Small Business Credit Initiative. 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; Rhode Island received \$0.8 million. *The Governor recommended funding as requested.* **The Assembly concurred.**

ARPA - Bioscience Investments. The FY 2024 budget includes \$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.

FY 2024 expenditures totaled \$2.0 million, leaving \$43.0 million available; any unspent funds are automatically reappropriated. The Executive Office's revised request does not include any funding. *The Governor recommended the remaining \$43.0 million for FY 2025.* **The Assembly concurred.**

ARPA - Port of Davisville. The 2023 Assembly provided \$65.0 million from State Fiscal Recovery funds to support infrastructure at the Port of Davisville. The project supports the port's master plan and current area businesses through the construction of a new pier at terminal 5, rehabilitation of Pier 1, dredging, heavy project laydown space, and activities to support the anticipated development of offshore wind project cargo and logistics. The project is intended to reconfigure the port to provide additional berthing and growth capacity.

Through FY 2024, \$19.4 million has been spent; \$45.6 million remains to be disbursed. The revised request includes no funds for FY 2025; however, the capital request includes \$40.0 million. Any unspent funds are automatically reappropriated. *The Governor recommended the remaining \$45.6 million for FY 2025. The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.*

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

Minority Business Accelerator. Consistent with the enacted budget, the Executive Office requested \$0.5 million from general revenues for a minority business accelerator grant program originally supported by 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. Additionally, the 2022 Assembly provided \$6.0 million from State Fiscal Recovery funds, of which \$3.6 million has been disbursed through FY 2024; the Executive Office expected the remaining \$2.4 million to be disbursed in FY 2025. *The Governor recommended the remaining \$2.4 million for FY 2025. The Assembly concurred.*

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. In October 2024, three grant proposals totaling \$12.9 million were awarded, and a second request for proposals was issued to award the remaining funds. Municipalities, public housing authorities, businesses, and internet service providers can use these funds to expand access to reliable, high-speed internet to unserved and underserved communities; however, matching funds and a five-year statewide strategic plan are required. The revised request includes no additional funds for FY 2025. It did not indicate how funds should be distributed between years, but any unspent funds are automatically reappropriated. *The Governor recommended \$25.8 million, \$0.8 million more than enacted, to incorporate administrative costs associated with the project that were previously budgeted separately. The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.*

Other Personnel and Operations. The Executive Office requested \$83 less than enacted from general revenues for operations and personnel expenditures associated with 5.0 full-time equivalent positions. As of November 2024, all 5.0 authorized full-time equivalent positions were filled. It should be noted that the request reflects savings of \$11,070 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$4,101. These savings are largely offset by increases in employee retirement and retiree health insurance costs. The request excludes turnover savings, which is consistent with the enacted budget. *The Governor's recommendation is \$50,723 more than requested from general revenues. It adds \$35,651 to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, and \$15,072, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses. The Assembly concurred.*

Capital. The Executive Office requested the enacted amount of \$0.6 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. Additionally, the Executive Office requested \$7.8 million for all other capital projects, consistent with the enacted budget. This request is inconsistent with the capital submission; the Executive Office later indicated that the capital submission is correct. *The Governor recommended \$8.8 million, \$0.4 million more than enacted and requested.* **The Assembly shifted \$1.0 million from Rhode Island Capital Plan funds for I-195 park improvements from FY 2025 to FY 2026 based on an updated project schedule. A detailed description of the projects is included in the Capital Budget section of this publication.**

Department of Housing

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 3,199,061	\$ 5,150,450	\$ 4,034,263	\$ 4,034,263
Contracted Services	1,702,327	347,625	437,625	437,625
Subtotal	\$ 4,901,388	\$ 5,498,075	\$ 4,471,888	\$ 4,471,888
Other State Operations	624,173	1,879,001	1,150,847	1,150,847
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	76,816,205	46,853,340	123,635,635	129,129,428
Capital	1,132	105,000	355,000	355,000
Capital Debt Service	-	-	-	-
Operating Transfers	61,679,388	4,000,000	82,528,563	78,528,563
Total	\$ 144,022,286	\$ 58,335,416	\$ 212,141,933	\$ 213,635,726
Sources of Funds				
General Revenue	\$ 4,275,215	\$ 9,840,596	\$ 9,167,713	\$ 5,167,713
Federal Aid	126,348,948	35,830,670	190,310,070	190,310,070
Restricted Receipts	13,398,123	12,664,150	12,664,150	18,157,943
Other	-	-	-	-
Total	\$ 144,022,286	\$ 58,335,416	\$ 212,141,933	\$ 213,635,726
FTE Authorization	38.0	38.0	38.0	38.0
FTE Average	17.2			

FY 2025 Revised Request. The Department of Housing’s revised budget request is \$177.2 million more from federal funds, mostly to reflect carryforward of unused FY 2024 authorizations. A number of housing programs are in partnership with or through the Rhode Island Housing and Mortgage Finance Corporation, also known as RI Housing. Voters also approved \$120.0 million from new general obligation bond funds in November for housing development, infrastructure, redevelopment, and homeownership programs; these funds expand on existing Department programs but are not reflected in its operating budget. *The Governor’s recommendation is \$23.4 million less, including \$0.7 million from general revenues and \$22.8 million from federal funds. He subsequently requested an amendment to add \$5.5 million from restricted receipts and reclassify \$4.0 million from general revenues for the Low Income Housing Tax Credit allocation as a fund transfer. The Assembly concurred with the amended recommendation and shifted \$4.0 million from restricted receipts to FY 2026 based on the Department’s third quarter report. 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 2024 collections were \$3.9 million. The 2021 Assembly also provided \$25.0 million from general revenues in FY 2022 to capitalize the fund. As of December 2024, RI Housing has made awards totaling \$25.0 million, issued a consolidated request for proposals with the Department for \$10.0 million in October, and has an additional \$0.2 million in available funds. The revised request includes \$3.0 million, consistent with the enacted budget. The Department subsequently indicated that it

intended to request spending of \$12.2 million to reflect transfers to RI Housing. *The Governor's recommendation includes funding as requested, maintaining the apparent error. He subsequently requested an amendment to provide a total of \$12.5 million for FY 2025. The Assembly concurred with the amended recommendation.*

Low-Income Housing Tax Credit. The Department requested funding consistent with the enacted budget 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 program is designed to forward fund credits to create a predictable effect on state resources when redemptions begin; current credits are estimated to be redeemed through at least FY 2033. The Assembly provided \$28.0 million from general revenues for FY 2024 and \$4.0 million for FY 2025 to prefund the credits against an existing award maximum of \$120.0 million based on the current sunset date. The Department did not establish the program in time to issue any tax credits in FY 2024. Credits are available to projects with a demonstrated gap between available funding and total estimated project costs to ensure development proceeds. RI Housing and the Department issued a consolidated request for proposals in October, which included up to \$30.0 million of these tax credits.

It should be noted that the state controller reclassified the allocation of these credits as a fund transfer rather than an expenditure based on current accounting standards. *The Governor's recommendation maintains the enacted amount as an expenditure. He subsequently requested an amendment to correct the classification, which appears as a \$4.0 million reduction to spending though there is no change to the amount of funding committed. The Assembly concurred with the amended recommendation.*

ARPA - Targeted Housing Development. The Assembly provided \$26.0 million from State Fiscal Recovery funds for a program that allows the Secretary of Housing discretion to target projects for funding. The program is intended to provide additional gap financing necessary for critical affordable and mixed unit developments to proceed. Of this amount, \$4.0 million supports development near public transit and \$22.0 million supports priority projects, defined as permanent supportive housing, housing dedicated to vulnerable populations, individuals transitioning out of state care, and extremely low-income Rhode Islanders. The 2024 Assembly reallocated \$5.0 million for priority projects from this program to the Homelessness Assistance Program. No funds were spent in FY 2024; awards were announced in May 2024 and all funds have been obligated. The Department requested use of the full \$26.0 million in FY 2025. *The Governor recommended funding as requested. The Assembly concurred.*

ARPA - Housing Related Infrastructure. The Assembly provided \$3.0 million from State Fiscal Recovery funds for the Infrastructure Bank to support municipal infrastructure associated with affordable housing development, such as road and utility connections. The program provides additional resources to municipalities for pre-development and development work associated with adjusting or expanding infrastructure to accommodate additional housing that meets affordable housing price and income criteria. No funds were spent in FY 2024; awards were announced in October 2024 and all funds have been obligated. The Department requested \$3.0 million to reflect unspent FY 2024 funds.

In November 2024, voters also approved a \$120.0 million general obligation housing bond, of which \$4.0 million is for housing-related infrastructure. *The Governor recommended funding as requested. The Assembly concurred.*

ARPA - Municipal Planning. The Assembly provided \$2.3 million from State Fiscal Recovery funds for grants and technical assistance to municipalities to reduce barriers to development caused by a lack of staff time and expertise. Of this amount, \$1.3 million supports municipal fellowships and \$1.0 million supports grants to study and implement zoning changes that encourage development near public transit. The Department opened applications for municipal fellowships in March 2024 and as of December, all funds have been obligated; no transit-oriented development funds have been obligated. The Pandemic Recovery Office did not approve the initial program design, and the Department instead issued a joint request for

proposals with RI Housing to augment its existing municipal technical assistance services. The request includes \$2.3 million to reflect unspent FY 2024 funds.

In November 2024, voters also approved a \$120.0 million general obligation housing bond, of which \$1.0 million is for municipal planning assistance. *The Governor recommended federal funds as requested. The Assembly concurred.*

ARPA - Proactive Housing Development. The Assembly provided enabling legislation and \$1.4 million from State Fiscal Recovery funds to create a proactive development subsidiary of RI Housing. Other states, such as Massachusetts, have a quasi-public agency to help developers with land acquisition, assemble financing, and navigate regulatory and legal processes. Funds are intended to support initial setup costs for a similar organization to reduce barriers to housing production. The subsidiary was formally established in January 2024 and a president was appointed in September, but no funds were spent. The Department requested use of the full \$1.4 million in FY 2025. *The Governor concurred. The Assembly concurred.*

ARPA - Preservation of Affordable Units. The Assembly provided \$0.5 million from State Fiscal Recovery funds to preserve affordable housing units at risk of foreclosure or blight. Units that become blighted or subject to foreclosure are removed from the housing stock. This results in greater demand on resources dedicated to homelessness and housing production. The Department awarded all funds to the Community Housing Land Trust to manage a revolving fund. Initial funds will purchase one affordable unit for resale that is at-risk of imminent foreclosure; proceeds will recapitalize the fund. The Department requested use of the full \$0.5 million in FY 2025. *The Governor concurred. The Assembly concurred.*

ARPA - Development of Affordable Housing. The Assembly provided \$100.0 million from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments. The 2024 Assembly expanded allowable uses to site acquisition and predevelopment expenses to ensure all funds are obligated by the federal deadline. The FY 2025 enacted budget allocates \$90.0 million for direct subsidies to match multiple other sources of financing and \$10.0 million to support a pilot program for low-income public housing vouchers and financing. RI Housing and the Department issued a consolidated request for proposals in October 2024, which includes the remaining \$0.3 million of unobligated funds. The Department requested \$60.1 million to reflect unspent FY 2024 funds.

In November 2024, voters also approved a \$120.0 million general obligation housing bond, including a total of \$80.0 million to continue support for affordable housing programs, of which \$10.0 million may support a program for public housing development. *The Governor concurred. The Assembly concurred.*

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 address a lack of administrative capacity to implement affordable housing initiatives and to manage increased federal and state resources. The 2021 Assembly required monthly progress reports beginning 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 2024, all funds have been obligated and \$0.3 million remains unspent. The Department requested all remaining funds for FY 2025. *The Governor recommended funding essentially as requested. The Assembly concurred.*

ARPA - Workforce Housing. The Assembly provided \$20.0 million from State Fiscal Recovery funds to increase the housing supply for Rhode Island families earning up to 120 percent of area median income. The program is similar to others run by RI Housing and uses nearly identical eligibility requirements. It will manage this program to increase or make additional awards. RI Housing and the Department issued a consolidated request for proposals in October 2024, which includes the remaining \$1.5 million of unobligated funds. The Department's revised request includes \$16.3 million to reflect unspent FY 2024 funds. *The Governor concurred. The Assembly concurred.*

ARPA - Affordable Housing Predevelopment. The Assembly provided \$10.0 million from State Fiscal Recovery funds to reduce pre-construction barriers to housing development. Funds support predevelopment, including prerequisite environmental studies and legal work, to build a pipeline of new projects and the capacity of affordable housing developers. RI Housing manages this program and makes awards on a rolling basis to supplement its other awards. As of the end of FY 2024, \$1.9 million remains to be disbursed of which only \$0.6 million remains to be obligated and is subject to a request for proposals issued in August 2024. The Department's revised request includes no funding for this project, consistent with the enacted budget. *The Governor excluded funding as requested.* **The Assembly concurred.**

ARPA - Home Repair and Community Revitalization. The Assembly provided \$24.5 million from State Fiscal Recovery funds to support home repairs and RI Housing's acquisition and revitalization program. The enacted budget allocated \$20.0 million for the acquisition and revitalization program, which was originally created using \$10.0 million from 2016 general obligation bond funds. As of the end of FY 2024, all of these funds have been obligated to a total of 13 projects and \$13.0 million remains to be disbursed. The enacted budget also allocates \$4.5 million specifically for critical home repairs. The Department contracted with the Providence Revolving Fund to manage the program, which opened in summer 2024. As of September, five rehabilitation loans have closed but no funds have been officially awarded. The revised request includes \$17.5 million for both programs to reflect unspent FY 2024 funds.

In November 2024, voters also approved a \$120.0 million general obligation housing bond, of which \$10.0 million is for RI Housing's acquisition and revitalization program. *The Governor recommended funding as requested.* **The Assembly concurred.**

Neighborhood Stabilization Grant. Consistent with the Department's FY 2025 request, the enacted budget includes \$0.2 million for personnel costs for federal Neighborhood Stabilization Program-eligible activities. The Department previously reported that there is no new funding for this program and all remaining funds were exhausted at the end of FY 2023. It subsequently and incorrectly indicated that additional funds were needed and available to close out the program. The Department's revised request excludes \$0.2 million to reflect that the program ended in FY 2023. *The Governor concurred.* **The Assembly concurred.**

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 housing developments. The 2022 Assembly provided \$15.0 million. The 2023 Assembly added \$30.0 million and explicitly expanded allowable uses to prevention and stabilization programs. As of the end of FY 2024, \$27.4 million has been disbursed, and the Department indicates that \$13.5 million remains unobligated as of September 2024. The Department's revised request includes \$35.1 million in error; it intended to request \$17.6 million to reflect unspent FY 2024 funds. *The Governor's recommendation includes \$17.6 million, correcting the overstatement.* **The Assembly concurred.**

ARPA - Homelessness Assistance Program. The Assembly provided \$38.8 million from State Fiscal Recovery funds to provide housing navigation, stabilization and mental health services for people experiencing homelessness. The 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. The 2024 Assembly removed language regarding operating subsidies and added \$17.3 million for FY 2025. As of the end of FY 2024, \$15.7 million has been disbursed and all remaining funds are being awarded through the Consolidated Homelessness Fund.

The Department's revised request includes \$28.4 million in error; it intended to request \$23.1 million. *The Governor's recommendation includes \$23.1 million, correcting the overstatement.* **The Assembly concurred.**

ARPA - Site Acquisition. The Assembly provided \$25.0 million from State Fiscal Recovery funds to continue a site acquisition program which began during 2020 in response to the coronavirus pandemic. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. The 2021 Assembly specified RI Housing as the managing entity and required that projects have a minimum deed restriction of at least 30 years and a non-recourse financing structure. As of the end of FY 2024, all funds have been obligated and \$1.5 million remains to be disbursed by RI Housing. The Department's revised request includes \$900 for audit expenses.

In November 2024, voters also approved a \$120.0 million general obligation housing bond, of which \$5.0 million is for site acquisition. *The Governor concurred.* **The Assembly concurred.**

ARPA - Municipal Homelessness Support Initiative. The Assembly provided \$2.2 million from State Fiscal Recovery funds to award grants to municipalities to help pay for community services that support homeless individuals. Municipalities hosting shelters bear a financial burden of trash collection, ambulance calls, and other costs, which this program is intended to partially offset. This burden is a common objection to state plans to address siting of services to homeless populations. The 2024 Assembly reallocated \$0.3 million from this program to the Homelessness Assistance Program. As of the end of FY 2024, \$0.3 million has been disbursed; only \$65,000 remains unobligated as of December 2024. The Department's revised request includes \$1.9 million to reflect unspent FY 2024 funds. *The Governor recommended funding essentially as requested.* **The Assembly concurred.**

Homelessness Assistance Grants. The Department requested \$0.8 million less than enacted from federal Emergency Shelter Grants and Title XX Shelter Transfer Grants to reflect available funding. Funds are typically allocated competitively to the private shelter system through the Consolidated Homeless Fund. *The Governor recommended funding as requested.* **The Assembly concurred.**

Housing Resources and Homelessness Account. The Department requested the enacted amount of \$9.7 million from restricted receipts for lead hazard reduction abatement, rental subsidy, and shelter operation. 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 2024 Revenue Estimating Conference estimated that the state would retain a total of \$17.2 million and \$18.2 million from the tax in each FY 2025 and FY 2026, which should equate to a \$5.7 million and \$6.1 million yield in each year, respectively, for the account.

The 2024 Assembly provided a one-time transfer of \$10.0 million from general revenues, renamed the account, and provided that oversight will be transferred to the Department with consultation from the Commission on December 31, 2024, provided the Department submit a state housing organization plan. The Department submitted the report on time. *The Governor recommended funding as requested.* **The Assembly shifted \$4.0 million to FY 2026, consistent with the Department's third quarter report.**

Community Development Block Grants. The Department requested \$0.8 million more from federal Community Development Block Grant funds to reflect available resources. 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 recommended funding as requested.* **The Assembly concurred.**

Other Salaries and Benefits. The Department requested \$0.3 million less than enacted from all sources, including \$0.3 million less from general revenues and \$0.1 million more from federal funds, for personnel expenses for its 38.0 full-time equivalent positions. As of December, the Department has 17.0 vacancies. The request includes \$1.6 million in turnover savings, \$0.5 million more than enacted and equivalent to an average of 11.7 vacancies. Turnover savings are partially offset by title upgrades and benefit adjustments. The request also reflects savings of \$46,323 from a reduction to the enacted fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$16,845.

The 2022 Assembly provided 4.0 new positions to assist with managing increased resources for federal and other housing related programs in preparation for the creation of a new Department of Housing. Consistent with the Governor's recommendation, the 2023 Assembly added 21.0 more positions in conjunction with the creation of the Department. The 2024 Assembly reallocated staffing among functional duties, consistent with the Department's request and Governor's recommendation. The request again reallocates staffing among functional duties compared to the enacted assumption, as shown in the following table.

Positions by Function	FY 2023 Enacted	FY 2024 Enacted	FY 2025 Enacted	FY 2025 Request/ Governor	Change to Enacted	FY 2025 Final	Change to Request/ Governor
Analysis	3.0	6.0	10.0	7.0	(3.0)	7.0	-
Implementation	6.0	21.0	19.0	17.0	(2.0)	17.0	-
Administration	5.0	3.0	4.0	8.0	4.0	8.0	-
Legal Services	-	3.0	-	1.0	1.0	1.0	-
Public Relations	-	2.0	1.0	1.0	-	1.0	-
Executive Leadership	2.0	3.0	4.0	4.0	-	4.0	-
Total	16.0	38.0	38.0	38.0	-	38.0	-

*The Governor recommended \$0.7 million less than requested from general revenues partially offset by \$17,324 more from federal funds. The recommendation adds \$209,340, including \$191,671 from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. This is offset by turnover savings equivalent to an average of 15.5 vacancies, around 3.8 more than assumed in the request. **The Assembly concurred.***

ARPA - Statewide Housing Plan. The Assembly provided \$2.0 million from State Fiscal Recovery funds to support municipal planning efforts and to develop a statewide comprehensive housing plan to assess current and future housing needs, consider barriers to home ownership and affordability, and identify services needed for increased investments toward disproportionately impacted individuals and communities. These funds also support municipal planning efforts. The Department indicates that it has contracted with vendors to provide training and implementation support and to produce four reports: the statewide housing plan, the housing reorganization plan, a vacant and underutilized property assessment, and a school cost study. As of the end of FY 2024, all funds have been obligated and \$38,650 has been spent. The Department's revised request includes \$2.0 million to reflect unspent FY 2024 funds. *The Governor recommended funding as requested. **The Assembly concurred.***

Other Operations. The Department requested \$0.3 million more from general revenues for all other operations. The Department relocated to the Shepard Building in Providence in January 2024. The enacted budget includes \$305,000 for FY 2024 and \$105,000 for FY 2025 for office equipment and other expenses associated with transitioning to a new office location. No funds were spent in FY 2024 and the request adds \$250,560 for FY 2025 to reflect an update timeline. It also adds \$90,000 for contracted services to replace nearly exhausted State Fiscal Recovery funds originally intended to bridge a staffing gap. *The Governor recommended an increase of \$21,286 from federal funds primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses. **The Assembly concurred.***

Department of Labor and Training

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Central Management	\$ 1,819,347	\$ 1,869,210	\$ 2,032,747	\$ 2,032,747
Workforce Development Services	25,969,370	24,945,883	27,991,705	27,991,705
Workforce Regulation and Safety	4,814,442	4,833,768	5,020,106	5,020,106
Income Support	490,612,444	526,895,968	544,203,198	543,953,198
Injured Workers Services	9,822,676	10,630,130	10,990,768	10,990,768
Labor Relations Board	591,683	541,797	558,087	558,087
Governor's Workforce Board	34,999,763	24,354,506	36,730,150	36,930,150
Total	\$ 568,629,725	\$ 594,071,262	\$ 627,526,761	\$ 627,476,761
Expenditures by Category				
Salaries and Benefits	\$ 49,204,589	\$ 53,589,517	\$ 54,985,486	\$ 54,985,486
Contracted Services	6,890,721	8,978,104	9,135,399	9,335,399
Subtotal	\$ 56,095,310	\$ 62,567,621	\$ 64,120,885	\$ 64,320,885
Other State Operations	14,166,527	12,413,282	19,142,648	18,892,648
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	491,540,034	512,485,594	537,484,578	537,484,578
Capital	55,687	104,765	278,650	278,650
Capital Debt Service	-	-	-	-
Operating Transfers	6,772,167	6,500,000	6,500,000	6,500,000
Total	\$ 568,629,725	\$ 594,071,262	\$ 627,526,761	\$ 627,476,761
Sources of Funds				
General Revenue	\$ 18,297,863	\$ 17,790,653	\$ 20,448,193	\$ 20,198,193
Federal Aid	56,883,261	42,711,594	58,967,295	58,967,295
Restricted Receipts	28,605,347	31,962,084	38,377,324	38,577,324
Other	464,843,254	501,606,931	509,733,949	509,733,949
Total	\$ 568,629,725	\$ 594,071,262	\$ 627,526,761	\$ 627,476,761
FTE Authorization	461.7	461.7	461.7	461.7
FTE Average	402.0			

FY 2025 Revised Request. The Department of Labor and Training requested \$32.9 million more than enacted from all sources. This includes \$3.9 million from general revenues reappropriated from FY 2024 and increases of \$15.3 million from federal funds, \$5.9 million from restricted receipts, and \$7.7 million from other funds. *The Governor recommended \$0.6 million more than requested from all sources, including \$1.2 million less from general revenues.*

He subsequently requested an amendment to add \$0.2 million from restricted receipts to reflect a memorandum of agreement between the Department, the Housing Resources Commission, and the Department of Housing to support the training of residential construction workers. The Assembly excluded the new allocation of \$250,000 from general revenues and concurred with the remainder of the amended recommendation.

Staffing. The Department’s revised staffing request is \$1.2 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 decreases of \$9,356 from general revenues, \$0.7 million from federal funds, and \$0.6 million from other funds, partially offset by \$129,683 more from restricted receipts. 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 recommended \$2.6 million more, including \$0.3 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Function	FY 2025 Enacted	FY 2025 Rev. Req.	Chg. to Enacted	FY 2025 Governor	Chg. to Rev. Req.
Governor's Workforce Board	21.9	21.4	(0.5)	21.4	-
Workforce Development	84.0	68.9	(15.1)	68.9	-
Unemployment Administration	153.5	155.6	2.1	155.6	-
Temporary Insurance	81.3	93.9	12.6	93.9	-
Workers' Compensation	39.8	41.0	1.2	41.0	-
Employer Tax	41.3	40.6	(0.7)	40.6	-
Police and Fire	1.1	1.1	-	1.1	-
Workforce Regulation and Safety	36.0	36.7	0.7	36.7	-
Other Staffing	2.7	2.6	(0.1)	2.6	-
Total	461.7	461.7	-	461.7	-

Reappropriation - Real Jobs Rhode Island - Nursing Facility Staff. The final FY 2024 budget includes \$600,000 from general revenues for the Department of Labor and Training to be used for enhanced training for direct care and support services staff pursuant to Rhode Island General Laws, Section 23-17.5-36. Funds are used to improve resident quality of care and address the changing health care needs of nursing facility residents due to higher acuity and increased cognitive impairments. The Department spent \$312,081 in FY 2024, and the Governor reappropriated \$287,919 to FY 2025, which is included in the Department’s request. *The Governor recommended funding as requested. The Assembly concurred.*

Reappropriation - Healthcare Workforce Support - SkillsRI. The Department’s request includes the \$3.6 million from general revenues the Governor reappropriated from FY 2024 for a healthcare workforce development initiative administered by Skills for Rhode Island’s Future to address staffing shortages through recruitment efforts and existing staff talent development. This initiative proposed placing 200 participants, half of which would be new hires, at Care New England and Brown University Health, formerly 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. As of December 2024, the Department reported that \$2.8 million of reappropriated funds are not obligated; it anticipated all remaining funds will be obligated in FY 2025. *The Governor recommended \$1.7 million less than requested to reflect the contract amount with Skills for Rhode Island’s future and excluded all remaining unobligated funding. The Assembly concurred.*

Real Jobs Rhode Island. The Department requested \$5.1 million more than enacted from all sources for the Real Jobs Rhode Island program, totaling \$20.7 million. This includes an increase of \$5.7 million from federal funds, a decrease of \$0.6 million from restricted receipts, and the enacted level of \$5.5 million from general revenues. Federal funds total \$9.7 million, including \$6.2 million from State Fiscal Recovery funds and \$3.5 million from the Quality Jobs, Equity, Strategy and Training, or QUEST grant.

The 2023 Assembly appropriated \$30.0 million from State Fiscal Recovery funds for FY 2023 and FY 2024; the revised request programs the \$6.2 million in unspent funds from FY 2024 for FY 2025. These funds must be obligated by December 31, 2024.

Federal QUEST grant funds are available from FY 2023 through FY 2026 to reduce barriers to participation, including childcare and transportation assistance, consistent with 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 that the workforce board’s restricted receipts are used to fund multiple programs, and the final allocation of resources is subject to actual utilization. The 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 following table illustrates spending by source for the program since it began in FY 2016. *The Governor recommended \$0.3 million less than requested to reflect remaining federal funds. The Assembly concurred.*

Source/Fiscal Year	Real Jobs RI - Spending by Source			
	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	\$ 5,450,000	31,115,132	6,158,404	\$ 42,723,536
FY 2025 Enacted	\$ 5,450,000	4,000,000	6,158,404	\$ 15,608,404
FY 2025 Rev. Req.	\$ 5,450,000	9,660,635	5,548,349	\$ 20,658,984
FY 2025 Governor	\$ 5,450,000	9,402,032	5,548,349	\$ 20,400,381

Governor’s Workforce Board Grants. The Department requested \$4.6 million more than enacted from restricted receipts to support multiple Governor’s Workforce Board workforce development initiatives and reflect a lower allocation of these resources to Real Jobs Rhode Island than the enacted budget assumed. 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 Department reported that the workforce board’s restricted receipts fund multiple programs and the final allocation of resources is subject to actual utilization. *The Governor recommended \$0.1 million more than requested to include remaining Regional Greenhouse Gas Initiative grant funds associated with the program.*

The Governor subsequently requested a budget amendment to add \$0.2 million from restricted receipts to reflect a memorandum of agreement between the Department, the Housing Resources Commission, and the Department of Housing to support the training of residential construction workers. The Assembly concurred with the amended recommendation.

Governor’s Workforce Board Staffing and Operations. The Department requested \$72,439 less than enacted from restricted receipts for staffing and operations of the Governor’s Workforce Board. The Board receives funding from the Job Development Fund, a 0.21 percent assessment of the employer’s payroll tax; this funding can be used for staff or grants and operations. The staffing request of \$3.1 million is \$86,763 less than enacted, and includes the allocation of 21.4 full-time equivalent positions, 0.5 positions less than enacted. The request would fully fund all allocated positions, consistent with the enacted budget. It should be noted that the request reflects savings of \$34,136 from a reduction to the enacted assessed fringe benefit

rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$11,266. All other spending is \$14,324 more than enacted, including \$13,425 for increased information technology contract costs.

*The Governor recommended \$0.1 million more than requested. This includes \$0.1 million more to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, as well as \$12,752 less for centralized services based on anticipated expenses. **The Assembly concurred.***

Growing the Renewable Energy Employment Network. The Department requested \$0.6 million from federal funds to develop and launch a new workforce and career development program which would provide job training and employment opportunities to support local job seekers in starting careers in the clean energy sector. In September 2023, the Department received a \$2.0 million federal grant from the Building Pathways to Infrastructure Jobs Grant Program to develop a program targeting unemployed and underemployed Rhode Islanders to provide a pipeline into renewable energy infrastructure careers. The request for \$550,000 is consistent with the Department's FY 2026 request and largely reflects contract costs associated with potential employment partners. The Department reported that no funds have been awarded as of December 2024, but it anticipated obligating the full amount in FY 2025. The life of the grant will be four years, beginning in FY 2025. *The Governor recommended funding as requested. **The Assembly concurred.***

Workforce Development Grants. The Department requested \$2.0 million more than enacted for workforce development grants. This includes \$0.2 million less from Trade Adjustment Act funds and \$2.2 million more from the Workforce Innovation and Opportunity Act, which programs \$0.6 million for youth, \$1.1 million for apprenticeships, \$0.3 million for adults, and \$0.2 million for displaced workers. This is \$1.6 million more than FY 2024 spending and reflects funding adjustments based on grant cycle exhaustions and awards. 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 readjustment funding supports those separated from employment because of foreign competition. *The Governor recommended funding as requested. **The Assembly concurred.***

Other Workforce Development Staffing and Operations. The Department requested \$0.6 million more than enacted from federal funds for staffing and operating expenses associated with workforce development programming. The staffing request is \$0.5 million less than enacted and includes the allocation of 68.9 full-time equivalent positions. The request would fund all 68.9 positions, 3.9 fewer than assumed in the enacted budget. It should be noted that the request reflects savings of \$96,799 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$33,008. All other spending is \$1.1 million more than enacted; this includes \$2.0 million more for contract costs and equipment to operate the Department's career centers, partially offset by a shift of \$0.6 million of existing liabilities from federal funds as part of an intradepartmental transfer to update the Department's cost allocation and \$0.3 million for decreased building repair costs.

*The Governor recommended \$0.4 million more than requested, including \$5,176 more from general revenues. This includes \$0.4 million more to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, as well as \$40,229 less for centralized services based on anticipated expenses. **The Assembly concurred.***

Employer Tax Unit. The Department requested \$39,285 less from all sources for 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. It shifted \$1.3 million of existing liabilities from federal unemployment funds to job development restricted receipts and \$0.7 million to disability insurance other funds.

The staffing request is \$55,587 and 0.7 full-time equivalent positions less than enacted, including shifts among fund sources. The enacted budget assumes 41.3 full-time equivalent positions and the request includes 40.6 full-time equivalent positions; neither includes turnover savings. It should be noted that the request reflects savings of \$52,536 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$18,406. The request includes \$16,302 more for all other spending.

*The Governor recommended \$0.2 million more than requested. This includes \$0.2 million more to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, as well as \$28,216 less for centralized services based on anticipated expenses. **The Assembly concurred.***

Unemployment Benefits. The Department requested \$8.2 million more than enacted from all sources for benefit payments totaling \$231.1 million, based on its Labor Market Information unit's projections. The request is \$27.4 million, or 13.5 percent, more than FY 2024 expenditures. The enacted budget was based on a growth of 5.1 percent over the revised FY 2024 budget. *The Governor recommended funding consistent with the request. **The Assembly concurred.***

Unemployment Administration. The Department requested \$6.1 million more, primarily from federal funds, for unemployment insurance program administration. The staffing request is \$0.3 million less than enacted and includes the allocation of 155.6 full-time equivalent positions, or 2.1 more positions than enacted. The request would fund 128.1 positions, 4.0 fewer than enacted. It should be noted that the request reflects savings of \$157,711 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$53,835. The request for all other expenses is \$6.4 million more than enacted, which includes a shift in federal funds and restricted receipts as part of an intradepartmental transfer to update the Department's cost allocation, as well as unspent Coronavirus Aid, Relief, and Economic Security Act funds from prior years.

*The Governor recommended \$0.9 million more than requested, including \$0.3 million more from general revenues. This includes \$0.8 million more to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, as well as \$0.2 million less for centralized services based on anticipated expenses. He also added \$250,000 from general revenues to supplement operational costs. **The Assembly excluded the new general revenues and concurred with the remainder of the recommendation.***

Temporary Disability Insurance Benefits. The Department requested \$2.0 million less than enacted from the Temporary Disability Insurance Fund for benefit payments that protect eligible workers against lost wages from a non-work-related illness or injury. The revised request is for \$228.0 million, which is \$10.7 million, or 4.9 percent, more than FY 2024 spending and is based on its Labor Market Information unit's projections. *The Governor recommended funding as requested. **The Assembly concurred.***

Temporary Caregiver Benefits. The Department requested \$4.2 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, as of January 1, 2023. The revised request for \$36.5 million is \$6.3 million, or 20.8 percent, more than FY 2024 total spending and is based on its Labor Market Information unit's projections. *The Governor recommended funding as requested. **The Assembly concurred.***

Temporary Insurance Staff and Operations. The Department requested \$0.6 million less than enacted from temporary disability funds for staffing and operations of the temporary disability and caregiver programs. The staffing request is \$8.6 million, which is \$0.5 million less than enacted for 93.9 positions, which is 12.6 positions more than enacted. The request would fund 73.4 positions, 3.2 less than the enacted budget. It should be noted that the request reflects savings of \$95,732 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$27,970. The request for all other expenses is \$78,174 less than enacted, primarily from a decrease in internal service fund charges based on FY 2024 spending, partially offset by a new software subscription agreement.

*The Governor recommended \$0.4 million more than requested. This includes \$0.5 million more to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, as well as \$79,589 less for centralized services based on anticipated expenses. **The Assembly concurred.***

Workers' Compensation Staffing and Operations. The Department requested \$0.3 million more than enacted from workers' compensation restricted receipts for its staffing and operating costs. The staffing request includes \$205,848 more than enacted and the allocation of 41.0 full-time equivalent positions, 1.2 positions more than the enacted assumptions. The request would fully fund all positions. It should be noted that the request reflects savings of \$48,205 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$19,311. The request for all other spending is \$37,797 less, which primarily reflects adjustments for various contractual agreements.

*The Governor recommended \$0.2 million more than requested. This includes \$0.2 million more to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, as well as \$19,722 less for centralized services based on anticipated expenses. **The Assembly concurred.***

Police and Fire Relief Funds. The Department requested \$3.7 million, which is consistent with the enacted budget, 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 Governor recommended \$5,036 more from general revenues than requested. This includes \$6,167 more to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, as well as \$1,131 less for centralized services based on anticipated expenses. **The Assembly concurred.***

Other Workforce Regulation and Safety Staffing and Operations. The Department requested \$5.0 million from general revenues, which is consistent with the enacted budget, for the workforce regulation and safety division. *The Governor recommended \$0.2 million more than requested. This includes \$0.2 million more to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, as well as \$36,797 less for centralized services based on anticipated expenses. **The Assembly concurred.***

Other Staffing and Operations. The Department requested \$2.3 million from general revenues, which is consistent with the enacted budget, for all other staffing and operations expenses. *The Governor recommended \$9,262 more than requested. This includes \$19,696 more to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, as well as \$10,434 less for centralized services based on anticipated expenses. **The Assembly concurred.***

Department of Revenue

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Office of Director	\$ 2,445,317	\$ 2,883,605	\$ 2,930,770	\$ 2,930,770
Office of Revenue Analysis	975,630	1,015,848	1,101,548	1,101,548
Lottery Division	397,092,602	423,671,930	447,660,141	447,881,003
Division of Municipal Finance	1,301,051	2,241,697	1,825,843	1,825,843
Taxation	33,768,474	40,974,285	40,987,256	40,987,256
Registry of Motor Vehicles	40,994,914	35,672,051	39,848,766	39,848,766
State Aid	297,880,946	327,180,745	325,083,979	325,083,979
Collections	893,994	965,438	948,761	948,761
Total	\$ 775,352,928	\$ 834,605,599	\$ 860,387,064	\$ 860,607,926
Expenditures by Category				
Salaries and Benefits	\$ 61,296,553	\$ 67,495,448	\$ 69,480,208	\$ 69,480,208
Contracted Services	12,578,988	11,675,089	12,072,625	12,072,625
Subtotal	\$ 73,875,541	\$ 79,170,537	\$ 81,552,833	\$ 81,552,833
Other State Operations	402,632,031	421,598,322	446,956,644	446,956,644
Aid to Local Units of Government	297,880,946	332,241,224	330,144,458	330,144,458
Assistance, Grants, and Benefits	859,637	822,377	1,022,377	1,022,377
Capital	104,773	773,139	710,752	931,614
Operating Transfers	-	-	-	-
Total	\$ 775,352,928	\$ 834,605,599	\$ 860,387,064	\$ 860,607,926
Sources of Funds				
General Revenue	\$ 372,380,447	\$ 400,471,730	\$ 402,288,592	\$ 402,288,592
Federal Aid	528,203	805,667	728,092	728,092
Restricted Receipts	5,236,447	9,481,272	9,535,239	9,535,239
Other	397,207,831	423,846,930	447,835,141	448,056,003
Total	\$ 775,352,928	\$ 834,605,599	\$ 860,387,064	\$ 860,607,926
FTE Authorization	575.5	599.5	599.5	599.5
FTE Average	496.6			

FY 2025 Revised Request. The Department of Revenue requested \$24.7 million more than enacted from all sources for FY 2025, including \$1.7 million more from general revenues and \$23.0 million more from lottery funds. *The Governor recommended \$25.8 million more than enacted and \$1.1 million more than requested from all sources. The Governor subsequently requested an amendment to add \$0.2 million from Rhode Island Capital Plan funds for the Lottery building generator project, which was his original intent. The Assembly concurred with the amended recommendation.*

Lottery

Problem Gambling. The Department requested \$0.2 million more than enacted from lottery funds for problem gambling programming costs mandated by Rhode Island General Law, Section 42-61.2-14. The Department reported that there is an increased need for problem gambling services tied to sports betting

and iGaming. Twin River and Twin River-Tiverton Casinos must reimburse the Division for its programs at least \$200,000 annually. Additionally, the Division must provide up to \$150,000 from self-excluded gamblers' winnings to the Rhode Island Council on Problem Gambling for its teenage gambling addiction research, education, and prevention activities. The enacted budget includes \$0.6 million for these services. Problem gambling expenses totaled \$628,803 in FY 2024. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital. The Department requested \$0.2 million less than enacted from Rhode Island Capital Plan funds to purchase a generator to support operations and expand the functionality of the lottery building. The Department's operating request is inconsistent with its capital request, which includes approved projects to develop additional office space and to replace the Lottery's heating, ventilation, and air conditioning system. The operating request is based on more current information regarding delays. *The Governor recommended \$0.2 million more than requested.*

The Governor subsequently requested an amendment to add \$0.2 million from Rhode Island Capital Plan funds for the Lottery building generator project, which was his original intent. **The Assembly concurred with the amended recommendation. A detailed description of the project is included in the Capital Budget section of this publication.**

Commission Payments. The Department requested \$23.3 million more than enacted for Lottery commission payments, which corresponds to the May 2024 Revenue Estimating Conference adopted estimate. The Appropriations Act historically includes language authorizing the Lottery to pay winning prize funds and commission payments to the local casinos for the fiscal year. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Lottery Staffing and Operations. The Department requested \$0.2 million less than enacted from lottery funds for all other staffing and operations expenses. The request includes \$0.5 million more for maintenance and repairs at the headquarters building, \$0.2 million more for increased cyber liability insurance coverage, and \$0.9 million less for advertising and outreach activities based on FY 2024 spending. The staffing request is \$49,657 less than enacted, which reflects updates for current staff and benefit rates.

It should be noted that the request reflects savings of \$156,677 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$60,222. *The Governor recommended \$0.8 million more than requested from lottery funds to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. He also recommended an increase of \$6,063, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses.* **The Assembly concurred.**

Local Aid

Motor Vehicle Excise Tax Phase-Out Program. Consistent with the enacted budget, the Department requested \$234.7 million from general revenues lost to phasing out the motor vehicle excise tax. *The Governor recommended funding essentially as requested. The distribution is altered somewhat to account for the current law requirements on expressing aid in terms of projected sales tax receipts and specific rounding requirements.* **The Assembly concurred.**

Taxation

Adult Use Marijuana. The Department requested \$166,033 less than enacted from restricted receipts to support compliance with the implementation of adult use marijuana tax provisions. The enacted budget authorizes 2.0 full-time equivalent positions to support compliance and \$0.3 million in total expenses.

However, the revised request excludes funds for staffing. The Department noted that it is unable to assign specific individuals to the implementation of this tax provision, as no employees have dedicated their full work hours to it. In FY 2024, \$87,162 of staff expenses were charged. Other operational spending is maintained at \$100,000, which is placeholder funding for miscellaneous expenses related to cannabis enforcement. Possible uses of these funds will be for training, mileage reimbursement when not utilizing a state vehicle, seizure, and destruction if applicable, and other general operating expenses. *The Governor recommended funding as requested. The Assembly concurred.*

Taxation Staffing and Operations. The Department requested \$0.3 million less from general revenues than enacted for staffing and all other Division of Taxation expenses. It includes \$287,185 less for salaries and benefits, mostly benefit adjustments, and \$11,800 less for other expenses. It should be noted that the request reflects savings of \$255,469 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$93,999.

The Governor recommended \$0.5 million more than requested from general revenues. This includes \$47,752 less than requested for salaries and benefits. The recommendation adds \$0.7 million to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, offset by an additional \$0.7 million of turnover savings. It adds \$66,217 from general revenues, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses. The Governor also added \$0.1 million for information technology system support and \$0.3 million more for mailing tax notices based on updated projections. The Assembly concurred.

Division of Motor Vehicles

Reappropriation - License Plate Reissuance. The Department's request reflects the reappropriation of \$957,971 to finish reissuing all standard registration license plates. 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 2024, the Department reported spending \$3.3 million, leaving \$957,971 to be reappropriated to FY 2025, for a total of \$4.2 million. Although \$5.0 million was approved for FY 2024, the Department utilized some remaining funds on stock plates. The 2022 Assembly eliminated the \$8 fee for all currently registered vehicles for this reissuance. *The Governor recommended funding as requested. The Assembly concurred.*

Reappropriation - Mobile DMV. Article 13, Section 1 of the FY 2025 Appropriations Act provided reappropriation language for the procurement of a mobile motor vehicle registry unit. The Division requested \$750,000 from general revenues, or the full amount, for the mobile motor vehicle registry unit. This was originally funded in the FY 2023 budget; however, the request for proposals development during FY 2023 was delayed, and the 2023 Assembly shifted the funding to FY 2024. The purchase order for the mobile motor vehicle registry unit has been issued, and the vendor is working on the build. This process is much longer than anticipated. *The Governor recommended funding as requested. The Assembly concurred and added reappropriation language as the work is not yet complete.*

Rhode Island Motor Vehicle System. The Department requested \$0.8 million more than enacted, including \$0.6 million from general revenues and \$0.2 million from restricted receipts for an increase to the Rhode Island Motor Vehicle System contract for its ongoing maintenance and operations support. A \$2.50 technology surcharge on all Division of Motor Vehicles transactions supports most of the expenses. The request is \$0.4 million less than FY 2024 actual spending. The Department reported that there had been unspent funds from the prior year utilized in FY 2024. During the close of FY 2024, it reviewed the account since the information technology expenses had been higher than in prior years, and allocated as much of the unspent funds as possible. The Department is monitoring the fund and will continue to allocate

as much as is collected. *The Governor recommended \$0.3 million more than enacted, including \$0.1 million from general revenues. His FY 2026 budget proposed to increase the fee charged to generate more resources. The Assembly concurred.*

Federal CDL Grants. The Department requested \$89,927 less than enacted from federal funds for information technology expenses and 4.0 full-time equivalent positions to support its ongoing Commercial Driver's License Improvement Grants. This includes \$0.2 million less for salaries and benefits based on FY 2024 experience and \$0.1 million more for grant implementation. The Department noted that there are currently only two positions dedicated to this work, as the grant needs vary. It utilizes more contracted staff based on the technical requirements of the grants, offsetting that cost with turnover. The final FY 2024 budget authorized 4.0 positions, one more than originally enacted, though only two were filled in FY 2024. The request reflects savings of \$5,707 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$1,035. *The Governor recommended \$12,352 more than requested to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The Assembly concurred.*

Other Staffing. The Department requested \$174,063 more from general revenues for all other full-time equivalent positions to reflect salary increases to Division titles that went to a public hearing in November 2023. The Department's FY 2024 third quarter report did not account for those increases since they had not been implemented by human resources yet. The Department noted that projecting how human resources would handle the changes was and continues to be a challenge. It should be noted that the request reflects savings of \$187,308 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$74,119. *The Governor recommended \$2.0 million more than requested. He restored \$1.1 million of turnover savings in the enacted budget and added \$0.9 million to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The Assembly concurred.*

Other Operations. The Department requested \$49,431 less than enacted from general revenues for all other expenses for the Division of Motor Vehicles. The Department adjusted several expenditures to more closely align with prior year spending. It reduced the enacted level of funding for centralized services provided by the Department of Administration by \$500. *The Governor recommended \$0.1 million more than requested, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses. The Assembly concurred.*

Other Programs

Tangible Tax Exemption. Consistent with the enacted budget, the Department requested \$28.0 million from general revenues to reimburse municipalities for a tax exemption program authorized by the 2023 Assembly. The exemption applies for all tax years beginning on or after January 1, 2024, with the first reimbursements to be paid in FY 2025. *The Governor recommended \$2.1 million less than enacted based on updated reimbursements to municipalities. The Assembly concurred.*

Other Staffing. The Department requested \$0.4 million less than enacted from general revenues for staffing expenses for its remaining 34.0 full-time equivalent positions. This includes \$0.4 million less for municipal finance to reflect additional turnover savings equivalent to 2.0 positions. As of the end of November, there were 7.0 filled positions in the Collections Division, 6.0 filled positions in the Director's Office, 7.0 filled positions in Municipal Finance, and 6.0 filled positions in the Office of Revenue Analysis. The request reflects savings of \$53,731 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$16,972. *The Governor recommended \$0.1 million more than requested. He added \$0.5 million from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, offset by \$0.4 million of additional turnover savings. The Assembly concurred.*

Legislature

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
General Assembly	\$ 8,449,618	\$ 8,341,687	\$ 11,460,560	\$ 11,460,560
Fiscal Advisory Staff	2,015,852	2,490,826	2,617,371	2,617,371
Legislative Council	3,896,417	5,433,534	5,866,668	5,866,668
Joint Comm. On Legislative Affairs	29,629,839	32,141,261	38,929,049	38,929,049
Office of the Auditor General	6,116,844	7,368,723	7,849,725	7,849,725
Special Legislative Commissions	6,300	13,900	13,900	13,900
Total	\$ 50,114,870	\$ 55,789,931	\$ 66,737,273	\$ 66,737,273
Expenditures by Category				
Salaries and Benefits	\$ 39,865,177	\$ 46,571,935	\$ 49,668,278	\$ 49,668,278
Contracted Services	524,753	1,118,770	3,388,770	3,388,770
Subtotal	\$ 40,389,930	\$ 47,690,705	\$ 53,057,048	\$ 53,057,048
Other State Operations	5,729,713	4,929,926	10,249,525	10,249,525
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,281,465	2,300,000	2,300,000	2,300,000
Capital	1,713,762	869,300	1,130,700	1,130,700
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 50,114,870	\$ 55,789,931	\$ 66,737,273	\$ 66,737,273
Sources of Funds				
General Revenue	48,096,219	53,358,280	64,146,864	64,146,864
Federal Aid	-	-	-	-
Restricted Receipts	2,018,651	2,431,651	2,590,409	2,590,409
Other	-	-	-	-
Total	\$ 50,114,870	\$ 55,789,931	\$ 66,737,273	\$ 66,737,273
FTE Authorization	298.5	298.5	298.5	298.5
FTE Average	241.6			

FY 2025 Revised Request. The Legislature's revised budget of \$64.7 million includes \$8.9 million from the \$9.4 million reappropriation from FY 2024 and 298.5 full-time equivalent positions. *The Governor recommended adding \$2.0 million, including \$1.9 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. He also added \$6,189 from general revenues to account for adjustments to centralized service billings based on a revision to anticipated expenses. The Assembly concurred.*

Office of the Lieutenant Governor

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,063,257	\$ 1,239,116	\$ 1,153,533	\$ 1,153,533
Contracted Services	52,000	43,000	48,000	48,000
Subtotal	\$ 1,115,257	\$ 1,282,116	\$ 1,201,533	\$ 1,201,533
Other State Operations	140,400	164,149	168,570	168,570
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	750	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,255,657	\$ 1,447,015	\$ 1,370,103	\$ 1,370,103
Sources of Funds				
General Revenue	\$ 1,255,657	\$ 1,447,015	\$ 1,370,103	\$ 1,370,103
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,255,657	\$ 1,447,015	\$ 1,370,103	\$ 1,370,103
FTE Authorization	8.0	8.0	8.0	8.0
FTE Average	8.0			

FY 2025 Revised Request. The Office of the Lieutenant Governor requested \$102,313 more than enacted from general revenues for current staff costs. *The Governor recommended \$76,912 less than enacted from general revenues, which is \$179,225 less than requested.* **The Assembly concurred.**

Seasonal Policy Interns. The Office's revised request includes \$12,850 more than enacted for its seasonal policy interns. 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 also assist with administrative tasks and existing Office initiatives, including areas such as health care, housing, and services for veterans and older adults. The revised request represents raises for two interns. As of late September, the Office had one intern. *The Governor recommended \$23,920 less than enacted based on current vacancies.* **The Assembly concurred.**

Other Salaries and Benefits. The Office requested \$89,463 more than enacted to fully fund 8.0 full-time equivalent positions based on current salaries. As of the first October pay period, the Office had 6.0 filled positions. It should be noted that the request reflects savings of \$11,594 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$5,225. *The Governor recommended \$61,663 less than enacted. He added \$45,346 from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. This is offset by \$0.1 million in turnover savings based on current staffing levels.* **The Assembly concurred.**

Other Operations. The Office requested the enacted amount of \$0.2 million for all other operations. Expenses primarily include \$92,690 for information technology services provided through the Department of Administration, \$30,000 for contracted legal services, \$28,189 for office supplies and equipment, and \$13,000 for staff training.

*The Governor recommended \$8,671 more than enacted. He included an increase of \$4,421 from general revenues, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses. He also added \$18,000 for legal services, and recommended \$750 less for computer equipment and \$13,000 less for staff training to provide overall funding at a current service level. **The Assembly concurred.***

Office of the Secretary of State

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Administration	\$ 4,899,201	\$ 5,076,740	\$ 5,461,012	\$ 5,461,012
Corporations	2,627,236	2,807,730	2,844,181	2,844,181
State Archives	803,669	1,233,909	1,248,294	1,248,294
Elections and Civics	1,990,643	4,691,197	4,672,091	4,672,091
State Library	604,876	649,250	651,736	651,736
Office of Public Information	714,737	913,969	849,739	849,739
Total	\$ 11,640,362	\$ 15,372,795	\$ 15,727,053	\$ 15,727,053
Expenditures by Category				
Salaries and Benefits	\$ 8,030,738	\$ 8,040,117	\$ 8,629,190	\$ 8,629,190
Contracted Services	524,038	1,158,980	1,038,980	1,038,980
Subtotal	\$ 8,554,776	\$ 9,199,097	\$ 9,668,170	\$ 9,668,170
Other State Operations	2,659,050	4,918,998	4,853,421	4,853,421
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	318,750	418,000	418,000	418,000
Capital	107,786	836,700	787,462	787,462
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 11,640,362	\$ 15,372,795	\$ 15,727,053	\$ 15,727,053
Sources of Funds				
General Revenue	\$ 10,786,209	\$ 12,462,241	\$ 12,807,184	\$ 12,807,184
Federal Aid	519,579	2,001,207	2,001,207	2,001,207
Restricted Receipts	334,574	409,347	418,662	418,662
Other	-	500,000	500,000	500,000
Total	\$ 11,640,362	\$ 15,372,795	\$ 15,727,053	\$ 15,727,053
FTE Authorization	61.0	62.0	62.0	62.0
FTE Average	60.0			

FY 2025 Revised Request. The Office of the Secretary of State requested \$4,003 less from restricted receipts than enacted for FY 2025. *The Governor recommended \$0.4 million more than requested, including \$0.3 million more from general revenues, for statewide adjustments.* **The Assembly concurred.**

State Archives. The Office requested \$3,984 less than enacted from all sources for the operations of the State Archives, including \$19 more from general revenues. The Office reported allocating more costs to general revenues because restricted historical records trust revenues have not been sufficient to cover expenses. The enacted budget assumed restricted historical records trust revenues of \$384,347. The current request would require \$380,344 from historical trust revenues to support all staffing and operational costs, but estimated receipts are only \$324,362. Adjusted for a \$28,909 balance forward, the request exceeds resources by \$27,173.

The request includes \$372,337 to fully fund 2.8 full-time equivalent positions. This is \$4,006 less than enacted to reflect 40 percent of six positions from the archives and Records Center, and 40 percent of one position from the Office of Public Information. It should be noted that the request reflects savings of \$3,838 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$1,396. *The Governor's recommendation adds \$18,369, including \$5,051 from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. As noted, historical records trust revenues may not support the recommendation. However, the reduction in turnover savings from other programs may offset this.* **The Assembly concurred.**

Records Center. The Office requested \$11,164 more 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 \$247,852 more than spent in FY 2024 and \$195,547 more than FY 2023. 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 \$2,457 more than enacted to reflect 60 percent of six positions from the archives and Records Center, and 60 percent of one position from the Office of Public Information. The request also adds \$8,707 for clerical contracted services. It should be noted that the request reflects savings of \$5,758 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$2,095. *The Governor's recommendation adds \$27,585 to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Other Salaries and Benefits. The Office requested \$81,225 more than enacted from general revenues for its remaining 55.0 full-time equivalent positions. The request assumes turnover savings equivalent to 1.1 positions; the enacted budget does not include turnover savings. It includes \$48,000 for fellowships, \$6,000 more than enacted. It should be noted that the request reflects savings of \$74,545 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$28,603.

The Governor recommended \$0.4 million more than requested from general revenues. The recommendation adds \$0.3 million to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The remaining increase appears to restore turnover savings roughly equal to other expense reductions. **The Assembly concurred.**

Other Operations. The Office requested \$81,244 less than enacted from general revenues for its other operations. This includes \$49,238 less for various computer equipment upgrades and \$32,006 less for operating supplies, including \$24,079 in election expenses, which largely reflect lower telephone charges.

The Governor recommended \$63,593 less than requested from general revenues, including an increase of \$2,269 to account for adjustments to centralized service billings based on a revision to anticipated expenses. These savings appear to be shifted to salaries and benefits, reducing turnover savings. **The Assembly concurred.**

Office of the General Treasurer

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
General Treasurer	\$ 4,023,322	\$ 4,959,013	\$ 5,131,985	\$ 5,131,985
Unclaimed Property	2,261,187	2,981,837	3,105,525	3,105,525
Employees' Retirement System	13,121,000	14,245,648	14,737,162	14,737,162
Crime Victim Compensation	1,341,490	1,700,376	1,614,447	1,614,447
Subtotal	\$ 20,746,999	\$ 23,886,874	\$ 24,589,119	\$ 24,589,119
Expenditures by Category				
Salaries and Benefits	\$ 12,377,469	\$ 13,294,432	\$ 13,872,957	\$ 13,872,957
Contracted Services	5,211,813	5,134,752	5,313,252	5,313,252
Subtotal	\$ 17,589,282	\$ 18,429,184	\$ 19,186,209	\$ 19,186,209
Other State Operations	2,019,715	2,838,772	2,898,992	2,898,992
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,131,671	2,462,993	2,347,993	2,347,993
Capital	6,331	155,925	155,925	155,925
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 20,746,999	\$ 23,886,874	\$ 24,589,119	\$ 24,589,119
Sources of Funds				
General Revenue	\$ 3,879,697	\$ 4,915,333	\$ 5,100,717	\$ 5,100,717
Federal Aid	594,005	763,030	786,809	786,809
Restricted Receipts	15,602,021	17,607,485	18,092,687	18,092,687
Other	671,276	601,026	608,906	608,906
Total	\$ 20,746,999	\$ 23,886,874	\$ 24,589,119	\$ 24,589,119
FTE Authorization	91.0	91.0	91.0	91.0
FTE Average	86.2			

FY 2025 Revised Request. The Office of the General Treasurer requested \$0.4 million more from all sources, including \$0.2 million more from general revenues. *The Governor recommended \$0.7 million more than enacted and \$0.3 million more than requested. General revenues are \$0.2 million more than enacted. The Assembly concurred.*

Crime Victim Compensation Claims. The Office requested \$70,000 less from all sources, including \$45,000 more from general revenues for Crime Victim Compensation claims. This is \$0.2 million more than spent in FY 2024; general revenues would be \$31,781 more. 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 2024 totaled \$209,990; FY 2023 collections were \$321,897. The revised request assumes \$250,000 or \$130,000 less than the enacted assumptions. *The Governor did not recommend the additional general revenues but concurred with the remainder of the request. The Assembly concurred.*

Salaries and Benefits. The Office requested \$244,518 more than enacted for salaries and benefits, including \$20,875 less from general revenues based on current staffing levels and adjustments to cost allocations and staffing among programs. As of early October, there were six vacancies among all programs. The enacted budget would fund approximately 88 of the Office's 91.0 authorized positions. The revised request would restore about half of the turnover savings in the enacted budget and fund around 90 positions. The revised request is \$1.2 million or 9.4 percent more than spent in FY 2024.

It should be noted that the request reflects savings of \$0.1 million from a reduction to the enacted assessed fringe benefit rate equal to 1.65 percent of salaries; however, the correct rate is only 1.05 percent lower, a difference of \$48,519.

The Governor recommended \$0.3 million more than requested from all sources, including \$3,039 more from general revenues. He added \$0.6 million, including \$0.1 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. This is offset by additional turnover savings of \$0.3 million, including \$0.1 million from general revenues. The Assembly concurred.

Cash Management Assessment. The state's FY 2022 and FY 2023 financial statements found that the complexity of Treasury operations has increased substantially over the years without significant modifications to the investment in technology and personnel to support those efforts and maintain internal control best practices. The FY 2024 enacted budget added \$0.1 million and one new cash management risk mitigation coordinator, and the position was filled during FY 2024. Additionally, during FY 2024, the Office released a request for proposals seeking a consultant to inventory and assess cash-related activity and provide recommendations on technology and processes to improve this activity. The FY 2025 revised request includes \$140,000 from general revenues for a consultant to assess and provide recommendations for existing processes, service contracts, and fee analysis as a first phase. The FY 2026 request includes \$150,000 from general revenues for a request for proposals for banking services and proposal evaluation, phase two of the work. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Office requested \$41,125 more from all sources, including \$5,625 more from general revenues. The general revenue increase is for the Crime Victim Compensation program and reflects FY 2024 spending on computers and other office supplies. *The Governor recommended \$57,595 more than requested from general revenues, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses. The Assembly concurred.*

Rhode Island Board of Elections

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,733,212	\$ 2,194,009	\$ 2,164,413	\$ 2,064,413
Contracted Services	680,716	1,601,309	1,601,309	1,601,309
Subtotal	\$ 2,413,928	\$ 3,795,318	\$ 3,765,722	\$ 3,665,722
Other State Operations	1,547,400	1,885,297	1,958,916	1,558,916
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	153,953	2,000	2,000	502,000
Capital Debt Service	579,139	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 4,694,420	\$ 5,682,615	\$ 5,726,638	\$ 5,726,638
Sources of Funds				
General Revenue	\$ 4,694,420	\$ 5,682,615	\$ 5,726,638	\$ 5,726,638
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 4,694,420	\$ 5,682,615	\$ 5,726,638	\$ 5,726,638
FTE Authorization	13.0	13.0	13.0	13.0
FTE Average	11.4			

FY 2025 Revised Request. The Board of Elections requested \$22,828 less than enacted from general revenues for FY 2025. *The Governor recommended \$66,851 more than requested from general revenues. The Assembly concurred with the total funding recommended, provided that \$500,000 be used to support election-related technology.*

Seasonal Staff. The Board requested \$21,734 more from general revenues for seasonal elections staff to carry out the 2024 primary and general elections. The enacted budget includes \$0.4 million for the November general election. The request supports staff utilized on an as-needed basis prior to and after actual elections to train elections staff statewide, prepare mail ballots and polling places, and maintain the Board's equipment; election day staffing also includes technicians, bipartisan pairs to assist with nursing homes mail ballots, and other staff. *The Governor recommended funding consistent with the enacted budget, based on updated information. The Assembly concurred.*

Other Salaries and Benefits. The Board requested \$44,562 less than enacted for salary and benefit expenses for its regular staff and commissioners. The enacted budget funds 13.0 full-time equivalent positions. As of November 2024, 11.0 full-time equivalent positions were filled, and 11.1 positions had been filled on average. It should also be noted that the request reflects savings of \$16,744 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$5,675. *The Governor recommended \$14,966 more than requested. The recommendation adds \$76,643 to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. This is partially offset by \$63,222 in additional*

turnover savings. The Assembly provided \$100,000 less than recommended to reflect additional turnover savings.

Other Operations. The enacted budget includes \$3.5 million from general revenues for operational costs for the Board, including election expenses, contractual obligations, and rent and utilities. The Board's request is consistent with the enacted budget. *The Governor recommended \$73,619 more than enacted. The recommendation adds \$29,519 to account for adjustments to centralized service billings based on a revision to anticipated expenses. The recommendation also includes \$44,100 more for other operational costs to better reflect actual expenditures, primarily for printing services.* **The Assembly provided \$100,000 more than recommended, including \$400,000 less for election expenses to reflect actual spending, offset by \$500,000 more to support election-related technology, including poll pad purchases or campaign finance system upgrades. It also added language to ensure that any unspent funds for this purpose are automatically reappropriated.**

Rhode Island Ethics Commission

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,711,527	\$ 1,756,136	\$ 1,887,941	\$ 1,887,941
Contracted Services	29,156	62,275	62,275	62,275
Subtotal	\$ 1,740,683	\$ 1,818,411	\$ 1,950,216	\$ 1,950,216
Other State Operations	282,859	406,765	366,627	455,669
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	5,216	9,326	9,326	9,326
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,028,758	\$ 2,234,502	\$ 2,326,169	\$ 2,415,211
Sources of Funds				
General Revenue	\$ 2,028,758	\$ 2,234,502	\$ 2,326,169	\$ 2,415,211
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,028,758	\$ 2,234,502	\$ 2,326,169	\$ 2,415,211
FTE Authorization	12.0	12.0	12.0	12.0
FTE Average	11.8			

FY 2025 Revised Request. The Rhode Island Ethics Commission requested \$81,457 more from general revenues, of which \$48,904 was reappropriated from FY 2024 to continue developing a new case management system. *The Governor recommended \$10,210 more than requested to account for statewide adjustments. He subsequently requested an amendment to add \$89,042 from general revenues for the case management system. The Assembly concurred with the amended recommendation.*

Reappropriation - Case Management System. The FY 2024 final budget included \$61,664 from general revenues to continue the development of a new case management system, of which \$12,760 was spent, and the request includes the Governor's \$48,904 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. *The Governor included the reappropriated amount. He subsequently requested an amendment to add \$89,042 to account for more updated expenses totaling \$137,946. Despite inquiries, it remains unclear why there was such a significant increase to the project. The Assembly concurred with the amended recommendation.*

Salaries and Benefits. The Commission requested \$32,553 more than enacted from general revenues for salary expenses and updated benefits to fully fund its 12.0 authorized positions. The enacted budget assumes 0.1 positions will be vacant, but all have been filled since December 2023. The revised request also reflects updated medical benefit choices and benefit rates. However, it should be noted that the request reflects savings of \$18,009 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$11,266. *The Governor's*

*recommendation adds \$99,252 to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. **The Assembly concurred.***

Other Operations. The Commission requested the enacted level of \$0.5 million from general revenues for all other operations. The revised request reduces expenses for centralized information technology services billings, offset by a like increase for other license charges from the Department of Administration's Division of Information Technology. *The Governor recommended \$89,042 less than requested for centralized services, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses, including a delay in the implementation of new systems management software. **The Assembly concurred.***

Office of the Governor

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 6,870,838	\$ 7,819,375	\$ 8,209,066	\$ 8,209,066
Contracted Services	16,881	500	13,000	13,000
Subtotal	\$ 6,887,719	\$ 7,819,875	\$ 8,222,066	\$ 8,222,066
Other State Operations	627,745	484,290	596,879	596,879
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	150,000	150,000	150,000
Capital	16,846	17,100	4,874	4,874
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 7,532,310	\$ 8,471,265	\$ 8,973,819	\$ 8,973,819
Sources of Funds				
General Revenue	\$ 7,532,310	\$ 8,471,265	\$ 8,973,819	\$ 8,973,819
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 7,532,310	\$ 8,471,265	\$ 8,973,819	\$ 8,973,819
FTE Authorization	45.0	45.0	45.0	45.0
FTE Average	38.8			

FY 2025 Revised Request. The Office of the Governor requested \$8.5 million from general revenues, which is consistent with the enacted budget and includes authorization for 45.0 full-time equivalent positions. *The Governor recommended \$9.0 million, which is \$0.5 million more than enacted and requested.* **The Assembly concurred.**

Operations. The Office requested the enacted level of \$8.5 million from general revenues, including \$7.8 million for staffing expenses, which appears to fund 43.0 full-time equivalent positions. As of early December 2024, the Office had averaged 43.5 filled positions for FY 2025; in FY 2024, the Office averaged 38.8 filled positions. It should be noted that the request reflects savings of \$80,910 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$30,717. Expenses for all other operations are \$0.7 million, which is consistent with the enacted budget. Funding has been shifted to align more closely with FY 2024 spending.

The Governor's recommendation adds \$0.4 million from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. It also includes an increase of \$0.1 million to account for adjustments to centralized service billings based on a revision to anticipated expenses. **The Assembly concurred.**

Rhode Island Commission for Human Rights

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,899,084	\$ 2,038,174	\$ 2,153,449	\$ 2,231,644
Contracted Services	69,368	42,250	92,914	92,914
Subtotal	\$ 1,968,452	\$ 2,080,424	\$ 2,246,363	\$ 2,324,558
Other State Operations	457,590	420,802	442,299	442,299
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	1,132	4,500	3,000	3,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,427,174	\$ 2,505,726	\$ 2,691,662	\$ 2,769,857
Sources of Funds				
General Revenue	\$ 2,117,476	\$ 2,055,616	\$ 2,143,802	\$ 2,221,997
Federal Aid	309,698	450,110	547,860	547,860
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,427,174	\$ 2,505,726	\$ 2,691,662	\$ 2,769,857
FTE Authorization	15.0	15.0	15.0	15.0
FTE Average	14.6			

FY 2025 Revised Request. The Rhode Island Commission for Human Rights requested \$83,657 more than enacted from all sources, including \$35,733 from general revenues and \$47,924 from federal funds. *The Governor recommended \$102,279 more than requested, including \$52,453 more from general revenues and \$49,826 more from federal funds. He subsequently requested an amendment to add \$78,195 from general revenues. The Assembly concurred with the amended recommendation.*

Federal Receipts. The revised request assumes total available federal receipts of \$526,972, assuming \$365,822 of new receipts received in FY 2025, and expenditures totaling \$498,034. This is \$47,924 more than enacted. The Commission spent \$309,698 in FY 2024. The revised projected surplus at the end of FY 2025 is \$165,640. The Housing and Urban Development award has specific restrictions on what may be spent with those funds, where expenditures must directly concern the advancement of fair housing cases. The Equal Employment Opportunity award does not have these restrictions, making expenditures from these funds more flexible. *The Governor's recommendation assumes use of \$49,826 more than requested from federal funds. The Assembly concurred.*

Salaries and Benefits. The Commission requested \$13,176 more than enacted from all sources, including \$9,461 less from general revenues and \$22,637 more from federal funds, for salary and benefit expenses. The request reflects an upgrade for one position approved in FY 2024, partially offset by turnover savings equivalent to 0.5 vacancies. As of November 2024, all positions are filled, however the Commission previously averaged 1.5 vacancies. It should be noted that the request also reflects savings of \$20,780 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$7,556. *The Governor's recommendation adds \$102,099,*

*including \$82,610 from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. He subsequently requested an amendment adding \$78,195 from general revenues for retroactive payments for employees affected by an error in the calculation of step increases related to position upgrades approved in March 2023. **The Assembly concurred with the amended recommendation.***

Other Operations. The Commission requested \$70,481 more than enacted from all sources, including \$45,194 from general revenues and \$25,287 from federal funds, for all other operating expenses. The increase primarily reflects \$50,960 more for contracted legal services and \$20,876 more for centralized services provided through the Department of Administration. This reflects lower ongoing costs offset by one-time information technology purchases. The request also shifts \$23,188 from general revenues to federal funds for parking space rental costs that are eligible for reimbursement.

*The Governor recommended \$180 more than requested. This includes \$5,576 more, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses, partially offset by reductions to various contracted expenses based on updated estimates. The recommendation also shifted an additional \$30,157 from general revenues to federal funds for rental costs. **The Assembly concurred.***

Public Utilities Commission

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 8,834,643	\$ 9,610,767	\$ 10,207,702	\$ 10,207,702
Contracted Services	1,778,141	3,773,836	3,631,475	3,631,475
Subtotal	\$ 10,612,784	\$ 13,384,603	\$ 13,839,177	\$ 13,839,177
Other State Operations	770,310	1,092,917	1,108,800	1,108,800
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	61,903	130,000	95,000	95,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 11,444,997	\$ 14,607,520	\$ 15,042,977	\$ 15,042,977
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	592,215	711,984	726,117	726,117
Restricted Receipts	10,852,782	13,895,536	14,316,860	14,316,860
Other	-	-	-	-
Total	\$ 11,444,997	\$ 14,607,520	\$ 15,042,977	\$ 15,042,977
FTE Authorization	54.0	57.0	57.0	57.0
FTE Average	51.9			

FY 2025 Revised Request. The Public Utilities Commission requested \$115,556 more than enacted from all sources, primarily restricted receipts assessed to the regulated utilities. *The Governor recommended \$0.4 million more than enacted and \$0.3 million more than requested.* **The Assembly concurred.**

Salaries and Benefits. The Commission requested \$0.2 million more than enacted from federal funds and restricted receipts for salaries and benefits to reflect salary increases for 25 of the Commission's union employees. A public hearing was conducted on May 29, 2024. All 25 employees received salary raises between \$5,000 and \$8,000. The FY 2025 revised request also increases turnover savings by about \$80,000, equivalent to about 0.5 of a position. The enacted budget includes about \$0.1 million of turnover savings. As of early October, the Commission had 49.0 filled full-time equivalent positions.

It should be noted that the request reflects savings of \$94,383 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$38,880.

The Governor recommended \$0.4 million more than requested. The recommendation adds \$0.5 million to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, offset by an additional \$0.1 million of turnover savings. **The Assembly concurred.**

Dual Party Phone Relay Service. The Commission requested \$150,000 less than enacted from restricted receipts from the Dual Party Phone Relay Service account to correctly reflect the fund transfers to the Commission on the Deaf and Hard of Hearing and the Department of Human Services. State law requires

that the Commission remit \$100,000 to the Commission on the Deaf and Hard of Hearing and \$50,000 to the Department of Human Services for telephone equipment and to continue the emergency and public communication access program. Expenses appear in those budgets. The Commission collects a surcharge from its telecommunications service providers to manage this service. The FY 2025 enacted budget also shows in the transfer itself as an expense to the Commission. The revised request is consistent with how the expenses have been treated previously. *The Governor recommended funding as requested.* **The Assembly concurred.**

Executive Climate Change Coordinating Council Projects. The Commission requested \$41,700 more than enacted to account for unspent funds allocated to work to achieve the goals of Rhode Island's 2021 Act on Climate. The Commission received \$75,000 in FY 2024 and FY 2025 from the Executive Climate Change Coordinating Council but only spent \$33,300. The revised request brings the total to \$116,700 for FY 2025. *The Governor recommended \$25,000 more than enacted, which is \$16,700 less than the Commission's request, based on an updated spending plan from the Council.* **The Assembly concurred.**

Other Operations. The Commission requested \$5,201 less than enacted for all other operations. The revised request lowers expenses for Transportation Network Company Regulatory Oversight by \$19,799 based on FY 2024 experience. The request also includes \$14,578 more from the Public Utilities General Account to adjust expenses such as insurance and centralized services to the FY 2024 experience and omits \$35,000 budgeted for a vehicle. *The Governor recommended \$31,277 less than requested. The recommendation includes an increase of \$30,770 from restricted receipts, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses. It includes \$15,361 less than requested for all other expenses to more closely align with the FY 2024 experience.* **The Assembly concurred.**

Executive Office of Health and Human Services

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Central Management	\$ 249,844,287	\$ 316,417,203	\$ 328,237,256	\$ 267,115,510
Medical Assistance	3,359,853,608	3,701,334,670	3,638,874,492	3,647,097,305
Total	\$ 3,609,697,895	\$ 4,017,751,873	\$ 3,967,111,748	\$ 3,914,212,815
Expenditures by Category				
Salaries and Benefits	\$ 37,442,089	\$ 38,558,041	\$ 41,347,303	\$ 41,347,303
Contracted Services	145,245,886	219,989,536	215,190,462	154,308,516
Subtotal	\$ 182,687,975	\$ 258,547,577	\$ 256,537,765	\$ 195,655,819
Other State Operations	12,157,319	21,669,274	12,721,180	12,721,380
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	3,413,617,169	3,737,417,001	3,697,817,043	3,705,799,856
Capital	1,235,432	118,021	35,760	35,760
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,609,697,895	\$ 4,017,751,873	\$ 3,967,111,748	\$ 3,914,212,815
Sources of Funds				
General Revenue	\$ 1,265,714,998	\$ 1,416,418,232	\$ 1,390,933,011	\$ 1,388,921,238
Federal Aid	2,299,863,318	2,543,855,296	2,515,710,990	2,468,135,086
Restricted Receipts	44,119,579	57,478,345	60,467,747	57,156,491
Other	-	-	-	-
Total	\$ 3,609,697,895	\$ 4,017,751,873	\$ 3,967,111,748	\$ 3,914,212,815
FTE Authorization	218.0	233.0	233.0	233.0
FTE Average	197.3			

FY 2025 Revised Request. The Executive Office included \$15.5 million more from all sources for a total of \$4,033.2 million in its revised request. This includes \$15.7 million more from federal funds, \$1.2 million more from restricted receipts, and \$1.4 million less from general revenues. The revised request was submitted in October and did not reflect the revised caseload estimates adopted in November.

The Governor recommended \$66.1 million less than requested, which includes \$24.1 million less from general revenues. The recommendation decreases medical assistance expenses by \$65.3 million, including \$24.3 million less from general revenues, to reflect estimates for the November caseload conference and a proposed increase in the disproportionate share payment for Eleanor Slater Hospital. He requested several amendments to adjust spending in the current year.

The Assembly provided \$3,914.2 million, including \$1,388.9 million from general revenues, \$2,468.1 million from federal funds, and \$57.2 million from restricted receipts. This is \$52.9 million less than the Governor's recommendation, including \$2.0 million less from general revenues, \$47.6 million less from federal funds, and \$3.3 million less from restricted receipts. The Assembly updated expenses based on the May estimate, concurred with some requested amendments, and further adjusted current year expenses based on projected third quarter spending.

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 2025 guidelines are shown in the following table.

Percent of Federal Poverty Level Based on Annual Income								
Family Size	100%	138%	175%	185%	200%	225%	250%	261%
1	\$15,650	\$21,597	\$27,388	\$28,953	\$31,300	\$35,213	\$39,125	\$40,847
2	21,150	29,187	37,013	39,128	42,300	47,588	52,875	55,202
3	26,650	36,777	46,638	49,303	53,300	59,963	66,625	69,557
4	32,150	44,367	56,263	59,478	64,300	72,338	80,375	83,912
5	37,650	51,957	65,888	69,653	75,300	84,713	94,125	98,267
6	43,150	59,547	75,513	79,828	86,300	97,088	107,875	112,622
7	48,650	67,137	85,138	90,003	97,300	109,463	121,625	126,977
8	54,150	74,727	94,763	100,178	108,300	121,838	135,375	141,332

For families with more than 8 members, add \$6,880 for each additional member for the 100 percent calculation.

Medical Assistance

The Caseload Estimating Conference met on November 6, 2024, and set the FY 2025 medical assistance expenditures at \$3,596.7 million, including \$1,331.2 million from general revenues, based on current law. This is \$71.2 million less than enacted from all funds and \$26.9 million less from general revenues. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate. The following table itemizes medical assistance expenditures in FY 2024, enacted by the Assembly, adopted by the caseload estimators in November 2024, and recommended by the Governor. Each category is discussed separately.

The enacted budget assumed savings of \$21.5 million, of which \$5.8 million is from general revenues from implementing a new income verification product, Equifax's The Work Number, which allows access to another data source to determine benefit eligibility. Technical issues have led to an implementation delay, and the Conference estimate reduces FY 2025 savings to \$8.2 million, of which \$2.0 million are from general revenues in the managed care programs.

The Governor recommended \$5.9 million more than the caseload estimate, including \$2.7 million more from general revenues, reflecting an increase in the disproportionate share payment made for uncompensated care costs at Eleanor Slater Hospital.

The Assembly provided \$3,617.2 million, including \$1,339.8 million from general revenues, consistent with the May estimate. This is \$14.6 million more than the Governor's recommendation, including \$8.6 million more from federal funds and \$6.0 million more from general revenues. Each program is discussed separately.

Medical Assistance	FY 2024 Reported	FY 2025 Enacted	FY 2025 Nov. CEC	FY 2025 Gov. Rec.	FY 2025 May CEC	FY 2025 Final
Hospitals						
State Directed Payments	\$ 293.9	\$ 286.8	\$ 286.8	\$ 286.8	\$ 286.8	\$ 286.8
Regular Payments	41.3	40.4	46.3	46.3	41.8	41.8
DSH Payments	14.7	21.7	21.7	27.6	27.6	27.6
Upper Payment Limit	16.5	18.3	18.3	18.3	18.3	18.3
Reimbursements						
Graduate Medical Education	2.5	-	-	-	-	-
Total	\$ 368.9	\$ 367.1	\$ 373.1	\$ 379.0	\$ 374.5	\$ 374.5
Long Term Care						
Nursing/Hospice Care	\$ 354.5	\$ 393.8	\$ 421.0	\$ 421.0	\$ 425.0	\$ 425.0
Home & Community Care	164.7	221.2	228.5	228.5	248.6	248.6
Total	\$ 519.3	\$ 615.0	\$ 649.5	\$ 649.5	\$ 673.6	\$ 673.6
Managed Care						
RIte Care	\$ 980.0	\$ 1,036.4	\$ 995.3	\$ 995.3	\$ 979.6	\$ 979.6
RIte Share	2.0	2.3	2.3	2.3	2.1	2.1
Fee For Service	13.7	31.4	60.9	60.9	55.9	55.9
Total	\$ 1,007.4	\$ 1,070.1	\$ 1,058.5	\$ 1,058.5	\$ 1,037.6	\$ 1,037.6
Rhody Health Partners	\$ 292.9	\$ 338.5	\$ 309.7	\$ 309.7	\$ 311.4	\$ 311.4
Medicaid Expansion	\$ 702.8	\$ 733.0	\$ 688.1	\$ 688.1	\$ 705.1	\$ 705.1
Rhody Health Options	\$ 176.8	\$ 220.5	\$ 214.6	\$ 214.6	\$ 212.4	\$ 212.4
Pharmacy	\$ 1.7	\$ (0.3)	\$ 1.9	\$ 1.9	\$ 2.7	\$ 2.7
Pharmacy Part D Clawback	\$ 91.9	\$ 96.8	\$ 91.9	\$ 91.9	\$ 92.2	\$ 92.2
Other Medical Services	\$ 159.3	\$ 227.1	\$ 209.4	\$ 209.4	\$ 207.7	\$ 207.7
Medical Assistance Total	\$ 3,321.0	\$ 3,667.9	\$ 3,596.7	\$ 3,602.6	\$ 3,617.2	\$ 3,617.2
Federal Funds	\$ 2,091.6	\$ 2,301.5	\$ 2,257.0	\$ 2,260.3	\$ 2,269.0	\$ 2,269.0
General Revenues	1,220.2	1,358.1	1,331.2	1,333.8	1,339.8	1,339.8
Restricted Receipts	9.2	8.3	8.5	8.5	8.5	8.5

\$ in millions

Hospitals

The November Caseload Estimating Conference estimate includes FY 2025 expenditures of \$373.1 million, including \$123.8 million from general revenues. Based on anticipated utilization, the estimate includes \$46.3 million for inpatient and outpatient medical services, or \$6.0 million more than enacted. It also includes \$286.8 million for the state-directed payment, \$21.7 million for the uncompensated care payment, and \$18.3 million for supplemental hospital payments. The Executive Office's revised request does not reflect the adopted estimate.

The Governor recommended \$5.9 million more than the conference estimate, including \$2.6 million from general revenues to account for his proposal to increase Eleanor Slater Hospital's uncompensated care payments. The Assembly included \$374.5 million, consistent with the May caseload conference estimate, which is \$4.5 million less than recommended but incorporated the increased uncompensated care payments.

State Directed Payments. The conference estimate includes \$286.8 million, of which \$87.1 million is from general revenues, for the state-directed payments made through the managed care plans to promote quality improvements at the community hospitals. The total is consistent with the enacted budget, but the estimate adjusts the Medicaid rate for revised enrollment among eligibility groups, resulting in a \$3.0 million general revenue reduction offset by an increase in federal funds. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$286.8 million, including \$87.6 million from general revenues, consistent with the May estimate.*

Hospital Payments	FY 2024 Reported	FY 2025 Enacted	FY 2025 Governor	FY 2025 May CEC	FY 2025 Final
State Directed Managed Care					
State	\$ 95,796,056	\$ 90,094,921	\$ 87,057,462	\$ 87,621,945	\$ 87,621,945
Federal	198,064,313	196,673,258	199,710,718	199,146,234	199,146,234
Subtotal	\$ 293,860,369	\$ 286,768,179	\$ 286,768,180	\$ 286,768,179	\$ 286,768,179
Regular Payments					
State	\$ 18,385,673	\$ 17,765,737	\$ 20,375,941	\$ 18,395,491	\$ 18,395,491
Federal	22,924,327	22,601,763	25,922,494	23,402,944	23,402,944
Subtotal	\$ 41,310,000	\$ 40,367,500	\$ 46,298,435	\$ 41,798,435	\$ 41,798,435
DSH/Community Hospitals					
State	\$ 6,631,019	\$ 6,439,413	\$ 6,439,413	\$ 6,439,413	\$ 6,439,413
Federal	8,107,853	8,299,459	8,299,459	8,299,459	8,299,459
Subtotal	\$ 14,738,872	\$ 14,738,872	\$ 14,738,872	\$ 14,738,872	\$ 14,738,872
DSH/Eleanor Slater					
State	\$ -	\$ 3,058,300	\$ 5,654,890	\$ 5,636,010	\$ 5,636,009
Federal	-	3,941,700	7,245,110	7,263,990	7,263,991
Subtotal	\$ -	\$ 7,000,000	\$ 12,900,000	\$ 12,900,000	\$ 12,900,000
Upper Payment Limit					
State	\$ 8,460,410	\$ 6,882,718	\$ 6,861,178	\$ 6,609,490	\$ 6,609,490
Federal	8,044,584	11,381,604	11,472,208	11,723,896	11,723,896
Subtotal	\$ 16,504,994	\$ 18,264,322	\$ 18,333,386	\$ 18,333,386	\$ 18,333,386
Graduate Medical Education					
State	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -
Total	\$ 368,914,235	\$ 367,138,873	\$ 379,038,873	\$ 374,538,872	\$ 374,538,872

Regular Payments. The conference estimate includes \$46.3 million, of which \$20.4 million is from general revenues, for the inpatient and outpatient services payments. This is \$5.9 million more than enacted, including \$2.6 million more from general revenues, primarily reflecting an increase in inpatient activity. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly included \$41.8 million, consistent with the May caseload conference estimate, which is \$4.5 million less than November.**

Disproportionate Share Payments to Hospitals. The November caseload estimate includes \$21.7 million for the disproportionate share payments for uncompensated care costs to the state's hospitals. This includes \$9.5 million from general revenues and matching federal funds. This total is consistent with the enacted budget and revised request, including a \$14.7 million payment to community hospitals and \$7.0 million for Eleanor Slater Hospital.

The state's federal allotment of \$93.4 million is matched by general revenues to total \$165.8 million for FY 2025. Rhode Island's federal payment was lowered by about 90 percent to reflect the implementation of the long-scheduled federal reduction, which was delayed again until January 1, 2025. 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 recommended \$5.9 million more than the conference estimate, including \$2.6 million from general revenues, to reflect a policy directive to maximize payments for uncompensated care costs at the state hospital. There is an offsetting revenue to the state. The Assembly provided \$27.6 million, consistent with the Governor's recommendation and the May estimate.

Upper Payment Limit Reimbursements. The conference estimate includes \$18.3 million, of which \$6.9 million is from general revenues for the inpatient and outpatient upper payment limit reimbursements. This is \$0.1 million more than enacted to reflect updated hospital information. *The Governor recommended funding consistent with the caseload estimate. The Assembly concurred with May estimate.*

Long Term Care

Long Term Care. The November Caseload Estimating Conference estimate includes long-term care expenses of \$649.5 million, of which \$285.8 million is from general revenues. This includes \$421.0 million for nursing facilities and hospice care and \$228.5 million for home and community care. The caseload estimate is \$34.5 million more than the enacted budget, including \$15.3 million more from general revenues.

The estimate includes an increase of \$27.2 million for nursing facilities, primarily from higher utilization across nursing and hospice services. The home- and community-based services estimate is \$7.3 million more than enacted, primarily reflecting higher fee-for-service claims activity, particularly in homemaker services. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate.*

The Assembly provided \$673.6 million from all sources, including \$296.5 million from general revenues and \$377.1 million from federal funds consistent with the May estimate. Combined with Rhody Health Options, total FY 2025 support for long-term care services is \$886.0 million, including \$390.8 million from general revenues.

Nursing Facilities and Hospice Care. The Caseload Estimating Conference estimate includes FY 2025 expenditures of \$421.0 million, of which \$185.3 million is from general revenues for the state's nursing facilities. This includes \$27.2 million more than enacted, including \$12.0 million more from general revenues, for increased utilization. FY 2024 final expenses were \$19.8 million more than appropriated and adopted at the May 2024 Caseload Estimating Conference. *The Governor recommended funding consistent with the caseload estimate.*

The Assembly provided \$425.0 million, of which \$187.0 million is from general revenues, consistent with the May estimate. This is \$4.0 million more than the November estimate based on updated utilization.

Home and Community Care. The November Caseload Estimating Conference estimate includes \$228.5 million for home- and community-care expenses, including \$100.6 million from general revenues. This is \$7.3 million more from all sources, including \$3.4 million from general revenues for increased utilization. FY 2024 final expenses were \$7.2 million more than the final appropriation based on the May 2024 Caseload Estimating Conference adopted estimate. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$248.6 million, including \$109.4 million from general revenues, consistent with the May caseload conference estimate. This is \$20.1 million more than the November estimate based on higher utilization.*

Managed Care

The November Caseload Estimating Conference estimate includes managed care expenses of \$1,058.5 million, including \$450.3 million from general revenues and \$608.2 million from federal funds. The estimate decreases enacted funding by \$11.6 million, including \$6.7 million less from general revenues. This is primarily attributable to lower enrollment, offset by increases in monthly premium payments, fee-for-service expenses, and delays in implementing the new income verification software. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate.

The estimate includes RItE Care expenses at \$995.3 million, RItE Share at \$2.3 million, and fee-for-service expenses at \$60.9 million; each discussion follows. The enacted budget assumes savings of \$3.0 million, including \$0.8 million from general revenues, from increasing enrollment in RItE Share. Those savings have been reduced to \$0.6 million, including \$0.3 million from general revenues, assuming increased enrollment will start in March 2025. *The Governor recommended funding consistent with the caseload estimate.*

The Assembly provided \$1,037.6 million, including \$444.3 million from general revenues. This is \$20.9 million less than the November estimate and reflects reissued capitation rates that were increased to account for emerging experience offset by lower enrollment.

RItE Care. The Caseload Estimating Conference estimated RItE Care expenditures at \$995.3 million, including \$419.8 million from general revenues and revisions to the caseload enrollment and payments that influence program costs. The estimate is \$41.1 million less than enacted and primarily attributable to lower-than-projected enrollment and increased monthly premium payments. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$979.6 million, consistent with the May estimate, which is \$15.7 million less than the November estimate. This reflects reissued capitation rates that were increased to account for emerging experience offset by lower enrollment.**

RItE Share. The Caseload Estimating Conference estimate includes RItE Share expenditures of \$2.3 million, including \$1.0 million from general revenues. The enacted budget assumes savings of \$3.0 million, including \$0.8 million from general revenues, from increasing enrollment in RItE Share. Savings were spread across managed care product lines from increased staff efforts to identify Medicaid beneficiaries who have access to employer-sponsored insurance. Those savings have been reduced by \$0.6 million, including \$0.3 million from general revenues, assuming increased enrollment will start in March 2025. The enacted budget assumed new and converted positions would be filled in September 2024; five positions were posted in August, and three were filled as of October.

The RItE Share program allows families eligible for medical assistance to remain on their employer-based health insurance plan. The state pays the health care premiums and co-payments of RItE Share eligible participants if the coverage is similar to the cost and services offered through RItE Care. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$3.1 million consistent with the May estimate, which is \$0.8 million more than the November estimate.**

Fee-Based Managed Care. The Caseload Estimating Conference estimate includes fee-based managed care expenditures of \$60.9 million, of which \$26.8 million is general revenues. Expenses for additional services provided to those in the contracted managed care system are \$29.5 million more than enacted. The estimate reflects neonatal intensive care unit increased costs, lower rebates, delays in enrolling members in managed care plans, and higher than anticipated children's behavioral health services expenses. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$54.9 million, consistent with the May caseload conference estimate, which is \$6.0 million less than the November estimate.**

Rhody Health Partners

The Caseload Estimating Conference estimate includes expenditures of \$309.7 million, including \$133.1 million from general revenues for FY 2025 for the managed care program for adults with disabilities. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate.

The estimate is \$28.8 million less than enacted, including \$17.0 million less from general revenues, based on updated data showing a decrease in the monthly cost-per-person and lower than anticipated enrollment. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$311.4 million, of which \$177.7 million is from general revenues, consistent with the May estimate, which is \$1.7 million more than the November estimate.**

Medicaid Expansion

The Caseload Estimating Conference estimate includes expenses of \$688.1 million, including \$74.6 million from general revenues and \$613.5 million from federal funds to provide Medicaid coverage to adults ages 19 to 64, without dependent children, with incomes at or below 138 percent of poverty. The estimate decreases enacted funding by \$44.9 million, including \$3.4 million from general revenues. The estimate reflects decreased enrollment and changes in the member mix offset by fee-for-service increases and delays in implementing a new income verification software.

The Governor recommended funding consistent with the caseload estimate. **The Assembly provided \$705.1 million, of which \$76.2 million is from general revenues, consistent with the May estimate. This is \$17.0 million more than the November estimate, and includes reissued rates and updated enrollment.**

Rhody Health Options

The state has a managed care contract with Neighborhood Health Plan of Rhode Island to provide acute care and long-term care services for individuals eligible for Medicare and Medicaid. The caseload conference estimates \$214.6 million, including \$94.4 million from general revenues for this program. This represents a decrease of \$5.9 million compared to the enacted budget, reflecting lower enrollment offset by adding \$4.2 million for the 2.0 percent payment of the state premium tax. The managed care plan is subject to the payment, but it was not assumed in the enacted budget or reflected in the certified rates. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate.

The Governor recommended funding consistent with the caseload estimate. **The Assembly provided \$212.4 million, of which \$94.4 million is from general revenues, consistent with the May estimate and \$2.2 million less than the November estimate, reflecting fewer enrollees at a higher monthly cost-per-person.**

Pharmacy

The Caseload Estimating Conference estimate includes pharmacy expenses of \$93.8 million from all sources, which is \$2.7 million less than enacted. This includes \$3.9 million less from general revenues and \$1.2 million more from federal rebates. The estimate includes direct pharmacy costs and the state's Medicare Part D clawback payment. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$94.9 million, consistent with the May estimate.**

Fee-for-Service. The Caseload Estimating Conference estimate includes \$1.9 million for FY 2025 pharmacy expenses, which reflects updated fee-for-service pharmacy costs and federal rebates. The estimate is \$2.2 million more than enacted, including \$1.0 million from general revenues and \$1.2 million from federal funds. This includes an increase in claims and a decrease in rebate collections; rebates lower pharmacy expenses. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$2.7 million, consistent with the May estimate, which is \$0.8 million more than recommended based on updated expenses.**

Medicare Drug Benefit - Part D Clawback. The Caseload Estimating Conference estimate includes the state payment for the Medicare Part D clawback provision at \$91.9 million from general revenues, or \$4.9 million less than enacted, based on decreased enrollment.

The plan covers deductibles and co-payments based on the recipient's income level. For individuals enrolled in Medicaid and Medicare, commonly referred to as dual eligibles, the state paid a portion of their drug costs matched by the federal participation rate. The state no longer directly pays for the drug costs; however, the state does pay a portion of the savings to the federal government or a clawback, calculated based on a nationwide formula. The dual eligibles do not pay any annual deductible but pay a \$1 co-payment for generic drugs or \$3 co-payment for brand names. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$92.2 million, consistent with the May estimate.**

Other Medical Services

Other Medical Services. The Caseload Estimating Conference estimate includes expenditures for other medical services of \$209.4 million, which includes \$76.1 million from general revenues and \$124.8 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 \$17.7 million less than the enacted budget, including \$8.3 million less from general revenues, \$9.6 million less from federal funds, and \$0.2 million more from restricted receipts. This excludes \$12.5 million from federal funds added to the budget to expand the Medicare Savings Program payment that cannot be implemented. There are also savings in fee-for-service behavioral health care expenses now being provided through the Certified Community Behavioral Health Clinics.

The Governor recommended funding consistent with the caseload estimate. **The Assembly provided \$207.7 million, of which \$76.3 million is from general revenues, consistent with the May estimate, which is \$1.7 million less than recommended.**

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 RIBridges, include 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, and are identified separately in the budget submissions in those agencies. This separate identification allows for comparing expenses to the enacted budget and prior years. Other expenses support the eligibility system, including at the Department of Human Services for dedicated eligibility technician staff time and other approved staff to enter the necessary information into

the system and review client information for eligibility determination, which are also budgeted in multiple agencies and considered part of the project.

For FY 2025, revised expenses are \$101.6 million, or \$1.7 million less than enacted, including \$0.2 million less from general revenues, as shown in the following table. The revised request excludes the balance of \$0.5 million from Deloitte Settlement funds received in 2020, assumed to be available to offset general revenues. Those funds are requested in FY 2026.

The Executive Office's revised request includes \$54.0 million from all sources, including \$50.1 million for contracted services, and \$3.5 million for staffing and operating expenses for a share of system costs. This is \$4.2 million less than enacted, including \$1.4 million less from general revenues and \$3.3 million less from federal funds. The revised request does not include \$0.2 million from Deloitte Settlement funds that have not previously been spent. The revised request includes \$0.4 million less for centralized information technology services, of which \$0.1 million is from general revenues. This request also excludes expenses for The Work Number, discussed separately.

Unified Health Infrastructure Project/Contact Center	General Revenues	Federal Funds	Deloitte Settlement Funds	Other Restricted & HealthSource RI	Total
FY 2016 to FY 2024	\$ 135,144,207	\$ 468,529,678	\$ 49,783,569	\$ 25,734,587	\$ 682,955,805
FY 2025 Enacted					
EOHHS	\$ 15,094,971	\$ 52,400,438	\$ -	\$ -	\$ 67,495,409
DHS	12,722,083	16,076,881	520,708	-	29,319,672
HealthSource RI/Contact Center	1,497,552	-	-	5,013,568	6,511,120
Total	\$ 29,314,606	\$ 68,477,319	\$ 520,708	\$ 5,013,568	\$ 103,326,201
FY 2025 Revised Request					
EOHHS	\$ 13,697,876	\$ 49,071,682	\$ -	\$ -	\$ 62,769,558
DHS	13,934,028	18,117,619	-	-	32,051,647
HealthSource RI/Contact Center	1,497,552	-	-	5,298,115	6,795,667
Total	\$ 29,129,456	\$ 67,189,301	\$ -	\$ 5,298,115	\$ 101,616,872
FY 2025 Governor Revised					
EOHHS	\$ 12,275,221	\$ 45,636,147	\$ 216,431	\$ -	\$ 58,127,799
DHS	13,536,335	18,488,540	520,708	-	32,545,583
HealthSource RI/Contact Center	1,500,038	-	-	5,295,917	6,795,955
Total	\$ 27,311,594	\$ 64,124,687	\$ 737,139	\$ 5,295,917	\$ 97,469,337
FY 2025 Final					
EOHHS	\$ 11,331,480	\$ 40,301,198	\$ 216,431	\$ -	\$ 51,849,109
DHS	12,680,039	17,942,751	520,708	-	31,143,498
HealthSource RI/Contact Center	1,500,038	-	-	5,295,917	6,795,955
Total	\$ 25,511,557	\$ 58,243,949	\$ 737,139	\$ 5,295,917	\$ 89,788,562
FY 2016 through FY 2026 Enacted	\$ 186,642,550	\$ 592,250,790	\$ 51,041,416	\$ 36,824,062	\$ 870,522,582

The \$50.1 million for contracted services is \$3.2 million less than enacted, including \$1.0 million less from general revenues and \$2.2 million less from federal funds. The revised request is \$2.1 million less than FY 2024 actual expenses, which included 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 development to project maintenance. The Executive Office also requests \$11.5 million for FY 2025 in its capital request.

The request also includes \$3.7 million for salary and benefit expenses, \$0.8 million less than enacted, and \$0.3 million less than FY 2024 actual expenses for updated staffing costs.

Not shown in the table are other contracted expenses supporting the system, which are \$3.3 million, including \$1.0 million from general revenues essentially as enacted but updated for expenses. This includes

\$1.5 million from Medicaid to match expenses at HealthSource RI, \$1.2 million for the public health unwinding, and \$0.5 million for the call center.

The Governor recommended \$0.2 million more than requested, including a shift of \$0.2 million from general revenues to federal funds and \$0.2 million from Deloitte settlement funds assumed to be available when the budget was enacted. It should be noted that the Governor also includes \$0.5 million each from the same settlement funds in the Department of Human Services' revised budget and for FY 2026 in the Executive Office's budget. Combined, this \$1.0 million from restricted receipts assumption exceeds the current estimates of available resources.

The Governor also added \$0.2 million, primarily from federal funds to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. It also includes an adjustment of \$2,045, including \$27,534 less from general revenues, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses, including a delay in the implementation of new systems management software.

*He requested an amendment to reduce expenses by \$2.8 million, including \$0.1 million from general revenues, to reflect a delay in system enhancements resulting from the data breach. He did not propose revisions to the overstatement of restricted receipts. **The Assembly concurred with the amended recommendation and further reduced expenses by \$1.0 million, including \$0.6 million from general revenues, reflecting savings noted in the Executive Office's third quarter report from the media campaign for the public health unwinding. The project is also discussed separately in the Capital Budget section of this publication.***

The Work Number. The Executive Office's revised request includes \$0.2 million less than enacted, of which \$0.1 million is from general revenues, for total payments of \$8.3 million for the Equifax income verification product, known as The Work Number. This allows the state access to another data source to determine eligibility for medical assistance benefits and programs through the Department of Human Services. The enacted budget assumed that the income verification tool would be incorporated into the Unified Health Infrastructure Project's March 2024 update, operational in July, with terminations starting by the end of August. The budget also included savings of \$21.5 million, including \$5.8 million from general revenues, in the medical assistance program. The Executive Office testified at the November 2024 Caseload Estimating Conference that the savings had been adjusted downwards to \$8.2 million, of which \$2.0 million is from general revenues to reflect the delayed implementation of this tool into annual renewals and post-eligibility verification of income as of April 2025.

The FY 2025 enacted budget includes a monthly fee of \$687,583 for matched transactions up to 740,000. There is a \$13.38 fee for each transaction after that. There is also a \$2,500 monthly service fee and additional security monitoring and set-up fees. The one-year contract with Equifax, anticipated to end August 31, 2025, was not finalized. Caseload testimony noted that technical issues with the first batch run caused the delay. The new contract, also not signed, would be from January 1, 2025, through December 31, 2025, with a one-year extension.

This change addressed 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 Auditor General recommended that the Executive Office correct operational deficiencies in the RIBridges income validation process and implement a technical solution that increases reporting frequency and improves the accuracy of wage data within the system.

The Governor's recommendation reduces expenses by \$4.8 million, of which \$1.2 million is from general revenues, compared to the revised request. It assumes the January 1 start date for the contract, which

*includes six months of expenses; however, the contract has not yet been signed. He requested an amendment to further reduce expenses by the remaining \$3.5 million, including \$0.9 million from general revenues, since the project was again delayed until July 1, which is FY 2026. **The Assembly concurred with the amended recommendation.***

HealthFacts RI/All Payer Claims Database. The Executive Office requested \$3.5 million more than enacted, primarily from federal funds, for a total of \$8.0 million to support the state's All Payer Claims Database, known as HealthFacts RI. The request is also \$4.4 million more than FY 2024 expenses from all sources and \$0.6 million less from general revenues. Expenses are mostly 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 three contracts, and its revised request includes \$1.0 million from restricted receipts.

The Executive Office reports data requests have grown from 18 in calendar year 2020 to over 89 in 2022. The requests exceeded 200 in 2023 and 2024. Requests can be from state agencies and private providers. The revised request also includes \$0.6 million for four positions, of which \$0.1 million is general revenues. Also referred to as the Data Ecosystem, it was initially funded through the federal State Innovation Models grant. It is managed by the Executive Office and subject to the Department of Health's rules and regulations. *The Governor added \$39,332, including \$4,914 from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. **The Assembly concurred.***

Health Information Exchange/Current Care. The Executive Office's revised request includes \$1.3 million more than enacted, including \$39,124 less from general revenues, to make a payment totaling \$6.0 million for the state's share for medical assistance recipients in the CurrentCare, the state's electronic health information exchange. This is \$1.3 million more than FY 2024 expenditures reflecting current year costs. The state payment is based on all its Medicaid beneficiaries already enrolled in the exchange through the opt-in process. The electronic network that gives medical professionals access to their patient's health information is operated by the Rhode Island Quality Institute. *The Governor recommended funding as requested. **The Assembly concurred.***

Health Information Exchange/Current Care Opt Out. The Executive Office's revised request includes \$4.2 million less than enacted, of which \$0.4 million is from general revenues, for total funding of \$2.0 million to change the enrollment process from an opt-in process to an opt-out one to comply with a statutory change made by the 2021 Assembly. This includes \$1.4 million for the technology provided by CRISP Shared Services and \$0.5 million for the Rhode Island Quality Institute for management services to fund the project's first year in FY 2025; the project was initially funded in FY 2022 and delayed for two additional years.

It should be noted that the capital request includes \$5.0 million for FY 2025, for 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 recommended funding as requested. **The Assembly concurred.***

Rhode Island Quality Reporting System. The Executive Office's revised request is \$1.3 million less than enacted, including \$32,139 less from general revenues for total funding of \$4.1 million for updated expenses for the Quality Reporting System operated by IMAT Solutions. This was initially funded with time-limited Health System Transformation funds.

The system supports Medicaid providers with electronic clinical quality reporting through a centralized Quality Reporting System. Clinical data is collected and aggregated across the Accountable Entities in the system and matched with enrollment from the managed care organizations. The information is sent to each

organization on their members and used to calculate performance-based payments to the providers. *The Governor recommended funding as requested. The Assembly concurred.*

Health System Planning and Oversight. The FY 2025 enacted budget includes \$0.4 million for two full-time equivalent 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, were anticipated to be \$1.5 million for FY 2026 and \$1.8 million for FY 2027 through FY 2029. The revised request is \$28,364 less than enacted, reflecting minor adjustments to all related expenses.

In its FY 2025 budget submission, the Executive Office requested \$1.0 million from general revenues for healthcare system planning and oversight in coordination with the Office of the Health Insurance Commissioner, and the Governor and Assembly provided \$0.9 million. The Executive Office assumed that the Rhode Island Coordinated Health Planning Act of 2006 would be amended and could be used for 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. On February 21, 2024, the Governor signed Executive Order 24-04, amending it on February 28, to establish the Health Care System Planning Cabinet. *The Governor added \$12,670 from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The Assembly concurred.*

Hospital Care Transitions Initiative. The enacted budget includes \$250,000 from general revenues to be matched by Medicaid at the administrative rate for total funding of \$500,000 for the Hospital Care Transitions Initiative. The initiative was designed to address the more expensive institutional placements, such as nursing homes, by transferring eligible individuals to less expensive, more appropriate community-based alternatives. The revised request includes \$250,000 from general revenues but instead shows a \$750,000 match from federal funds for \$1.0 million. This program was initially funded through the federal Money Follows the Person grant. Funding is not included in the FY 2026 request. *The Governor added \$500,000 to the request, including \$250,000 from general revenues, which overfunds the initiative. The Assembly provided funding consistent with the enacted budget.*

Medicaid Enterprise System. The Executive Office's revised request of \$52.1 million, including \$5.2 million from general revenues, for a new Medicaid Enterprise System to replace the Medicaid Management Information System is consistent with the enacted budget and capital budget request. This includes the project planning portion and separate modules such as the system integrator, third-party liability module, testing, and independent visit and verification activities.

The project total request excludes the \$9.0 million for independent verification and validation services that were assumed in last year's capital request. This appears to be an error, and updated information from the Executive Office indicates that it plans on using these services throughout the project, which underfunds the total cost of the new system. *The Governor recommended funding as requested. The Assembly reduced expenses by \$47.9 million, including \$4.8 million from general revenues, consistent with updated expenses noted in the Executive Office's third quarter report.*

Medicaid Management Information System Expenses. The Executive Office requests \$0.6 million more than enacted from federal funds, for total funding of \$33.0 million, including \$8.0 million from general revenues for Medicaid Management Information system expenses. This appears to increase costs to align with additional federal funds based on applicable match rates for the enacted general revenues. This is \$9.9 million more than FY 2024 expenses, including \$2.3 million from general revenues. The four-year contract with the system's operator, Gainwell Technologies, effective April 1, 2021, to March 20, 2025, totals \$104.7 million.

The contractor processes claims data, manages the data warehouse, performs prior authorization, utilization, and claims reviews, conducts training and outreach activities, and performs other core system functions. *The Governor recommended funding as requested. The Assembly reduced expenses by \$5.4 million, including \$1.2 million from general revenues, consistent with the Executive Office's third quarter report reflecting updated expenses.*

Ladders to Licensure. The Executive Office's revised request includes \$750,000 from general revenues for the Ladders to Licensure Program, consistent with the enacted budget. The grant application was available starting September 3 with a November 1 due date. Funding awards were announced on November 19 to be spent between January 1 to June 30, 2025. The three partnership proposals are Rhode Island College and William James College, formerly Massachusetts School for Professional Psychology in Newton, for behavioral health career ladders, and the Community College of Rhode Island for nursing career ladders.

The program includes up to six months of funding for partnerships to design one or more career ladders that meet minimum program requirements under the required Career Ladder Planning and Design phase. Tuition Supports provides an average of \$5,000 for each employee of last-dollar funding for tuition and related expenses, which is required, and the optional Career Ladder Implementation provides funds for career ladders that meet minimum program requirements. *The Governor recommended funding as requested. The Assembly reduced funding by \$240,000 to reflect a delay in program implementation also noted in the Executive Office's third quarter report.*

Nursing Facilities Conversion Assistance. The Executive Office's revised request includes \$275,000 from general revenues to assist non-profit nursing facilities transitioning currently licensed beds to assisted living ones, consistent with the enacted budget. The \$200,000 designated for Linn Health and Rehabilitation was paid in July 2024. As of December 2024, the solicitation process to award the remaining \$75,000 is still underway. *The Governor recommended funding as requested. The Assembly concurred.*

Rhody Health Options Transition Plan. The FY 2025 enacted budget includes \$0.3 million, of which \$0.2 million is from general revenues for a transition plan to convert from the Neighborhood Health Plan of Rhode Island's Neighborhood Integrity Program for approximately 13,000 individuals who are eligible for both Medicare and Medicaid, which ended on December 31, 2023, to a Fully Integrated Dual Eligible Special Needs Plan. A final rule by the Centers for Medicare and Medicaid Services phased out these demonstration programs nationwide. Still, it allowed states to extend them until December 31, 2025, if a transition plan was submitted that details the intent to convert to a Fully Integrated Dual-Eligible Special Needs Plan. The Executive Office reports that the plan is no longer required. However, the revised and FY 2026 requests only reduced enacted expenses by \$0.2 million, leaving an unnecessary balance of \$0.1 million. *The Governor recommended funding as requested. The Assembly concurred.*

Health System Transformation Project. The Executive Office requested \$5.4 million more than enacted for total funding of \$9.0 million for the Health System Transformation Project to reflect updated contracts and administrative expenses. This is carried forward from unspent FY 2024 funds. This includes \$0.7 million more for workforce development and contracted administrative and financial services. It also includes \$0.1 million less than enacted to partially fund six staff, equal to 3.0 full-time positions, shifting expenses to other fund sources as the program winds down, expiring in FY 2025, with funding exhausted in FY 2026.

The funding includes \$0.6 million more than enacted for two Health Equity Zone projects administered by One Neighborhood Builders and Local Initiatives Support Corporation. The request also includes \$1.8 million more than enacted for a behavioral health infrastructure project, and \$1.6 million is included for FY 2026. Both are from unspent FY 2024 funds.

The revised request also includes \$3.5 million, or \$2.4 million less than enacted, for the updated payments to the Accountable Entities Initiative. A more detailed description of the program is in the Medicaid Report in the Special Reports section of this publication.

The Governor added \$27,676, including \$13,838 from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. He also included \$2.4 million more than requested from federal funds and restricted receipts for project expenses, which appears to be an error. He requested an amendment to correct this overstatement. The Assembly concurred with the amended recommendation.

Home and Community Based Support - ARPA. The Executive Office included \$37.3 million from all sources, or \$5.7 million more than enacted, to enhance funding for home- and community-based services. 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 were to be reinvested to expand home- and community-based activities and spent by March 31, 2025. The deadline has been extended until June 30, 2026. The request also includes \$0.5 million from general revenues and Medicaid funds to continue a technology project that started with time-limited funds.

The Executive Office's October 2024 spending plan for these time-limited funds totals \$136.9 million. The following table shows the plan, proposals funded for FY 2025, the final year of the project, as well as FY 2022 through FY 2024 spending.

HCBS Plan - ARPA		EOHHS				
Proposals	October 2024 Submission	Pre-FY 2024	FY 2024	FY 2025	5-Year Total	
1 Increasing Access to HCBS Services	\$ 62.8	\$ 60.2	\$ 1.9	\$ 0.7	\$ 62.8	
2 Building Infrastructure to Expand Provider Capacity and Care Continuum	37.2	7.3	20.8	9.1	37.2	
3 No Wrong Door Enhancement Initiative	24.0	2.4	4.3	17.3	24.0	
4 Updating Technology	0.2	0.0	0.0	0.2	0.2	
5 HCBS Workforce Training	6.1	1.3	1.9	2.9	6.1	
6 Quality Improvement/Promoting Equity	5.5	-	0.5	5.0	5.5	
7 HCBS Equity	0.7	-	0.1	0.7	0.7	
8 Phase III & Overall Contracted Support	0.3	0.1	0.2	-	0.3	
Total	\$ 136.9	\$ 71.4	\$ 29.7	\$ 35.9	\$ 136.9	

\$ in millions

The revised request includes \$4.7 million from the enhanced funding for the eLTSS Information Technology Modernization project and \$0.5 million from federal Medicaid funds, including \$49,668 from general revenues as this project shifts to other funding sources.

It also includes \$0.9 million for advanced certification for direct care workers, and \$1.3 million for a new medical respite pilot program. The revised request also includes \$46,250 for mobile response and stabilization services to support the children's behavioral health services, \$0.4 million for an early childhood mental health training program, \$0.3 million provided to Elwyn Adult Behavioral Healthcare, and \$0.5 million for an agreement with the Department of Housing. The revised request also includes \$4.8 million for Medicaid system operations. There is also \$2.5 million to Milliman for actuarial and financial support, \$1.4 million to Faulkner Consulting for project management, \$1.4 million to Knowledge Services for administrative support, \$0.2 million for strategic consulting and data analytics, and \$0.3 million to RDW Group for a media campaign.

The request also includes \$1.1 million in yet-to-be-determined expenses for the 988 hotline, portable dental

equipment grants, an online reporting portal at the Department of Health, training expenses, and other media relations and contracted staff.

The Governor added \$13,819, including \$2,961 from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. He also recommended \$1.3 million less than requested from federal funds and restricted receipts for projects, which appears to be an error. The Governor requested several amendments to adjust funding in the current year, including correcting the \$1.3 million error. He also shifted \$5.2 million for the eLTSS Information Technology Modernization project to support conflict-free case management to FY 2026 based on an updated spending plan.

*On April 29, the Governor announced there would be \$5.0 million in grant funding available for primary care practices to recruit and retain primary care providers. The Executive Office opened a grant process shortly thereafter, with the intent of most of the payments being made before the end of June. The grant awards, supporting 85 primary care providers, totaling \$6.7 million, were announced on June 18. The Governor did not submit an amendment to adjust expenditures, assuming that payments would be made from available funding. It appears that several planned expenses cost less than budgeted. **The Assembly concurred with the amended recommendation.***

Children and Youth - Behavioral Health System of Care Grant. The revised request adds \$0.6 million for total funding of \$3.6 million from two federal grants supporting the children's behavioral health care system. This includes \$3.2 million from the behavioral health system of care grant, of which \$1.2 million is for Community-Based Intensive Care Teams and \$1.3 million is for Mobile Response Stabilization Services and supports. As noted previously, there is another \$46,250 from the Home and Community Based Support-ARPA funds for the same purpose. The project involves accepting referrals from the 24-hour 988 crisis hotline, schools, and primary care providers, with an in-person response within one hour of receiving the referral.

The request includes \$0.7 million, or \$0.4 million more than enacted, for data analytics, a project director, and a family lead coordinator. It also includes \$0.4 million for a media campaign.

The Executive Office originally received a four-year, \$10.6 million federal grant to expand services available to children and their families. However, the first year of the grant was reduced by \$1.0 million to \$1.6 million, lowering the total to \$9.6 million. The grant was awarded in October 2022, but the state did not complete its process to award funding until December 2023 and because of that, the Executive Office was not provided federal approval to carry forward the unspent funds. *The Governor recommended funding as requested. **The Assembly concurred.***

ARPA - Certified Community Behavioral Health Clinics. The revised request includes \$6.8 million from State Fiscal Recovery funds unspent in FY 2024 for implementation of the Certified Community Behavioral Health Clinics federal model. The Assembly provided \$30.0 million, of which \$21.8 million has been spent through FY 2024. The FY 2026 request for \$0.8 million brings total spending to \$29.5 million, leaving a balance of \$0.5 million that is not obligated or requested. This includes \$5.6 million to assist with transitioning to the federal model, \$0.7 million for contracted services, including administrative, system support, and data analysis, \$0.3 million for staff support in other agencies, and \$0.2 million for a full-time equivalent position.

*The Governor recommended \$0.1 million more than requested for updated spending plans. The recommendation also adds \$9,700 to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The FY 2026 recommendation for \$0.2 million brings total funding to \$29.0 million, or \$1.0 million less than authorized. **The Assembly concurred.***

ARPA - Pediatric Recovery. The Assembly provided \$15.0 million from State Fiscal Recovery funds for stabilization and pay-for-performance bonuses to pediatric providers. Payments were made with the exception of an outstanding balance of \$129. *The Governor's recommendation includes the funds.* **The Assembly concurred.**

Opioid Funds. The Executive Office's revised request is \$3.3 million less than enacted from opioid funds for total spending of \$18.7 million of dedicated resources. This is \$16.2 million more than FY 2024 final expenses and includes \$18.0 million from opioid abatement funds and a combined \$0.7 million from McKinsey Settlement and opioid stewardship funds. The Executive Office is coordinating with the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals on the distribution of the funds. The three-year total from FY 2023 through FY 2025 from statewide opioid sources is \$26.1 million.

The Assembly required an annual January 1 report to the Speaker of the House of Representatives, the President of the Senate, and the Attorney General on how the opioid abatement funds were spent. The report from December 2024 shows spending and allocated funding of \$33.1 million from expenses totaling \$14.6 million for FY 2023 and FY 2024 and \$18.5 million for FY 2025. This includes \$3.1 million for program administration and \$1.1 million to expand data surveillance capacity and accelerate data collection and reporting on overdoses and fatalities.

The report also identified remaining funds to be spent on services and capital projects in FY 2025 including \$3.2 million for investments in school and community-based mental health services, \$1.2 million for homelessness prevention, medical respite and mobile medical respite services, \$1.0 million for the state's Overdose Prevention Center (also known as the Harm Reduction Center), and \$0.8 million for harm reduction and recovery programs. Funding also includes \$1.3 million for outreach and drop-in centers, \$2.0 million to build new treatment facilities, \$2.1 million to expand the availability of recovery supports and infrastructure, and \$0.5 million to treat substance-exposed newborns.

The Governor's recommendation includes \$0.1 million more than requested, primarily for contracted administrative services. He also added \$19,264 from restricted receipts to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.

The following table shows the recommendations of the four agencies receiving the funds. **The Assembly concurred.**

Agency	Pre-FY 2024	FY 2025	FY 2026	5-Year Total
EOHHS	\$ 9,088,705	\$ 18,812,506	\$ 11,793,128	\$ 39,694,339
BHDDH	7,926,165	14,382,709	5,250,000	27,558,874
Health	7,625,270	8,169,853	6,880,872	22,675,995
Corrections	5,082,619	1,978,296	1,300,000	8,360,915
Total	\$ 29,722,759	\$ 43,343,364	\$ 25,224,000	\$ 98,290,123

HIV Treatment and Prevention. The Executive Office requested \$2.3 million more than enacted for total funding of \$15.7 million for HIV services and administration expenses. For pharmacy expenses, the revised request is \$2.0 million more enacted for a total of \$9.0 million, which is \$0.8 million more than spent in FY 2024. This is primarily the result of new medication added to the formulary. The request lowers salary and benefit expenses by \$0.1 million to either fully or partially fund around 40 positions and includes \$4.1 million for community supportive services, essentially as enacted, and \$0.5 million more than FY 2024 expenses.

Services include housing, mental health, case management, health insurance premium assistance, emergency financial assistance, food bank, substance use outpatient, outpatient ambulatory health services,

and outreach services. Providers include AIDS Care Ocean State, Community Care Alliance, Family Service of Rhode Island, Rhode Island Public Health Institute, and Thundermist. The program has an average monthly enrollment of about 580 individuals. *The Governor's recommendation adds \$41,761 to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Early Intervention Services. The Executive Office requested \$2.4 million, including \$0.1 million from general revenues, for Early Intervention Services, which is \$0.3 million more than enacted, primarily from federal funds, for direct funding available to the nine providers and contracted services. Total spending includes \$0.7 million for the providers, \$0.7 million for Rhode Island College's Sherlock Center, \$0.6 million for the Rhode Island Parent Information Network, \$0.2 million for staff support from Knowledge Services, and \$0.2 million for data analysis through Welligent. *The Governor recommended funding as requested.* **The Assembly concurred.**

Long Term Services and Supports. The Executive Office requested \$0.5 million more than enacted from the federal Money Follows the Person grant to reflect \$2.2 million in available funding. This includes \$0.1 million more for community activities and \$0.3 million more for contracted services to reflect updated grant awards. Funding includes \$675,000 for the St. Elizabeth Community for its senior living apartments. Of the remaining \$600,000, a request for Centers for Medicare and Medicaid approval for approximately \$300,000 for Providence Village Common has been submitted. *The Governor recommended funding as requested.* **The Assembly concurred.**

Consent Decree Court Monitor. The Executive Office requested \$200,000, including \$100,000 from general revenues, to pay for a court monitor 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 is consistent with FY 2024 expenses, which are \$200,000 less than enacted, excluding expenses for a consent decree coordinator that is no longer utilized. *The Governor recommended funding as requested.* **The Assembly concurred.**

Special Education. The Executive Office requested \$38.5 million from federal funds for special education services provided by the local education agencies. This includes the enacted level of \$29.5 million for direct services and \$9.0 million for administration costs. The budget includes \$9.5 million to increase rates paid, consistent with the rate review process recommendations that start October 1, 2024, to the local school districts for direct services provided through Individual Education Plans reimbursed through the Medicaid program. The Executive Office updated its reimbursement manual to reflect the new rates.

The Governor recommended funding as requested. He later requested an amendment to add \$145,215 from a new federal grant for FY 2025 and \$1.0 million for FY 2026. The Executive Office was awarded a \$2.5 million, three-year grant on June 25, 2024, to expand School-Based Medicaid Services. Funding will support consultants who will conduct a needs assessment and engage with community stakeholders. **The Assembly concurred with the amended recommendation.**

Other Salaries and Benefits. The Executive Office requested \$1.8 million more from all sources, including \$0.9 million more from federal funds and general revenues and \$622 more from restricted receipts to fully or partially fund 189.6 positions. The revised request includes position upgrades and shifts staffing expenses from time-limited funds. This is \$2.2 million more than spent in FY 2024, including \$1.8 million from general revenues. It should be noted that the request reflects savings of \$0.3 million from a reduction to the enacted assessed fringe benefit rate equal to 1.3 percent of salaries; however, the correct rate is only 0.5 percent lower, a difference of \$0.2 million.

As of early November, the Executive Office has 23 vacancies. As previously noted, the revised request funds positions in other agencies, making it difficult to track payroll expenses for those assigned directly to the Executive Office. *The Governor recommended \$1.0 million more than requested, including \$0.6 million more from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Centralized Services. The Executive Office requested \$17,276 more from federal funds and restricted receipts, primarily for information technology services, for total funding of \$2.4 million, including \$1.5 million from general revenues. This includes \$1.4 million for facilities management and \$0.5 million for both information technology and human resources; this is \$1.3 million less than FY 2024 expenses.

The Governor recommended \$0.8 million more than requested, primarily from general revenues, for information technology expenses, which is consistent with FY 2024 spending, and accounts for adjustments based on a revision to anticipated information. The Governor recommended funding for facilities management and human resources, essentially as enacted. **The Assembly concurred.**

Other Operations. The Executive Office requested \$0.1 million less than enacted, including \$0.2 million less from general revenues, for all other operations. This includes \$0.1 million less from all sources, which is \$0.3 million more from general revenues to adjust for other Medicaid-funded contracted services based on updated program needs. All remaining expenses are \$0.1 million more from all sources, primarily from general revenues. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital Projects. The Executive Office requested \$75.2 million, including \$68.0 million from federal funds, \$6.2 million from general revenues, and \$1.0 million from restricted receipts for six projects in its capital request for FY 2025. *The Governor recommended funding the technology projects in the operating budget. He requested an amendment to shift funding for the Unified Health Infrastructure Project from FY 2025 to FY 2026 because the data breach delayed planned system changes.* **The Assembly concurred with the amended recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.**

Department of Children, Youth and Families

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Central Management	\$ 30,418,432	\$ 25,484,285	\$ 37,044,574	\$ 37,044,574
Child Welfare	244,431,702	317,431,530	299,529,735	302,874,196
Youth Development Services	23,977,971	38,513,777	53,872,496	55,099,173
Children's Behavioral Health	16,714,709	17,425,671	21,502,303	21,074,620
Higher Education Incentive Grants	137,005	200,000	200,000	200,000
Total	\$ 315,679,819	\$ 399,055,263	\$ 412,149,108	\$ 416,292,563
Expenditures by Category				
Salaries and Benefits	\$ 90,011,341	\$ 95,684,982	\$ 101,967,035	\$ 104,979,566
Contracted Services	5,150,405	8,442,280	10,973,740	10,973,740
Subtotal	\$ 95,161,746	\$ 104,127,262	\$ 112,940,775	\$ 115,953,306
Other State Operations	21,763,308	19,308,293	21,780,205	21,781,129
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	194,833,381	257,169,708	238,973,088	240,103,088
Capital	3,709,178	18,450,000	38,455,040	38,455,040
Capital Debt Service	-	-	-	-
Operating Transfers	212,206	-	-	-
Total	\$ 315,679,819	\$ 399,055,263	\$ 412,149,108	\$ 416,292,563
Sources of Funds				
General Revenue	\$ 215,101,489	\$ 261,358,200	\$ 261,352,456	\$ 261,352,456
Federal Aid	97,594,048	121,743,506	120,350,473	124,493,928
Restricted Receipts	1,452,514	703,557	1,477,948	1,477,948
Other	1,531,768	15,250,000	28,968,231	28,968,231
Total	\$ 315,679,819	\$ 399,055,263	\$ 412,149,108	\$ 416,292,563
FTE Authorization	705.5	714.5	714.5	714.5
FTE Average	621.4			

FY 2025 Revised Request. The Department of Children, Youth and Families requested \$10.8 million less than enacted from all sources, including \$0.8 million less from general revenues, \$10.8 million less from federal funds, and \$0.8 million more from restricted receipts. *The Governor recommended \$23.9 million more than requested, including \$0.8 million more from general revenues, \$9.4 million from federal funds, and \$13.7 million more from Rhode Island Capital Plan funds.*

The Governor subsequently requested several amendments to adjust federal fund expenditures, primarily to reflect the carryforward of unspent funding and new grants that were excluded from the initial recommendation. The Assembly concurred with the amended recommendation.

Department of Justice Findings. On May 13, 2024, the Department of Justice issued a letter to the Governor and the Director of the Department of Children, Youth and Families, finding that the state failed to provide services to children with behavioral health disabilities in the most integrated setting appropriate to their needs. This resulted in children being routinely and unnecessarily segregated in an acute-care

psychiatric hospital. The findings noted that the state could reasonably modify its service system aligned with its own laws and policies to provide the care these children need in more integrated settings, even though the appropriate level of care for many of these children would be long-term, high-intensity, and specialized.

Following that report, the Department provided information on the progress of its provider contract negotiations, which contained changes to programs responsive to the Department of Justice findings. The FY 2025 enacted budget added \$31.2 million to the Governor’s original recommendation as suggested, including \$29.4 million in support of adoption and foster care programs, congregate care, and home-based services, along with \$1.5 million for a rate-setting consultant and \$300,000 for a comprehensive needs study. The Department’s most recent budget request adds \$1.5 million from general revenues over two years, including \$0.5 million in FY 2025 for a consultant to support its negotiations with the Department of Justice and possible implementation of a consent decree. It also includes \$50,000 more for the needs study, based on the estimated cost of procuring a vendor.

On December 19, 2024, the state agreed to a five-year consent decree with the Department of Justice to resolve the May findings. The court approved the agreement on January 9, 2025. It requires the Department to conduct a review of its service array, including behavioral health and community-based services and therapeutic foster care capacity, to address shortages and improve monitoring and timeliness of services. The state will also be responsible for paying a court-appointed monitor up to \$250,000 a year for the duration of the consent decree. *The Governor recommended funding as requested. He also added \$175,000 for a court monitor in the Executive Office of Health and Human Services’ budget for FY 2026. The Assembly concurred.*

Staffing. The Department requested \$97.8 million, which is \$2.1 million more than enacted for 713.0 positions inadvertently; the request intended to maintain the enacted 714.5 full-time equivalent positions. The request intended to shift 8.0 positions to Child Welfare from Youth Development Services. It also shifted 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. As of mid-November, 654.0 positions were filled, leaving 60.5 vacancies; the average number for the current year is 661.3. The Department’s request assumes an average of 682.6 positions filled or 31.9 vacancies. By fund source, the request includes \$3.1 million less than enacted from general revenues and \$5.3 million more from federal funds, which reflects an updated cost allocation plan, similar to FY 2024 spending. *The Governor recommended \$4.2 million more than requested, including \$6.2 million more from general revenues and \$2.0 million less from federal funds. The changes are described in more detail within items on the following pages. He recommended 714.5 positions, consistent with the overall enacted authorization.*

Program	Full-Time Equivalent Positions				
	FY 2025 Enacted	FY 2025 Gov. Rev.	Gov. Rev. Chg. to Enacted	FY 2025 Final	Final Chg. to Gov. Rev.
Central Management	76.0	76.0	-	76.0	-
Children's Behavioral Healthcare/Child Welfare	490.5	498.5	8.0	490.5	(8.0)
Youth Development Services	148.0	140.0	(8.0)	148.0	8.0
Total	714.5	714.5	-	714.5	-

The Governor subsequently requested two amendments related to staffing. The first shifted 8.0 positions and \$0.8 million from general revenues back to Youth Development Services to correct an error in the Department’s request that was maintained in his initial recommendation. He reduced federal funds by \$0.3 million to reflect an accurate level of matching federal funds.

He also requested an amendment to add \$3.3 million from federal Title IV-E Prevention Services funds to reflect a carryforward not included in his original recommendation to support staffing expenses at the Department to support parents and caregivers in safely caring for their children at home and reducing the need for foster care placements whenever possible. **The Assembly concurred with the amended recommendation.**

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. Some services are funded through federal resources, including Medicaid, Title IV-E, and Supplemental Security Income payments. Below are descriptions of each placement.

Placement	Description/Services	Population				
		FY 2024 Reported	FY 2025 Enacted	FY 2025 Rev. Req.	Diff. from Enacted	October Average
Congregate Care	Residential Based Placements	318.8	335.8	396.7	60.9	366.6
Assessment and Stabilization Centers	Emergency placement centers with clinical assessments and support	17.4	17.1	18.7	1.6	14.0
Group Homes	Community-based homes with clinical treatment; 8 or fewer beds	89.9	98.7	125.4	26.7	110.3
Independent Living	Apartment program with supports for youth transitions to adulthood	52.6	51.2	66.5	15.3	54.5
Residential Treatment Centers	In-state, campus-based intensive treatment programs with onsite schooling	54.6	61.5	56.6	(4.9)	70.0
Semi Independent Living	Older adolescent treatment programs that allow for unsupervised community time	32.7	31.7	40.6	8.9	37.3
Out-of-State	Intensive residential treatment for children and youth with complex mental health or intellectual or developmental disabilities	71.6	75.6	88.9	13.3	80.5
Foster Care	Home Based Placements	1,133.6	1,319.1	1,162.0	(157.1)	930.5
Total		1,452.4	1,654.9	1,558.7	(96.2)	1,297.1

Congregate Care Placements. The Department provides placement referrals to residential services to approximately 400 children and youth. This includes in-state group homes, assessment and stabilization centers, 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 based on the 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 60.9 more placements than assumed in the enacted budget. The table on the following page provides a breakdown by specific placement type. Through the first four months of FY 2025, the Department averaged 366.6 congregated care placements, 30.3 fewer than the 426.7 placements

assumed in the revised request. The request assumes group home placements will increase in FY 2025 over FY 2024 levels by approximately 35 placements as the Department seeks to utilize less-intensive treatment options.

Foster Care Placements. The Department provides home-based placements to between 900 and 1,300 children and youth under its care. The Department first tries to place a youth in a kinship home with a relative or close family friend. If no appropriate placement is available, the Department places the youth in a non-kinship home. Within each of these, there are therapeutic foster homes for youth with more intensive treatment needs and traditional foster homes. The recruitment of foster homes is done by the Department and contracted private agencies. Many private agencies recruit therapeutic homes.

Through the first four months of FY 2025, the Department averaged 930.5 placements, which is 231.5 fewer than the 1,162.0 foster care placements assumed in the revised request and 388.6 fewer than the 1,319.1 assumed in the enacted budget. In FY 2024, the Department averaged 1,133.6 placements.

Compared to enacted assumptions, the Department expects a decrease in foster care of approximately 157 youth and an increase of approximately 61 placements within congregate care. However, the caseload through the end of October does not reflect the changes expected in the revised request, with 1,297.1 youth being in Department care or 261.8 fewer than assumed in the revised request.

*The Governor's revised budget did not include specific population or cost per youth assumptions but provided funding consistent with the request to support the placement network. **The Assembly concurred.***

Congregate Care. The Department requested \$0.3 million more than enacted, including \$2.6 million more from general revenues, for congregate care placements excluding female residential facilities, reflecting adjustments based on the FY 2024 experience. The request assumes 31.7 more group home placements, 15.3 more independent living placements, and 13.3 more out-of-state placements than assumed in the enacted budget.

Congregate Care							
Placement	FY 2024 Reported	FY 2025 Enacted	FY 2025 Rev. Req.	Rev. Req. to Enacted	% Chg.	Chg. To FY 2024	% Chg.
Assessment & Stabilization Centers	\$ 3,357,576	\$ 3,843,562	\$ 4,500,000	\$ 656,438	17.1%	\$ 1,142,424	34.0%
Group Homes	16,682,910	23,830,867	22,800,000	(1,030,867)	-4.3%	6,117,090	36.7%
Independent Living	3,392,085	4,584,372	4,800,000	215,628	4.7%	1,407,915	41.5%
Residential Treatment Centers	12,567,996	21,267,193	15,300,000	(5,967,193)	-28.1%	2,732,004	21.7%
Semi Independent Living	5,401,918	6,622,761	9,100,000	2,477,239	37.4%	3,698,082	68.5%
POS Group Homes	896,442	661,122	1,250,000	588,878	89.1%	353,558	39.4%
Out-of-State	25,510,668	32,331,799	33,100,000	768,201	2.4%	7,589,332	29.7%
Bradley	6,709,701	6,006,323	7,560,000	1,553,677	25.9%	850,299	12.7%
Individual Intensive Supervision	1,990,273	1,834,404	2,850,000	1,015,596	55.4%	859,727	43.2%
Total	\$ 76,509,570	\$100,982,402	\$101,260,000	\$ 277,598	0.3%	\$24,750,430	32.3%

The revised request assumes a cost per youth in overall congregate care placements similar to the FY 2024 costs. However, it makes significant changes by placement type based on the FY 2024 experience. This includes a 4.5 percent increase in out-of-state placement expenses, a 35.7 percent increase in independent living, a 24.7 percent increase for assessment and stabilization centers, and a 17.4 percent increase for residential treatment centers. The enacted budget included \$30.3 million for a rate increase negotiated for its congregate care provider contracts in FY 2024. The increase in placements is related to expected

provider staff level increases assumed with the new rates. *The Governor recommended funding as requested. The Assembly concurred.*

Female Residential Facilities. The FY 2025 enacted budget dedicated \$3.2 million, including \$1.5 million from general revenues, to support placements in female residential facilities. The revised budget shifts these funds to other placements and services and assumes no placements in FY 2025, reflecting the closure of the only psychiatric residential treatment facility for female youth in the state.

The 2022 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. The Department awarded a non-competitive bid to St. Mary's Home for Children and a contract was signed in March 2023 to add 12 new beds to the female youth facility. The Department spent \$1.7 million on this expansion before the project was halted as a result of concerns about safety and quality of care at St. Mary's. The Department engaged a new provider for the facility in May 2024, and the Assembly made no changes to the funding for the project as the Department was working through a change in providers. In August 2024, St. Mary's announced its closure. The request excludes the remaining funding, and a plan has not yet been developed to reallocate these funds for a similar purpose.

The request separately includes \$15.0 million from Rhode Island Capital Plan funds for the construction of a female residential treatment facility in Exeter. The Department spent \$0.9 million from State Fiscal Recovery funds to design the facility. It indicates the facility is anticipated to open in April 2026 and requested \$1.1 million, including \$0.6 million of general revenues, to operate it for three months in FY 2026. *The Governor recommended making \$6.5 million from State Fiscal Recovery funds available to expand psychiatric residential treatment beds at Bradley Hospital. The funding is intended to support 14 new beds. The Assembly made no changes to this allocation, pending a future plan from the Department to expand capacity.*

Foster Care. The Department requested \$1.9 million more than enacted, including \$0.5 million more from general revenues, for home-based foster care placements. The revised request assumes a population of 1,162, or 203 more than FY 2024. Through October 2024, the Department had averaged 930.5 placements, 231.5 fewer than assumed in the revised request. The Department assumed a cost per placement of \$22,151, which is \$5,188 or 30.6 percent more than FY 2024 expenses. This was anticipated, as the FY 2025 enacted budget added \$5.5 million, including \$5.0 million from general revenues, for rate increases and increased payments to foster families consistent with Department estimates to address Department of Justice findings. *The Governor recommended funding as requested. The Assembly concurred.*

ARPA - Provider Workforce Stabilization. The Assembly provided \$24.1 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 resulted in a capped or reduced number of youth that providers can serve. Payments began in FY 2022. The Department's revised request is for \$1.2 million, consistent with the enacted budget. The request does not include the carryforward of \$0.4 million of unspent FY 2024 funds, but these funds are automatically reappropriated. *The Governor recommended \$0.8 million more than requested, which reflects the carryforward of \$0.4 million of unspent FY 2024 funds and \$0.4 million in additional support, for a total of \$24.5 million. The Assembly concurred.*

Child Care. The Department requested \$0.7 million less than enacted for child care expenses for youth in its care, including \$11,599 less from general revenues, reportedly to be more consistent with historical spending. In recent years, the Department has allocated Temporary Assistance for Needy Families funds to offset general revenue expenses for these youth; however, it has experienced difficulty providing the documentation necessary for federal compliance with funding requirements; it is unclear why. FY 2024 reported spending was \$0.9 million lower than FY 2023 and FY 2022. The revised request anticipates a

return to those previous levels. *The Governor recommended \$33,065 less from general revenues and total funding consistent with the request, reflecting a small adjustment to available Temporary Assistance for Needy Families - Social Services Block Grant funding.* **The Assembly concurred.**

Adoption and Guardianship. The Department requested \$41,878 less than enacted, including \$2.2 million less from general revenues, for adoption and guardianship expenses. This includes adoption subsidies, pre-adoption placements, and relative and non-relative guardianships. The funding reflects updated information on the expected number of placements and updated cost estimates. The average cost per youth is \$10,121 for adoption placements, 5.2 percent more than FY 2024, and \$10,321 for guardianship placements, 4.8 percent more than FY 2024. The average rate reflects new placements paid at higher rates. It is worth noting that, unlike foster care rates, the rate agreed upon at the time of adoption does not change until that youth's 18th birthday. The Department indicates that it is working toward moving youth from foster homes and congregate care homes to permanent homes when appropriate. The revised request assumes a population of 3,315, or 81 more than the FY 2024 population. *The Governor recommended funding as requested. He subsequently requested an amendment to add \$0.7 million from federal funds to reflect a newly awarded grant to support adoption and kinship services through community-based providers.* **The Assembly concurred with the amended recommendation.**

Voluntary Extension of Care. The Department requested \$38,210 less than enacted from general revenues for its Voluntary Extension of Care program for rent and other services. The Department has been unable to claim federal funds for these youth because Title IV-E eligibility for this population is limited because of federal income requirements. The request reflects updated rent and service costs expenses. The program lets individuals aged 18 through 21 remain in state care, with the Family Court retaining oversight. *The Governor recommended funding as requested.* **The Assembly concurred.**

Home and Community Based Services. The Department requested \$28.6 million less than enacted from all sources, including \$8.1 million less from general revenues, to reflect updated utilization of its youth and family support services and contract costs reflecting updated provider rates as of July 2024. The Department's request also identifies and excludes approximately \$15 million of overstated federal funds availability. The Department's spending figures provided for FY 2024 show a total of \$45.8 million, which is \$7.9 million less than the revised request. The difference between the request and FY 2024 spending is primarily from increased rates for services that were negotiated in the prior fiscal year.

These services include counseling, education programs, family support services for preparation for reunification, family-centered treatment, parent aides, the Youth Advocate Program, and Family and Community Care Partnerships. While the services primarily reflect foster care placements, they also include children in congregate care, other placements, and in-home populations. *The Governor recommended \$0.6 million more than requested, including \$2.5 million from general revenues. This reflects the assumption of more available funding for these services as a result of emergency housing expenses no longer being paid from general revenues.* **The Assembly concurred.**

Local Education Agency Reimbursement. Local school districts are responsible for certain education costs for children in state care. To ensure reimbursements are made to providers, the Department began paying the costs directly in FY 2020. It sought 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 paid to providers for education services exclusively. A lack of local reimbursement results in additional costs for the state.

The Department expected to receive full reimbursement from local education agencies for payments to in-state residential treatment centers that provide education services, but it assumed that half of the payments for placements out of state will not be collected. However, this does not reflect education agency expenses included in the per-diem placement cost for out-of-state placements. The request identifies \$0.1 million

more in reimbursements than assumed in the enacted budget and only \$0.2 million more in payments, indicating a shortfall of \$0.1 million, including \$0.4 million from general revenues, is possible. *The Governor recommended funding as requested.* **The Assembly concurred.**

Higher Education Incentive Grant. The Department requested \$560,002 from all sources for higher education support payments, including the enacted level of \$200,000 from general revenues for the statutorily mandated funding for the Higher Education Incentive Grant. It also included \$362,002 from federal funds for Education and Training Vouchers, which is \$160,857 more than enacted. This reflects the available carryforward of unspent funds from previous years, as annual awards typically range from \$200,000 to \$250,000. The Department spent \$291,304 in FY 2024, including \$137,005 from general revenues and \$154,299 from federal funds.

The Higher Education Incentive Grant is provided to former foster care youth who choose to attend the University of Rhode Island, Rhode Island College, or the Community College of Rhode Island. The FY 2025 enacted budget includes changes to the program, including earlier notifications to eligible children and the qualification of more children by reducing the threshold for time spent in care to six months on or after their 14th birthday. It also extends coverage to part-time attendance and specified workforce development programs and adds a requirement to fill out applicable financial aid forms. As of December 2024, the Department had not submitted a report detailing the distribution of grants, which was due by September 1, 2024. It had also not updated its regulations, policies, or procedures with the updated eligibility information.

General revenues were historically paid to the Office of Postsecondary Commissioner during the fall. In March 2021, it was reported that the Department made payments directly to the youth's education institution. Like 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 recommended funding as requested.* **The Assembly concurred.**

Emergency Housing. The Department requested \$8.2 million from general revenues for emergency housing for families in which housing is a barrier to reunification, which is \$5.2 million more than was assumed in the enacted budget, including \$6.4 million more from general revenues. The Family Court has the authority to require the Department to provide housing, most often in the form of a hotel, and this practice appears to have increased. The FY 2026 request is for \$8.4 million.

After averaging about \$0.1 million annually, costs grew to \$0.9 million for FY 2022. They increased in FY 2023 to \$3.1 million and more than doubled again to \$7.3 million in FY 2024. The FY 2024 final budget was increased to \$6.3 million, with half of that to be paid by federal Temporary Assistance for Needy Families grant funds. Final expenses were \$1.0 million above the amount budgeted, and general revenues were \$3.3 million higher because only \$0.9 million of expenses were charged to the federal funds. The FY 2025 revised request excludes the full \$1.2 million in federal funds in the enacted budget. The Department indicated difficulty qualifying families for use of this funding.

The Governor recommended \$6.7 million from federal funds, which is \$1.5 million less than requested, including \$8.2 million from general revenues. He programmed \$1.0 million from Temporary Assistance for Needy Families funding and \$5.8 million from Temporary Assistance for Needy Families - Social Services Block Grant funding. This funding does not have the same restrictions as standard Temporary Assistance for Needy Families funding. The recommendation estimates that 123 families will be housed by the Department in FY 2025. **The Assembly concurred.**

Other Placements and Services. The Department requested \$0.8 million more than enacted, including \$0.4 million more from general revenues, for all other placements and services, based on FY 2024 spending.

The Department noted that most of these expenses are from special requests made by individual caseworkers. These costs include family nursing assistance and training for nursing and religious chaplains. It can also include medical treatments provided to children, a first and last month rent payment when it is the last barrier to reunification, parent aide services, including education (tutoring, SATs, unfunded summer school, etc.) among other costs that are not covered by any other source. *The Governor recommended funding as requested.* **The Assembly concurred.**

Youth Development Services

Salaries and Benefits. The Department requested \$0.8 million more than enacted for staffing for Youth Development Services, essentially all from general revenues. The request funds 136.2 positions and assumes 3.8 vacancies. It is worth noting that the Department requested additional funding of \$1.8 million for 14.0 additional positions in the FY 2025 budget, which it indicated was necessary to staff the Training School. The enacted budget included 8.0 new positions and \$0.3 million, assuming overtime savings would offset the cost. The request transfers the new positions to Child Welfare, which the Department indicated is a result of hiring difficulties and the lower population at the Training School. Average placements in FY 2023 were 47, declining to 40 in FY 2024. Through October, the school has an average population of 36.8. The request includes \$1.2 million more for overtime costs, partially offset by additional turnover savings.

It should be noted that the request reflects savings of \$173,885 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$61,502. *The Governor recommended \$0.6 million more than requested, primarily from general revenues. He added \$0.8 million to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, partially offset by \$202,035 in turnover savings.*

He subsequently requested an amendment to shift 8.0 positions and \$0.8 million from general revenues back to Youth Development Services to correct an error in the Department's request that was maintained in his initial recommendation. **The Assembly concurred with the amended recommendation.**

Education Services. The Department requested \$35,798 more, including \$29,746 from general revenues and \$6,052 from federal funds, for non-payroll education expenses at the Rhode Island Training School. General revenue funding is \$140,559 less than FY 2024 expenses, reflecting one-time computer and training purchases. The largest expense is for temporary staff needs, including long-term substitute teachers and post-secondary instructors; this expense was \$92,950 in FY 2024; the request includes \$10,751 more than enacted to be more consistent. Educational services are provided to all Training School residents, 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 for post-secondary students. *The Governor recommended funding as requested.* **The Assembly concurred.**

Institutional Support Services. The Department requested \$0.3 million more than enacted from all sources, essentially all from general revenues, for institutional support services at the Training School, bringing total expenses to \$1.9 million. The Department spent \$1.2 million in FY 2024. During FY 2021, the population average reached an all-time low of 24; during FY 2024, it was 47; through October, its average for FY 2025 was 36.8. These expenses include legal costs, repairs and maintenance, food, non-prescription medicine, and juvenile clothing. The request includes \$72,639 more for food for a total of \$352,093. The request indicates this is an estimate and appears to assume a higher average population. Through November, the Training School has spent \$93,947 for an annualized cost of \$225,473, indicating the increase may not be necessary. *The Governor recommended \$58,202 less than requested from general revenues for training expenses to be consistent with FY 2024 spending.* **The Assembly concurred.**

Juvenile Probation and Parole. The Department requested \$76,054 more than enacted from general revenues for Juvenile Probation and Parole, reflecting a higher population. These services include the supervision of adolescents who are placed on probation by the Family Court. The request is typically based on the previous year's population, which was 212. Through the end of October, the population was 232, and the Department averaged 221 probation and parolees, which is 9 more than assumed in the enacted budget. *The Governor recommended funding as requested. He subsequently requested an amendment to add \$0.4 million from federal funds reflecting a newly awarded grant to support planning in developing a community-based continuum of prevention and intervention services.* **The Assembly concurred with the amended recommendation.**

Other Operations

Other Salaries and Benefits. The Department requested \$1.3 million more than enacted, including \$4.0 million less from general revenues and \$5.3 million more from federal funds, for all remaining staff expenses. This reflects updated federal fund availability based on the Department's cost allocation plan, which determines the amount of staffing costs attributable to federal funds. The request inadvertently excludes 1.5 positions in these programs that are assumed to be vacant. Adjusting to include these positions, the request assumes 0.6 vacancies in Central Management and 27.5 vacancies in the Child Welfare program. Through mid-November, the Department has averaged 539.4 of these positions filled, or 7.0 fewer than assumed in the revised request.

It should be noted that the request reflects savings of \$714,358 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$271,155, including \$178,515 from general revenues.

The Governor recommended \$3.6 million more than requested, including \$5.6 million from general revenues. This includes an adjustment of \$3.0 million more from general revenues and \$3.2 million less from federal funds based on available federal funds, which the recommendation assumes are overstated in the Department's request. He also added \$3.6 million, including \$2.4 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, which is partially offset by \$0.2 million of turnover savings.

The Governor subsequently requested two amendments to provide \$0.8 million less from general revenues and \$3.0 million more from federal funds. The first amendment shifts 8.0 positions and \$0.8 million from general revenues back to Youth Development Services to correct an error in the Department's request that was maintained in his initial recommendation. He reduced federal funds by \$0.3 million to reflect an accurate level of matching federal funds.

He also requested an amendment to add \$3.3 million from federal Title IV-E Prevention Services funds to reflect a carryforward balance not included in his original recommendation to support staffing expenses at the Department to support parents and caregivers in safely caring for their children at home and reducing the need for foster care placements whenever possible. **The Assembly concurred with the amended recommendation.**

Temporary Staff. The Department requested \$1.5 million more than enacted, including \$1.2 million from general revenues, \$0.2 million from federal funds, and \$0.1 million from restricted receipts, for temporary staff, usually used to fill vacancies until permanent staff can be hired. The request includes \$0.7 million of new spending to hire Faulkner Consulting Group to support its internal finance staff during a transition of chiefs and to support providers transitioning to a new payment structure. It also includes \$0.2 million to retain the former Chief Financial Officer to train and support the new hire. As part of the request, the Department increased expected temporary staff costs by 5.0 percent above prior levels. *The Governor recommended \$3,505 less than requested from general revenues.* **The Assembly concurred.**

Rate Setting Support. Consistent with the enacted budget, the Department requested \$1.5 million, including \$1.0 million from general revenues, for the Department to hire an expert to conduct a rate review of congregate care and home- and community-based services. The 2024 Assembly added this funding to evaluate Medicaid and non-Medicaid services to address Department of Justice findings previously noted. The Department has contracted with Milliman to support the rate-setting process. This project aims to transition from individually contracted service rates to uniform rates for all providers for similar services by the beginning of FY 2026. The request does not include any funding for rate adjustments that result from this review process, but the Department indicated that costs could increase due to the new model. *The Governor recommended funding essentially as requested. The Assembly concurred.*

Parking and Rent. The Department requested \$265,008 less than enacted, including \$260,815 less from general revenues and \$4,193 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 November, the Department had spent \$1.7 million; annualized, the Department would spend \$51,641 more than requested. *The Governor recommended funding as requested. The Assembly concurred based on projected spending contained in the Department's third quarter report.*

Cost Allocation Plan and Family First Compliance. The Department requested \$1.8 million, which is consistent with the enacted budget, from federal funds for cost-allocation plan consulting. The Department uses a consultant, Public Consulting Group, to develop and maintain its cost allocation plan. The cost allocation plan determines what portion of staff salaries and benefits are attributable to Title IV-E and Medicaid and what other administrative federal claiming is reasonable and appropriate for the Department. The cost allocation plan determinations are made based on a random moment in time study that determines what portion of staff time is spent on functions and activities that are reimbursable through federal funds. The activities are reported to the Public Consulting Group, which then submits monthly reports to the Department. The newest contract, signed in 2021, added provisions to assist the Department with compliance with the Family First Prevention Services Act of 2018, specifically to include the sex trafficking provisions and for assistance with preventing youth from entering Department care unnecessarily through the expansion of home- and community-based services. *The Governor recommended funding as requested. The Assembly concurred.*

Technology. The Department requested \$0.4 million more than enacted, including \$0.2 million from general revenues, for system maintenance, computer supplies, software, and equipment, for a total of \$5.3 million. The general revenue increase is for the cost of data storage and updated projections for software maintenance agreements, which the Department expects to increase as it maintains a higher staffing level. This brings total spending to \$5.3 million. During FY 2024, the Department spent \$4.4 million. *The Governor recommended \$39,438 less from general revenues, which is based on anticipated expenditures. The Assembly concurred.*

Clothing. The Department requested \$67,582 more than enacted from general revenues for gift cards to assist Department youth with obtaining clothing once they enter Department care. The Department provides these gift cards to foster parents who take in children who immediately require essential items. According to the Department, annual expenditures for these items used to be under \$50,000; however, the reliance on these cards had increased, with spending reaching \$0.6 million in FY 2019 and FY 2020. FY 2023 and FY 2024 expenses were \$0.3 million and \$0.2 million, respectively. For FY 2025, no funds have been spent as of December, which indicates that an increase may not be necessary. *The Governor recommended funding as requested. The Assembly made no change to the recommendation.*

Placement Monitoring. The Department requested \$0.8 million more than provided in the enacted budget, mostly from general revenues for mileage and other travel expenses for overseeing Department youth and

their placement facilities, mainly 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 placement hearing before being placed out-of-state and ensure that there are no suitable in-state facilities available for the placement of the child, that the child will receive an individualized treatment plan, and that the proposed placement is in the best interest of the child. The hearing is not required if the placement is less than 35 miles from the home of the parent previously having custody of the child. The request is essentially consistent with FY 2024 actual expenses. The Department subsequently provided additional information for these expenses, which included hotel and travel costs for staff, transportation for foster parents for visitation and medical appointments, and special arrangements for youth with severe needs. *The Governor recommended \$35,545 less from general revenues based on prior year spending.* **The Assembly concurred.**

Capital Projects. The Department's request is \$6.3 million more than enacted from federal funds to replace the Department's child welfare information system. This reflects an updated planning schedule but does not appear to include \$3.8 million in general revenues as a Department contribution to the state match for federal funds requested for FY 2025 in its FY 2026 through FY 2030 capital budget request. The Department assumed the state share will be met through information technology personnel budgeted elsewhere. *The Governor recommended \$13.7 million more from Rhode Island Capital Plan funds, reflecting the carryforward of unspent FY 2024 funds for the Residential Treatment Facility project. He subsequently requested an amendment to expand the scope of that project, but FY 2025 funding did not change.* **The Assembly concurred with the amended recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.**

Centralized Services. The Department requested \$0.5 million more than enacted for centralized services provided through the Department of Administration. By source, this includes \$0.4 million more from general revenues and \$0.1 million more from federal funds, consistent with the FY 2024 experience for federal funds and updated billings provided by the Department of Administration. It includes \$0.2 million more for human resources, based on more positions filled than anticipated, and \$0.3 million more for information technology costs, which the Department indicated is also related to increased staffing and use of computers. *The Governor added \$253,199, including \$212,579 from general revenues, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses.* **The Assembly concurred.**

Other Operations. The Department requested \$0.7 million more than enacted from all sources, including \$0.3 million more from general revenues, to reflect updated estimates for all other expenses, consistent with the FY 2024 experience. The request includes \$0.3 million more for utilities and a shift of \$0.3 million for training expenses from general revenues to federal funds based on updated availability and the final year of a Project Aware grant. *The Governor recommended \$0.3 million more than requested, primarily from general revenues. This reflects a shift of \$0.4 million in operating support from federal Temporary Assistance for Needy Families funding to general revenues and appears to correct an error in the request. The recommendation also includes \$0.1 million less for other purposes to reflect prior year spending.* **The Assembly concurred.**

Department of Health

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Central Management	\$ 21,360,313	\$ 33,879,399	\$ 33,209,320	\$ 26,777,902
Community Health and Equity	138,980,347	165,526,762	157,398,021	157,398,021
Environmental Health	16,095,678	19,566,006	22,862,174	22,862,174
Health Lab. & Medical Examiner	15,778,043	18,877,692	20,324,185	24,668,103
Customer Services	21,299,687	22,955,588	25,932,906	26,020,406
Policy, Info. & Communications	6,371,238	6,906,738	6,744,551	6,744,551
Preparedness, Response, Infectious				
Disease & Emergency Services	21,279,305	19,672,901	20,773,989	20,773,989
COVID-19	72,785,710	68,869,887	100,577,102	96,627,041
Total	\$ 313,950,321	\$ 356,254,973	\$ 387,822,248	\$ 381,872,187
Expenditures by Category				
Salaries and Benefits	\$ 77,513,439	\$ 80,998,024	\$ 85,684,030	\$ 85,684,030
Contracted Services	47,792,044	30,245,574	43,416,767	43,416,767
Subtotal	\$ 125,305,483	\$ 111,243,598	\$ 129,100,797	\$ 129,100,797
Other State Operations	105,448,619	141,188,859	117,671,211	117,671,211
Aid to Local Units of Government	247,931	-	280,000	280,000
Assistance, Grants, and Benefits	53,248,357	51,773,469	74,732,344	72,732,344
Capital	29,699,931	52,049,047	66,037,896	62,087,835
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 313,950,321	\$ 356,254,973	\$ 387,822,248	\$ 381,872,187
Sources of Funds				
General Revenue	\$ 34,032,134	\$ 40,053,947	\$ 40,533,357	\$ 38,533,357
Federal Aid	204,666,174	205,109,529	248,320,198	244,370,137
Restricted Receipts	74,881,468	108,069,735	95,308,488	90,964,570
Other	370,545	3,021,762	3,660,205	8,004,123
Total	\$ 313,950,321	\$ 356,254,973	\$ 387,822,248	\$ 381,872,187
FTE Authorization	572.6	572.6	572.6	572.6
FTE Average	556.8			

FY 2025 Revised Request. The Department of Health requested \$22.1 million more than enacted from all sources; expenses from general revenues are at the enacted amount. It includes increases of \$35.0 million from federal funds and \$0.6 million from other funds, and \$13.6 million less from restricted receipts. Staffing authorization is consistent with the authorized level; however, the Department had 15 vacancies as of mid-November. *The Governor recommended \$9.4 million more than requested from all sources, including \$0.5 million more from general revenues. The recommendation includes staffing as enacted. He subsequently requested an amendment to align capital expenses for the new health lab with available federal funds. A second amendment reduced capital expenses supported with restricted receipts by \$0.7 million; a like amount was recommended from Rhode Island Capital Plan funds.*

The Assembly concurred with most of the amended recommendation. It also shifted general revenue expenses of \$2.0 million for the Primary Care Training Sites Program to FY 2026, reflecting anticipated expenses and maintained the requirement that unexpended funds be reappropriated.

Staffing. The revised request includes \$0.7 million more than enacted from all sources, including \$0.2 million from general revenues for salary and benefit expenses for the authorized level of 572.6 full-time equivalent positions. It should be noted that the request reflects savings of \$0.8 million from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$0.3 million, including \$0.1 million from general revenues.

The enacted budget includes 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. The request appears to assume turnover savings essentially as enacted for approximately 15 vacancies; however, through mid-November, the Department had averaged 11.0 vacancies. *The Governor recommended \$3.9 million more from all sources than requested, including \$1.2 million from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. This is partially offset by an additional \$0.1 million of turnover savings.* **The Assembly concurred.**

Centralized Services. The revised request includes \$0.8 million less than enacted, including \$2,848 less from general revenues for the Department's share of centralized services provided by the Department of Administration. All of the reduction is to align expenses for information technology services with recent experience. Expenses in the first quarter total \$2.0 million, annualized they would be \$8.0 million, and the revised request is \$1.1 million above that. The request includes the enacted amount of \$2.6 million for facilities management. It should be noted that this does not assume expenses for the Office of State Medical Examiners' new facility in Cumberland, which the Department occupied in January 2025 and projects annual expenses of \$321,442. It subsequently noted that expenses in the current year should be minimal, reflecting less than six months of occupancy. It further noted that the facility is part of an association and its annual fee of \$33,669 covers snow removal and landscaping. *The Governor recommended \$0.6 million less from general revenues than requested, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses including a delay in the implementation of new systems management software.* **The Assembly concurred.**

COVID-19

Capital - New Health Laboratory. The revised request includes \$6.4 million more than enacted from all sources, reflecting unspent FY 2024 funds for the new 80,000 square foot facility to house the Health Laboratories Program. This includes \$5.4 million from federal funds, \$0.4 million from restricted receipts and \$0.6 million from Rhode Island Capital Plan funds. Construction, which started in August 2023 is ongoing and is anticipated to last two and a half years. The Department anticipates occupancy of the facility in the third quarter of 2025. The current Chapin facility 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.

The Governor concurred and added \$6.0 million from the federal funds; this would increase federal expenses above the grant amount. He subsequently requested an amendment, reducing expenses by \$4.0 million to align expenses with available funds. A second amendment shifted \$0.7 million of capital expenses supported with restricted receipts to Rhode Island Capital Plan funds. **The Assembly concurred with the federal funds adjustment and shifted \$4.3 million of expenses from restricted receipts to Rhode Island Capital Plan funds. These receipts have more flexible uses, including operating expenses.**

ARPA - Public Health Clinics. The Assembly provided \$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. Through FY 2024, \$3.0 million has been spent. The revised request includes the FY 2024 unspent funds, including \$0.6 million for the Rhode Island Free Clinic and \$0.3 million for Open Door Health. *The Governor recommended funding as requested. The Assembly concurred.*

ARPA - COVID-19 Operational Support. The revised request includes \$12.2 million from unspent State Fiscal Recovery funds to continue COVID-19 mitigation activities and to address the public health impacts of the pandemic in the state. The Department noted that all of the funds have been obligated. Reported expenses through FY 2024 total \$20.0 million, for total funding of \$32.2 million. *The Governor recommended funding essentially as requested. The Assembly concurred.*

COVID Relief - Other Expenses. The revised request includes \$31.9 million from federal funds for all remaining COVID-19 expenses. This is \$8.4 million more than enacted, reflecting unspent funds from FY 2024. This includes \$7.7 million, awarded to assist the state and communities in establishing and maintaining preventive health service programs to immunize individuals against vaccine-preventable diseases. Based on availability of these funds, salaries and benefits are \$1.1 million more, reflecting a shift from other programs. It also reflects updated expenses to support epidemiological operations, including case investigation and information technology.

The Governor concurred and added \$0.3 million from federal funds to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The recommendation was based on federal laws, grants and spending commitments in place prior to the change in the Presidential administration. In March, the Centers for Disease Control and Prevention notified the Department that approximately \$31 million of federal funds for COVID-19 related expenses were being terminated. The funds were subsequently released.

The Assembly concurred and included legislation that directs the administration to monitor the status of federal grants and develop options for the Governor and Assembly to consider that address federal funding changes.

Community Health and Equity

Health Equity Zones. The FY 2025 enacted budget assumes the Department would use an additional \$900,000 from indirect cost restricted receipts to cover its projected shortfall 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. The revised request includes \$355,000 less than enacted, reflecting anticipated expenses. Total expenses, including infrastructure funding for the zones for FY 2025 are estimated at \$4.6 million; \$2.6 million from federal funds will be provided by the Executive Office of Health and Human Services. *The Governor concurred. The Assembly concurred.*

PediPRN and MomsPRN Programs. Subsequent to enactment of the budget, the Assembly adopted legislation authorizing the Department to use \$850,000 each from available childhood and adult immunization resources for the existing PediPRN and MomsPRN information lines; operating expenses for the MomsPRN have been updated to \$750,000. The programs provide specialized clinical consultation and referral services related to mental health. The revised requests for the Executive Office of Health and Human Services, and the Department include \$1.6 million for both programs. This includes \$1.3 million from federal funds, primarily reflecting a grant that was subsequently awarded, and \$0.3 million from immunization receipts. The legislation also requires a report by March 1, 2025, regarding use of these funds as well as recommendations to support the programs beyond FY 2025. *The Governor concurred and*

included \$4,736 from federal funds to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. **The Assembly concurred.**

Immunization Programs. The Department requested \$82.1 million from all sources, including \$21.0 million from federal funds and \$61.1 million from restricted receipts, for immunization program expenses. The restricted receipts are generated based on a rate per person enrolled in fully-insured or self-insured plans. The Department projected receipts of \$84.3 million or \$26.6 million less than assumed for FY 2025. The per member per month rates for FY 2025 are \$23.16 per child and \$5.04 for adults; the rates are generally set in April or May of each year. Requested expenses are \$18.8 million less than enacted, including \$20.0 million less to reflect more accurate price per dose for COVID vaccines, and updated quantities based on required dosing and utilization. Salary and benefit expenses are \$0.2 million more for updated medical benefit selections, statewide benefit changes, and staffing costs and allocations. All remaining expenses are \$0.9 million more for indirect cost charges, advertising, and contracted services for development of immunization assessment rates. *The Governor concurred and added \$0.2 million from all sources to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

WIC Nutrition Assistance. The revised request includes \$0.4 million more than enacted from federal funds for the Women, Infants, and Children nutrition assistance program, which provides supplemental food, nutrition education and information, and referral and coordination services for eligible women, and children under the age of five who are at risk of poor health and development because of inadequate nutrition, health care or both. It includes \$0.3 million less for benefit payments, based on program utilization; however, the revised request of \$23.1 million is \$1.5 million more than FY 2024 expenses. Program expenses of \$4.1 million are \$0.7 million more than enacted, primarily for outreach, to increase program participation. *The Governor recommended funding as requested and added \$91,757 from federal funds to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Maternal and Home Visiting Services. The revised request includes \$12.6 million from all sources, which is \$1.3 million more than enacted including \$0.1 million from general revenues and \$1.2 million from maternal and infant federal grant funds for home visiting and other services. The visiting programs are designed to work with pregnant women and children through age five. The programs include Healthy Families America, Nurse-Family Partnership, and Parents as Teachers, and they provide families with resources and services such as preventive health and prenatal practices, promoting positive parenting techniques, and finding employment and child care solutions. The revised request includes \$2.2 million more for grants, which are awarded to various community organizations for services provided. Program expenses are \$0.9 million less, primarily for unspecified operating costs.

On September 3, the Department was notified of an \$8.6 million award for 2024. This includes \$8.0 million for base funding and \$0.6 million subject to a state match, which is a new component of the program. The state is now required to provide a 25.0 percent non-federal match toward the matching fund with increasing amounts through FY 2027. The Department noted that the match is being provided with existing newborn screening receipts. *The Governor concurred and included \$0.1 million more from all sources, including \$20,870 from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Asthma and Air Quality. The revised request includes \$0.1 million more than enacted from restricted Volkswagen Settlement funds for the Home Asthma Response program, which is designed to reduce emergency department visits and hospitalizations. It also includes \$1.4 million more from federal funds, including \$0.6 million from the Centers for Disease Control and Prevention for projects to mitigate environmental health hazards with a focus on asthma control. The Department was awarded a \$1.0 million grant from the U.S. Environmental Protection Agency for the Environmental Justice Government-to-

Government program. The requests include \$0.8 million for FY 2025 and \$0.1 million for FY 2026. Eligible uses include air monitoring and community education. Of the requested \$1.5 million, \$1.1 million is budgeted for grants, and the remaining \$0.4 million is for program expenses, including staffing, media campaign, program evaluations and indirect cost charges. *The Governor concurred and added \$16,031 from federal funds to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Other Expenses. The revised request includes \$2.1 million more than enacted for all other Community Health and Equity expenses. All but \$48,263 is from federal funds that the Department utilizes to support prevention programs. This includes expenses for cancer screening, chronic disease prevention, suicide and rape prevention, tobacco cessation and wellness programs. Of the requested increase, \$1.8 million is budgeted as grants to entities and community-based organizations for screening and other services. Salary and benefit expenses are \$0.4 million more, reflecting updated staffing costs and allocations, and statewide benefit adjustments. *The Governor recommended funding as requested and added \$0.5 million from all sources, including \$11,217 from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Other Programs

Office of State Medical Examiners. The revised request includes \$12,000 more from federal funds than enacted for the Office of State Medical Examiners. The request includes \$2.4 million for salary and benefit expenses of 16.0 full-time equivalent positions. This is \$0.3 million less and 1.0 fewer assistant medical examiner position than enacted. It assumes the enacted turnover savings of \$0.4 million; however, there were two vacancies at the time of the budget submission: an assistant medical examiner and the chief medical examiner. 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 adds \$0.1 million for contracted medical examiners, for which the enacted budget included \$0.6 million. Through early November, expenses total \$0.3 million; they were \$1.2 million for FY 2024. It adds \$16,500 for medical supplies and waste disposal, and repurposed \$140,000 of the savings for unspecified miscellaneous expenses. *The Governor concurred and added \$0.2 million from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Primary Care Training Sites Program. The 2024 Assembly adopted legislation establishing a Primary Care Training Sites Program, which would provide training for physicians, nurse practitioners and physician assistants; each site would be awarded no more than \$90,000. It provided \$2.7 million from general revenues for the program. The revised request includes the enacted amount. It allocates \$0.4 million for operating expenses, including \$48,608 to fund partial authorization for two existing positions, and \$0.3 million for contracted services, such as curriculum development and Knowledge Services for program support. It also includes \$2.3 million budgeted as grants; the Department is working with the Division of Purchases to determine the method for awarding grants to the practices and formulating rules and regulations for the program. Subsequently, the Department noted that it will not be able to award the majority of the grants to the practices until summer 2025, based on programs being offered. It is projecting expenses of \$2.1 million for FY 2026; unexpended funds will automatically be reappropriated.

The Governor concurred and added \$2,332 from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. **The Assembly provided \$0.7 million for FY 2025 and shifted \$2.0 million to FY 2026, reflecting anticipated expenses. It maintained the requirement that unexpended funds be reappropriated.**

Statewide Mandatory Rental Registry. The revised request includes the enacted amount of \$1.3 million from general revenues to establish the mandated statewide publicly accessible online database of all rentals to ensure compliance with the Residential Landlord and Tenant Act. This requires all landlords to register certain information with the Department, including a lead certificate of conformance for each dwelling unit built before 1978, individual landlords or the business entity responsible for leasing, telephone number and address, and other requirements, by September 1, 2024; they are also required to re-register annually thereafter. A portal allowing landlords to register their information was established by the required date. By January 2025, the system will include enhancements to allow the Department to cross reference lead certificate data with landlord property data, fines, and other administrative tasks. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Water Quality Protection Programs. The revised request includes \$0.1 million more from general revenues and \$2.7 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 \$0.2 million more, reflecting updated staffing costs and allocations and statewide benefit adjustments. The request includes \$0.7 million more for contracted environmental and engineering services; contractors will provide assistance to small water supplies to review perfluoroalkyl and polyfluoroalkyl, or PFAS contaminants-related projects. It also adds \$0.4 million for financial assistance to small public water systems, \$0.2 million for laboratory supplies and equipment, and \$0.7 million each for indirect cost charges and contracted project support staff.

The Infrastructure Investment and Jobs Act authorized funding to address water infrastructure projects. The 2023 Assembly authorized 8.0 new full-time equivalent positions, including engineers and environmental scientists to work on contaminants, including lead. It appears that all of the positions are currently filled. *The Governor concurred and added \$0.2 million from all sources, including \$20,596 from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Opioid Stewardship and Abatement Settlement Funds. Based on project delays, the revised request includes \$3.0 million more from restricted receipts than enacted for various opioid overdose prevention expenses. Of this amount, \$2.7 million is from FY 2024 unspent funds provided to expand street outreach services, data analysis and infrastructure costs for newborns exposed to controlled substances, and other services. The Department noted that there were delays in procurement as well as executing outreach contracts. It also noted that most opioid contracts have a contract cycle of September 1 through August 31, which does not align with the state fiscal year. The request includes \$250,000 reflecting an updated plan for post-overdose Harm Reduction and Rescue expenses. *The Governor concurred and added \$0.1 million for data analytics, and other services. He also added \$49,301 to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate; this is offset by a like amount of turnover savings.* **The Assembly concurred.**

Capital - Health Lab and Medical Examiners Equipment. The revised request includes \$5,000 from FY 2024 unspent Rhode Island Capital Plan funds to replace obsolete medical equipment, for which the enacted budget includes \$0.8 million. The equipment is used to process DNA samples or upload data into the national database; conduct analysis of metals in drinking water and food, including arsenic, lead, mercury and copper; and measure levels of certain substances, such as alcohol or drugs. *The Governor recommended \$5,013, reflecting the available balance.* **The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.**

Executive Climate Change Coordinating Council Projects. In 2023, the Executive Climate Change Coordinating Council allocated \$80,000 to the Department to investigate the risks of flooding and contamination from chemicals during floods. The FY 2024 final and FY 2025 enacted budgets included

\$40,000 from restricted receipts for the program. Reflecting a project delay, \$6,364 of the funds were spent and the Department's request includes \$18,331 from the available \$33,636. Subsequent to the budget, the Council allocated an additional \$100,000 to the Department to provide air conditioning units for vulnerable populations. *The Governor recommended \$101,754 more than requested, reflecting available funds and the additional allocation from the Council.* **The Assembly concurred.**

Other Expenses. The revised request includes \$1.9 million more than enacted from all sources for all remaining expenses. This includes \$0.2 million less from general revenues. Salary and benefit expenses are \$1.1 million less, reflecting updated staffing costs and allocation. A like amount of expenses was added to the COVID-19 program, previously discussed. It adds \$1.2 million from federal funds for capital expenses 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 also adds \$0.4 million for indirect cost charges, based on new federal grant expenses, and \$0.3 million for outside legal services for ongoing COVID work and a backlog of other work.

The Governor recommended \$2.3 million more than requested, including \$0.9 million more from general revenues. This includes \$2.4 million, including \$1.0 million from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. This is partially offset by \$100,000 from general revenue savings, including \$60,000 based on delays in implementing training programs, and \$40,000 for contracted clerical services for the State Health Laboratories. **The Assembly concurred.**

Department of Human Services

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Central Management	\$ 17,160,407	\$ 15,106,421	\$ 16,150,893	\$ 16,150,893
Child Support Enforcement	16,817,743	18,436,579	18,751,329	18,751,329
Individual and Family Support	186,923,384	176,688,255	200,370,414	192,772,304
Office of Veterans Services	44,922,666	52,173,754	52,822,313	52,822,313
Health Care Eligibility	29,754,793	27,456,677	27,308,131	27,238,879
Supplemental Security Income	16,630,658	16,588,320	16,646,807	16,673,780
Rhode Island Works	87,253,038	107,648,728	107,138,040	104,760,267
Other Programs	358,569,137	363,550,900	383,038,297	388,389,402
Office of Healthy Aging	32,600,257	37,091,920	38,279,233	35,879,233
Total	\$ 790,632,083	\$ 814,741,554	\$ 860,505,457	\$ 853,438,400
Expenditures by Category				
Salaries and Benefits	\$ 112,898,823	\$ 122,669,794	\$ 126,820,313	\$ 124,314,763
Contracted Services	51,579,813	45,448,267	52,973,347	51,571,262
Subtotal	\$ 164,478,636	\$ 168,118,061	\$ 179,793,660	\$ 175,886,025
Other State Operations	38,295,590	42,148,742	42,187,875	42,187,875
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	583,083,824	594,523,141	629,623,719	626,464,297
Capital	1,648,753	6,563,370	5,524,163	5,524,163
Capital Debt Service	-	-	-	-
Operating Transfers	3,125,280	3,388,240	3,376,040	3,376,040
Total	\$ 790,632,083	\$ 814,741,554	\$ 860,505,457	\$ 853,438,400
Sources of Funds				
General Revenue	\$ 135,284,255	\$ 142,790,800	\$ 147,328,344	\$ 142,053,994
Federal Aid	645,440,551	659,709,433	697,326,473	695,533,766
Restricted Receipts	4,602,143	6,243,767	9,900,575	9,900,575
Other	5,305,134	5,997,554	5,950,065	5,950,065
Total	\$ 790,632,083	\$ 814,741,554	\$ 860,505,457	\$ 853,438,400
FTE Authorization				
Department of Human Services	770.0	779.0	779.0	779.0
Office of Veterans Services	267.0	267.0	267.0	267.0
Office of Healthy Aging	33.0	33.0	33.0	33.0
Total Authorized Positions	1,067.0	1,079.0	1,079.0	1,079.0
FTE Average	889.3			

FY 2025 Revised Request. The Department of Human Services, including the Office of Veterans Services and Office of Healthy Aging, requested \$40.6 million more from all sources for FY 2025. This includes \$29.6 million more from federal funds, \$11.1 million more from general revenues, and \$0.1 million less from restricted receipts and other sources. *The Governor recommended \$5.2 million more than requested, including \$6.5 million less from general revenues. He requested several amendments to adjust current-year expenses for several programs.*

The Assembly provided \$7.1 million less than recommended from all sources, including \$5.3 million less from general revenues. This includes \$2.4 million from federal funds, to reflect revisions to caseload consistent with the May estimate. It concurred with the requested amendments and further reduced general revenues by \$0.1 million for a state-only program.

Federal Poverty Guidelines. The federal poverty guidelines are used for 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 2025 guidelines are as follows.

Percent of Federal Poverty Level Based on Annual Income								
Family Size	100%	138%	150%	180%	185%	200%	225%	250%
1	\$ 15,650	\$ 21,597	\$ 23,475	\$ 28,170	\$ 28,953	\$ 31,300	\$ 35,213	\$ 39,125
2	21,150	29,187	31,725	38,070	39,128	42,300	47,588	52,875
3	26,650	36,777	39,975	47,970	49,303	53,300	59,963	66,625
4	32,150	44,367	48,225	57,870	59,478	64,300	72,338	80,375
5	37,650	51,957	56,475	67,770	69,653	75,300	84,713	94,125
6	43,150	59,547	64,725	77,670	79,828	86,300	97,088	107,875
7	48,650	67,137	72,975	87,570	90,003	97,300	109,463	121,625
8	54,150	74,727	81,225	97,470	100,178	108,300	121,838	135,375

For families with more than 8 members, add \$6,880 for each additional member for the 100 percent calculation.

Staffing. The Department requested the enacted authorization of 1,079.0 full-time equivalent positions and \$121.1 million for FY 2025. The revised request is \$1.6 million less than enacted, and \$8.2 million more than spent in FY 2024, and would provide funding for 963.7 positions. As of mid-December, the Department has 954.5 filled positions and averaged 937.0 filled. It averaged 923.0 filled positions in FY 2024 and 889.3 in FY 2023. Historical staffing patterns by entity are shown in the following table.

Fiscal Year	Average Filled Positions			
	DHS	OVS	OHA	Total
2024	671.0	221.0	31.0	923.0
2023	647.0	212.0	30.3	889.3
2022	627.2	215.2	28.1	870.4
2021	666.0	228.4	26.9	921.3
2020	681.3	231.5	27.1	939.9
2019	667.5	219.4	27.9	914.9
2018	627.8	217.7	27.9	873.4
2017	590.6	217.1	28.0	835.7
2016	623.8	218.1	27.3	869.3

It should be noted that the request reflects savings of \$1.1 million from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$0.4 million.

The 2024 Assembly provided authorization for 10.0 new positions for the call center and transferred 1.0 full-time equivalent communications position to the Executive Office of Health and Human Services. In addition, Article 1 of 2022-H 7123, Substitute A, as amended, requires the Department to submit a report every 60 days, beginning August 1, 2022, on its progress in recruiting and retaining staff. 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 Department has reported filling 183 positions from January 1 through November 18, 2024, with 25 of those within the most recent reporting period, which includes lateral, promotional, and

new hires at the agency. It also reported 66 positions in the recruitment process, meaning that the position posting has closed and the Department is reviewing candidates.

The Governor recommended \$5.7 million more than requested, including \$2.6 million more from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. He requested an amendment to reduce expenses by \$3.3 million from general revenues, to reflect the Department's third quarter report. As of the end of March, an average of about 945 filled positions were filled in FY 2025. The Assembly concurred with the amendment and added \$0.8 million from federal funds, also noted in the third quarter report.

Centralized Services. The Department requested \$30,960 more than enacted for its share of centralized services, including Veterans Services and Healthy Aging, provided by the Department of Administration, which brings the requested total to \$12.0 million; FY 2024 spending was \$11.4 million. The changes relate to billings paid by the Department for Unified Health Infrastructure Project expenses. *The Governor included \$0.3 million more from indirect cost recovery restricted receipts, \$0.1 million more from federal funds, and \$0.2 million less from general revenues, primarily to account for adjustments to centralized information technology billings based on a revision to anticipated expenses. The adjustments mostly impact the Department's administrative and eligibility programs, with minor adjustments to the Office of Healthy Aging and the Office of Veterans Services. The Assembly concurred.*

Centralized Services by Entity					
Entity	FY 2024 Actual	FY 2025 Enacted	FY 2025 Rev. Req.	FY 2025 Gov. Rev./Final	Change to Enacted
Department of Human Services	\$ 7,601,678	\$ 7,674,430	\$ 7,705,390	\$ 7,955,611	\$ 281,181
Office of Healthy Aging	571,007	519,155	519,155	556,646	37,491
Office of Veterans Services	3,280,002	3,791,862	3,791,862	3,810,283	18,421
Total - All Funds	\$ 11,452,687	\$ 11,985,447	\$ 12,016,407	\$ 12,322,540	\$ 337,093
<i>General Revenues</i>	<i>\$ 7,251,135</i>	<i>\$ 7,880,323</i>	<i>\$ 7,972,884</i>	<i>\$ 7,798,011</i>	<i>\$ (82,312)</i>

Central Management

Indirect Cost Recovery. The Department requested \$0.5 million more than enacted from indirect cost recovery restricted receipts for a business process redesign consultant to aid in the timeliness of completing the Department's corrective action plans and accuracy in benefit determination. Revenues for the indirect cost recovery accounts are based on the expenditure of certain federal grants. 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 from FY 2021 through FY 2023 and spent \$0.5 million in FY 2024. The FY 2025 enacted budget includes \$0.3 million in indirect cost recovery restricted receipts to account for the Department's field office relocation costs. *The Governor recommended \$1.0 million more than requested from restricted receipts and used the additional funds to offset general revenues in Central Management and program eligibility administration programs, discussed separately. The Assembly concurred.*

Staffing and Other Operations. The Department requested \$0.4 million more than enacted, including \$0.1 million less from general revenues, for all other Central Management staffing and operations. The request supports the program's 48.0 full-time equivalent positions and includes \$17,730 less for all staffing costs. Total operations spending is \$9.2 million, \$117,910 less than enacted, primarily fees for the grant management office. The revised request also includes \$0.5 million from restricted receipts for a contracted business process redesign consultant to aid in the timeliness of completing the Department's corrective action plans and accuracy in benefit determination. It should be noted that the request reflects savings of \$11,137 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$4,124.

The Governor recommended \$0.3 million less than requested, including \$0.2 million less from general revenues. He added \$12,497, including \$5,173 from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. He also reduced requested operating expenses by \$0.4 million, primarily grants management fees, shifting \$0.2 million in general expenses to indirect cost recovery restricted receipts. He included only \$0.2 million for the requested business process redesign. **The Assembly concurred.**

Cash Assistance Program

The Caseload Estimating Conference estimate includes \$125.7 million from all sources, including \$28.7 million from general revenues for cash assistance programs, including Rhode Island Works, child care, state only supplemental security income program payments, and general public assistance bridge program benefits. The caseload estimate is \$0.7 million less than enacted, including \$0.2 million less from general revenues. The Department's request does not reflect the estimate adopted at the November Caseload Estimating Conference.

The following table itemizes cash assistance expenditures in FY 2024, adopted by the caseload estimators, recommended by the Governor, and enacted by the Assembly. Each category is discussed separately. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$123.3 million, including \$28.7 million from general revenues, consistent with the May estimate.**

Cash Assistance	FY 2024 Actual	FY 2025 Enacted	FY 2025 Nov. CEC	FY 2025 Gov. Rev.	FY 2025 May CEC	FY 2025 Final
Rhode Island Works						
Persons	8,323	9,278	9,400	9,400	9,415	9,415
Monthly Cost per Person	\$ 235.79	\$ 274.95	\$ 295.00	\$ 295.00	\$ 288.23	\$ 288.23
Total Costs/Federal Funds	\$ 25.5	\$ 32.7	\$ 35.5	\$ 35.5	\$ 34.7	\$ 34.7
Child Care						
Subsidies	6,099	6,571	6,400	6,400	6,324	6,324
Annual Cost per Subsidy	\$ 10,108	\$ 11,411	\$ 11,200	\$ 11,200	\$ 11,077	\$ 11,077
General Revenues	\$ 10.2	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1
Federal Funds	51.5	64.8	61.6	61.6	59.9	59.9
Total Costs	\$ 61.7	\$ 75.0	\$ 71.7	\$ 71.7	\$ 70.1	\$ 70.1
SSI						
Persons	30,900	30,608	30,655	30,655	30,757	30,757
Monthly Cost per Person	\$ 44.69	\$ 45.00	\$ 45.09	\$ 45.09	\$ 45.00	\$ 45.00
Total Costs/General Revenues	\$ 16.6	\$ 16.6	\$ 16.6	\$ 16.6	\$ 16.7	\$ 16.7
SSI Transition/Bridge						
Persons	533	725	650	650	638	638
Monthly Cost per Person	\$ 137.45	\$ 167.00	\$ 160.15	\$ 160.15	\$ 162.15	\$ 162.15
Total Costs/General Revenues	\$ 1.5	\$ 2.1	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9
General Revenue	\$ 28.3	\$ 28.8	\$ 28.7	\$ 28.7	\$ 28.7	\$ 28.7
Federal Funds	77.0	97.5	97.0	97.0	94.6	94.6
Total Cash Assistance	\$ 105.3	\$ 126.3	\$ 125.7	\$ 125.7	\$ 123.3	\$ 123.3

\$ in millions

Rhode Island Works. The November Caseload Estimating Conference estimate includes program expenditures for Rhode Island Works of \$35.5 million, entirely from federal funds. The estimate increased the monthly caseload to 9,400 cases and the monthly cost per person from \$274.95 to \$295.00. Total estimated expenditures are \$2.8 million more than enacted, reflecting the increased caseload and adjustments for other supportive services. Legislative changes made to Rhode Island Works by the 2024 Assembly have increased cash assistance payments by 20.0 percent, increased the income disregard from

\$300 to \$525, and eliminated the full family sanction penalty. The revised request is consistent with the enacted budget, as it was submitted before the November Caseload Estimating Conference. *The Governor recommended funding consistent with the caseload estimate.* **Consistent with the May estimate, the Assembly reduced expenditures by \$0.7 million, reflecting a \$6.77 decrease in the average monthly cost per case and an increase of 15 people.**

Child Care. The November Caseload Estimating Conference estimate includes child care expenditures of \$71.7 million, of which \$10.1 million is from general revenues. This is \$3.3 million less than enacted, including \$19,105 less from general revenues. The estimate assumes 171 fewer childcare subsidies for an average of 6,400 subsidies and decreases the annual cost by \$211 to \$11,200. The enacted budget extended the childcare educators pilot program an additional year, until July 31, 2025, and added \$2.5 million from federal funds. The November Caseload Estimating Conference estimate assumes \$2.9 million of total costs associated with the child care educators pilot program.

The Department requested the enacted level of funding, which does not reflect the November adopted estimate, as the request predates the conference. Eligibility for child care assistance is based on either participation in the Rhode Island Works cash assistance program, or income-based eligibility for families working or enrolled in an approved training or college degree program. Initial eligibility is available to families with incomes of up to 200 percent of the poverty level, and families become ineligible for assistance when family income exceeds 300 percent of the poverty. As of January 1, 2025, families with incomes of up to 261 percent of the federal poverty level will be determined eligible at the first tier. The Assembly included Section 2 of Article 11 for this eligibility increase and added \$3.3 million for benefits and \$50,000 for necessary system changes. *The Governor recommended funding consistent with the caseload estimate.* **Consistent with the May caseload estimate, the Assembly reduced expenditures by \$1.6 million compared to the November estimate, reflecting a decrease in subsidies of 76 to 6,324 and a \$123 decrease in the cost per case to \$11,107.**

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 \$58,487 more than enacted. The caseload increases by 47 persons to a monthly level of 30,655, and the monthly cost per person increases by \$0.09 to \$45.09. The estimate also includes the enacted amount of \$60,000 for transaction fees. The Department's request includes the enacted funding for the program as it was submitted prior to the November caseload conference. *The Governor recommended funding consistent with the caseload estimate.* **Consistent with the May caseload estimate, the Assembly provided \$16.7 million, reflecting a 102 person increase to 30,757 and a \$45.00 monthly cost per person.**

Assisted Living State Supplemental Payments. The Department requested \$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. The request is consistent with the enacted budget, and caseload testimony suggests total payments may be \$27,192 in FY 2025 based on an average of 11 individuals. *The Governor recommended funding as requested.* **The Assembly reduced expenses by \$90,277, reflecting testimony at the May Caseload Conference regarding expenses in the current year.**

Supplemental Security Income Transition/Bridge Program. The November Caseload Estimating Conference estimates revised expenditures for the supplemental security income transition/bridge program to \$1.9 million entirely from general revenues, which is \$0.2 million less than enacted. The estimate includes \$1.2 million for cash payments and \$650,000 for burials. The estimate assumes 650 persons, or 75 fewer than the enacted budget, and decreases the monthly payment by \$6.85 to \$160.15. The Department requested funding as enacted, as its request predates the November caseload conference. This program is designed for individuals who maintain an active application for the Supplemental Security Income program. *The Governor recommended funding consistent with the caseload estimate.* **Consistent with the May**

caseload estimate, the Assembly provided \$1.9 million, reflecting a 12 person decrease to 638 and a \$162.15 monthly cost per person.

Other Programs

Program Eligibility Administration. The Department requested \$7.1 million more than enacted from all sources, including \$1.8 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 RIBridges, also known as the Unified Health Infrastructure Project.

The Governor recommended \$2.2 million more than requested, including \$0.1 million more from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.

Staff and Other Expenses	General Revenues			All Sources		
	UHIP	Eligibility	Total	UHIP	Eligibility	Total
FY 2025 Enacted	\$ 12.7	\$ 36.5	\$ 49.2	\$ 29.3	\$ 86.1	\$ 115.4
Revised Request	\$ 13.4	\$ 37.6	\$ 51.0	\$ 30.9	\$ 91.6	\$ 122.5
Revised Chg. to Enacted	\$ 0.7	\$ 1.1	\$ 1.8	\$ 1.6	\$ 5.5	\$ 7.1
FY 2026 Request	\$ 13.5	\$ 36.5	\$ 50.0	\$ 31.2	\$ 89.3	\$ 120.5
Request Chg. to Enacted	\$ 0.8	\$ -	\$ 0.8	\$ 1.9	\$ 3.2	\$ 5.1

\$ in millions; excludes centralized services

The Governor maintained the \$0.5 million from Deloitte settlement funds assumed to be available when the budget was enacted for the Department of Human Services, but the available balance appears to be only \$0.2 million. He also included \$0.2 million and \$0.5 million from the same settlement funds in the Executive Office's revised and FY 2026 budgets, respectively. Combined, this \$1.0 million from restricted receipts assumption exceeds the current estimates of available resources.

*He requested amendments to reduce RIBridges expenses by \$1.4 million, including \$0.9 million from general revenues, to reflect a delay in system enhancements resulting from the data breach. There is also a requested reduction of \$6.2 million, including \$3.3 million from general revenues, to reflect turnover savings and other program reductions included in the Department's third-quarter report. The Governor did not request any changes to adjust for the excess requested funding from the settlement funds. **The Assembly concurred with the amended recommendation.***

Staffing. The Department requested \$0.3 million less than enacted, including \$0.1 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 funded from 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 Governor recommended \$2.8 million more than requested, including \$1.3 million more from general revenues to account for statewide adjustments consistent with his recent labor agreements. He requested an amendment to reduce staffing expenses by \$3.3 million from general revenues to reflect turnover savings through the third quarter. **The Assembly concurred with the amendment and added \$0.8 million from federal funds, also noted in the Department's third quarter report.***

Rent for Satellite Offices. The Department requested \$3.5 million from all sources for office space rent, including utilities, which is \$0.5 million less than enacted, including \$0.3 million less from general revenues, to bring costs closer to expected levels. The Department's total cost for rentals of outside property during FY 2025 is \$3.1 million. The Department reported that it usually requests the enacted level of funding or reduces its request when it is certain that rent is decreasing. The surplus of funds for this request has been reserved, given the uncertainty of lease terms for Providence field office locations. The request primarily includes \$579,250 for the Reservoir Avenue location, which is on a month-to-month basis, \$476,000 for the Holden Street location, which has renewed its lease for five more years, \$512,080 for Vocational Rehabilitation located on Fountain Street, and \$412,992 for Child Support Enforcement on Dorrance Street.

The Providence office on Elmwood Avenue closed in 2021 and staff moved to other locations occupied by agency 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 Reservoir Avenue and Fountain Street locations both serve clients. Staff were also moved to other field offices, including Pawtucket, and to the Pastore Campus in Cranston. *The Governor recommended funding as requested. The Assembly concurred.*

Reappropriation - Shepard Building. The Department requested \$1.2 million more than enacted for field office renovation costs, primarily at the Shepard Building. The Governor reappropriated \$1,185,057 for capital and equipment costs for reorganizing department field offices and renovating the Shepard Building for a field office. Funds were not appropriated for this purpose in the FY 2024 final budget. *The Governor recommended funding as requested. The Assembly concurred.*

Other Expenses. Excluding centralized services and reappropriated funds for the Shepard building, the Department requested \$6.8 million more than enacted, including \$1.0 million more from general revenues, for all other expenses for the administration of eligibility programs. The Department requested \$5.1 million more than enacted from federal funds for grant expenditures under program eligibility administration. This primarily includes \$5.3 million more than enacted for the Family Independence Program/Work Program, as the Department reports that this is related to new contracts issued through a request for proposals for Rhode Island Works.

The request for proposals expanded services, which will likely increase total expenses. The request also increases expenditures for contracted services such as interpreters, accounting, information technology programming and support, and other professional and security by \$3.4 million, aligning funds with FY 2024 experience. The request is \$1.5 million less for operating expenses. Medical services administration expenses are \$0.5 million less, including \$0.1 million less for software expenses, \$0.1 million less for telecommunications expenses, and \$0.2 million less for other miscellaneous expenses, as well as \$0.5 million less from funds leftover from a previous Deloitte settlement, which are budgeted for FY 2026.

The Governor recommended \$11,879 less than requested, including \$1.2 million less from general revenues. He maintained the \$0.5 million in the enacted budget from Deloitte settlement funds and shifted general revenue expenses to the restricted receipts. As noted, the availability of these funds exceeds the recommendation for the Department and the Executive Office. He also shifted \$0.7 million of operating expenses, including postage and telephone expenses, from general revenues to indirect cost recovery restricted receipts. As noted, he did not propose any revisions to overstated settlement funds. The Assembly reduced expenses by \$3.7 million from federal funds to reflect spending projections in the Department's third quarter report.

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 for two \$1,500 retention bonuses for direct care staff at child care centers and licensed family-based care

providers in FY 2022. Funds are also authorized to improve child care quality, create a workforce registry, provide education opportunities for direct care staff, and waive any fees for new family-based care providers. The Department requested \$2.2 million for FY 2025 for increases to the Rhode Island Start Early System and TEACH Early Childhood Program contracts, even though the FY 2024 final budget allocation intended to exhaust all funds. This reflects the use of unspent funds from FY 2024, as the Department spent only \$16.8 million of the \$19.5 million authorized, a difference of \$2.7 million. The request appears to leave \$0.5 million unused. *The Governor recommended the remaining balance of \$0.5 million for FY 2025 and no funding for FY 2026. The Assembly concurred.*

Enacted Child Care Support Initiatives	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Retention Bonus - \$3,000	\$ 12.5	\$ 9.3	\$ 15.1	\$ -	\$ -	\$ 36.9
Family-Based Provider Support	0.2	0.4	(0.1)	-	-	0.4
Workforce Registry & Quality Improvements	-	0.1	1.5	-	-	1.6
TEACH Program	-	0.0	0.4	-	-	0.4
Total Authorized	\$ 12.6	\$ 9.8	\$ 16.8	\$ -	\$ -	\$ 39.3
<i>FY 2025 Revised/FY 2026 Request</i>	<i>\$ 12.6</i>	<i>\$ 9.8</i>	<i>\$ 16.8</i>	<i>\$ 2.2</i>	<i>\$ 0.4</i>	<i>\$ 41.9</i>
Change to Authorized Plan	\$ -	\$ -	\$ -	\$ 2.2	\$ 0.4	\$ 2.6

\$ in millions

Child Care Quality Improvements. The Department requested \$5.2 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 increased costs based on prior year expenditures and contracts associated with program participation. Funds have been used to provide technical assistance and professional development to child care providers, including a cohort-based model at the Community College of Rhode Island and regulatory changes. *The Governor recommended funding as requested. The Assembly concurred.*

Early Learning Facilities. The Department requested \$0.5 million for a new federal grant that was awarded for early learning facilities. This is a one-time award to supplement the bond funding for child care capital projects that are handled through the Local Initiatives Support Corporation of Rhode Island. *The Governor recommended funding as requested. The Assembly concurred.*

Reappropriation - Child Support Services Transition Off Mainframe. The Governor reappropriated \$70,833 of unspent funds to FY 2025 to support the transition of the Child Support Services' RIKidsBridge case management system off the mainframe platform. The FY 2024 final budget allocated \$600,000 for this project. Including the reappropriation, the Department requested \$80,693 from general revenues and \$0.2 million from federal funds for this project for total funding of \$3.3 million, including \$1.1 million from general revenues. A delay in vendor hiring prevented the transition from proceeding as scheduled in FY 2024. The Department's capital budget submission is inconsistent with this request, as it programs \$950,000 of funding for FY 2025. The Department noted that the operating budget request should prevail.

The Governor shifted \$1.1 million of general revenue expenses, including the reappropriation, to restricted receipts collected by the Office through its lien network that can support its technology projects. The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.

Child Support Enforcement Lien Network. The Department requested \$0.1 million less than enacted from restricted receipts to support the Lien Network operated by the Child Support Enforcement program to reflect updated estimates. The enacted budget includes \$3.8 million for the network, which is a consortium of states created for collecting overdue child support for which Rhode Island holds the contract. The program has existed for more than a decade, with funds previously deposited into an escrow account converted to restricted receipts, which now appear in the budget. These receipts are fees collected for and paid to the vendor. *The Governor recommended funding as requested. The Assembly concurred.*

Child Support Enforcement Staffing and Other Operations. The Department requested \$94,797 less for all other child support enforcement expenses, including \$0.2 million less from general revenues, primarily for decreased staffing costs. Expenses for all other operations include \$17,235 more than enacted and align with the FY 2024 experience.

The request includes \$0.1 million less than enacted to support the Department's 62.0 full-time equivalent positions dedicated to child support enforcement. The revised request increases turnover savings equivalent to about 1.2 positions, adjusts benefit expenses, and shifts some expenses to federal funds. It should be noted that the request reflects savings of \$65,656 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$26,745.

The Governor recommended \$0.3 million more than requested, including \$0.1 million less from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. He also shifted \$0.2 million of general revenue expenses for constable services to lien network restricted receipts. The Assembly concurred.

Supplemental Nutrition Assistance Program - Benefits. The Department requested \$6.7 million more than enacted from federal funds for direct benefit payments and ongoing pandemic-related enhancements for the Supplemental Nutrition Assistance Program. This includes \$6.7 million more for direct benefits and \$21,370 more 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. Funds for the pandemic electronic benefits transfer card program were originally available through the end of summer 2023; however, the Department's request reflects funds that have not yet expired and have not been expunged on the cards. It predicts that spending for this will not occur beyond this fiscal year.

Total projected payments of \$356.1 million are \$0.5 million more than FY 2024 experience. *The Governor recommended funding as requested. The Assembly concurred.*

Supplemental Nutrition Assistance Program - Summer Benefit. The Department requested \$2.6 million more than enacted for the Summer Electronic Benefits Transfer Program. This primarily includes \$2.5 million more from federal funds for direct benefit payments. The enacted budget provided \$0.8 million for the administrative expenses to implement a permanent Summer Electronic Benefits Transfer Program with half of that from general revenues. The total includes \$0.3 million for system changes. The revised request increases expenses by \$0.2 million for costs related to processing a higher volume of benefits. *The Governor added \$1,212 to account for statewide adjustments consistent with his recent labor agreements. He requested an amendment to add \$5.4 million from federal funds to account for updated timing and expenses related to the program. The Assembly concurred with the amended recommendation.*

Supplemental Nutrition Assistance Program - Supportive Programs. The Department requested \$2.7 million more than enacted for support to Supplemental Nutrition Assistance Program participants. This includes \$0.1 million more from general revenues for the administration of employment, training, and nutrition education programs, \$1.3 million more for direct benefit payments, and \$1.3 million more for community outreach. 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 recommended \$13,002 more than requested, including \$6,501 from general revenues to account for statewide adjustments consistent with his recent labor agreements. The Assembly concurred.*

Reappropriation - Healthy Incentives Pilot Supplemental Nutrition Assistance Program. The Department requested \$8.7 million from general revenues to execute the Rhode Island Healthy Incentives Pilot program. This includes the \$8.3 million of reappropriated funds from FY 2024. Article 13 of 2022-

H 7123, Substitute A, as amended, created a retail Supplemental Nutrition Assistance Program pilot in which eligible households would receive an incentive payment of \$0.50 for every \$1.00 spent on fruits and vegetables on their electronic benefits card, with incentive thresholds to be determined by the Department of Human Services. The FY 2024 final budget includes \$10.9 million to implement this program but delays have impacted the agency from fully expending the FY 2024 appropriation before the close of the fiscal year. The legislation calls for the pilot to operate until all funds are expended. *The Governor recommended \$8.3 million, consistent with the total carryforward from FY 2024; however, he substituted \$4.5 million from State Fiscal Recovery funds for general revenues.* **The Assembly concurred.**

LIHEAP, Water, and Weatherization Assistance Programs. The Department requested \$0.5 million more than enacted from federal funds for benefits and operating expenses related to the low-income home energy assistance, water, and weatherization assistance programs, based on projected expenditures. The request reflects some carry-forward funds. This includes \$35.1 million for energy assistance and \$1.8 million for weatherization training. *The Governor recommended \$49,563 more than requested to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Office of Rehabilitation Services. The Department requested \$0.2 million less than enacted from all sources, including \$0.2 million more from general revenues and \$0.3 million less from federal funds, 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: vocational rehabilitation services, services for the blind and visually impaired, and disability determination services. The revised request reduces salary and benefit expenses by \$0.4 million to adjust for turnover savings, equivalent to about four positions. It increases expenditures by \$0.3 million for contracted medical and counseling services for clients, assistance with eligibility determinations, and federal client database management.

It should be noted that the request reflects savings of \$175,463 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$63,697. *The Governor recommended \$0.8 million more than requested, including \$0.1 million more from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Domestic Violence Prevention Activities. The Department requested \$0.4 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 recommended funding as requested.* **The Assembly concurred.**

Day One. The Department requested \$22,000 less than enacted from federal funds for total funding of \$522,000 to assist Day One with the transition to remote service provisions. In FY 2024, the Department spent \$0.4 million, or \$91,390 less than enacted. *The Governor recommended funding as requested.* **The Assembly concurred.**

Community Services Block Grant. The Department requested \$54,166 more from federal funds for total funding of \$4.5 million for expenses related to the community services block grant, primarily reflecting funds carried forward from FY 2024. Nearly all funding is used to support local community agencies and programs. *The Governor recommended funding as requested, with minor adjustments for staffing expenses.* **The Assembly concurred.**

Refugee Assistance. The Department requested \$2.8 million more than enacted from federal funds for refugee assistance programs, primarily reflecting funds carried forward from FY 2024. The Department reports that delays in contracting, specifically utilizing the new grants management system with vendors, have caused delays in service administration. The request also includes \$0.8 million more for social service programs, reflecting increased grant awards. This also reflects \$2.3 million more for cash assistance program benefits; FY 2024 expenses totaled \$2.9 million. *The Governor recommended funding as requested, with minor adjustments for staffing expenses.* **The Assembly concurred.**

Preschool Development Grant. The Department requested \$0.9 million more than enacted from federal preschool development funds for information technology expenses and implementation costs for the workforce registry for professionals who work with children in early childhood education. The Department received an extension to spend these funds and the request reflects current spending to exhaust them. The enacted budget includes \$1.1 million 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. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital - Blind Vending Facilities. The Department requested \$73,774 more than enacted, or total funding of \$238,774 from Rhode Island Capital Plan funds for the ongoing construction and renovation of statewide vending facilities. Its capital budget submission requests \$246,000 for this project in FY 2025; the Department reports that the operating request prevails. *The Governor recommended funding essentially as requested.* **The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.**

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, and the 2022 Assembly added \$770,140 from general revenues to reimburse current and former residents for this period. As of the December 16, 2024 report, all reimbursements to the identified veterans have been issued.

Veterans' Home. The Office requested \$0.5 million more than enacted from all sources, including \$0.3 million more from general revenues, for expenses at the Veterans' Home. The request assumes use of \$0.5 million of unspent federal funds from FY 2024 and \$0.3 million less from restricted receipts though they appear to be available. The request reduces personnel expenses by \$0.9 million and increases expenses for contracted services by \$1.1 million, which the Office attributes to the inability to hire full-time employees and reliance on contract staffing. The census as of January 2025 is 140 residents.

It should be noted that the request reflects savings of \$254,362 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$87,983. *The Governor recommended \$1.4 million more than requested, including \$0.3 million less from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. He shifted \$1.0 million in contracted medical expenses to available restricted receipts. The Governor's recommendation assumes an additional \$0.3*

million from federal funds to offset general revenue expenses based on updated rates for the federal per diem reimbursement. This is also included in his FY 2026 recommendation. **The Assembly concurred.**

Reappropriation - Digitization Project. The FY 2024 budget allocated \$250,000 for a new digitization project to scan, digitize, and store physical documents of military service records and discharge paperwork in a searchable database. The project has been delayed and the 2024 Assembly added reappropriation language to ensure access to any unspent funds in FY 2025. No funds were spent in FY 2024, and the Office requested the full reappropriated amount of \$250,000 from general revenues for use in FY 2025. The Office's agreement with its original vendor for this project fell through, because it could not agree to the state's terms. As of early January, one response to a new request for proposals is under review by information technology staff. *The Governor included the reappropriated amount.* **The Assembly concurred.**

Capital Projects. The Office requested \$1.4 million less than enacted from all sources for projects at the Rhode Island Veterans' Memorial Cemetery in Exeter and the Veterans' Home Renovation project. Similar to the capital budget request, this reflects an overall decrease in Veterans' Cemetery asset protection projects. *The Governor recommended funding as requested.* **The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.**

Other Staffing and Operations. The Office requested \$0.3 million less than enacted from general revenues, including \$0.1 million less for staffing within the Office of Veterans' Affairs and at the Veterans' Cemetery.

The Office requested \$53,440 less than enacted to support its 5.0 full-time equivalent positions. The enacted budget includes \$8,122 of turnover savings, and the Department's request increases these savings by \$42,066, equivalent to about 0.4 of a full-time equivalent position.

Additionally, the Office requested \$35,042 less than enacted from general revenues for 19.0 full-time equivalent positions at the Veterans' Memorial Cemetery. It adjusts expenses for current services and vacancies. It should be noted that the request reflects savings of \$17,386 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$10,147. *The Governor recommended \$0.1 million more than requested to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Office of Healthy Aging

Staffing. The Office requested \$943 less than enacted, including \$0.2 million less from general revenues and \$0.2 million more from federal funds, for salaries and benefits for its 33.0 positions. The revised request includes increased turnover savings equivalent to about 0.9 of a position, as well as position upgrades and current service adjustments. The Office has averaged 29.0 positions filled so far in FY 2025.

It should be noted that the request reflects savings of \$46,414 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$18,362. *The Governor recommended \$0.2 million more than requested, including \$0.1 million more from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Reappropriation - Delayed Invoices from Vendors. The Department requested the \$30,495 from general revenues reappropriated from FY 2024 for delayed invoices, including \$5,757 for the respite program and \$24,738 for the Wellsky case management system for the implementation of the Volunteer Guardianship program. *The Governor included the reappropriated amount.* **The Assembly concurred.**

Home and Community Care Services. Consistent with the enacted budget, the Office requested \$9.4 million for home care and adult day care services, and included \$0.1 million more from general revenues, offset by a like amount from federal funds. The FY 2025 budget did not calculate the correct Medicaid rate, and this request adjusts for that. *The Governor recommended funding as requested. He requested an amendment to reduce expenses by \$2.4 million, including \$1.1 million from general revenues; this is based on utilization in the Office's third quarter report.* **The Assembly concurred with the amended recommendation.**

Paratransit Services for the Elderly. The revised request is \$0.2 million more than enacted from gas tax funds for paratransit services based on expected costs and available resources from FY 2024. The revised request totals \$8.3 million and is \$0.7 million more than FY 2024 spending. 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 recommended total funding as requested but added \$0.2 million from general revenues in lieu of gas tax proceeds. He assumed \$4.3 million from the gas tax, which is expected to yield \$4.4 million for FY 2025.* **The Assembly concurred.**

Elderly Nutrition Programs. The Office requested \$0.1 million less 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. The revised request brings total funding to \$4.9 million, including the enacted level of \$0.7 million from general revenues. *The Governor recommended funding as requested.* **The Assembly concurred.**

Supportive Services. The Office requested \$11,373 less than enacted from federal funds for supportive services for older and disabled individuals. Total requested funding for supportive services is \$2.1 million for FY 2025. The request includes \$0.2 million more to reflect a federal award for home-delivered meals. It also includes \$0.2 million less from American Rescue Plan Act funds to align with projected award spending, as the funding was extended through September 30, 2025. The Department reported that this decrease is intended to align with projected award spending through the extended timeline. Funds can be used for activities outlined in Title III-B of the Older Americans Act, such as health education, counseling, housing services, transportation, elder abuse prevention and response activities, and in-home services, among others. *The Governor recommended funding as requested.* **The Assembly concurred.**

Elder Abuse Prevention. The Office requested \$0.5 million more than enacted from federal American Rescue Plan Act funds for elderly abuse prevention activities available from unspent funds. This includes \$0.2 million more for the new adult protective services client management system that automates abuse-reporting functions and improves the sharing of case information with first responders. The request also includes \$0.3 million for the Aging and Disability Resource Center media campaign. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Operations. The Office requested \$0.3 million more than enacted, including \$3,058 from general revenues, for all other operations. The request primarily includes \$0.2 million more than enacted for contracted technology and management services. *The Governor recommended total funding as requested, but shifted \$0.1 million in expenses to indirect cost recovery restricted receipts.* **The Assembly concurred.**

Dept. of Behavioral Healthcare, Developmental Disabilities & Hospitals

		FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program					
Services for the Dev. Disabled	\$	454,046,586	\$ 474,946,968	\$ 487,136,118	\$ 494,116,295
Hospital & Comm. Rehab. Services		113,586,059	111,154,234	115,749,405	117,873,588
Rhode Island Psychiatric Hospital		34,770,450	33,499,422	34,729,109.00	34,729,109
Behavioral Healthcare Services		48,049,378	46,672,770	58,076,212	56,276,212
Central Management		2,493,053	4,056,674	11,192,478	11,192,478
Hosp. & Comm. System Support		1,154,411	2,031,484	-	-
Total	\$	654,099,937	\$ 672,361,552	\$ 706,883,322	\$ 714,187,682
Expenditures by Category					
Salaries and Benefits	\$	52,378,078	\$ 47,856,758	\$ 56,798,191	\$ 56,798,191
Contracted Services		19,891,073	11,462,541	13,282,542	15,073,528
Subtotal	\$	72,269,151	\$ 59,319,299	\$ 70,080,733	\$ 71,871,719
Other State Operations		2,837,108	23,831,359	22,627,909	22,836,695
Aid to Local Units of Government		-	-	-	-
Assistance, Grants, and Benefits		579,241,349	588,207,377	612,655,916	617,960,504
Capital		(247,671)	1,003,517	1,518,764	1,518,764
Capital Debt Service		-	-	-	-
Operating Transfers		-	-	-	-
Total	\$	654,099,937	\$ 672,361,552	\$ 706,883,322	\$ 714,187,682
Sources of Funds					
General Revenue	\$	311,396,797	\$ 305,694,995	\$ 317,638,693	\$ 320,841,750
Federal Aid		333,704,267	353,159,441	366,488,015	368,465,135
Restricted Receipts		8,639,765	12,907,116	21,946,178	24,070,361
Other		359,108	600,000	810,436	810,436
Total	\$	654,099,937	\$ 672,361,552	\$ 706,883,322	\$ 714,187,682
FTE Authorization		1,200.4	1,221.4	1,221.4	1,221.4
FTE Average		982.8			

FY 2025 Revised Request. The Department requested \$16.9 million more than enacted, including \$2.7 million more from general revenues, \$5.0 million more from federal funds, \$8.9 million more from restricted receipts, and \$0.2 million more from Rhode Island Capital Plan funds. The Department proposed reorganizing its presentation of expenses, eliminating the Hospital and Community Support Program, spreading certain overhead expenses among the remaining divisions, and reducing the staffing authorization by 0.2 positions.

The Governor recommended \$34.5 million more than enacted, including \$11.9 million more from general revenues, \$13.3 million more from federal funds, \$9.0 million more from restricted receipts, and \$0.2 million more from Rhode Island Capital Plan funds. This is \$17.6 million more than requested, including \$9.2 million more from general revenues, \$8.3 million more from federal funds, and \$0.1 million more from restricted receipts. He did not reduce the staffing level.

The Assembly provided \$714.2 million, including \$320.8 million from general revenues, and 1,221.4 positions. This is \$7.3 million more than recommended, including \$3.2 million more from general revenues. The Assembly made adjustments based on the May caseload conference estimate and increased third-party billing revenue assumptions based on the Department's third quarter report.

Program Reorganization/Staffing. The Department requested 1,221.2 full-time equivalent positions for FY 2025, 0.2 positions fewer than enacted. The FY 2024 enacted budget transferred staff among divisions primarily to reflect requested reallocation based on need. The FY 2025 enacted budget further shifted administrative positions among divisions and adjusted staffing needs for Eleanor Slater Hospital and the newly separate state psychiatric facility. The FY 2025 revised and FY 2026 requests eliminate the Hospital and Community System Support division, with staff responsibilities including data analytics, hospital billings, and quality management for its 69.0 positions reallocated to Central Management, and shifts other staff among the remaining divisions.

The requests also transfer 4.0 positions assigned to the forensic outpatient clinic from Eleanor Slater Hospital to Central Management. Staff analysis of some changes in both years is hampered by lack of information to identify the specific personnel shifts among divisions. *The Governor recommended the current staffing authorization level and transferred positions as requested. The Assembly concurred.*

Division	Enacted	Revised Request	Change to Enacted	11-16 Filled FTE report	Governor Revised/ Assembly	Change to Enacted
Central Management	42.0	114.0	72.0	38.0	114.0	72.0
Hospital & Community System Support	69.0	-	(69.0)	62.0	-	(69.0)
Developmental Disabilities	325.0	323.8	(1.2)	269.8	323.8	(1.2)
Behavioral Healthcare Services	46.0	46.8	0.8	42.0	47.0	1.0
Eleanor Slater Hospital	607.0	601.2	(5.8)	467.2	601.2	(5.8)
State Psychiatric Hospital	132.4	135.4	3.0	114.4	135.4	3.0
Total	1,221.4	1,221.2	(0.2)	993.4	1,221.4	-

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 \$236,932 from general revenues to pay for the cost allocation plan. The revised request increases the payment by \$89,469 to \$326,401 which is \$32,176 less than FY 2024 expenses, to reflect anticipated expenses. The contract value is \$385,760 annually and it is unclear why it is not budgeted correctly. *The Governor recommended funding as requested. The Assembly concurred.*

Security Services. The Department requested \$2.0 million more than enacted for total funding of \$5.6 million based on updated projections; the expenses are primarily funded from general revenues. This is \$0.8 million less than expenses for FY 2024. The primary changes include adding \$0.9 million for the psychiatric hospital and \$0.3 million for Central Management for the forensic outpatient clinic expenses previously accounted through Eleanor Slater Hospital's budget. The request for expenses at Eleanor Slater Hospital is \$0.8 million more than enacted after that adjustment. The Department has a contract with a different security company and is anticipated reduced expenses compared to FY 2024.

It should be noted that expenses incurred at Eleanor Slater were for the Adolf Meyer and Regan medical buildings until March 2024, when patients were consolidated into one building to allow construction on the Regan building. As of October 2024, 70 patients reside at the Meyer building only. *The Governor recommended funding as requested. The Assembly added \$1.7 million from restricted receipts consistent with the Department's third quarter report.*

Security Services					
Division	FY 2024 Reported	FY 2025 Enacted	FY 2025 Rev./Gov. Rev.	FY 2025 Final	Final to Enacted
State Psychiatric Facility	\$ 3,575,441	\$ 1,993,505	\$ 2,900,000	\$ 2,900,000	\$ 906,495
Eleanor Slater Hospital	2,819,188	1,560,730	2,379,398	4,093,504	2,532,774
Hospital and Community System Support	(1,251)	16,276	-	-	(16,276)
Developmental Disabilities	81,609	42,000	55,673	55,673	13,673
Behavioral Healthcare Services	11,031	5,888	5,888	5,888	-
Central Management	2,789	1,488	302,167	302,167	300,679
Total - All Funds	\$ 6,488,807	\$ 3,619,887	\$ 5,643,126	\$ 7,357,232	\$ 3,737,345
<i>General Revenues</i>	<i>\$ 6,489,893</i>	<i>\$ 3,619,887</i>	<i>\$ 5,519,433</i>	<i>\$ 5,519,433</i>	<i>\$ 1,899,546</i>

Centralized Services. The Department's revised request reduces funding for centralized services by \$52,864 and shifts \$0.6 million in general revenue expenses to federal funds for total expenses of \$18.0 million. Details by division are shown in the following table.

Centralized Services by Division						
Division	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	Revised to Enacted	Gov. Rev./Final	Change to Rev. Req.
Eleanor Slater Hospital	\$ 13,923,977	\$ 11,650,880	\$ 12,097,069	\$ 446,189	\$ 12,050,874	\$ (46,195)
State Psychiatric Facility	3,665,231	2,457,067	2,457,067	-	2,428,500	(28,567)
Developmental Disabilities	2,875,003	2,014,198	2,254,198	240,000	2,350,249	96,051
Behavioral Healthcare Services	811,043	673,568	677,128	3,560	780,564	103,436
Hospital and Community System Support	91,387	321,859	-	(321,859)	-	-
Central Management	(221,125)	927,876	507,122	(420,754)	1,153,351	646,229
Total - All Funds	\$ 21,145,516	\$ 18,045,448	\$ 17,992,584	\$ (52,864)	\$ 18,763,538	\$ 770,954
<i>General Revenues</i>	<i>\$ 20,703,032</i>	<i>\$ 18,012,990</i>	<i>\$ 17,406,566</i>	<i>\$ (606,424)</i>	<i>\$ 18,351,690</i>	<i>\$ 945,124</i>

The following table shows expenses by type of centralized service and includes \$11.4 million for facilities management, more than half the request. The Department's billings for all charges through the first quarter total \$3.8 million, including \$1.7 million from general revenues and \$2.1 million from federal funds. Annualized, the total would be \$15.2 million from all sources, including \$6.8 million from general revenues and \$8.3 million from federal funds.

Centralized Services by Service						
Service	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	Revised to Enacted	Gov. Rev./Final	Change to Rev. Req.
Facilities Management	\$ 14,557,654	\$ 11,337,567	\$ 11,407,252	\$ 69,685	\$ 11,407,252	\$ -
Human Resources	2,153,299	2,360,814	2,469,663	108,849	2,469,663	-
Information Technology	4,434,563	4,347,067	4,115,991	(231,076)	4,886,623	770,632
Total - All Funds	\$ 21,145,516	\$ 18,045,448	\$ 17,992,906	\$ (52,542)	\$ 18,763,538	\$ 770,632
<i>General Revenues</i>	<i>\$ 20,703,032</i>	<i>\$ 18,012,990</i>	<i>\$ 17,406,566</i>	<i>\$ (606,424)</i>	<i>\$ 18,351,690</i>	<i>\$ 945,124</i>

The Governor added \$0.8 million to the request, including \$0.9 million more from general revenues and \$0.2 million less from federal funds, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses. The Assembly concurred.

Capital Projects. The Department requested \$0.8 million from Rhode Island Capital Plan funds, including \$0.6 million to purchase hospital equipment, or \$0.1 million more than enacted; it also includes \$0.1 million

more than enacted for residential development in the Division of Developmental Disabilities. This is consistent with the FY 2026 through FY 2030 capital request. *The Governor recommended funding as requested. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Division of Developmental Disabilities

Developmental Disabilities Programs. The state provides residential, day programming, family supports, and medical services to adults with developmental disabilities. As of October 2024, 4,481 individuals received services through the state-run system or community-based providers. This includes 3,802 individuals receiving direct residential, employment, and community-based programs and other support, including respite.

The Department's revised request includes \$477.8 million, of which \$210.6 million is from general revenues, for programs to support adults with developmental disabilities. This is \$2.8 million more than enacted from all sources, including \$0.2 million less from general revenues, \$3.1 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 \$444.8 million for the community-based system and \$33.0 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 \$1.5 million, including \$1.0 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 reflects the statutorily required reappropriation of unspent funds for the same purpose. *The Governor recommended \$487.1 million, which is \$12.2 million more than enacted, including \$5.0 million from general revenues, and included the changes made at the November Caseload Estimating Conference. The Assembly further adjusted expenses consistent with the May caseload conference estimate, which increased expenses by \$7.0 million, including \$3.2 million from general revenues, compared to the November estimate.*

Privately Operated Community Programs. The Caseload Estimating Conference met on November 6, 2024 and based on current law, revised the FY 2025 expenditures for private community developmentally disabled services to \$431.7 million, including \$191.6 million from general revenues, which is \$7.3 million more the enacted from all sources and \$3.4 million more from general revenues. The Department's revised request was submitted in October and, therefore, does not reflect the adopted estimate.

The following table itemizes private community-based expenditures, including the FY 2024 preliminary closing, enacted budget, adopted by the caseload estimators in November 2024, and recommended by the Governor. Each category is discussed separately. *The Governor recommended funding consistent with the caseload estimate.*

The Assembly provided \$438.7 million, including \$194.8 million from general revenues, consistent with the May caseload conference estimate. This is \$7.0 million more than the November estimate, including \$3.2 million more from general revenues, based on updated utilization.

Residential Rehabilitation. The November Caseload Estimating Conference estimate includes FY 2025 expenditures of \$212.8 million, including \$93.7 million from general revenues for the residential rehabilitation program. Services are provided in various community-based settings, including 24-hour group homes, individual living situations such as an apartment or house, shared living arrangements, or with a relative. The estimate is \$4.2 million less than enacted, including \$1.8 million from general revenues, based on updated utilization. The Department's revised request was submitted in October and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate.*

The Assembly provided \$205.9 million, including \$90.6 million from general revenues, consistent with the May caseload conference estimate, which is \$6.9 million less than the November estimate to reflect current utilization of services.

Private Community Developmentally Disabled	FY 2024 Reported	FY 2025 Enacted	FY 2025 Nov. CEC	FY 2025 Gov. Rec.	FY 2025 May CEC	FY 2025 Final
Residential Rehabilitation	\$ 207.8	\$ 217.0	\$ 212.8	\$ 212.8	\$ 205.9	\$ 205.9
Day Program	140.7	146.6	150.0	150.0	162.9	162.9
Employment	9.0	9.9	12.9	12.9	7.9	7.9
Transportation	16.3	16.1	16.9	16.9	17.1	17.1
Case Management and Other Support Services	9.9	7.4	8.7	8.7	17.0	17.0
Support Services Expansion	-	4.1	4.2	4.2	-	-
L9 Supplemental Funding	25.6	22.0	24.0	24.0	25.2	25.2
Non-Medicaid Funded	1.2	1.3	2.2	2.2	2.7	2.7
Total	\$ 410.5	\$ 424.5	\$ 431.7	\$ 431.7	\$ 438.7	\$ 438.7
Federal Funds	228.2	236.6	240.2	240.2	243.9	243.9
General Revenues	182.3	187.8	191.6	191.6	194.8	194.8

\$ in millions

Day Program. The November Caseload Estimating Conference estimate includes FY 2025 expenditures of \$150.0 million, of which \$66.0 million is general revenues, for day program services. This is \$3.4 million more than enacted, including \$1.5 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, community-based, 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 was submitted in October and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate.*

The Assembly provided \$162.9 million, including \$71.7 million from general revenues, consistent with the May caseload conference estimate. This is \$12.9 million more than the November estimate and reflects an increase in utilization.

Employment. The November Caseload Estimating Conference estimate includes FY 2025 expenditures of \$12.9 million, of which \$5.9 million is from general revenues for employment services based on increased utilization. The estimate is \$3.0 million more than enacted, including \$1.4 million less from general revenues for job assessment and development, job coaching, job retention, and pre-vocational training for adults with developmental disabilities. The Department's revised request was submitted in October and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$7.9 million, including \$3.1 million from general revenues, consistent with the May estimate, which is \$5.0 million less than the November estimate.**

Transportation. The November Caseload Estimating Conference estimate includes FY 2025 expenditures of \$16.9 million, of which \$7.6 million is from general revenues for transportation expenses. The estimate is \$0.8 million more than enacted, including \$0.4 million more from general revenues based on updated utilization. In addition to the estimate for transportation day activity, the Conference includes \$2.3 million in funds for transportation services provided by the Rhode Island Public Transit Authority.

Individuals are provided transportation from or in the immediate vicinity of their residence to participate in employment/day activities. The Department's revised request was submitted in October and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate.*

The Assembly provided \$17.1 million, including \$7.7 million from general revenues, consistent with the May estimate, which is \$0.2 million more than the November estimate.

Case Management and Other Support Services. The November Caseload Estimating Conference estimate includes FY 2025 expenditures of \$8.7 million, including \$3.8 million from general revenues for case management and other professional services. The estimate is \$1.3 million more than enacted, including \$0.6 million more from general revenues based on updated utilization. An individual can receive these assorted services, including, but not limited to, attendant care, home modifications, assistive technology, and support facilitation. The Department's revised request was submitted in October and does not reflect the adopted estimate.

The Governor recommended funding consistent with the caseload estimate. **The Assembly provided \$17.0 million, including \$7.5 million from general revenues, consistent with the May estimate. This is \$8.3 million more than the November estimate to reflect updated utilization trends.**

Support Services Expansion. The November Caseload Estimating Conference estimate includes FY 2025 expenditures of \$4.2 million, including \$1.8 million from general revenues, for other support services, which is \$0.1 million more than enacted. The expanded services include remote support, companion room and board, vehicle modifications, personal care in the workplace, peer support, and family-to-family training. The Department's revised request was submitted in October and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate.* **Consistent with the May caseload conference estimate, the Assembly excluded funding for the program to reflect an implementation delay.**

L9 Supplemental Funding. The November Caseload Estimating Conference estimate includes \$24.0 million, including \$10.6 million from general revenues for supplemental funding provided in addition to the annual authorizations, through a process known as "L-9." The estimate is \$2.0 million more than enacted, including \$0.9 million from general revenues for updated projections. The Department's revised request was submitted in October and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$25.2 million, including \$11.0 million from general revenues, consistent with the May estimate, which is \$1.2 million more than the November estimate.**

Non-Medicaid Funded. The November Caseload Estimating Conference estimate includes FY 2025 general revenue expenditures of \$2.2 million for individuals in out-of-state facilities, which is \$0.9 million more than enacted to reflect updated placements. The estimate also includes \$23,506, or \$2,924 less than enacted, for the monthly payments to family caregivers of individuals who formerly resided at the Ladd Center. The Department's revised request was submitted in October and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$2.7 million, consistent with the May estimate, which is \$0.5 million more than estimated in November. This includes \$16,941 for monthly payments to families and \$2.7 million for placements, where the provider is not enrolled in the Medicaid program.**

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 in FY 2023 and \$0.6 million in FY 2024. Any balance from these funds is statutorily reappropriated. The Department's request includes \$1.5 million, of which \$1.0 million is from general revenues for FY 2025 and \$1.3 million for FY 2026. *The Governor recommended funding as requested for both years.* **The Assembly concurred.**

Transformation and Technology Funds		FY 2023 Reported	FY 2024 Reported	FY 2025 Reappropriation	FY 2025 Gov. Rev./Final	FY 2026 Gov. Rec./Enacted
Non-Self-	General Revenues	\$ 336,077	\$ (17)	\$ 399,936	\$ 399,936	\$ 279,955
Directed	Federal Funds	336,077	-	508,803	508,803	370,045
<i>Subtotal</i>		<i>\$ 672,154</i>	<i>\$ (17)</i>	<i>\$ 908,739</i>	<i>\$ 908,739</i>	<i>\$ 650,000</i>
Self-Directed	General Revenues	-	564,415	583,021	583,021	650,000
Total		\$ 672,154	\$ 564,398	\$ 1,491,760	\$ 1,491,760	\$ 1,300,000
<i>General Revenues</i>		<i>\$ 336,077</i>	<i>\$ 564,398</i>	<i>\$ 982,957</i>	<i>\$ 982,957</i>	<i>\$ 928,200</i>

Consent Decree Activities - Workforce Development. The Department requested \$2.6 million from all sources, including \$1.3 million from general revenues, for contracted services related to workforce development consent decree activities. This is \$0.7 million more than enacted, including \$0.3 million more from general revenues. The enacted budget included \$1.9 million for employment services that the Department has identified as Guidesoft/Knowledge Services in its budget submission.

The revised and FY 2026 requests include \$1.7 million, of which \$0.9 million is from general revenues, for the Sherlock Center to work with Direct Support Workforce Solutions through the University of Minnesota's Institute for Community Integration. The University's workforce consultants will engage with Sherlock Center staff, Sage Squirrel, the Statewide Workforce Initiative workgroups, and Department staff to address consent decree requirements with a proposed timeline 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, technical assistance, engagement, and facilitations with the Rhode Island Statewide Workforce Initiative. The remaining \$0.9 million, including \$0.5 million from general revenues, is for other contracted services. *The Governor recommended funding as requested. The Assembly concurred.*

Conflict-Free Case Management. The Department's request adds \$0.1 million primarily from federal funds, for conflict-free case management services totaling \$1.8 million from all sources, including \$0.2 million from general revenues. The increase is for updated expenses for the Department's share of the statewide contract with Wellsky to implement conflict-free case management services. The contract covers accepting applications, eligibility determinations, evaluations, and conflict-free case management. The multi-year project started in July 2022 and finishes in September 2026, with the Department's portion of the project for its population completed in January 2025. The Executive Office of Health and Human Services manages the contract and reports that the existing case management information from Therap was incorporated in August 2024, and any missing data will be included in January 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Therap Case Management Services. The Department requested \$0.9 million, including \$0.2 million from general revenues, to extend the separate Therap case management services contract through June 30, 2025. The enacted budget did not expressly fund this. There is a one-year optional term. The contract includes a \$116 per month per individual charge for 4,331 program recipients. The Department reported that the services will be needed on a minimal basis by its quality assurance unit program until the conflict-free case management services system is fully operational. The FY 2026 request excludes these expenses for most clients. The request also includes another \$0.9 million, of which \$0.2 million is from general revenues, which appears to double count funding for this contract. *The Governor recommended funding as requested. The Assembly removed the funding for FY 2026, and the Department's third quarter report assumes use of these funds for other expenses.*

Staffing and Other Operations. The Department requested \$1.3 million less from all sources, including \$0.9 million less from general revenues, for salary and benefit expenses to fund 81.0 of the Division's 85.0 positions totaling \$10.8 million. The revised request reflects the updated cost allocation plan and staffing reorganization. The revised request also includes \$0.3 million from general revenues for overtime, which was not included in the enacted budget, but about \$50,000 was spent in FY 2024. It should be noted that

the request reflects savings of \$125,591 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$69,208.

The revised request also adds \$0.4 million more than enacted for insurance expenses for state-owned property, new computers and furniture.

*The Governor added \$0.7 million, including \$0.6 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. **The Assembly concurred.***

Rhode Island Community Living and Supports Program (RICLAS). There are 21 state-run group homes and apartments that provide overnight care that can provide residential services to 116 clients. As of October 2024, there were 98 clients in these facilities. The Department requests \$36,117 more than enacted, including \$1.0 million less from general revenues to adjust expenses for the applicable Medicaid match rate. The revised request is also \$2.0 million more than spent in FY 2024 but assumes fewer individuals in the state system.

As noted in the following table, the revised request effectively increases the assumed annual cost per person from FY 2024 by \$33,013, or 10.9 percent to \$336,515. This is \$22,778 more than enacted.

*The Governor added \$1.3 million, of which \$0.8 million is from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. **The Assembly concurred.***

RICLAS	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	Revised to FY 2024	FY 2025 Gov. Rev./Final	Change to FY 2024
Expenses	\$30,957,265	\$32,942,386	\$32,978,503	\$ 2,021,238	\$ 34,355,736	\$ 3,398,471
Average # of Persons*	102	105	98	(4)	101	(1)
Annual Per Person	\$ 303,503	\$ 313,737	\$ 336,515	\$ 33,013	\$ 340,156	\$ 36,653

*FY 2025 revised is based on average through the October census

Division of Behavioral Healthcare Services

The state provides behavioral health services, including Medicaid-funded mental health and substance abuse services to individuals through the Executive Office of Health and Human Services, and the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals provides additional services through federal resources, primarily the Substance Abuse, Mental Health, and Social Services block grants.

Substance Use and Mental Health Treatment Services Grants. The Department requested \$3.0 million less than enacted from federal mental health and substance abuse block grant funds and enhanced federal resources through recent legislation for a total of \$14.8 million. This is based on a revised spending plan. The following table shows the separate federal grants included in the enacted budget, revised request, and Governor's recommendation.

The Department has identified near-term uses of the funds, including its regular annual support for Regional Task Forces, Student Assistance, and BH Link, along with enhanced funding to existing programs from time-limited grants. *The Governor recommended funding as requested. **The Assembly concurred.***

Block Grant	FY 2025					Change to Rev. Req.
	Enacted	Revised Request	Change to Enacted	Governor/ Assembly		
Substance Abuse	\$ 7.7	\$ 7.2	\$ (0.5)	\$ 7.2	\$ -	
ARP: Substance Abuse	2.7	0.8	(1.9)	0.8	-	
CAA: Substance Abuse	-	-	-	-	-	
Mental Health	3.4	3.1	(0.3)	3.1	-	
ARP: Mental Health	2.3	1.8	(0.5)	1.8	-	
CAA: Mental Health	-	0.2	0.2	0.2	-	
Total	\$ 16.0	\$ 13.1	\$ (3.0)	\$ 13.1	\$ -	

\$ 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, which totaled \$550,000, 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 and FY 2026 requests do not include any funding, which is consistent with the enacted budget.

According to the Pandemic Recovery Office's report for expenses through October 2024, the Department has paid \$0.7 million to Thundermist to coordinate and conduct the trainings. This appears to leave \$1.5 million; unspent funds are automatically reappropriated to FY 2025. *The Governor recommended \$1.6 million, which includes \$0.6 million for payments to Thundermist in FY 2024 and the rest in FY 2025.* **The Assembly concurred.**

988 Hotline. The Department requested \$0.9 million more from all sources, including a new \$0.4 million from general revenues, for the 988 hotline. The hotline is operated by Horizon Health Partners, which provides the staffing and operations to meet federal requirements. The total FY 2025 revised request of \$4.2 million includes \$1.9 million from State Fiscal Recovery funds, \$2.0 million from federal funds, and \$0.4 million from general revenues. The general revenues are requested for a new commitment made before the FY 2025 budget was adopted. It is not clear what other sources are available given the lack of a state appropriation.

The Department requested \$0.4 million from new general revenues for information technology services to operate that hotline, which was included in a request for proposals issued in April 2024. The tentative award, assumed to be made in December 2024, with the start date of either February or March 2025, has not been finalized. The technology will integrate the dispatch of adult and children's mobile crisis outreach teams into the 988 hotline. The request includes integrated modules to manage closed-loop treatment referrals, waitlist management, a bed and outpatient appointment availability module, and interoperability with the state's data collection and reporting system, known as BHOLD.

The Assembly provided \$3.5 million from State Fiscal Recovery funds in FY 2023 and FY 2024 and \$1.9 million for FY 2025, for total funding of \$5.4 million. The Department's revised and FY 2026 requests include the enacted amount of \$1.9 million for a total of \$5.6 million, or \$0.2 million more than appropriated.

The Department also requested \$2.3 million, or \$0.2 million less than enacted, from all other federal funds, which includes providing mental health services on the scene of a traumatic event, especially for those with complex issues.

The following table shows prior year expenses, requests, recommended, and enacted funding.

988 Hotline	FY 2023 Spent	FY 2024 Spent	FY 2025 Enacted	FY 2025 Rev. Req.	FY 2025 Gov. Rev.	FY 2025 Final	FY 2026 Enacted
ARPA	\$ 0.2	\$ 1.6	\$ 1.9	\$ 1.9	\$ 3.5	\$ 1.7	\$ 1.8
988 Connect to Care	-	0.0	0.9	0.5	0.5	0.5	0.6
Transformation Transfer Initiative Federal Funds	-	0.4	0.2	1.2	0.1	0.1	0.4
Bipartisan Safer Community Act Funds	0.1	0.2	0.4	0.2	0.2	0.2	0.4
General Revenues	-	-		0.4	-	-	-
Total	\$ 0.3	\$ 2.2	\$ 3.3	\$ 4.2	\$ 4.3	\$ 2.5	\$ 3.2

\$ in millions

*The Governor recommended \$0.2 million more than requested. He reduced federal grants by \$1.4 million for an updated spending plan for the Department's use of the funds and did not include the new general revenues. The recommendation includes the remaining \$1.6 million from State Fiscal Recovery funds for total funding of \$3.5 million to be spent over FY 2025 and FY 2026. **The Assembly included \$1.7 million for FY 2025, reflecting the Department's third quarter report, and shifted \$1.8 million to FY 2026.***

Opioid Funds. The Department included \$7.9 million more than enacted from Opioid Stewardship, Statewide Abatement, and McKinsey Opioid Settlement funds for a total funding of \$14.2 million. This reflects unspent funds from FY 2024 and an updated spending plan. Funding supports \$2.3 million to Coastline for investments in school and community-based mental health services, \$1.6 million for recovery housing and supports, \$0.8 million for medical services, \$0.5 million for basic needs, and \$0.4 million for temporary contracted employment services. FY 2024 spending was \$4.6 million. *The Governor added \$111,000 for contracted services. He requested an amendment to transfer \$76,880 in abatement funds from the Executive Office's budget to support Seven Challenges training activities. **The Assembly did not shift the funding but assumed the training would be paid with unspent abatement funds acknowledged in the Department's third quarter report.***

State Opioid Response Grant. The Department included \$3.8 million more than enacted from the federal State Opioid Response grant in its revised request to reflect available funds. Total funding of \$10.6 million includes \$1.6 million for recovery housing, \$1.1 million to Coastline for student assistance programs, \$0.8 million to CODAC for a mobile van and the Hope Initiative, \$0.6 million for recovery community centers, \$0.2 million for residential care and emergency respite services, \$0.3 million for Enhanced Teen Institute, \$0.2 million for the Imani Community Recovery Program, and \$3.4 million that has not yet been determined. *The Governor recommended funding as requested. **The Assembly concurred.***

Homelessness Services. The Department included \$0.3 million more than enacted from Projects for Assistance in Transition from Homelessness federal funds awarded to the House of Hope and carried forward from FY 2024. The program assists individuals who are homeless or at risk of homelessness and have severe mental illnesses. Services include outreach and case management, screening and diagnostic treatment, housing, community mental health and alcohol and drug treatment, referrals for primary health care, job training, and educational support.

The revised request also includes \$0.3 million, or \$0.6 million less than enacted, from federal funds for the RI Systems Engagement and Navigation initiative, which will be used for outreach to those who are homeless or at risk for being so, along with assessments and connections to appropriate treatment. *The Governor recommended funding as requested. **The Assembly concurred.***

Recovery Housing. The Department received \$1.0 million from federal funds through the federal Department of Housing and Urban Development to provide stable, temporary housing for 24 months to low-income individuals with substance use disorders. The program is coordinated with the state's

Department of Housing, which is the agency that is spending the funds. The four-year \$1.0 million grant was first awarded in 2021 and is set to expire in FY 2025.

The Assembly provided \$0.9 million for FY 2024 and \$0.1 million for FY 2025. The funds were not spent in FY 2024, and the revised request excludes them. However, the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals reports that the Department of Housing is establishing a new Memorandum of Understanding to provide recovery services through the grant. The first agreement ended in FY 2024 and no programs were funded. If the Department of Housing awards federal funds in the current year, the Department's revised request does not include them. *The Governor recommended funding as requested. The Assembly concurred.*

Partnership for Success. The Department requested \$0.4 million less than enacted for total funding of \$0.8 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 of and reducing the progression of substance abuse, including childhood and underage drinking and reducing substance-use-related problems in communities, and building prevention capacity and infrastructure at the state and community levels. The revised request reflects updated spending plans and the FY 2026 request includes the remaining \$1.0 million. *The Governor recommended funding as requested. The Assembly concurred.*

Rhode Island Healthy Transitions. The Department requested \$0.4 million from the federal Healthy Transitions grant, which is \$0.1 million less than enacted, to reflect updated expenses. The grant offers access to clinicians, a case manager, a nurse, a psychiatrist, a substance abuse specialist, and an employment education specialist to assist individuals with meeting goals for improving mental health and making successful transitions to adulthood. Participants receive help with housing, employment, education, care, and support for an average of two years; medication treatment and interviews are conducted every six months to monitor progress. The Providence Center and Newport Mental Health Center operate the program. *The Governor recommended funding as requested. The Assembly concurred.*

Drug Court Support Project Grant. The Department recently received a five-year \$2.0 million federal grant for the Drug Court Support project. The intent is to increase the availability of screening, treatment, and recovery services to a minimum of 40 adults referred by adult or family drug courts through coordinated efforts. The revised request includes \$150,000 for the first year of the grant, which ends September 2029. *The Governor recommended funding as requested. The Assembly concurred.*

Residential Capacity Expansion. The Department requested \$200,000 less from available asset forfeiture funds to expand access to substance abuse residential treatment services by increasing capacity. The Department recently completed a project that increased capacity from 16 beds to 28 beds at MAP Behavioral Health Services and constructed 10 new beds by converting office space at Galilee Mission. The next phase may include increasing capacity for enhanced mental health psychiatric rehabilitation residences. *The Governor recommended funding as requested. The Assembly concurred.*

Other Staffing and Operations. The Department requested \$0.1 million more than enacted, including \$0.2 million more from general revenues, for all other division staffing and operations. The staffing request is \$0.3 million less than enacted, including \$0.3 million more from general revenues, which appears to be based on the updated cost allocation plan. It should be noted that the revised request is \$1.1 million less than FY 2024 expenses, including \$2.3 million less from general revenues. The revised request allocates 0.8 full-time equivalent positions more than enacted. It should be noted that the request reflects savings of \$86,668 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$46,258.

Other expenses are \$0.4 million more than enacted, including \$60,895 less from general revenues. This adjusts for current year spending for the remaining federal grants supporting community-based activities and adjustments. The increase in federal funds includes \$0.3 million for contracted information technology services and related costs and \$0.1 million for various operating expenses.

*The Governor recommended \$0.7 million more than requested, including \$0.4 million from general revenues. This includes statewide adjustments for salaries and benefits and adds \$0.2 million, of which \$0.1 million is from general revenues, for contracted services to support the division's work with the Certified Community Behavioral Health Centers in collaboration with the Executive Office of Health and Human Services. The Governor also adjusted the staffing request to reflect a full 1.0 position more than enacted. **The Assembly concurred.***

Eleanor Slater Hospital

The Department requested \$0.7 million more than enacted, including \$1.0 million less from general revenues for total hospital expenses of \$111.4 million at the Cranston campus and Zambarano unit in Burrillville. Based on the October census of 146 patients, the annual cost for each would be about \$763,000. The revised request decreases the enacted staffing allocation from 607.0 to 601.2. This is 5.8 positions below the current authorization, reflecting the updated cost allocation plan and reorganization of the divisions.

As part of the newest reorganization plan, the request includes shifting \$1.9 million from general revenues for the forensic outpatient clinic that operates out of the Regan Building and is staffed by Eleanor Slater Hospital personnel to the Central Management Division. The Department reports the reason for the separation is that the clinic is not part of hospital operations; it is discussed separately. Adjusting for this shift, the revised request is \$2.6 million more than enacted, including \$0.9 million from general revenues.

*The Governor recommended \$115.1 million, or \$3.7 million more than requested, including \$2.3 million from general revenues to account for statewide adjustments consistent with his recent labor agreements and for decentralizing utility billings and increases in those expenses and adjustments to other centralized services based on anticipated expenses. The average annual cost per patient, assuming 154 patients, is \$747,646. **The Assembly increased third-party billing by \$2.1 million to reflect the Department's third quarter projections and concurred with the remainder of the recommendation.***

Sources. The revised request includes \$5.5 million from anticipated Medicare Part D payments and other third-party payments, which is \$1.0 million more than the enacted budget. The year-to-date collections through October are \$0.7 million, with a prior-year balance of \$3.0 million from FY 2022 through FY 2024. *The Governor recommended funding essentially as requested. **The Assembly increased third-party billing by \$2.1 million to reflect the Department's third quarter projections.***

The following table shows the daily rate paid by Medicaid, matched by general revenues, for the eligible patients, including the FY 2025 revised and FY 2026 requests.

Medicaid Billings	FY 2025 Enacted	FY 2025 Rev. Req.*	FY 2025 Gov. Rev./Final	FY 2026 Request	FY 2026 Gov. Rec./Enacted
Patients	136	136	136	136	142
Daily Rate	\$ 1,732	\$ 1,900	\$ 2,120	\$ 1,932	\$ 1,932
Total	\$99,475,155	\$ 101,565,474	\$ 105,217,715	\$ 103,282,224	\$ 112,786,285
Medicaid	\$53,087,056	\$ 53,809,158	\$ 55,287,566	\$ 55,287,566	\$ 61,515,889

**Fiscal staff assumptions based on Medicaid funding included in the enacted budget and Department requests*

Uses. The Department requested \$2.6 million more than enacted, including \$0.9 million more from general revenues, for hospital operations. The enacted budget makes significant changes to how the budget accounts for staffing and related expenses at the 24-hour operations that bill Medicaid for a portion of the services delivered, making it difficult to analyze the specific expenses at the state hospital. The general revenue request for security services is discussed separately. *The Governor added \$3.7 million, including \$2.3 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. He also included \$25,000 in general revenue savings from increasing Medicare billings by re-enrolling physicians for certification. The Department proposed the change in billings in its FY 2026 budget, and the Governor recommended it for both years, assuming an earlier timeline to realize the general revenue savings.* **The Assembly increased third-party billing by \$2.1 million to reflect the Department's third quarter projections. These revenues are budgeted for \$1.7 million for security and \$0.4 million more for other operations.**

Security Services. The revised request includes \$0.8 million more than enacted from general revenues for updated security services at Eleanor Slater Hospital for total funding of \$2.4 million. It should be noted that the expenses for FY 2024 covered the Adolph Meyer and Regan buildings until March 2024, when patients were consolidated into Adolf Meyer to allow construction on the Regan building. As of the October census, there are 70 patients at the Adolf Meyer Building, and Regan will be empty until the fall of 2026 or FY 2027. *The Governor recommended funding as requested.* **The Assembly added \$1.7 million from restricted receipts consistent with the Department's third quarter report.**

Rhode Island State Psychiatric Facility

The Rhode Island State Psychiatric Facility is a 53-bed facility funded entirely from general revenues. The revised request is \$0.2 million more than enacted and \$0.6 million more than FY 2024 expenses. *The Governor recommended \$1.0 million more than requested.* **The Assembly concurred.**

Staffing and Other Medical Services. The Department included \$2.1 million more than enacted from general revenues for salaries and benefits and \$1.0 million less for contracted medical services for the Psychiatric Hospital. The requested staffing authorization of 135.4 positions is 3.0 more than enacted. The revised budget request reflects updated staffing expenses and assumes keeping 22 positions vacant. As of mid-November, there are 114.4 positions filled. It should be noted that the request reflects savings of \$143,728 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$32,142. The increase in staffing expenses is partially offset by a reduction to contracted medical services expenses. *The Governor added \$1.0 million from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Security Services. As described earlier in this analysis, the Department requested \$0.9 million more than enacted from general revenues for total funding of \$2.9 million for security services at the Psychiatric Hospital. The revised request is \$0.7 million less than FY 2024 expenses, reflecting savings from a new contract. The Division reports an average of 25 guards daily to cover three shifts based on patient needs. *The Governor recommended funding as requested.* **The Assembly concurred.**

Hospital Shared Expenses. The Department requested \$1.2 million less from general revenues for food and laundry services provided by Eleanor Slater Hospital staff to the state hospital, and expenses are billed back. The enacted budget appears to have double-counted these expenses. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Expenses. The Department requested \$0.6 million less than enacted from general revenues for a total of \$4.6 million for all other expenses. This includes \$0.4 million less for pharmaceuticals and medical supplies, \$0.1 million more computers, and \$0.3 million less for other various expenditures. The revised

request also includes \$2.5 million for centralized services. All other expenses were \$5.4 million in FY 2024. *The Governor recommended funding as requested, except for \$28,567 less than the requested amount for centralized services. The Assembly concurred.*

Central Management and Other Programs

Forensic Outpatient Clinic. The Department requested \$0.2 million more from general revenues for total funding of \$2.1 million for the forensic outpatient clinic located at the Cranston campus of Eleanor Slater Hospital. This is \$0.1 million more than FY 2024 expenses and funds four positions, contracted medical services, and operating expenses, including security services. The requested increase is for additional examinations. It also shifts the expenses from being reported within the hospital costs to the Central Management division.

The Department reports that it is statutorily required to perform examinations ordered by the Judiciary. It also provides follow-up services through the clinic, operated under a hospital's license. It also notes that it is in the process of granting the clinic a separate license as a behavioral health organization. This may allow the clinic to claim Medicaid for some services, offsetting state-only expenses. *The Governor recommended funding essentially as requested; he did not include the increase for additional examinations. The Assembly concurred.*

Legal Settlements. The Department included \$1.0 million from general revenues in its revised request for litigation the state is currently in related to former Department employees. The FY 2024 final budget included \$470,000 from general revenues in anticipation of expenses. Funds were not spent because the process is still ongoing. *The Governor recommended funding as requested. The Assembly concurred.*

Staffing and Other Operations. The Department's request for all other expenses is \$1.1 million more than enacted for administrative and support operations, including \$0.1 million less from general revenues. As noted previously, the request eliminates the separate Hospital and Community System Support divisions and allocates those expenses among the remaining divisions, primarily Central Management, which has 68.0 more full-time equivalent positions allocated to it.

The revised request also assumes general revenue savings of \$0.9 million from shifting expenses to indirect cost recovery restricted receipts. This includes \$0.3 million from applying a 15.0 percent indirect rate on the new State Opioid Response Grant, which has been approved. It also assumes the Department will be approved for a 32.5 percent indirect cost recovery rate on certain Medicaid-related expenses. The Department applied for the rate in June 2024, requesting to charge indirect expenses for administrative activities, but not as directly related as eligibility determination; indirect expenses include costs such as financial management. The request assumes general revenue savings of \$0.7 million from this new rate.

Additionally, there are typically changes to cost allocation that further complicate comparisons to budgeted amounts or prior spending. For example, the \$3.2 million increase in staffing expenses in Central Management far exceeds the \$1.4 million in staffing costs budgeted for the now-defunct division that shifted elsewhere. The Department has not provided a useful crosswalk identifying where expenses were shifted and why costs increased overall.

The Governor added \$1.0 million, including \$0.9 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate and adjustments to centralized service billings based on a revision to anticipated expenses. He also included the full savings from the indirect cost recovery proposal; one application remains unapproved. The Assembly concurred.

Office of the Child Advocate

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,222,053	\$ 1,736,377	\$ 1,747,971	\$ 1,597,971
Contracted Services	54	2,700	3,000	3,000
Subtotal	\$ 1,222,107	\$ 1,739,077	\$ 1,750,971	\$ 1,600,971
Other State Operations	172,919	150,349	160,769	160,769
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	2,000	2,000	2,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,395,026	\$ 1,891,426	\$ 1,913,740	\$ 1,763,740
Sources of Funds				
General Revenue	\$ 1,429,015	\$ 1,891,426	\$ 1,913,740	\$ 1,763,740
Federal Aid	(33,989)	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,395,026	\$ 1,891,426	\$ 1,913,740	\$ 1,763,740
FTE Authorization	10.0	13.0	13.0	13.0
FTE Average	8.8			

FY 2025 Revised Request. The Office of the Child Advocate requested \$191,339 less than enacted from general revenues. The Office subsequently indicated that the request included an error and that it intended to request a reduction of only \$73,303. *The Governor recommended \$213,653 more than requested and \$22,314 more than enacted from general revenues.* **The Assembly provided \$150,000 less than recommended.**

Salaries and Benefits. The Office requested \$195,139 less than enacted from general revenues for salaries and benefits. The enacted budget funds approximately 12.2 of the authorized 13.0 positions. As of the beginning of November, the Office has averaged 3.7 vacant positions for the year. It should be noted that the request reflects savings of \$27,751 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$6,016.

Subsequently, the Office indicated its request unintentionally eliminated a position and \$118,036 of funding. The request intended to include a reduction of only \$77,103, primarily reflecting turnover savings. *The Governor recommended \$206,733 more than requested. This corrects the error in the request and includes an increase of \$94,139 to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly included additional turnover savings of \$150,000 based on updated projections from continued vacancies.**

Other Operations. The Office requested \$3,800 more than enacted from general revenues for all other expenses. The increase is primarily for additional travel expenses to visit youth placed out-of-state in the Department of Children, Youth and Families' care. The Office is statutorily required to provide oversight

for youth in out-of-state facilities, and the use of those placements has grown. Spending in FY 2024 was only \$1,263, but the Office indicated that the additional staffing provided by the 2024 Assembly will allow for increased activity.

*The Governor recommended \$6,920 more than requested. This includes an increase of \$9,820 primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses, including a delay in the implementation of new systems management software. He also included \$2,900 less than requested for placement monitoring based on prior year spending. **The Assembly concurred.***

Commission on the Deaf and Hard of Hearing

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 541,389	\$ 564,420	\$ 593,812	\$ 493,812
Contracted Services	146,873	201,200	201,200	201,200
Subtotal	\$ 688,262	\$ 765,620	\$ 795,012	\$ 695,012
Other State Operations	111,904	148,564	109,497	109,497
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 800,166	\$ 914,184	\$ 904,509	\$ 804,509
Sources of Funds				
General Revenue	\$ 745,740	\$ 782,651	\$ 762,680	\$ 662,680
Federal Aid	-	-	-	-
Restricted Receipts	54,426	131,533	141,829	141,829
Other	-	-	-	-
Total	\$ 800,166	\$ 914,184	\$ 904,509	\$ 804,509
FTE Authorization	4.0	4.0	4.0	4.0
FTE Average	4.0			

FY 2025 Revised Request. The Commission on the Deaf and Hard of Hearing requested \$3,438 more than enacted from all sources, including \$25,685 from general revenues for its FY 2025 revised expenses. *The Governor recommended \$9,675 less from all sources than enacted, including \$19,971 less from general revenues. The Assembly provided \$0.1 million less from general revenues than recommended.*

Staffing and Operations. The Commission requested \$3,438 more than enacted from all sources, including \$25,685 from general revenues. It inadvertently allocated the 10.0 percent, or \$22,247 from restricted receipts to general revenues for partial funding for the director of operations for the management and oversight of the Emergency and Public Communication Access Program to restricted receipts. Consistent with the enacted budget, it did not assume any turnover savings; however, one position has been vacant for several months. It should be noted that the request reflects savings of \$5,455 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$1,984.

The Governor recommended \$13,113 less from all sources than requested, including \$45,656 less from general revenues, and properly reflected costs allocated to restricted receipts. Salary and benefit expenses are \$25,954 more than requested, including \$24,245 from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. This is offset by \$39,067 less for centralized information technology services, based on a revision to anticipated expenses. The Assembly provided \$0.1 million less from general revenues to reflect turnover savings from the ongoing vacancy.

Governor's Commission on Disabilities

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 509,901	\$ 555,547	\$ 616,319	\$ 616,319
Contracted Services	57,974	148,662	150,823	150,823
Subtotal	\$ 567,875	\$ 704,209	\$ 767,142	\$ 767,142
Other State Operations	79,131	93,376	103,471	103,471
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	990,875	1,136,831	1,867,396	1,948,908
Capital	1,026	2,515	912	912
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,638,907	\$ 1,936,931	\$ 2,738,921	\$ 2,820,433
Sources of Funds				
General Revenue	\$ 1,298,970	\$ 1,530,392	\$ 2,331,664	\$ 2,331,664
Federal Aid	329,086	340,000	340,067	421,579
Restricted Receipts	10,851	66,539	67,190	67,190
Other	-	-	-	-
Total	\$ 1,638,907	\$ 1,936,931	\$ 2,738,921	\$ 2,820,433
FTE Authorization	5.0	5.0	5.0	5.0
FTE Average	4.9			

FY 2025 Revised Request. The revised request is \$767,512 more from all sources than enacted, and includes a general revenues reappropriation of \$730,565, of which \$640,565 is required for the Livable Home Modification Grant Program. Staffing authorization is at the enacted level.

*The Governor recommended \$34,478 more from all sources than requested, including \$36,412 more from general revenues, primarily to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. He subsequently requested an amendment to recognize \$0.1 million in available federal funds for habilitative services. **The Assembly concurred with the amended recommendation.***

Reappropriation - Livable Home Modification Grant Program. The revised request includes the required reappropriation of \$640,565 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. In March 2023, the cap for the grant increased from \$4,000 to \$4,500; the Commission is considering a regulatory change to increase the grant amount to \$5,000. The program is administered by the Commission in consultation with the Executive Office of Health and Human Services. *The Governor concurred. **The Assembly concurred.***

Reappropriation - Outreach Services. The revised request includes \$92,601 from general revenues, including \$90,000 from FY 2024 unspent funds for the Commission to conduct outreach services. Funds will be awarded to community-based organizations that are located in underserved communities to publicize services and programs that are available to individuals who are having accessibility issues. The

Commission is in the process of signing contracts with Progreso Latino, George Wiley Center, East Bay Collaborative, and Melior Inc. to provide services. *The Governor included only the \$90,000 reappropriation.* **The Assembly concurred.**

Salaries and Benefits. The Commission's revised request includes \$32,871 more than enacted from general revenues for updated salary and benefit expenses for its authorized 5.0 full-time equivalent positions. The revised request includes step increases, updated medical benefit selections and statewide benefit changes. It should be noted that the request reflects savings of \$5,213 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$2,121. *The Governor recommended \$27,901 more than requested from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Other Expenses. The Commission requested \$1,475 more from all sources than enacted, including \$1,177 less from general revenues, offset by slight increases from federal funds and restricted receipts, and \$1,934 from other funds to support the Grants Management Office; the Commission had intended to request this expense from federal funds. The request includes \$2,000 more for school construction design plans review, for which the enacted budget included \$72,915. It also includes \$4,402 less for centralized services provided by the Department of Administration. Through the first quarter, expenses total \$13,105 and annualized they would be \$53,689. The revised request is \$4,650 below that and \$1,402 less than FY 2024 spending. *The Governor recommended \$9,178 more than requested, including \$11,112 more from general revenues for centralized services based on a revision to anticipated expenses. He subsequently requested an amendment to recognize \$0.1 million in available federal funds for habilitative services.* **The Assembly concurred with the amended recommendation.**

Office of the Mental Health Advocate

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 668,779	\$ 889,378	\$ 784,798	\$ 639,798
Contracted Services	-	2,700	2,700	2,700
Subtotal	\$ 668,779	\$ 892,078	\$ 787,498	\$ 642,498
Other State Operations	100,550	88,530	87,175	87,175
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	299	1,000	1,000	1,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 769,628	\$ 981,608	\$ 875,673	\$ 730,673
Sources of Funds				
General Revenue	\$ 769,628	\$ 981,608	\$ 875,673	\$ 730,673
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 769,628	\$ 981,608	\$ 875,673	\$ 730,673
FTE Authorization	6.0	6.0	6.0	6.0
FTE Average	4.4			

FY 2025 Revised Request. The Office of the Mental Health Advocate requested \$7,215 less than enacted from general revenues. *The Governor recommended \$105,935 less than enacted and \$98,720 less than requested. The Assembly provided \$0.1 million less than recommended.*

Operations. The Office requested \$7,215 less than enacted from general revenues for updated salary and benefit expenses, based on a current vacancy. It should be noted that the request reflects savings of \$8,817 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$3,690.

The Governor recommended \$105,935 less than enacted. He added \$40,625 to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The recommendation also includes savings of \$145,205 reflecting vacant attorney and social worker positions assuming the positions will be filled in the second half of the fiscal year.

The Governor also included a decrease of \$1,355 primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses, including a delay in the implementation of new systems management software. The Assembly reduced expenses by \$145,000 as both vacancies remained after the third quarter.

Department of Elementary and Secondary Education

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
State Aid	\$ 1,392,267,202	\$ 1,308,822,720	\$ 1,307,626,379	\$ 1,306,346,008
School Housing Aid	104,162,966	106,198,555	106,198,555	106,198,555
Teachers' Retirement	131,509,407	132,268,922	138,298,470	139,372,819
RI School for the Deaf	9,872,581	9,717,563	10,454,382	10,054,382
Central Falls School District	49,413,751	54,634,574	55,041,889	55,041,889
Davies Career & Technical School	24,387,186	65,267,137	36,271,405	29,129,991
Met. Career & Tech. School	10,802,511	13,631,142	15,253,156	15,253,156
Administration	320,035,996	312,621,565	346,578,424	349,414,831
Total	\$ 2,042,451,600	\$ 2,003,162,178	\$ 2,015,722,660	\$ 2,010,811,631
Expenditures by Category				
Salaries and Benefits	\$ 50,021,412	\$ 53,817,252	\$ 51,559,625	\$ 52,136,032
Contracted Services	78,189,124	86,928,478	81,306,037	81,306,037
Subtotal	\$ 128,210,536	\$ 140,745,730	\$ 132,865,662	\$ 133,442,069
Other State Operations	15,479,641	13,140,028	17,036,342	17,036,342
Aid to Local Units of Government	1,851,086,302	1,755,997,861	1,795,763,853	1,796,657,831
Assistance, Grants, and Benefits	44,602,598	49,105,880	53,601,719	54,361,719
Capital	1,325,767	43,038,429	15,450,084	8,308,670
Capital Debt Service	-	-	-	-
Operating Transfers	1,746,756	1,134,250	1,005,000	1,005,000
Total	\$ 2,042,451,600	\$ 2,003,162,178	\$ 2,015,722,660	\$ 2,010,811,631
Sources of Funds				
General Revenue	\$ 1,493,846,918	\$ 1,588,830,390	\$ 1,595,323,261	\$ 1,597,274,317
Federal Aid	495,011,882	318,458,763	355,718,501	355,923,854
Restricted Receipts	51,904,842	53,019,127	49,393,524	49,467,500
Other	1,687,958	42,853,898	15,287,374	8,145,960
Total	\$ 2,042,451,600	\$ 2,003,162,178	\$ 2,015,722,660	\$ 2,010,811,631
FTE Authorization				
Administration	150.1	156.1	156.1	156.1
Davies	123.0	123.0	123.0	123.0
School for the Deaf	61.0	61.0	61.0	61.0
Total Authorized Positions	334.1	340.1	340.1	340.1
FTE Average	325.0			

FY 2025 Revised Request. The Council on Elementary and Secondary Education requested \$4.2 million more than enacted for FY 2025, including \$2.4 million more from general revenues, \$34.8 million more from federal funds, \$3.8 million less from restricted receipts, and \$29.3 million less from Rhode Island Capital Plan funds. The general revenue change reflects an increase in teacher retirement costs related to the changes adopted by the 2024 Assembly. *The Governor recommended \$8.4 million more than requested, including \$4.1 million from general revenues. Most of the general revenue increase is related to teacher*

retirement costs. **The Assembly provided \$4.9 million less than recommended, including \$2.0 million more from general revenues.**

Education Relief 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 following table shows the federal education relief funding for Rhode Island, including the FY 2022 and FY 2023 expenses, FY 2024 reported expenditures, and the FY 2025 revised request. It should be noted that the request is \$14.1 million more than enacted to account for unspent FY 2024 funds. Funding for Central Falls and the state schools is included in the table below, but discussed separately in this analysis.

	Elementary & Secondary School Emergency Relief Funds					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Chg. to
	Spent	Spent	Reported	Enacted	Rev. Req.	Enacted
Aid to Districts	\$ 88.5	\$ 174.5	\$ 205.9	\$ 49.0	\$ 52.4	\$ 3.4
<i>State Schools</i>	0.1	3.1	2.2	1.6	1.3	(0.3)
<i>Central Falls</i>	0.0	6.6	9.9	1.0	1.0	-
<i>All Other Districts</i>	88.4	164.8	193.8	46.5	50.1	3.7
Discretionary Funds	6.2	16.6	34.7	11.0	21.6	10.6
Total	\$ 94.7	\$ 191.1	\$ 240.6	\$ 60.0	\$ 74.0	\$ 14.1

\$ in millions; excludes CARES Act funding

Education Relief - District Funds. The Council requested authorization to spend \$3.7 million more from federal Elementary and Secondary School Emergency Relief funds. The increase reflects the carryforward of unspent FY 2024 funds at the local level, excluding Central Falls and the state schools. The revised request includes expenditures of \$52.4 million, which represents the remainder of funding to be reimbursed. The revised budget request includes funding that represents the remaining allocations that had to be obligated by September 30, 2024, and spent by January 30, 2025. As of November 8, districts have been reimbursed for 96.6 percent of the total allocation. *The Governor recommended funding as requested. The Assembly concurred.*

Education Relief - Discretionary Funds. The Council requested authorization to spend \$10.6 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, 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. Most requested funds will be used for match grants to support low-performing schools. The revised request includes expenditures of \$21.6 million. This will also support 0.5 full-time equivalent positions. *The Governor recommended funding essentially as requested. The Assembly concurred.*

Group Home Aid. The Council requested the enacted level of \$1.9 million from general revenues to fund beds for communities hosting group homes. The law uses the number of beds that are open as of December 31 for the budget year's aid. Increases in beds before December 31 of each year are paid as part of the supplemental budget for that year. The request assumes a bed count of 221, consistent with the enacted budget. *The Governor recommended \$306,000 more for 18 new beds in FY 2025, including 4 in North Smithfield, 12 in Portsmouth, and 1 each in Pawtucket and Providence. The Assembly concurred and made adjustments to this category of aid beginning in FY 2026.*

Metropolitan Career and Technical School. The Council requested the enacted level of \$13.6 million for the Metropolitan Career and Technical School. This includes \$11.1 million of general revenue support through the funding formula, \$0.5 million from federal funds, and \$2.0 million from Rhode Island Capital Plan funds. *The Governor recommended \$1.6 million more from Rhode Island Capital Plan funds, reflecting the carryforward of unspent FY 2024 funding for the ongoing roof replacement project.* **The Assembly concurred.**

Reduced-Price Meals. The Council requested the enacted amount of \$0.8 million for the program that makes reimbursable breakfasts and lunches free to students from families that qualify for free or reduced-price meals. As recommended by the Governor, the FY 2025 enacted budget created this program, which requires the state to provide 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 enacted budget includes funding for an estimated 6,500 qualified students. The Department did not provide updated information on participation when requested but did indicate that there will likely be savings in FY 2025. It notes that it will have more accurate information when payments are made to the local education agencies at the end of the school year. *The Governor recommended funding as requested.* **The Assembly concurred.**

Textbook Reimbursement. The Council requested 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 grade 12. In FY 2024, final program expenditures were \$57,766. *The Governor recommended funding as requested.* **The Assembly provided \$180,371 less based on actual reimbursements.**

Early Childhood Categorical Funding. The Council requested the enacted amount of \$29.9 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 paid directly to early education programs.

The enacted budget added \$7.0 million to fund 35 new classrooms and 633 seats and assumed a total of 2,997 seats in 162 classrooms. The actual number of available seats is 2,809 in 152 classrooms, which is 188 fewer seats in 10 fewer classrooms than assumed. The Department indicated that a limited number of providers were available, and a shortage of instructors slowed the expansion of the program. In its request, the Department indicated that as a result of these capacity issues, it was planning to coordinate some funding with the Department of Human Services for its toddler and infant program. This is inconsistent with the law establishing this categorical fund, which requires its use for prekindergarten programs.

The Governor recommended funding as requested. **The Assembly provided \$1.1 million less to align with authorized education aid use.**

Career and Technical Education Funding. The Council requested the enacted level of \$6.5 million from general revenues for career and technical education categorical funding. The enacted budget included \$6.5 million, and the 2024 Assembly included language in Article 1 of 2024-H 7225, Substitute A, as amended, which required that the \$2.0 million increase in funding be coordinated with the career and technical education board of trustees to be directed to new programs to provide workforce training for jobs for which there are no active programs. The budget also included funding and authorization for 2.0 new positions to monitor and support these programs. As of December, one position has been filled.

For FY 2025, at least 33 schools and districts will receive career and technical categorical funding. As of early December, the distribution of the \$2.0 million for new programs has not been determined. Intending to have a career and technical program in every school, the Department issued a competitive request for proposals

on December 20 and intends to announce awards in Spring 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Statewide Student Transportation. The Council requested \$4.6 million less than enacted from restricted receipts for the statewide student transportation system. Restricted receipts are collected from districts for transportation expenditures, not including transportation categorical funds. The request reflects anticipated utilization by local education agencies for out-of-district transportation for students attending charter schools, vocational schools, and special education programs. The enacted budget included an increase of 8.0 percent from the FY 2024 final budget, which assumed higher contract costs for the new contract.

Preliminary FY 2024 spending was \$2.2 million, or 5.7 percent more than included in the final budget. The Department reported that this was due to increased service costs, including necessary vehicle purchases. The revised request is 9.1 percent lower than FY 2024 spending, which the Department indicated results from price negotiations and route redistribution that resulted in savings. *The Governor recommended funding as requested. The Assembly concurred.*

Education Telecommunications Access Fund. The Council requested total funding of \$1.1 million from all sources for the Education Telecommunications Access Fund, which is \$0.1 million less than enacted from restricted receipts based on anticipated contract expenses for the program and FY 2024 experience, and supports 0.8 full-time equivalent positions.

The Education Telecommunications Access Fund is designed to provide financial assistance to qualified libraries and schools to acquire, install, and use telecommunications technologies to access the internet. This fund is supported by a \$0.26 monthly surcharge levied upon each residence and business telephone access line and supplemented with \$0.4 million from general revenues. The federal rate is based on the percentage of students 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 recommended funding essentially as requested. The Assembly concurred.*

School Housing Aid. The Council requested the enacted level of \$106.2 million from general revenues for school housing aid. Compared to the enacted budget, the request shifts \$0.4 million from the traditional program to the School Building Authority Capital Fund, which reflects the difference in actual distributions under the traditional program, pursuant to current law. *The Governor recommended funding as requested. The Assembly concurred.*

Executive Climate Change Coordinating Council Project. In October 2024, the Executive Climate Change Coordinating Council approved a new program for FY 2025 within the School Building Authority to support renewable energy projects in school buildings. The program would aid municipalities in accessing funding approved in the Inflation Reduction Act and would develop a pilot program to track energy production and performance. The Council's request does not include funding for this project. *The Governor added \$175,000 from restricted receipts, consistent with the plan approved by the Executive Climate Change Coordinating Council. The Assembly concurred.*

Math and English Languages Arts Coaches. The Council requested the enacted \$5.0 million from general revenues of one-time funding to aid local educational agencies in hiring instructional coaches and providing professional development to support the implementation of high-quality curriculum materials. The Department indicated that \$4.0 million will fund 26 full-time and 9 part-time coaches in 24 local education agencies. The Department has not provided its criteria for choosing the schools, but many high-need districts and schools have received funding. As of early December, 20 of the positions were filled.

The remaining \$1.0 million will support schools, including providing professional development, supporting coaches, and assisting with implementing high-quality curriculum materials. The Department posted the

requests for proposals for this aspect of the initiative in September, and the solicitations closed in early October. As of early December, no vendor has been chosen. *The Governor concurred.* **The Assembly concurred.**

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 called 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 reports that no staff are assigned specifically to this effort, and no additional resources are dedicated to the takeover. Rather, leadership and staff from various program areas support the district when needed. *The Governor concurred.* **The Assembly concurred.**

Teacher Retirement. The Council requested \$2.4 million more than enacted to fund the state's share of the employer contribution for teacher retirement costs and includes defined benefit and contribution portions. This is based on the Department's revised estimates of the cost and consists of the changes adopted by the Assembly in Article 12 of 2024-H 7225, Substitute A, as amended, which made changes to the pension plan affecting retirees and active members, including the cost-of-living adjustment, pension benefit calculation, public safety pensions, and post-retirement employment. The FY 2025 enacted budget assumed that the cost of these changes for teachers would be \$22.2 million. The state's share of \$8.9 million was included in the Department of Administration's budget for later distribution.

The state share of the defined benefit portion of teacher retirement for FY 2024 was \$126.9 million. Using the state share of 11.13 percent, this equates to a base total salary amount for teachers of \$1,140.0 million. Assuming a defined contribution share of \$5.1 million consistent with the enacted budget, 3.0 percent payroll growth, and a state share of 11.42 percent would result in a state cost of \$139.2 million for FY 2025. The request is \$4.5 million less. *The Governor recommended \$3.6 million more than requested based on more accurate FY 2024 teacher payroll data. This is \$2.9 million less than all funding enacted for FY 2025.* **The Assembly added \$1.1 million to reflect updated projections, providing a total of \$139.4 million.**

Special Education Grants. The Council requested authorization to spend \$1.0 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 recommended funding as requested.* **The Assembly concurred.**

Title I Grants. The Council requested authorization to spend \$2.4 million less 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 recommended funding as requested.* **The Assembly concurred.**

ARPA - Adult Education Providers. The Council requested \$2.9 million more than enacted from State Fiscal Recovery funds to support adult education providers, representing a carryforward of unspent FY 2024 funds. The project initially experienced delays, but the Department reported that \$4.2 million in grants has been allocated to providers and that it will meet the December 2026 spending deadline. Combined with the FY 2026 request and actual FY 2024 spending, the request overstates available resources by \$0.2

million. *The Governor recommended \$0.5 million more than requested and included all but \$0.1 million of unspent funding in FY 2025, which corrects the overstatement. **The Assembly concurred.***

ARPA - Out-of-School Time Education Providers. The Council requested \$2.1 million more than enacted from unspent State Fiscal Recovery funds and the enacted \$3.0 million of one-time general revenue support to be distributed to community organizations to expand access to out-of-school educational programs as part of the Learn365RI initiative. The Department shifted approved funding between FY 2025 and FY 2026 based on anticipated spending by community organizations. The deadline for these funds is December 31, 2026. Overall, the Department has awarded \$7.5 million to 29 municipalities from both sources, with \$0.2 million for project management and professional development.

*The Governor recommended \$4.0 million from federal funds for FY 2025, which is \$1.9 million more than requested. He also added \$2.5 million from general revenues for FY 2026 to continue this program. He included language in Article 1 of 2025-H 5075 and 2025-H 5076 to reappropriate any unspent general revenues for the Learn365RI program. **The Assembly concurred with the recommendation and included the reappropriation language in the FY 2025 in Article 13 of 2025-H 5076, substitute A as amended. It included \$1.3 million from general revenues in FY 2026 and no reappropriation language.***

Aid to Non-Public Schools. The Council requested authorization to spend \$3.7 million more than enacted from federal funds awarded in response to the coronavirus emergency for non-public schools. The state received \$13.4 million from the Consolidated Appropriations and American Rescue Plan Acts of 2021. This request includes the carryforward of unspent funds for prior years and programs the remaining available funding for FY 2025. As of November, 92.8 percent of the allocation has been spent. *The Governor recommended funding as requested. **The Assembly concurred.***

Healthy Environments Advance Learning Grant. The Council requested \$162,533 more from federal funds for personnel costs to implement the Healthy Environments Advance Learning Program grant to support school infrastructure improvements. The focus of this five-year, \$5.0 million grant is to provide support to Central Falls, Providence, Pawtucket, West Warwick, and Woonsocket. The 2024 Assembly added authorization for 3.0 new full-time equivalent positions and included language in the appropriations act that explicitly limits the authorization of the new full-time equivalent position for this use. The requested increase reflects the actual cost for the positions. As of December, two of the positions have been filled. *The Governor recommended \$1,857 more than requested to reflect the correct assessed fringe benefit rate. **The Assembly concurred.***

Nutrition Grants. The Council requested authorization to spend \$3.3 million more than enacted from federal nutrition program funds, reflecting anticipated program participation and increased federal reimbursements for the current fiscal year. *The Governor recommended funding as requested. **The Assembly concurred.***

School Mental Health Grants. The Council requested authorization to spend \$5.9 million more than enacted from seven federal grants designated to address adolescent and youth mental health. This includes \$2.6 million of carryforward from unspent previous year funds and \$3.3 million for a new grant to establish safe and healthy learning communities in high-need local education agencies. *The Governor recommended funding as requested. **The Assembly concurred.***

Literacy Development Grant. The Council requested authorization to spend \$3.5 million more than enacted from federal funds to strengthen literacy programs. The increase represents carryforward of unspent prior year funds and the remaining amount of 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. In August, the Department announced that it received a new five-year, \$40 million grant, but this is not reflected in the request. *The Governor recommended funding as requested. The Assembly concurred.*

Other Salaries and Benefits. The Council requested \$1.9 million less than enacted, primarily from federal funds, for all other salaries and benefits for the Department's remaining 148.8 full-time equivalent positions. This largely reflects a shift in how the expenses related to federal grants are programmed. The request shifts funding from staffing to other purposes, largely contracted services. The enacted budget assumed turnover savings equal to approximately eight positions; the request maintains a similar level. As of the end of November, the administrative program had 9.1 vacancies, averaging 6.9 fewer positions filled than authorized.

It should be noted that the request reflects savings of \$294,354 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$95,230, including \$67,714 from general revenues.

The Governor added \$166,833, including \$117,971 from general revenues, to account for statewide adjustments consistent with his recent labor agreements for some employees and the correct assessed fringe benefit rate. It should also be noted that most employees of the Department are covered by labor contracts that have not been settled. The Department of Administration's budget includes \$12.2 million, including \$11.2 million to account for potential costs of settling contracts with unions representing employees in the Departments of Corrections, Public Safety, and Elementary and Secondary Education. The Assembly added \$1.0 million, including \$0.7 million from general revenues, to reflect the distribution of the funds, for the staff who are subject to the settlement.

Other Grant and Programming Revisions. The Council requested \$2.2 million more than enacted, including \$1.9 million more from federal funds and \$0.3 million more from restricted receipts for all other expenses. This reflects adjustments to various grants, primarily the carrying forward of unspent funding and the repurposing of funds previously budgeted as salaries and benefits. *The Governor added \$200 from general revenues for information technology centralized services adjustments based on updated estimates.*

The Assembly added \$1.9 million from general revenues to reflect a settlement authorized by the Rhode Island Board of Education and concurred with the remainder of the recommendation. This would provide compensatory special education services for claimants and support related administrative costs and attorney fees.

Davies Career and Technical School

Operations. The Council requested \$0.3 million more than enacted from all sources for operations at Davies Career and Technical School, including \$0.2 million from federal funds and \$0.1 million from Davies' local share of education restricted receipts. There are adjustments to federal special education, vocational education, and teacher quality grants based on available funding and formula allocations. *The Governor recommended \$109,986 more than requested, primarily from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The Assembly concurred.*

Capital. The Council requested \$29.3 million less from Rhode Island Capital Plan funds for projects at Davies Career and Technical School, reflecting updated project timelines consistent with the capital request. *The Governor recommended \$150,000 less than requested, consistent with his capital budget. He subsequently requested an amendment to reduce the \$0.7 million for the asset protection project by \$0.3 million to reflect*

expenses that belong to a prior year based on the audited FY 2024 closing statement. Expenditures over the two-year period are unchanged.

The Assembly shifted \$6.9 million for the Health Care Classroom Improvements project to FY 2026, based on an updated project schedule, and concurred with the remainder of the amended recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.

Rhode Island School for the Deaf

Operations. The Council requested \$577,717 more than enacted from all sources for the School for the Deaf. This includes \$526,831 more from fee-for-service restricted receipts and \$50,886 more from federal funds. The federal fund increase reflects the carryforward of unspent education stabilization funds and adjustments to various formula grants. 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. The School reported an increased need for specialized positions to support students with behavior and special education needs, primarily behavior specialists.

*The Governor recommended \$159,102 more than requested, including \$69,222 less from general revenues and \$228,324 more from Rhode Island Capital Plan funds, consistent with his capital budget. The recommendation adds \$292,708 to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, partially offset by \$239,401 of turnover savings. As of early January, the School had three vacancies. The Governor also recommended \$122,529 less for other operating expenses based on prior year spending. **The Assembly provided \$0.4 million less from general revenues to reflect additional turnover savings identified in the Department's third quarter report.***

Public Higher Education

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Office of Postsecondary Comm.	\$ 49,883,040	\$ 51,799,867	\$ 63,218,405	\$ 62,476,251
University of Rhode Island	957,690,065	1,017,965,011	1,058,187,934	1,058,187,934
Rhode Island College	195,810,346	205,135,912	225,812,999	221,903,154
Community College of RI	172,900,165	195,936,693	207,269,924	188,619,924
Total	\$ 1,376,283,616	\$ 1,470,837,483	\$ 1,554,489,262	\$ 1,531,187,263
Expenditures by Category				
Salaries and Benefits	\$ 604,671,293	\$ 641,355,039	\$ 647,381,877	\$ 647,381,877
Contracted Services	45,376,156	44,565,682	47,088,480	47,088,480
Subtotal	\$ 650,047,449	\$ 685,920,721	\$ 694,470,357	\$ 694,470,357
Other State Operations	253,730,496	260,636,374	285,462,308	285,462,308
Aid to Local Units of Government	6,254,432	-	-	-
Assistance, Grants, and Benefits	342,468,094	350,804,057	378,865,774	378,123,620
Capital	68,320,662	100,402,540	123,094,636	100,534,791
Capital Debt Service	69,866,382	73,073,791	72,596,187	72,596,187
Operating Transfers	(14,403,899)	-	-	-
Total	\$ 1,376,283,616	\$ 1,470,837,483	\$ 1,554,489,262	\$ 1,531,187,263
Sources of Funds				
General Revenue	\$ 309,805,902	\$ 314,514,386	\$ 315,871,060	\$ 315,128,906
Federal Aid	11,970,769	5,982,632	17,801,726	17,801,726
Restricted Receipts	7,429,755	8,669,141	8,891,195	8,891,195
Other	1,047,077,190	1,141,671,324	1,211,925,281	1,189,365,436
Total	\$ 1,376,283,616	\$ 1,470,837,483	\$ 1,554,489,262	\$ 1,531,187,263
Uses of Funds				
Unrestricted Use Funds	\$ 827,651,654	\$ 898,511,887	\$ 904,870,706	\$ 904,128,552
Restricted Use Funds	548,631,962	572,325,596	649,618,556	627,058,711
Total	\$ 1,376,283,616	\$ 1,470,837,483	\$ 1,554,489,262	\$ 1,531,187,263
FTE Authorization	3,874.5	3,895.5	3,895.5	3,895.5
<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	4,415.3	4,415.3	4,415.3
FTE Average	3,904.4			

FY 2025 Revised Request. The 2019 Assembly created a 17-member Board of Trustees for the University of Rhode Island, effective February 1, 2020. Authority for various functions was transferred from the Council on Postsecondary Education to the new Board, and the University was removed from the authority of the Commissioner of Postsecondary Education. It preserved all of the General Assembly's authority over the University. The budget is still presented with the other entities.

The governing bodies' revised request is \$57.8 million more than enacted, including \$1.5 million more from general revenues. It also includes \$1.4 million less from tuition and fee revenues, \$2.8 million more from other unrestricted sources, and \$54.9 million more from restricted sources.

The Governor recommended \$83.7 million more than enacted from all sources, which is \$25.9 million more than requested. General revenues are \$1.4 million more than enacted and \$0.1 million less than requested.

The Governor subsequently requested an amendment to reduce FY 2025 Rhode Island Capital Plan funding for three Rhode Island College projects by \$3.9 million to reflect the FY 2024 audited closing statement.

The Assembly lowered expenses for the Hope and Promise scholarship programs by \$0.7 million based on the May reports and shifted \$18.7 million from Rhode Island Capital Plan funds from FY 2025 to later years based on revised project schedules and concurred with the remainder of the Governor's amended recommendation.

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, general fees, and sponsored research overhead. The unrestricted budget is similar to the general revenue budget of other agencies and departments. The FY 2025 unrestricted revised budget includes spending of \$901.4 million. This is \$2.9 million more than enacted and includes \$1.5 million more from general revenues. *The Governor recommended \$904.9 million from unrestricted sources, which is \$6.4 million more than enacted and \$3.5 million more than requested.*

The Assembly lowered expenses for the Hope and Promise scholarship programs by \$0.7 million based on the May reports.

Office of Postsecondary Commissioner Staffing. The Office requested \$0.3 million more than enacted, mostly from general revenues. This restores \$0.1 million of turnover savings in the enacted budget, includes pay increases for several positions, and current service adjustments. It should be noted that the request reflects savings of \$58,095 from a reduction in the enacted assessed fringe benefit rate, which is equal to 1.7 percent of salaries; however, the correct rate is actually 1.1 percent lower, resulting in a difference of \$23,493.

The Governor recommended \$0.1 million less than requested from all sources, including \$0.2 million less from general revenues. The recommendation adds \$0.2 million, including \$0.1 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. It also increases general revenue turnover savings by \$0.1 million. It achieves another \$0.2 million of general revenue savings by shifting 75 percent of the cost of the Assistant Commissioner, Human Resources and Labor Relations, to two institutions consistent with his FY 2026 recommendation. The Assembly concurred.

Rhode Island Promise. The 2017 Assembly established the Rhode Island Promise Scholarship program to provide two years of free tuition and mandatory fees at the Community College of Rhode Island for qualifying Rhode Island students. The program is a "last dollar scholarship," meaning that after a student exhausts all other sources of student aid, the program would cover the remainder of their tuition bill with general revenues. This program does not cover other non-mandatory fees. Created initially as a pilot program, it was made permanent in 2021. The 2022 Assembly excluded College Crusade scholarships from the Promise award determination as financial aid. The Office's revised request is consistent with the enacted budget, but based on the November Promise report, it is underfunded by \$6,015. *The Governor*

*recommended an additional \$6,015, consistent with the November report. **The Assembly provided \$0.5 million less based on the May report.***

Hope Scholarship. The 2023 Assembly provided \$4.0 million from general revenues for the first year of the new Hope Scholarship for FY 2024. Like the Community College Promise Scholarship, it provides last-dollar scholarships to eligible students and appears in the Office of Postsecondary Commissioner's budget. The scholarship is provided to students during their third and fourth years, originally limited to those graduating in 2024, 2025, and 2026. The 2024 Assembly concurred with the Governor's request to extend the program to include the last cohort entering in the fall of 2029, allowing for better program evaluation. It also modified the reporting requirements to align with those of the Promise program.

To be eligible for the scholarship, a student must be a first-time, in-state student, meet minimum GPA requirements, accumulate sufficient credits towards their major field of study in their freshman and sophomore years to ensure they can stay on track to graduate and have not received an award from the Rhode Island Promise Scholarship Program. The pilot program is designed to incentivize and support students on their path to graduation.

The Office's revised request is consistent with the enacted budget, but based on the November Hope Scholarship report, indicates that approximately 410 juniors and seniors will be eligible for the scholarship with an estimated award of \$3.6 million for FY 2025, which is \$0.2 million more than enacted. *The Governor recommended an additional \$0.2 million, consistent with the November report. **The Assembly provided \$0.2 million less based on the May report.***

Dual Enrollment. Consistent with the enacted budget, the request includes \$2.3 million from general revenues for the Dual Enrollment program. Beginning in FY 2025, funding for the program shifted to general revenues as previous reserve funds were exhausted and tuition savings fees were insufficient. This program allows students to take courses at either a higher education institution campus or at their high school. It is intended to allow qualified high school students to earn college credit through dual and concurrent enrollment at no cost to the students.

*The Governor recommended \$2.7 million for FY 2025 and \$2.9 million for FY 2026, which is \$0.4 million and \$0.6 million more than the enacted amounts, respectively. Separately, he recommended a transfer of Rhode Island Student Loan Authority funds to general revenues for both years, equal to these costs. **The Assembly concurred.***

Other Operations. The Office requested the enacted amount of \$16.5 million for its operations, including the Nursing Education Center and Longitudinal Data System. It also included \$0.2 million for centralized services provided by the Department of Administration.

*The Governor recommended \$54,351 less than enacted from general revenues to align expenditures with prior-year experience. This includes an increase of \$4,399 to account for adjustments to centralized service billings based on a revision to anticipated expenses. **The Assembly concurred.***

University of Rhode Island. The University requested \$2.2 million more from unrestricted sources than enacted. The enacted budget assumes \$15.1 million more from unrestricted sources than the University had estimated. This would have required identifying additional revenues or expenditure reductions, or both. The revised request removes the unidentified revenues, adjusts other sources, and increases spending by \$2.2 million. Changes include \$2.4 million or 0.6 percent less than enacted from tuition and fees, and \$4.6 million more from other University sources. The enacted budget assumes enrollment of 14,848 with 6,791 in-state students, 7,829 out-of-state students, and 228 graduate resident assistants. The revised request includes enrollment of 14,781, or 161 fewer than enacted. *The Governor recommended \$1.0 million more*

*than requested to account for statewide adjustments consistent with his recent labor agreements for those affected employees and the correct assessed fringe benefit rate. **The Assembly concurred.***

Rhode Island College. The College requested \$1.0 million, or 0.7 percent less than enacted, from unrestricted sources for FY 2025. This includes \$0.8 million or 1.1 percent less from tuition and fees and \$0.8 million less from other unrestricted sources. The enacted budget assumes \$2.3 million more from unrestricted sources than the College had estimated. This would have required identifying additional revenues, expenditure reductions, or both. Additional revenues from increased enrollment, turnover savings, and a reduction in operating expenses were able to reduce the gap between expected revenues and expenditures. The request also includes a \$0.6 million increase from general revenues to offset the cost of settled collective bargaining agreements.

The revised request includes \$1.6 million less than enacted for salaries and benefits, \$0.7 million more for contracted services, \$0.5 million more in student aid, and \$0.6 million less for other operating expenses to reflect projected revenues.

*The Governor recommended \$1.7 million more than requested. Of this, \$0.7 million is for debt service for the College's energy conservation project, and \$1.0 million is for salaries and benefits. The recommendation adds \$0.3 million to account for statewide adjustments consistent with his recent labor agreements for those affected employees and the correct assessed fringe benefit rate. **The Assembly concurred.***

Community College of Rhode Island. The Community College requested \$1.3 million, or 1.0 percent more than enacted, from unrestricted sources. This includes \$0.7 million more from general revenues and represents the state's share of the increase in the assessed fringe benefit rates and the cost-of-living adjustment ratified by Council 94. It also includes \$1.7 million or 2.9 percent more than enacted from tuition and fees, and \$1.0 million less from other unrestricted sources. The revised request assumes 7,679 full-time equivalent students, 19 fewer than enacted. However, a change in total students enrolled yielded more tuition per full-time equivalent student than the original projections, which covers some of the overstatement in the enacted budget.

The expenditure changes include \$1.2 million more for salaries and benefits, \$0.3 million less for contracted services, \$0.6 million more for student aid, and \$0.2 million less for other operating expenses. *The Governor recommended \$0.3 million more than requested to account for statewide adjustments consistent with his recent labor agreements for those affected employees and the correct assessed fringe benefit rate. **The Assembly concurred.***

Restricted Source Expenditures

The restricted budget is composed of what are generally considered restricted receipt funds or enterprise funds. It includes residence hall funds, dining funds, and any other funds whose sources are limited to specific purposes. Federal funds are considered restricted use.

ARPA - Rhode Island Reconnect. The FY 2024 budget includes \$8.0 million from State Fiscal Recovery funds to establish the Rhode Island Reconnect program and fund it for two years. Funding will be used for direct support, such as targeted coaching and wraparound services, to help individuals aged 16 and older continue their education. Some funds must address barriers to attaining teacher certification as a Second Language Education Teacher, Grades PK-12, and as an All Grades Special Education Teacher. The FY 2025 enacted budget excludes these one-time funds, but any unused funds from FY 2024 will be reappropriated. For FY 2025, \$7.2 million remains to be spent; \$0.8 million was spent in FY 2024. *The Governor's recommendation includes the remaining \$7.2 million. **The Assembly concurred.***

ARPA - Fresh Start Scholarship. The FY 2024 budget includes \$5.0 million from State Fiscal Recovery funds for a new adult scholarship program that targets adult students with some college credits but no degree, focusing on students who dropped out of the Community College. Funding the first semester back will allow students to regain federal financial aid eligibility. Funding represents two years of scholarships. The request removes this one-time funding; however, any unused funds from FY 2024 will be reappropriated. For FY 2025, \$3.0 million remains to be spent; \$2.0 million was spent in FY 2024. *The Governor's recommendation includes the remaining \$3.0 million.* **The Assembly concurred.**

ARPA - Cybersecurity Center. The FY 2024 budget includes \$2.0 million from State Fiscal Recovery funds to support the establishment of the Institute for Cybersecurity and Emerging Technologies at Rhode Island College. Funding is budgeted in the Office of Postsecondary Commissioner and will support three years of program development and operating costs. The FY 2025 enacted budget excludes these one-time funds, but unused funds from FY 2024 will be reappropriated. The College launched the Center in November 2023. For FY 2025, \$1.6 million remains to be spent; \$0.4 million was spent in FY 2024. *The Governor's recommendation includes the remaining \$1.6 million.* **The Assembly concurred.**

ARPA - Foster Care Youth Scholarship. 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. To qualify for these grants, a youth must spend six months in foster care on or after their 14th birthday. The 2024 Assembly concurred with the Governor's recommendation to add \$1.0 million from State Fiscal Recovery funds for a last-dollar scholarship program for eligible foster care youth exiting the Department of Children, Youth and Families' care to attend Rhode Island College receiving full tuition, room and board, and/or support services, including during the summer months. Funding would be distributed through the Rhode Island College Foundation. The Council's request includes the enacted amount. The College reports that ten students received scholarships totaling \$0.1 million for the fall 2024 semester. *The Governor's recommendation is consistent with the enacted budget.* **The Assembly concurred.**

Capital Improvements. The revised budget includes a \$13.5 million increase from Rhode Island Capital Plan funds for restricted source capital expenditures. *The Governor recommended \$10.1 million more than requested.*

The Governor subsequently requested an amendment to reduce FY 2025 Rhode Island Capital Plan funding for three Rhode Island College projects by \$3.9 million to reflect expenses that belong to a prior year based on the audited FY 2024 closing statement. Expenditures over the two-year period are unchanged.

The Assembly shifted \$18.7 million from Rhode Island Capital Plan funds from FY 2025 to later years based on revised project schedules and concurred with the remainder of the amended recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.

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 recommended \$10,555 more than requested.* **The Assembly concurred.**

University of Rhode Island Other Operations. The University included a \$26.8 million increase from restricted sources for all other operations. This includes \$1.0 million more in restricted student aid, \$2.4 million more for the University's auxiliary enterprises, mainly dining services, \$23.3 million more from sponsored research grants reflecting growth and activity consistent with FY 2024, and \$0.1 million more from private and other restricted sources. *The Governor recommended \$0.3 million more than requested to account for statewide adjustments consistent with his recent labor agreements for those affected employees and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Rhode Island College Other Operations. The College included a \$6.8 million increase from restricted sources for all other operations. This reflects a \$2.6 million increase in restricted student aid, \$4.4 million more in sponsored research, and \$0.6 million more for the residence halls, dining facilities, and student union. *The Governor recommended \$52,921 more than requested to account for statewide adjustments consistent with his recent labor agreements for those affected employees and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Community College of Rhode Island Other Operations. The Community College included an \$8.0 million increase from restricted sources for all other operations. This includes \$3.6 million more for restricted student aid, \$0.1 million more for the driver's education program, \$1.0 million more for the bookstore, \$0.3 million more from private grants, and \$3.0 million more for sponsored research. That increase includes \$1.7 million from State Fiscal Recovery funds budgeted in the Office of Postsecondary Commissioner for the Fresh Start Scholarship. This would double-count the expenditure, which is a departure from the treatment of other State Fiscal Recovery funds. *The Governor recommended \$18,800 more than requested to account for statewide adjustments consistent with his recent labor agreements for those affected employees and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Office of Postsecondary Commissioner Other Operations. The Office included a \$29,183 increase from federal funds for salaries and benefits to reflect current service adjustments and no turnover savings. *The Governor recommended \$0.1 million more than requested to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

Rhode Island State Council on the Arts

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,277,215	\$ 1,405,289	\$ 1,403,811	\$ 1,403,811
Contracted Services	265,130	83,000	306,500	306,500
Subtotal	\$ 1,542,345	\$ 1,488,289	\$ 1,710,311	\$ 1,710,311
Other State Operations	210,201	187,042	217,249	217,249
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,619,040	1,766,006	1,593,502	1,593,502
Capital	73,854	535,000	563,210	563,210
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,445,440	\$ 3,976,337	\$ 4,084,272	\$ 4,084,272
Sources of Funds				
General Revenue	\$ 2,297,463	\$ 2,395,211	\$ 2,412,492	\$ 2,412,492
Federal Aid	976,489	996,126	1,011,780	1,011,780
Restricted Receipts	-	-	-	-
Other	171,488	585,000	660,000	660,000
Total	\$ 3,445,440	\$ 3,976,337	\$ 4,084,272	\$ 4,084,272
FTE Authorization	10.0	10.0	10.0	10.0
FTE Average	9.4			

FY 2025 Revised Request. The Rhode Island State Council on the Arts requested \$35,785 more from all sources than enacted, including \$39,215 less from general revenues and \$75,000 more from percent for arts funds. *The Governor's recommendation is \$72,150 more than requested, including \$56,496 from general revenues and \$15,654 from federal funds.* **The Assembly concurred.**

National Endowment for the Arts Grants. The Council requested \$24,004 less 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 decrease reflects available funds. In prior years, the Council has incurred expenses for grant-related contractors and fellowships that were not included in its budget; the request shifts \$0.2 million from awards to contracted services to more accurately reflect how these funds are spent. *The Governor recommended funding as requested.* **The Assembly concurred.**

Film Office. The Council requested \$42,571 more than enacted from general revenues for the Rhode Island Film and Television Office and its 3.0 full-time equivalent positions. 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 position. The position transitioned to full-time in August 2023; however, the upgrade to deputy director and associated pay increase did not occur. The requested increase reflects changes to medical benefit selections and \$25,788 to implement the position upgrade. It should be noted that the request reflects savings of \$4,431 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$1,611. *The Governor's recommendation is \$37,972 more than enacted and \$4,599 less than requested, which excludes the*

*requested position upgrade and reflects statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. **The Assembly provided funding consistent with the recommendation.***

Percent for Art Program. The Council requested \$75,000 more than enacted for the Percent for Art program for public art projects at state-owned facilities to reflect an updated timeline for planned projects. Many projects were put on hold as a result of the pandemic but are now proceeding. There are 14 ongoing projects, 7 of which are new. *The Governor recommended funding as requested. **The Assembly concurred.***

Other Staffing and Operations. The Council requested \$57,782 less than enacted, including \$81,786 less from general revenues and \$24,004 more from federal funds, for all other operations and the Council's remaining 7.0 full-time equivalent positions. The Council's director left state service in June 2024 and the Council's deputy director was selected to replace her in July. The request assumes half a year of general revenue turnover savings for the now-vacant deputy director position. The increase to federal funds primarily reflects out-of-state travel estimates as well as adjustments to more closely reflect FY 2024 spending. It should be noted that the request reflects savings of \$8,583 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$3,121.

*The Governor recommended \$76,749 more than requested, including \$25,210 more to purchase a new copier, partially offset by \$7,944 of additional turnover savings. The recommendation includes \$50,293, more, mostly from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. It also adds \$9,190 primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses. **The Assembly concurred.***

Rhode Island Atomic Energy Commission

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,214,950	\$ 1,271,223	\$ 1,334,312	\$ 1,334,312
Contracted Services	-	-	-	-
Subtotal	\$ 1,214,950	\$ 1,271,223	\$ 1,334,312	\$ 1,334,312
Other State Operations	220,178	244,652	242,339	242,339
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	50,000	78,036	78,036	78,036
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,485,128	\$ 1,593,911	\$ 1,654,687	\$ 1,654,687
Sources of Funds				
General Revenue	\$ 1,119,280	\$ 1,180,419	\$ 1,231,639	\$ 1,231,639
Federal Aid	-	-	-	-
Restricted Receipts	18,646	25,036	25,036	25,036
Other	347,202	388,456	398,012	398,012
Total	\$ 1,485,128	\$ 1,593,911	\$ 1,654,687	\$ 1,654,687
FTE Authorization	8.6	8.6	8.6	8.6
FTE Average	8.6			

FY 2025 Revised Request. The Rhode Island Atomic Energy Commission requested \$1,796 less than enacted. This includes \$1,306 more from general revenues and \$3,102 less from University funds. *The Governor recommended \$60,776 more than enacted, including \$51,220 more from general revenues. The Assembly concurred.*

Salaries and Benefits. The Commission's revised request includes \$1,796 less than enacted for staffing expenses, including \$1,306 more from general revenues and \$3,102 less from University funds, based on current costs. The enacted budget fully funds all staff, which is maintained in the revised request. Through the beginning of October, all positions were filled. It should be noted that the request reflects savings of \$13,736 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$4,914.

The Governor added \$64,885, including \$52,227 from general revenues, almost all of which is to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The Assembly concurred.

Other Operations. The Commission's revised request is consistent with the enacted budget. In FY 2024, the Commission signed a contract with a new janitorial service that costs \$13,040 less than assumed in the enacted budget. The Commission's FY 2026 request includes the lower cost. *The Governor recommended \$2,313 less than requested from general revenues. This includes \$2,082 less for the new janitorial services contract in the current year. It also includes an adjustment of \$231 from general revenues, primarily to*

*account for adjustments to centralized service billings based on a revision to anticipated expenses, including a delay in the implementation of new systems management software. **The Assembly concurred.***

Historical Preservation and Heritage Commission

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,719,318	\$ 2,379,509	\$ 2,248,501	\$ 2,140,501
Contracted Services	9,560	16,575	16,575	16,575
Subtotal	\$ 1,728,878	\$ 2,396,084	\$ 2,265,076	\$ 2,157,076
Other State Operations	274,000	389,176	408,364	408,364
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	132,225	585,400	585,400	568,400
Capital	6,158	357,000	707,000	707,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,141,261	\$ 3,727,660	\$ 3,965,840	\$ 3,840,840
Sources of Funds				
General Revenue	\$ 1,204,647	\$ 1,898,100	\$ 1,747,211	\$ 1,622,211
Federal Aid	807,741	1,267,431	1,613,889	1,613,889
Restricted Receipts	135	419,300	419,300	419,300
Other	128,738	142,829	185,440	185,440
Total	\$ 2,141,261	\$ 3,727,660	\$ 3,965,840	\$ 3,840,840
FTE Authorization	15.6	15.6	15.6	15.6
FTE Average	10.9			

FY 2025 Revised Request. The Historical Preservation and Heritage Commission requested \$485 more than enacted from all sources, including \$4,621 more from general revenues, \$9,103 more from federal funds, and \$13,239 less from Department of Transportation reimbursements. *The Governor's recommendation is \$0.2 million more, including \$0.2 million less from general revenues, \$0.3 million more from federal funds, and \$0.1 million more from other fund sources.* **The Assembly provided \$125,000 less from general revenues than recommended.**

Salaries and Benefits. The Commission requested \$485 more from all sources for salaries and benefits for its 15.6 full-time equivalent positions, including \$4,621 more from general revenues, \$9,103 more from federal funds, and \$13,239 less from Department of Transportation reimbursements. The enacted budget fully funds all positions. As of December, the Commission averaged 4.1 vacancies. It should be noted that the request reflects savings of \$21,926 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$7,973.

The Governor recommended \$0.1 million less than requested, including \$0.2 million less from general revenues. This reflects \$0.1 million more, including \$66,523 from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, offset by turnover savings equivalent to an average of 1.6 vacancies. **The Assembly provided \$0.1 million less than recommended, reflecting additional turnover savings; as of the third quarter, the Commission averaged 3.8 vacancies.**

Capital. The Commission requested the enacted amount of \$0.4 million from federal funds for capital projects. 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 \$0.2 million for these projects in FY 2025. It indicated the request is in error and its capital budget request should supersede. *The Governor recommended \$0.3 million more from federal funds and \$50,000 from a new allocation of Rhode Island Capital Plan funds for the Commission as well as the \$1.0 million within the Department's budget, consistent with his capital recommendation.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Operations. The Commission requested the enacted amount of \$1.0 million from all sources for all other expenses, including \$0.5 million from general revenues. The Commission subsequently indicated that its request overstates historical preservation conference funds by \$17,000 from general revenues. It should be noted that requested facilities maintenance centralized services expenses are \$77,375 more than spent in FY 2024.

The Governor recommends funding as requested, maintaining the apparent overstatement, and adds \$19,188 from general revenues primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses including a delay in the implementation of new systems management software. Staff began working from home when renovations began at the Old State House, and since that time the Commission has reported growing information technology costs. It should be noted that the Governor's FY 2026 recommendation includes a reduction to facilities maintenance expenses to more closely reflect FY 2024 spending; FY 2025 does not contain a similar reduction. **The Assembly provided \$17,000 less to correct the conference funds overstatement. It included the recommended level of centralized services spending based on the Commission's third quarter report.**

Office of the Attorney General

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Criminal	\$ 24,662,207	\$ 25,879,441	\$ 28,985,001	\$ 28,985,001
Civil	7,681,466	10,622,059	11,104,928	11,104,928
Bureau of Criminal Identification	4,406,849	5,045,548	4,842,674	4,842,674
General	5,703,343	4,909,579	5,246,018	5,246,018
Total	\$ 42,453,865	\$ 46,456,627	\$ 50,178,621	\$ 50,178,621
Expenditures by Category				
Salaries and Benefits	\$ 34,244,820	\$ 36,174,560	\$ 37,188,860	\$ 37,188,860
Contracted Services	1,146,272	4,902,628	3,250,682	3,250,682
Subtotal	\$ 35,391,092	\$ 41,077,188	\$ 40,439,542	\$ 40,439,542
Other State Operations	4,525,643	4,738,847	6,265,173	6,265,173
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	6,235	-	215,000	215,000
Capital	2,530,895	640,592	3,258,906	3,258,906
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 42,453,865	\$ 46,456,627	\$ 50,178,621	\$ 50,178,621
Sources of Funds				
General Revenue	\$ 35,044,452	\$ 35,103,418	\$ 36,677,279	\$ 36,677,279
Federal Aid	2,295,049	3,265,105	3,967,174	3,967,174
Restricted Receipts	4,171,091	7,938,104	9,269,168	9,269,168
Other	943,273	150,000	265,000	265,000
Total	\$ 42,453,865	\$ 46,456,627	\$ 50,178,621	\$ 50,178,621
FTE Authorization	264.1	264.1	264.1	264.1
FTE Average	248.4			

FY 2025 Revised Request. The Office of the Attorney General requested \$2.0 million more than enacted from all sources, including \$0.1 million more from general revenues, which includes the Governor's \$11,813 reappropriation, \$0.6 million more from federal funds, \$1.2 million more from restricted receipts, and \$0.1 million more from Rhode Island Capital Plan funds. *The Governor recommended \$1.7 million more than requested from all sources, including \$1.5 million more from general revenues primarily to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Reappropriation - Expert Witnesses. The Governor reappropriated \$11,813 for the Office of the Attorney General for unpaid bills for expert witnesses. The Office included the reappropriation in its request but reduced overall funding for expert opinions by \$13,281 because it sees a greater need for other expert support, such as lab testing. *The Governor recommended funding as requested.* **The Assembly concurred.**

Public Utilities Commission Regulatory Unit. The Office's request eliminates the \$0.3 million from restricted receipts in the enacted budget for the Public Utilities Commission Regulatory Unit. The FY 2025

enacted budget authorized two in-house legal positions for the Public Utilities Commission and transferred funding back to that agency. The Office indicates that the Commission dissolved the memorandum of understanding, and the two positions previously supporting this work transitioned back to the Civil Division in August. *The Governor excluded funding as requested. The Assembly concurred.*

Other Salaries and Benefits. The Office requested \$498,447 less from all sources for salaries and benefits for its 264.1 authorized positions. This includes \$63,934 more from general revenues, \$450,785 less from federal funds, and \$111,596 less from restricted receipts. The Office indicated that the general revenue increases result from step increases and different cost allocations based on anticipated work. The decrease from federal sources aligns with the prior year's experience based on positions attributed to that work. It appears to move federal funding from staffing to other purposes, primarily technology.

The enacted budget included turnover savings equivalent to 7.4 positions. Through the November 30 pay period, the Office averaged 256.2 positions filled or 7.9 vacancies but has 260.1 positions currently filled. The revised request appears to assume additional turnover equivalent to one position.

It should be noted that the request reflects savings of \$404,575 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$137,382, including \$121,164 from general revenues. *The Governor added \$1.7 million more than requested, including \$1.5 million from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, partially offset by additional turnover savings equivalent to 0.3 full-time equivalent positions. The Assembly concurred.*

Healthcare Litigation. The Office requested the enacted amount from restricted receipts for potential costs associated with subject matter healthcare experts. The Office must review and approve proposed hospital conversions pursuant to Rhode Island General Laws, Section 23-17.14-5. The Attorney General and Department of Health deemed the Centurion Foundation application to purchase Roger Williams Hospital and Our Lady of Fatima Hospital from Prospect Medical holdings complete on December 14, 2023. The sale was approved with conditions in June 2024 and amended in November. The sale was anticipated to close in January 2025. No funds have been spent through November, but the Office indicated that supplemental support might still be necessary. *The Governor recommended funding as requested. The Assembly concurred.*

Fingerprint Checks. The Office requested \$40,805 more from restricted receipts to support the automated fingerprint identification system. The FY 2024 final and FY 2025 enacted budget included increases for a project to update the hardware and software of the system. Traditionally, the restricted receipts collected are specifically used to fund the operation of the national background check system. The Office has previously maintained a carryforward balance, which it indicated is necessary to plan for maintenance and upgrades to the system. The request decreases restricted receipts by \$409,195 and adds \$450,000 of available federal equitable sharing funds to cover a potential shortfall based on projected collections. The Office also requested the enacted level of fees to be paid to the Federal Bureau of Investigation to run the background checks. *The Governor recommended funding as requested. The Assembly concurred.*

Equitable Sharing - Forfeitures. Excluding the fingerprint system upgrades and motor vehicles in the capital budget, the Office requested \$72,968 more than enacted from its share of Federal Equitable Sharing funds. This includes \$37,074 more in contract costs for external data backup, \$17,000 more for supplies, and \$18,914 for maintenance costs to reflect actual FY 2024 spending. The request aligns expenses to prior year spending for items that exceeded the budgeted amount, but does not reduce funding for underspent items. *The Governor recommended funding as requested. The Assembly concurred.*

Technology. The Office requested \$1.5 million more from all sources for technology expenses and upgrades. This includes \$1.4 million more from restricted receipts, \$236,250 more from federal funds, and

\$127,115 less from general revenues. Spending is for general software upgrades and support services, cybersecurity, body-worn camera program software, and replacing older computers. The Office indicated that the estimated increases are based on comparable purchase agreements for necessary services for the Office's technology to remain current. The restricted receipt changes include \$0.3 million more from the National Association of Attorneys General Consumer Education Funds and \$1.1 million more from Forfeiture of Property Funds. The request also includes \$25,225 more from restricted receipts for increased information technology costs for the expungement of marijuana cases that could not be expunged automatically. *The Governor recommended funding as requested. The Assembly concurred.*

Consumer Education. The Office requested \$0.5 million more than enacted from National Association of Attorneys General consumer education restricted receipts. It primarily uses these funds to protect consumers against scams and specialized consultants for more complicated cases. The increase includes \$0.3 million for outside legal support to respond to potential federal regulations and \$0.2 million for maintenance, supplies, and subscriptions. The request notes an opening FY 2025 balance of \$1.6 million. *The Governor recommended funding as requested. The Assembly concurred.*

Capital Projects. The Office requested \$143,495 more than enacted from Rhode Island Capital Plan funds to support capital improvement projects, representing a carryforward of unspent FY 2024 funds. It also requested the enacted amount from Federal Equitable Sharing - Forfeitures funds to purchase electric vehicles, which is inconsistent with its Capital request. The Office indicated that it intended to match the Capital request for a total of \$190,000, which is \$70,000 less than requested. *The Governor recommended \$28,495 less from Rhode Island Capital Plan funds than requested and maintained the amount requested from federal funds, which is \$70,000 more than his Capital budget. The Assembly made no changes to the recommendation based on anticipated spending identified in the Office's third quarter report. A detailed description of the projects is included in the Capital Budget Section of this publication.*

Other Operations. The Office requested \$596,580 more than enacted from all sources for all other expenses, including \$146,310 from general revenues, \$317,082 from federal funds, and \$133,188 from restricted receipts. General revenue changes reflect an adjustment of expenses based on historical spending, including maintenance, supplies, and laboratory testing increases. Federal fund changes include \$155,000 for a new grant for DNA analysis for cold cases and adjustments for the carryforward of unspent FY 2024 grants. It requested \$133,188 more from Forfeiture of Property restricted receipts, primarily for maintenance costs. *The Governor included a decrease of \$15,031 from general revenues, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses, including a delay in the implementation of new systems management software. The Assembly concurred.*

Department of Corrections

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Central Management	\$ 21,177,406	\$ 22,522,753	\$ 24,647,019	\$ 23,888,543
Parole Board	1,282,973	1,526,785	1,605,773	1,605,773
Custody and Security	164,859,910	189,182,755	197,610,440	182,120,652
Institutional Support	34,363,710	41,523,006	46,992,432	39,875,267
Institutional Based Rehab/Pop	12,925,108	15,280,746	17,243,102	17,412,159
Healthcare Services	34,258,288	36,114,392	35,247,598	35,920,984
Community Corrections	20,431,290	22,028,653	22,005,224	22,116,213
	\$ 289,298,685	\$ 328,179,090	\$ 345,351,588	\$ 322,939,591
Expenditures by Category				
Salaries and Benefits	\$ 222,199,790	\$ 229,467,559	\$ 230,494,720	\$ 238,476,127
Contracted Services	17,245,651	18,354,969	19,129,145	18,754,651
Subtotal	\$ 239,445,441	\$ 247,822,528	\$ 249,623,865	\$ 257,230,778
Other State Operations	46,111,005	46,734,599	46,987,080	46,847,613
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,015,215	2,119,588	2,170,525	2,170,525
Capital	1,727,024	31,502,375	46,570,118	16,690,675
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 289,298,685	\$ 328,179,090	\$ 345,351,588	\$ 322,939,591
Sources of Funds				
General Revenue	\$ 263,728,600	\$ 293,746,087	\$ 295,736,435	\$ 303,521,067
Federal Aid	23,141,433	1,819,835	3,698,939	3,381,753
Restricted Receipts	1,332,560	1,386,843	1,981,387	1,981,387
Other	1,096,092	31,226,325	43,934,827	14,055,384
Total	\$ 289,298,685	\$ 328,179,090	\$ 345,351,588	\$ 322,939,591
FTE Authorization	1,461.0	1,461.0	1,461.0	1,461.0
FTE Average	1,338.1			
Prison Population	2,346	2,470	2,439	2,439

FY 2025 Revised Request. The Department requested \$16.6 million more than enacted from all sources, including \$1.3 million from general revenues, \$1.9 million from federal funds, \$0.6 million from restricted receipts, and \$12.9 million from Rhode Island Capital Plan funds. The Department's FY 2025 revised request is based on a population of 2,439, which is 31 fewer inmates than assumed in the enacted budget. *The Governor recommended \$0.5 million more than requested, including \$0.7 million more from general revenues and \$0.2 million less from Rhode Island Capital Plan funds. He subsequently requested an amendment to add \$8.7 million from general revenues for costs related to the settlement of the Correctional Officers contract. The Assembly provided \$31.1 million less than the amended recommendation, including \$0.9 million from general revenues, \$0.3 million from federal funds, and \$29.9 million from Rhode Island Capital Plan funds.*

Reappropriation. The Department’s request includes the Governor’s reappropriation of \$1.3 million from general revenues. This includes \$638,840 for enhancements to assist with the hiring of healthcare staff, \$424,135 for delayed invoices from work conducted in FY 2024, and \$235,245 for delayed retroactive payments for some employees. *The Governor recommended funding as requested.* **The Assembly concurred.**

Staffing. The Department requested \$0.7 million less than enacted, including \$0.7 million less from general revenues and \$13,569 more from federal funds, for the enacted level of 1,461.0 full-time equivalent positions. It makes no changes to the allocation of positions between divisions and assumes an average of 1,318.2 positions filled or 142.8 vacancies. Through November, the Department averaged 1,319.6 positions filled, which is 1.4 more than assumed in the request. The Department subsequently indicated that its request overstates social security expenses, as it did not account for employees who routinely reach the contribution limit.

The Governor’s recommendation adds \$1.7 million from general revenues, including \$2.6 million for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, partially offset by \$1.0 million less to account for other benefit assumptions. It should be noted that most employees in the Department are covered by labor contracts that have not been settled. The Department of Administration’s budget includes \$11.2 million for FY 2025 to account for potential costs of settling contracts with unions representing employees in the Departments of Corrections, Public Safety, and Elementary and Secondary Education. He subsequently requested an amendment to add \$8.7 million from general revenues for costs related to the settlement of the Correctional Officers contract. **The Assembly provided \$0.4 million less from general revenues than the amended recommendation.**

Population. The FY 2025 revised request is based on a population of 2,439, which is 31 fewer inmates than assumed in the enacted budget. The Department contracts with a firm to prepare population estimates. The House Fiscal Staff uses a simple model using trend data and the population through the end of November, which suggests the Department is on track for a population of 2,336 or 103 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 maximum capacity of the prison is governed by the terms of an overcrowding lawsuit. In FY 2008, the Department reached an agreement with the federal courts to increase the allowed capacity at facilities from 4,085 to 4,265; the maximum capacity is now 3,886, updated for current facilities.

The following table depicts the recent history of budgeted and actual prison population from FY 2018 through the FY 2026 enacted. The 2024 Assembly required the Department to conduct a study to evaluate recidivism program outcomes along with recommendations to reduce recidivism, which is due by March 1, 2025. *The Governor’s assumptions are consistent with the request.* **The Assembly assumed a population of 2,339, consistent with trend data through the end of April.**

History	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Request	3,059	2,865	2,762	2,671	2,387	2,357	2,278	2,470	2,536
Governor	3,059	2,865	2,691	2,549	2,354	2,357	2,278	2,470	2,536
Enacted	3,000	2,849	2,671	2,267	2,354	2,357	2,278	2,470	2,536
Revised Request	2,853	2,760	2,671	2,267	2,181	2,357	2,396	2,439	-
Governor Revised	2,853	2,730	2,671	2,267	2,181	2,251	2,396	2,439	-
Final	2,837	2,730	2,633	2,155	2,115	2,297	2,396	2,339	-
Actual	2,784	2,665	2,544	2,144	2,132	2,298	2,346	-	-

Population: Per Diem Expenditures. The Department requested \$0.3 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 \$8,032 per inmate or \$232 more than the enacted budget assumption of \$7,800. The request is \$158 less per inmate than FY 2024 actual expenses of \$8,190 per inmate, reflecting reduced inpatient and outpatient services and pharmaceutical costs as a result of increased usage of the 340B program for medication purchasing. *The Governor recommended \$0.2 million less than requested for inpatient and outpatient services based on updated estimates.* **The Assembly concurred with the total though it noted a lower population. Department spending through May did not indicate any reduction in total per diem expenses.**

State Criminal Alien Assistance Program. The Department requested \$7,138 less than enacted from federal State Criminal Alien Assistance Program funds offset by a like amount of general revenues. The revised request reflects the most recent award received by the Department as of its budget submission. These federal funds are awarded on a formula basis and provide support for costs of incarcerating undocumented criminals with at least one felony or two misdemeanor convictions for violations of state or local law for at least four consecutive days. *The Governor recommended funding as requested. The Department subsequently indicated it received an award for \$1.0 million, which is \$0.3 million less than the most recent award based on reported costs and a smaller associated population.* **The Assembly provided \$0.3 million less from federal funds to correct the overstatement.**

Nursing Services. The Department requested \$0.9 million less than enacted from general revenues for nursing services. This includes \$1.4 million less for salary and benefit expenses to reflect removal of one-time stipend funding partially offset by \$0.6 million for contracted nursing pools used to cover necessary shifts when state employees refuse. At the time of the request, the Department had 4.0 vacant certified nursing positions. The Department is no longer using an emergency procurement process and has returned to its usual nursing pool contracts to cover shifts when necessary. It has continued to pay enhanced rates to nursing staff in order to compete with demand from other organizations; nursing pool expenses were \$1.1 million in FY 2023 and \$1.8 million in FY 2024, compared to a low of \$0.3 million in FY 2021. It should be noted that the request also reflects savings of \$83,796 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$30,471. *The Governor recommended \$557 less than requested. This includes \$0.1 million more for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, offset by adjustments to other benefit assumptions.* **The Assembly concurred.**

Reappropriation - Healthcare Enhancements. The request includes \$638,840 from reappropriated general revenues for healthcare staff enhancements not spent in FY 2024. These funds were previously reappropriated to FY 2024 from FY 2023. Support includes \$487,340 for participation in the education pathways initiative, \$31,000 for an equipment allowance, \$59,000 for mentoring bonuses for training, and \$88,000 for recruitment incentives. As of October 2024, the Department indicates it is disbursing these funds. *The Governor recommended funding as requested.* **The Assembly concurred.**

Discharge Planning. The Department's request is \$0.4 million less than enacted from general revenues for discharge planning services to reflect currently filled positions. This includes \$0.1 million in turnover savings, \$0.2 million for reduced contracted services expenses, and \$0.1 million less for information technology based on updated estimates. 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. All positions were filled in FY 2022.

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. As of September 2024, the Department indicated that it has signed new contracts with gang-related issues and medical services vendors. *The Governor recommended \$31,550 more than requested. This includes \$54,104 more for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, partially offset by \$22,554 less primarily for contracted services based on updated projections.* **The Assembly concurred.**

Medication Assisted Treatment. The Department requested \$0.5 million more than enacted for its medication-assisted treatment program for opioid users. This is \$0.2 million less from general revenues offset by \$0.7 million more from Opioid Settlement restricted receipts, reflecting updated contract costs and anticipated equipment purchases using these funds. *The Governor recommended \$3,047 less from general revenues based on updated projections.* **The Assembly concurred.**

Mental Health Services. The Department requested \$0.6 million less than enacted from general revenues for mental health services for inmates to more closely reflect FY 2024 spending. Mental health services are largely delivered in the correctional facilities through vendors, primarily Lifespan, by therapists, clinicians and other mental health professionals. The Department indicates that its providers have experienced staffing issues that have led to a lower level of service delivery. It renegotiated provider contracts in FY 2024 to include retention benefits, such as mandatory cost-of-living adjustments, which it expects will improve its contractors' ability to reliably provide services. However, its request acknowledges that utilization is still projected to be less than the enacted budget assumes. *The Governor recommended funding as requested.* **The Assembly concurred.**

Behavioral Management Unit. The Department's request maintains the \$4.2 million provided in the enacted budget to establish a pilot behavioral management unit, including \$0.8 million for contracted services and \$3.5 million for salaries and benefits. 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 the placement of an individual in a cell for 22 hours a day or more. The 2022 Assembly provided \$250,000 for a feasibility study to determine the best facility to house the unit. The 2023 Assembly provided the enacted level of \$4.5 million, including \$3.5 million for the 32.0 new positions.

As of December 2024, the Department anticipates officially launching the pilot in January at the Intake Services Center using existing staff and indicates that a feasibility study is not necessary. The Department's capital budget request includes \$17.9 million from Rhode Island Capital Plan funds, including \$3.4 million for FY 2025 and \$14.4 million for FY 2026, to construct one unit each at the Maximum Security and Women's facilities capable of housing around 50 and 20 inmates, respectively. *The Governor recommended operating funding as requested. His capital recommendation includes only the approved amount of \$10.8 million for one unit at the Maximum Security facility.* **The Assembly concurred. The pilot program began operation in January.**

Temporary Staff. The Department requested \$95,647 less than enacted from general revenues for temporary staff to offset vacancies in institutional corrections until positions can be filled as well as contracts for certain services such as information technology. The Department expected to fill more positions than assumed for FY 2025, decreasing the expected use of these services during FY 2025 to \$60,823. The Department spent \$0.5 million on temporary services in FY 2024, \$0.4 million more than requested. *The Governor recommended \$7,550 less than requested based on updated estimates.* **The Assembly concurred.**

Inmate Payroll. The Department requested \$54,080 more from general revenues for inmate payroll to more closely reflect FY 2024 expenses, adjusted for a higher participating 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 recommended funding as requested.* **The Assembly concurred.**

Other Salaries and Benefits. The Department requested \$0.7 million more than enacted, primarily from general revenues, for all other institutional corrections staffing expenses. The request includes \$9.2 million more for overtime expenses partially offset by turnover savings. In total, the request includes \$22.5 million in turnover savings and \$39.4 million for overtime expenses and funds approximately 1,083 of the 1,215 authorized positions. In FY 2024, the Department spent \$40.0 million on overtime, \$0.6 million more than requested, which it attributes to an atypically large number of retirements.

The revised request funds three correctional officer classes, consistent with the enacted budget, graduating an estimated 100 recruits who will all begin work in FY 2025. Classes 90, 91, and 92 are expected to graduate 41 recruits, 29 recruits, and 30 recruits, respectively. At the time of the request, the Department had 126.0 vacant correctional officer positions. The request does not include an associated reduction in overtime costs; recruits will fill existing vacancies and replace correctional officers anticipated to retire. It should be noted that the request also reflects savings of \$1.3 million from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$0.5 million.

The Governor recommended \$0.5 million more than requested from general revenues. This includes \$1.3 million more for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, partially offset by \$0.8 million less for other benefit assumptions. **The Assembly concurred.**

Inmate Education and Professional Development. The Department requested \$0.3 million more than enacted from all sources for education and development services for inmates, including \$0.3 million more from general revenues, \$44,931 more from federal funds, and \$11,200 less from restricted receipts. This is based on a recent agreement to offer additional courses and shift the majority of contracted work to Roger Williams University instead of the Community College, updated information on award amounts, and the expectation that vendor staffing constraints will be resolved. FY 2024 spending was \$0.6 million, which is \$0.4 million less than requested. *The Governor recommended \$0.1 million less from general revenues than requested based on updated projections.* **The Assembly concurred.**

Property Maintenance. The Department requested \$0.6 million more than enacted from general revenues to more closely reflect FY 2024 expenses for property maintenance. Any building repair costs that are under \$50,000 are ineligible for Rhode Island Capital Plan funding made available through asset protection and are charged to general revenues. Regular asset protection activity is intended to reduce ad hoc repair costs. *The Governor recommended \$0.3 million less than requested based on updated project timelines.* **The Assembly concurred.**

Correctional Officer Uniforms. The Department requested \$0.1 million less than enacted from general revenues for correctional officer uniforms. The request is determined based on inventory and the number of new correctional officers. The current request is essentially consistent with FY 2024 spending. These expenses tend to fluctuate annually; FY 2022 expenses were \$0.2 million and FY 2023 expenses were \$0.4 million. *The Governor recommended \$15,119 less than requested based on updated estimates.* **The Assembly concurred.**

Transport Vehicle Grant. The Department requested \$1.2 million more from federal funds to reflect receipt of a new grant to replace the Department's aging, unsafe, and unusable inmate transport vehicles. Vehicles are pre-customized to enable safe transport of inmates. The Department indicates that these vehicles receive daily use and it will replace those in its current stock with the most mileage and wear. *The Governor recommended funding as requested.* **The Assembly concurred.**

Correctional Industries Equipment. The Department requested \$0.5 million from federal funds to reflect a new federal grant to purchase equipment for the correctional industries program. The Department's initial FY 2025 request included \$0.5 million from general revenues for this purpose. The Assembly did not concur; however, the Department subsequently received a federal grant to purchase the equipment. From FY 2016 to FY 2023, program expenses exceeded revenues. The 2022 Assembly provided \$1.9 million to pay back previous general fund loans, cover a projected shortfall, and required quarterly reports on the Department's progress to modernize the program. The 2024 Assembly passed legislation requiring customers to pay 50.0 percent of the cost of goods up-front. Excluding inventory adjustments, Correctional Industries ended FY 2024 with net revenue of \$73,960. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Institutional Corrections Operations. The Department requested \$0.2 million less than enacted for all other institutional corrections expenses, including \$0.1 million less from general revenues. This reflects exhaustion of federal grant funds and adjustments to more closely mirror FY 2024 spending. *The Governor recommended \$1,495 more than requested from general revenues, reflecting various minor adjustments.* **The Assembly concurred.**

Other Programs

Accreditation. The Department requested \$0.4 million from general revenues for an initiative to achieve American Correctional Association accreditation. The request shifts 4.0 associated positions from other tasks and assumes turnover savings equivalent to an average of 1.0 vacancy. The Department indicated that accreditation would establish conformance with national best practices, ensure consistency across its facilities, grant access to Association expert witness testimony, and reduce liability and insurance costs. The Department was unable to estimate the value of these benefits or if they exceed the cost of complying with Association standards. The Department expected to seek accreditation for all facilities and divisions, but is starting with the Intake Service Center, Women's Facility, Training Academy, Community Corrections, and its correctional officer training unit. It should be noted that the request also reflects savings of \$3,765 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$1,369.

The Governor recommended \$10,862 more than requested. This includes \$22,773 more to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, partially offset by \$11,911 less for other operating expenses. **The Assembly did not concur with this initiative and assumed turnover savings equivalent to the redundant positions.**

Training Unit. The Department requested \$0.2 million more than enacted from general revenues for costs related to training the three correctional officer classes authorized in the enacted budget. The increase is associated with a radio advertisement campaign. The request assumes a total of 100 recruits and turnover savings equivalent to an average of 0.5 vacancies. It should be noted that the request also reflects savings of \$44,389 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$16,142.

The Governor recommended \$26,989 less than requested. This includes \$16,685 more to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate and \$4,194 less for other benefit assumptions. It also includes \$39,480 less for other operating

expenses. *The Department subsequently indicated its intent to hold an additional class for 30 recruits in April for an estimated FY 2025 total of 123 recruits.* **The Assembly concurred.**

Cognitive Behavioral Therapy. The Department requested \$0.2 million less than enacted from general revenues for its cognitive behavioral therapy program. The Department's initial FY 2025 request included funding and authorization for 1.0 new position to provide more individualized supervision of offenders on probation or parole. The Department indicates this model is more effective than an assessment focused solely on the individual's offenses. The 2024 Assembly maintained funding for the program's existing 5.0 positions. The Department's revised request adds 2.0 positions to this work within the Department's existing authorization, offset by turnover savings equivalent to an average of 0.7 vacancies and a reduction to contracted services to more closely reflect FY 2024 spending. It should be noted that the request also reflects savings of \$8,076 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$2,937.

The Governor recommended \$31,250 more than requested. This includes \$43,709 more to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, partially offset by \$12,459 for contracted services based on updated estimates. **The Assembly concurred.**

Domestic Abuse Grant. The Department requested \$39,588 from federal funds, \$8,949 more than enacted to reflect all remaining funds from Department of Justice grant resources for developing innovative ways to address domestic violence, including evaluating how the criminal justice system responds. The Department subsequently indicated that total remaining funding is actually \$53,132. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Salaries and Benefits. The Department requested \$0.3 million less than enacted from general revenues for all other staffing expenses. The request includes \$0.4 million less to reflect the transfer of 4.0 positions to accreditation work from other tasks, partially offset by lower turnover savings. The request would fund 186.1 of the Department's remaining 197.0 authorized positions within central management, community corrections, and the Parole Board. It should be noted that the request also reflects savings of \$0.2 million from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$0.1 million. *The Governor recommended \$1.1 million more than requested to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate, partially offset by \$38,366 less for other benefit assumptions.* **The Assembly concurred.**

Rented Property. The Department requested \$0.2 million more from general revenues for costs associated with its rented property. These include rented spaces within the Courts, the Department of Labor and Training, firing ranges, and probation and parole offices. The request is \$34,917 more than FY 2024 spending and is updated for known lease expenses and cost increases. *The Governor recommended funding as requested.* **The Assembly concurred.**

Technology. The Department requested \$0.4 million more than enacted, primarily from general revenues for technology purchases based on updated scheduling for repairs and replacements and for contracted database maintenance costs. The request reflects delayed invoices for services incurred in FY 2024, higher than the typical level of anticipated replacements, converting some desktops to laptops, and a new training module for correctional officers. *The Governor recommended \$0.2 million less than requested based on more recent projections.* **The Assembly concurred.**

Capital Projects. The Department requested \$12.9 million more than enacted from Rhode Island Capital Plan funds for its capital projects, such as a behavioral health unit and replacements to heating, ventilation and cooling systems. The request is consistent with the Department's capital budget request. *The Governor*

recommended \$0.2 million less than requested. The Assembly shifted \$28.9 million to later years based on updated project timelines. A detailed description of the projects is included in the Capital Budget section of this publication.

Centralized Services. The Department requested the enacted amount of \$22.6 million from general revenues for centralized services provided through the Department of Administration. This includes \$14.1 million for facilities management, \$2.7 million for human resources, and \$5.8 million for information technology services. In FY 2024, the Department spent \$22.3 million, which is \$0.3 million more than the revised request. *The Governor's recommendation includes an increase of \$26,705 from general revenues to account for adjustments to centralized service billings based on a revision to anticipated expenses including a delay in the implementation of new systems management software. The Assembly concurred.*

System-Wide Assessment. The Department's revised request includes \$0.3 million from general revenues for an initiative to conduct an assessment of all staffing, policies, and programs. The Department has hired a contractor for around 20-weeks to perform this work and indicated that data collected could inform a more empirical approach to addressing the Department's challenges. The assessment is expected to be completed by the end of FY 2025 and will cover areas such as restrictive housing, staff retention, and medical and mental health policies. *The Governor recommended funding as requested. The Assembly did not concur with the new expense.*

Other Operations. The Department requested \$0.3 million more than enacted for all other expenses, including \$0.2 million more from general revenues, \$0.1 million more from federal funds, and \$7,397 less from restricted receipts. The request adds \$104,000 from federal funds for a strategic planning consultant, as well as increases for data subscriptions and several adjustments to more closely reflect FY 2024 spending. The request also includes \$197,432 for out-of-state travel, primarily by agency leadership, \$133,313 more than enacted and \$125,253 more than FY 2024 spending. The Department indicated additional travel could help it obtain federal funding and attend conferences to ensure it follows national best practices. *The Governor recommended \$107,858 less than requested from general revenues, which primarily reflects \$75,224 less for contracted services to more closely reflect FY 2024 spending. The recommendation includes \$184,161 for out-of-state travel, which is \$120,042 more than enacted and \$13,271 less than requested. The Assembly provided \$122,335 less for out-of-state travel and concurred with the remainder of the Governor's recommendation.*

Judicial Department

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Supreme Court	\$ 41,798,247	\$ 44,632,914	\$ 47,302,867	\$ 47,302,867
Defense of Indigent Persons	6,243,402	6,075,432	7,875,432	7,875,432
Commission on Judicial Tenure & Discipline	147,607	174,997	182,227	182,227
Superior Court	26,817,018	28,660,998	29,847,148	29,847,148
Family Court	30,338,263	30,619,338	33,747,704	33,747,704
District Court	16,619,181	17,060,279	18,032,104	18,097,604
Traffic Tribunal	10,794,825	10,812,491	11,430,603	11,430,603
Workers' Compensation Court	9,333,973	9,931,788	10,425,994	10,425,994
Total	\$ 142,092,516	\$ 147,968,237	\$ 158,844,079	\$ 158,909,579
Expenditures by Category				
Salaries and Benefits	\$ 105,748,976	\$ 110,828,068	\$ 119,748,530	\$ 119,748,530
Contracted Services	2,256,567	2,408,179	2,421,904	2,487,404
Subtotal	\$ 108,005,543	\$ 113,236,247	\$ 122,170,434	\$ 122,235,934
Other State Operations	16,096,227	16,473,572	16,325,783	16,325,783
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	11,818,960	12,023,357	13,662,769	13,662,769
Capital	6,171,786	6,235,061	6,685,093	6,685,093
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 142,092,516	\$ 147,968,237	\$ 158,844,079	\$ 158,909,579
Sources of Funds				
General Revenue	\$ 118,821,246	\$ 124,336,261	\$ 132,962,235	\$ 132,962,235
Federal Aid	5,014,513	4,417,956	6,071,460	6,136,960
Restricted Receipts	12,628,672	14,839,020	15,037,352	15,037,352
Other	5,628,085	4,375,000	4,773,032	4,773,032
Total	\$ 142,092,516	\$ 147,968,237	\$ 158,844,079	\$ 158,909,579
FTE Authorization	745.3	745.3	745.3	745.3
FTE Average	708.8			

FY 2025 Revised Request. The Judiciary requested \$6.4 million more than enacted for FY 2025, including \$4.9 million more from general revenues, \$1.4 million more from federal funds, \$0.3 million less from restricted receipts, and \$0.4 million more from Rhode Island Capital Plan funds. The Judiciary identified \$3.9 million of unspent general revenues from FY 2024 for reappropriation to FY 2025. *The Governor recommended \$4.4 million more than requested, including \$3.8 million more from general revenues, \$0.2 million more from federal funds, \$0.4 million more from restricted receipts, and \$11 less from Rhode Island Capital Plan funds. He subsequently requested an amendment to add \$65,500 from federal funds. The Assembly concurred with the amended recommendation.*

Budget Submission Variance. Rhode Island General Law requires the itemized estimates of the financial needs of the Judiciary to be submitted without revision by the Budget Officer to the Governor and subsequently to the General Assembly. The Judiciary indicated that it will cooperate in identifying reasonable and attainable turnover savings.

The Governor's budget adds \$4.9 million from general revenues to account for statewide adjustments. It also assumes \$1.1 million less than requested to bring the budget closer to a current service level, as detailed in the following table. The unspecified savings are budgeted as operating expenses, though they would likely take the form of turnover savings. The Assembly concurred.

FY 2025 Governor General Revenue Variance to Request	Statewide Adjustments	Unspecified Reductions	Total
Supreme Court	\$ 1,205,693	\$ (133,982)	\$ 1,071,711
Defense of Indigent Persons	-	-	-
Commission on Judicial Tenure & Discipline	7,050	(3,494)	3,556
Superior Court	1,221,097	193,194	1,414,291
Family Court	1,198,444	(113,267)	1,085,177
District Court	745,697	(682,396)	63,301
Traffic Tribunal	476,199	(338,864)	137,335
Workers' Compensation Court	-	-	-
Total	\$ 4,854,180	\$(1,078,809)	\$ 3,775,371

Staffing. The Judiciary requested \$3.3 million more from all sources for salaries and benefits for its existing 745.3 authorized full-time equivalent positions. Included in this increase is \$3.1 million reappropriated from unspent FY 2024 funds, \$0.8 million to implement a new Judiciary-wide system of pay schedules, and \$0.4 million for increased educational incentives for clerks. The request also includes \$2.8 million of turnover savings equivalent to an average of 19.0 vacancies, \$0.2 million more than enacted. As of December, the Judiciary averaged 727.1 positions filled or 18.2 vacancies. The 1994 Assembly ended the statutory program which provided incentives to clerks based on their educational attainment. The Judiciary has continued to provide educational stipends under collective bargaining agreements; however, it now indicates that not all clerks eligible for incentives received them. The current request includes placeholder estimates of \$44,800 annually to reinstate incentives for clerks previously excluded as well as \$0.4 million for retroactive incentive payments following arbitration, programmed at \$0.3 million for FY 2025 and \$0.1 million for FY 2026.

The 2011 Assembly ended longevity increases statewide on a go-forward basis beginning July 1, 2011. These stipulations are described in statute and explicitly include the judicial branch. Since FY 2017, the Judiciary has intermittently requested funding to address pay equity concerns stemming from continued longevity payments for judges and employees hired prior to FY 2012; however, it has never requested legislation to address the current statutory prohibition. Statewide, pay scales have three to five steps and judicial staff are generally at the maximum step within four years. The Judiciary intends to increase the number of steps to 12 with standard 2.5 percent increases. The Judiciary's request contains no mention of the plan, but is incorporated at a total cost of \$0.8 million for FY 2025, including \$0.6 million to raise the pay grade of 315 employees up by one, and \$0.2 million to establish a minimum pay grade equivalent to a salary of \$48,620, affecting 50 employees.

The Governor's recommendation does not take a stance on any of the requested personnel initiatives; however, it includes \$5.6 million more than requested, including \$4.9 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed

fringe benefit rate. It separately budgets \$1.1 million in unspecified reductions as operating expenses. The Assembly concurred.

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 each FY 2023 and FY 2024 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. The Judiciary's request excludes \$340,000 inadvertently maintained in the enacted budget; all associated work was completed by the deadline. *The Governor excluded funding as requested. The Assembly concurred.*

Other Salaries and Benefits. The Judiciary requested \$3.6 million more than enacted for salaries and benefits for its existing 745.3 authorized full-time equivalent positions, including \$3.1 million from general revenues, \$0.4 million from federal funds, and \$0.1 million from restricted receipts. The increase reflects \$3.1 million reappropriated from FY 2024, \$0.8 million for a new pay schedule, and \$0.4 million for increased educational incentives, partially offset by \$1.1 million in benefit adjustments and \$0.2 million of additional turnover savings. The enacted budget includes \$2.6 million of turnover savings equivalent to an average of 17.6 vacant positions. The Judiciary's revised request includes turnover savings of \$2.8 million equivalent to 19.0 vacancies. As of December, the Judiciary averaged 727.1 positions filled or 18.2 vacancies. It should be noted that the request also reflects savings of \$1.1 million from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$0.4 million.

The Governor's recommendation is \$5.6 million more than requested, including \$4.9 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The Assembly concurred.

Pay-Go Judges Pensions. The Judiciary requested \$0.2 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 2024 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 recommended funding as requested. The Assembly concurred.*

Indigent Defense. The Judiciary requested \$1.8 million more than enacted from general revenues for indigent defense services. 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. This expense fluctuates annually, and the Department cannot determine the number of clients who will be transferred from the Public Defender's Office. The number of these cases has increased significantly in recent years; total spending in FY 2024 was \$6.2 million, up from \$4.5 million in FY 2022 and \$5.6 million in FY 2023. The Judiciary's request assumes this upward trend will continue and provides increases to the rates paid to attorneys. *The Governor recommended funding as requested. The Assembly concurred.*

Child Support Enforcement Grants. The Judiciary requested \$1.0 million more than enacted from federal funds for the Child Support Enforcement Unit in the Family Court. Federal matching funds through the Department of Human Services reimburse 66.0 percent of all direct and indirect costs for the program. The increase reflects additional reimbursements from expanding the calendar in Kent County to full-time. *The Governor recommended funding as requested. The Assembly concurred.*

Juvenile Justice Program. The Judiciary requested \$46,500 more than enacted from federal funds for its Juvenile Justice program, reflecting available funding. The goal of the program is to divert juveniles from

the formal juvenile calendar, reduce recidivism, support developmental and mental health needs, and link families to services that may not otherwise be available. The increase is primarily associated with client medical services. *The Governor recommended funding as requested. The Assembly concurred.*

Facilities and Operations. Consistent with the enacted budget, the Judiciary requested \$5.6 million from general revenues for judicial complex facilities operations and utilities. This function is responsible for the execution and coordination of various services relating to the courthouses, infrastructure, and grounds. FY 2024 spending was \$0.6 million less, almost entirely associated with lower electricity billings resulting from various green energy and energy conservation projects. *The Governor recommended funding as requested. The Assembly concurred.*

Capital Projects. The Judiciary requested \$0.4 million more than enacted from Rhode Island Capital Plan funds for four capital projects, consistent with its capital request. Projects include heating, ventilation, and air conditioning replacements, upgrades to fan coil units, and asset protection. *The Governor recommended funding essentially as requested. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

New Vehicle Purchase. The Judiciary requested \$52,000 more than enacted from general revenues to purchase a new vehicle. The Judiciary operates a fleet of 16 vehicles for transportation, building inspections, and deliveries. The revised request doubles the enacted level of funding to purchase a second vehicle and restore the Judiciary's vehicle replacement plan to two vehicles annually. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Judiciary requested \$90,766 more than enacted, including \$57,500 from general revenues and \$33,266 from federal funds, for all other spending. The general revenue increase is primarily associated with staff training. The increase to federal funds is associated with audits and other adjustments to more closely reflect FY 2024 spending.

The Governor recommended \$95,898 less than requested, almost entirely from general revenues, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses including a delay in the implementation of new systems management software. He subsequently requested an amendment to add \$65,500 from federal funds based on an updated estimate of contracted expenses for the mental health treatment court. The Assembly concurred with the amended recommendation.

Military Staff

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 9,638,730	\$ 10,712,092	\$ 10,692,745	\$ 10,692,745
Contracted Services	2,638,409	2,373,993	2,716,533	2,716,533
Subtotal	\$ 12,277,139	\$ 13,086,085	\$ 13,409,278	\$ 13,409,278
Other State Operations	9,664,215	22,378,922	16,289,622	16,289,622
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	275,541	312,300	312,300	312,300
Capital	11,972,633	65,845,538	72,418,583	72,298,546
Capital Debt Service	-	-	-	-
Operating Transfers	375,612	-	-	-
Total	\$ 34,565,140	\$ 101,622,845	\$ 102,429,783	\$ 102,309,746
Sources of Funds				
General Revenue	\$ 3,392,720	\$ 3,276,320	\$ 3,195,718	\$ 3,195,718
Federal Aid	28,625,480	86,857,534	85,921,172	85,921,172
Restricted Receipts	21,771	55,000	66,000	66,000
Other	2,525,169	11,433,991	13,246,893	13,126,856
Total	\$ 34,565,140	\$ 101,622,845	\$ 102,429,783	\$ 102,309,746
FTE Authorization	93.0	93.0	93.0	93.0
FTE Average	83.6			

FY 2025 Revised Request. The Military Staff requested \$99,000 more from all sources than enacted for FY 2025. The request includes \$0.2 million less from general revenues, \$1.1 million less from federal funds, \$11,000 more from restricted receipts, and \$1.4 million more from Rhode Island Capital Plan funds. *The Governor recommended \$0.8 million more than requested, including \$0.2 million from general revenues, \$0.2 million from federal funds, and \$0.4 million from Rhode Island Capital Plan funds.*

He subsequently requested an amendment to reduce Rhode Island Capital Plan funds by \$0.1 million to reflect expenses shown in the audited FY 2024 closing statement. The Assembly provided funding consistent with the amended recommendation.

Firefighters. The Military Staff requested \$249,486 less than enacted, including \$281,695 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. As of November, one firefighter was on injured on duty status, and 28.0 of 30.0 positions were filled.

The Military Staff indicated that its request is in error; it intended to request \$126,462 more, or \$155,233 less than enacted, from general revenues for one full-time equivalent position on injured on duty status currently serving as a dispatcher and \$126,462 less, or \$94,253 less than enacted, from federal funds to fund 27.0 positions. It should also be noted that the request reflects savings of \$35,228 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$12,433.

The Governor's recommendation adds \$21,551, including \$990 from general revenues, to account for statewide benefit adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. It also shifts \$126,462 from federal funds to general revenues to correct the allocation error. The Assembly provided funding consistent with the recommendation, as the agency identified other savings to offset higher than anticipated expenses identified in its third quarter report.

Other Salaries and Benefits. The Military Staff requested \$68,172 less than enacted, including \$37,219 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 decrease reflects turnover savings equivalent to roughly 0.6 positions. The enacted budget includes turnover savings equivalent to 1.4 positions. As of November 2024, there were 4.0 vacancies. It should be noted that the request reflects savings of \$63,403 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$22,717. *The Governor's recommendation adds \$0.3 million, including \$4,416 from general revenues, to account for statewide benefit adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The Assembly provided funding consistent with the recommendation, as the agency identified other savings to offset higher than anticipated expenses identified in its third quarter report.*

Military Funeral Honors. The Military Staff requested \$0.3 million from general revenues to reflect projected costs for military funeral honors in FY 2025, consistent with the enacted budget. 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. As of October 2012, no federal funds are provided for any branch of service besides the Army, for which the National Guard Bureau will still pay stipends for two individuals. *The Governor's recommendation adds \$11,142 from general revenues to account for statewide benefit adjustments consistent with his recent labor agreements. The Assembly concurred.*

Utilities. The Military Staff requested \$0.4 million less than enacted, including \$34,739 from general revenues and \$0.3 million from federal funds, for utilities expenses which are shared with the federal National Guard. The decrease is largely 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 which varies from 100 percent federally funded, to 75 percent or 50 percent. It should be noted that FY 2024 spending was \$2.9 million, \$0.5 million less than the revised request. *The Governor recommended funding as requested. The Assembly concurred.*

Building Maintenance and Repairs. The Military Staff requested \$25,247 more than enacted, including \$8,657 less from general revenues and \$33,904 more from federal funds, for building maintenance and repairs. The Military Staff indicated the increase represents inflation and updated project timelines. 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 recommended funding as requested. The Assembly concurred.*

Telephone and Internet Services. The Military Staff requested \$351,323 more than enacted from federal funds for telephone and internet service charges which were previously covered through federal funds not shown in the state budget. The Military Staff indicated that procurement for services and monthly payments will run through a new cooperative agreement and be fully reimbursable by the federal government. *The Governor recommended funding as requested. The Assembly concurred.*

Counter Drug Training Facility. The Military Staff requested \$2.0 million from Rhode Island Capital Plan funds and \$5.4 million from federal funds, \$219,448 more than enacted, to construct a new counter

drug training facility at Camp Fogarty in East Greenwich. The request is consistent with the agency's capital request, which includes a total of \$8.4 million for this project, including \$1.0 million for FY 2026. *The Governor recommended funding as requested.* **The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.**

Other Capital Projects. The Military Staff requested \$40,156 less than enacted for capital projects, including \$1.5 million less from federal funds and \$1.4 million more from Rhode Island Capital Plan funds. This is \$56.4 million less than the Military Staff's capital request; the Military Staff indicated that this discrepancy is due to the exclusion of federal funding which does not flow through the state operating budget for certain projects. *The Governor recommended \$0.4 million more than requested from Rhode Island Capital Plan funds.*

He subsequently requested an amendment to reduce \$0.1 million from Rhode Island Capital Plan funds for FY 2025 to reflect expenses that were assigned to FY 2024 based on the audited closing statement. **The Assembly concurred with the amended recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Operations. The Military Staff requested \$241,164 more than enacted for all other expenses. The request includes \$51,741 more from general revenues, \$178,423 more from federal funds, and \$11,000 more from restricted receipts. The increase is largely reflective of one-time furniture purchases, increased waste disposal charges, and insurance fees, which were previously mischarged to the Rhode Island State Police. The request is essentially consistent with FY 2024 spending on similar items, with the exception of increased security costs that reflect a renegotiated contract. *The Governor's recommendation adds \$12,519 from general revenues to account for adjustments to centralized service billings based on a revision to anticipated expenses.* **The Assembly concurred.**

Rhode Island Emergency Management Agency

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 4,737,934	\$ 5,229,954	\$ 5,511,438	\$ 5,511,438
Contracted Services	778,070	1,452,726	2,587,731.00	2,587,731.00
Subtotal	\$ 5,516,004	\$ 6,682,680	\$ 8,099,169	\$ 8,099,169
Other State Operations	9,284,940	12,970,757	11,146,597	11,146,597
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	39,388,804	16,414,257	23,244,860	23,244,860
Capital	2,248,812	452,734	2,939,960	2,939,960
Capital Debt Service	1,994,400	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 58,432,960	\$ 36,520,428	\$ 45,430,586	\$ 45,430,586
Sources of Funds				
General Revenue	\$ 6,671,412	\$ 7,007,474	\$ 7,062,596	\$ 7,062,596
Federal Aid	48,396,267	28,880,583	35,315,706	35,315,706
Restricted Receipts	49,017	412,371	419,898	419,898
Other	3,316,264	220,000	2,632,386	2,632,386
Total	\$ 58,432,960	\$ 36,520,428	\$ 45,430,586	\$ 45,430,586
FTE Authorization	37.0	38.0	38.0	38.0
FTE Average	35.0			

FY 2025 Revised Request. The Rhode Island Emergency Management Agency requested \$9.2 million more than enacted, including \$25,886 more from general revenues, \$6.7 million more from federal funds, \$761 more from restricted receipts, and \$2.4 million more from Rhode Island Capital Plan funds. *The Governor recommended \$8.9 million more than enacted and \$0.3 million less than requested. General revenues are \$55,122 more than enacted and \$29,236 more than requested.* **The Assembly concurred.**

Reappropriation - State Match Rate. The Governor reappropriated \$25,886 from general revenues for the state match for individual assistance related to Federal Emergency Management Agency claims related to three storm incidents in FY 2024. The Agency included the reappropriation in its request. *The Governor's budget includes the reappropriation.* **The Assembly concurred.**

Salaries and Benefits. The Agency requested \$85,997 more than enacted, including \$85,236 from federal funds and \$761 from restricted receipts for its 38.0 authorized positions. The increase in the request is a result of scheduled step increases. The request includes funding for all positions for FY 2025. As of late October, the Agency had three vacancies and had averaged 35.0 positions filled, indicating additional turnover savings are likely available. It should be noted that the request reflects savings of \$54,274 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$19,635.

The Governor recommended \$195,487 more than requested, including \$16,418 more from general revenues. He added \$0.3 million, including \$0.1 million from general revenues, to account for statewide

*adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate offset by \$0.1 million of turnover savings. **The Assembly concurred.***

ARPA - Public Health Response Warehouse Support. The FY 2025 enacted budget includes \$1.4 million from all sources, including \$0.8 million from State Fiscal Recovery funds in the Department of Administration's budget only for lease expenses for the warehouse, and \$0.6 million in the Agency's budget including funding for a new position for the Agency to manage the warehouse. The Agency requested \$0.5 million from the federal funds to account for reimbursement for various items it purchased related to the warehouse's operation. These include radios, lights, safety equipment, trailers, lifts, and other general warehouse supplies. *The Governor maintained this funding in the Department of Administration. **The Assembly concurred.***

Emergency Operations and Performance Grants. The Agency requested \$1.0 million more than enacted from federal emergency operations and performance grants provided by the Federal Emergency Management Agency. This reflects two new grants and revisions to planned spending from other grants. The funding, primarily passed through to local emergency management agencies, is used to support personnel, emergency operations centers, communications, and capability enhancement. *The Governor recommended funding as requested. **The Assembly concurred.***

RIEMA Emergency Operations Center Grant. The Agency requested \$0.2 million less than enacted, reflecting the remaining grant award from the federal Emergency Operations Center Grant Program to renovate its emergency operations center. The enacted budget contains the full amount of the request, which provides funding for constructing or renovating a state or local government's principal emergency operations center. The funds will supplement the Agency's ongoing capital project to upgrade its center, which is described in more detail in the Capital Budget section of this publication. *The Governor recommended funding as requested. **The Assembly concurred.***

Hazard Mitigation Grants. The Agency requested \$1.4 million more from Federal Emergency Management Agency Hazard Mitigation funds that support local emergency management agencies, reflecting updated grant information and anticipated usage in the current year. 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 recommended funding as requested. **The Assembly concurred.***

Homeland Security Grants. The Agency requested \$476,338 more than enacted from federal homeland security grants that fund related upgrades throughout the state. The request for a total of \$9.2 million is \$5.0 million more than FY 2024 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 recommended funding as requested. **The Assembly concurred.***

Natural Disaster Relief. The Agency requested \$3.1 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 the closing of Winter Storm Kenan and Hurricane Sandy grants, partially offset by new grants related to the January 2024 storms and fires in Exeter. *The Governor recommended funding as requested. **The Assembly concurred.***

Non-Profit Security Grants. The Agency requested \$2.0 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 and the addition of the FY 2024 grant, which was awarded this fiscal year. *The Governor recommended funding as requested. The Assembly concurred.*

Cybersecurity Grants. The Agency requested \$4.5 million more than enacted to reflect a new grant made available through the Infrastructure Investment and Jobs Act from FY 2023 through FY 2028 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 request includes the full amount of the grants. Of the \$2.2 million budgeted for FY 2024, no expenditures were made. *The Governor recommended funding as requested. The Assembly concurred.*

Other Federal Grants. The Agency requested \$0.1 million more than enacted from other federal funds to reflect revised grant awards. The request includes changes to multiple grants to reflect the closure of grants and new awards for hazardous materials emergency preparedness. The new grants awarded are requested for the full amount. *The Governor recommended funding as requested. The Assembly concurred.*

Centralized Services. The Agency requested the enacted amount of \$343,995 from general revenues for centralized services provided through the Department of Administration. This includes \$272,872 for information technology and \$71,123 for human resources. *The Governor added \$12,818 from general revenues to account for adjustments to centralized service billings based on a revision to anticipated expenses. The Assembly concurred.*

Capital Projects. The Agency requested use of \$2.6 million from Rhode Island Capital Plan funds for FY 2025 for six capital projects consistent with its capital budget request. This is \$2.4 million more than enacted. *The Governor recommended \$85 more than requested. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Department of Public Safety

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Central Management	\$ 12,704,013	\$ 39,170,407	\$ 39,486,455	\$ 39,486,455
E-911	7,464,522	11,103,966	11,371,501	11,371,501
Capitol Police	5,361,975	6,104,859	6,486,910	6,486,910
Sheriffs	20,506,683	24,606,538	24,421,296	23,521,296
Municipal Police Training Academy	551,422	716,569	806,122	806,122
State Police	100,907,860	129,435,866	136,031,059	142,268,492
Total	\$ 147,496,475	\$ 211,138,205	\$ 218,603,343	\$ 223,940,776
Expenditures by Category				
Salaries and Benefits	\$ 110,294,672	\$ 119,539,872	\$ 119,580,370	\$ 124,917,803
Contracted Services	1,519,732	1,123,857	11,399,882	11,399,882
Subtotal	\$ 111,814,404	\$ 120,663,729	\$ 130,980,252	\$ 136,317,685
Other State Operations	20,169,525	22,094,322	28,501,472	28,501,472
Aid to Local Units of Government	86,155	-	-	-
Assistance, Grants, and Benefits	9,183,903	36,731,892	25,986,003	25,986,003
Capital	6,242,488	31,648,262	33,135,616	33,135,616
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 147,496,475	\$ 211,138,205	\$ 218,603,343	\$ 223,940,776
Sources of Funds				
General Revenue	\$ 117,775,568	\$ 135,410,334	\$ 138,094,150	\$ 143,141,583
Federal Aid	13,652,715	32,744,693	36,447,879	36,737,879
Restricted Receipts	9,144,959	12,509,218	13,245,878	13,245,878
Other	6,923,233	30,473,960	30,815,436	30,815,436
Total	\$ 147,496,475	\$ 211,138,205	\$ 218,603,343	\$ 223,940,776
FTE Authorization	632.2	633.0	633.0	633.0
FTE Average	529.2			

FY 2025 Revised Request. The Department of Public Safety requested \$2.2 million more than enacted from all sources, including \$1.5 million more from general revenues, \$0.6 million less from federal funds, \$1.1 million more from restricted receipts, and \$0.1 million more from all other sources. *The Governor recommended \$7.5 million more than enacted, including \$2.7 million from general revenues. This is \$5.3 million more than requested, including \$1.1 million from general revenues, primarily to account for statewide adjustments and a new federal grant.*

The Governor subsequently requested an amendment to add \$6.2 million, including \$5.9 million from general revenues based on the settled State Police contract. The Assembly concurred and also included \$0.9 million in general revenue turnover savings for the Division of Sheriffs, based on spending through the beginning of May.

Staffing. The Department requested \$2.3 million less than enacted from all sources for staffing expenses, including \$3.0 million less from general revenues, \$10,546 more from federal funds, \$0.5 million more from restricted receipts, and \$0.2 million more from other funds, for 633.0 full-time equivalent positions. As of early October, the Department had an average of 564.4 of its 633.0 authorized positions filled. The enacted budget assumes turnover equivalent to about 28 positions. The revised request increases that vacancy assumption to about 39 positions. The revised request also adds a new Grant Administration Officer position to Central Management, reallocating it from the Sheriffs.

The Governor concurred with the staffing distribution and added \$2.3 million, including \$1.8 million from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. It should be noted that most employees in the Division of State Police are covered by labor contracts that have not been settled. The Department of Administration's budget includes \$11.2 million for FY 2025 to account for the potential costs of contract settlements with unions representing employees in the Departments of Corrections, Public Safety, and Elementary and Secondary Education.

*The Governor subsequently requested an amendment to add \$6.2 million, including \$5.9 million from general revenues based on the settled State Police contract. **The Assembly concurred and assumed \$0.9 million in additional general revenue turnover savings for the Division of Sheriffs, based on spending through the beginning of May.***

Statewide Records Management System. The Department requested \$0.4 million more than enacted to implement the statewide records management system, pursuant to Rhode Island General Law, Section 42-28.10-1. This includes \$563,892 more from federal sources and \$145,000 less from E-911 restricted receipts. Funding would support the purchasing and implementation of the software as well as the personnel costs for the project manager. After the budget was submitted, the Department received a new federal grant that will be used to reduce the use of E-911 restricted receipts by \$0.7 million.

*The Governor added \$24,395 to the request to account for statewide adjustments, including the revised distribution of expenses based on the newly received grant. **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.***

Body-Worn Camera Statewide Project. The Department requested \$0.2 million less than enacted for the body-worn camera project. General revenue revisions include \$24,954 reappropriated from FY 2024, offset by the exclusion of \$70,000 for contracted work handled by existing staff. Federal funds to be awarded as grants to local municipalities are revised downward by \$176,378 to reflect updated projections. Prior spending from the original \$15.0 million general revenue allocation includes \$1.0 million in FY 2023 and \$2.5 million in FY 2024. The enacted budget includes \$11.5 million from general revenues to purchase body-worn cameras for the State Police and municipalities. Any unspent balances as of June 30, 2025, will be reappropriated to the next year. *The Governor added \$1,589 from federal funds for statewide personnel adjustments. **The Assembly concurred.***

Central Management

Coronavirus Emergency Supplemental Fund. The Department requested \$0.4 million more than enacted from unexpended federal Coronavirus Emergency Supplemental funds from the Department of Justice that support a broad range of activities to prevent, prepare for, and respond to the coronavirus. The increase represents unspent funds from FY 2024 related to projects with the Department of Corrections that were not completed until the first quarter of FY 2025. *The Governor recommended funding as requested. **The Assembly concurred.***

Grant Administration Officer (1.0 FTE). The Department requested \$61,428 from federal funds for a new Grant Administration Officer who will be in charge of planning and researching all public safety grant administration office programs and supporting all federal awards monitoring and compliance requirements. The Department noted the request is prompted by a workload that has increased beyond the capacity of the existing staff. This proposal assumes using a vacancy currently assigned to the Division of Sheriffs to keep the Department's total number of authorized positions at 633.0. The amount requested appears to be based on filling the position during the second quarter of FY 2025. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Salaries and Benefits. The Department requested \$12,415 more than enacted from all sources to fully fund the 14.0 full-time equivalent positions in the Central Management Office. The request includes \$27,770 less from general revenues, \$5,192 more from federal funds, and \$34,993 more from restricted receipts. The request includes an increase in overtime attributed to training needs in advance of planned staffing changes. It also reflects the allocation of half the cost of the staff attorney to E-911 based on a plan to share services implemented before the final adoption of the FY 2025 budget. It should be noted that the request reflects savings of \$19,507 from a reduction in the enacted assessed fringe benefit rate, equal to 1.7 percent of salaries; however, the correct rate is actually 1.1 percent lower, resulting in a difference of \$7,714. *The Governor recommended \$94,862 more than requested, including \$52,506 from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate.* **The Assembly concurred.**

ARPA - Support for Survivors of Domestic Violence. The 2022 Assembly provided a total of \$10.5 million from State Fiscal Recovery funds for 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 that the Department of Public Safety receives, which has decreased in recent years. The revised request is \$2.4 million less than enacted based on the prior year's spending. The Department acknowledged that when combined with the FY 2026 request for \$3.1 million, the total exceeds the authorization by \$1.3 million, noting that the excess should be reduced from the FY 2026 request.

The Governor added \$1.8 million, programming nearly all remaining funds for the current year. His FY 2026 recommendation includes only \$29,753 for staffing costs. **The Assembly concurred.**

Other Federal Funds. Based on updated awards and remaining federal balances, the Department requested \$32,807 less than enacted from federal funds. Significant changes include \$3.0 million less for the Community-Based Violence Intervention and Prevention Program, which was included in the enacted budget but not awarded. This is offset by \$2.5 million more for Crime Victim Assistance, \$0.2 million more for the Edward Byrne Memorial Justice Assistance Grant Program, and \$0.2 million more for the Sexual Assault Services Formula Program. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Operations. The Department requested \$14,974 more for all other operations, including \$51,936 less from general revenues. There is a \$22,500 general revenue increase for contracted assistance with a new scheduling system; the other half of that cost appears within the State Police Division. The remainder of the changes include adjustments to centralized services provided through the Department of Administration and assigning more of them to available indirect cost recovery receipts instead of general revenues.

The Governor's recommendation reduces the request by \$36,609, including \$21,322 from general revenues, to account for adjustments to centralized service billings resulting from a revision to anticipated expenses, including a delay in implementing new systems management software. **The Assembly concurred.**

E-911

Salaries and Benefits. The Department requested \$46,436 more than enacted from restricted receipts for salaries and benefits for the Division's 56.0 full-time equivalent positions. This reflects reduced turnover savings and the allocation of half the staff attorney's cost from Central Management, based on a plan to share services implemented before the final adoption of the FY 2025 budget. As of early October, an average of 51.0 full-time equivalent positions were filled, and the Department expected the remaining vacant positions to be filled in the third quarter of FY 2025. It should be noted that the request reflects savings of \$54,600 from a reduction in the enacted assessed fringe benefit rate, which is equal to 1.7 percent of salaries. However, the correct rate is actually 1.1 percent lower, resulting in a difference of \$23,777.

*The Governor recommended \$305,737 more than requested to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. **The Assembly concurred.***

Other Operations. The Department requested \$0.8 million more than enacted from restricted receipts for all other operations within E-911. The increase includes technological upgrades to the Public Safety Answering Point that were delayed from FY 2024. It also includes \$0.3 million for updated costs to the telephone lines, which were previously understated. Some of these expenses are also part of the Department's Information Technology capital project. *The Governor recommended funding as requested. **The Assembly concurred. A detailed description of the project is included in the capital budget section of this publication.***

Sheriffs

Salaries and Benefits (-1.0 FTE). The Department requested \$2.2 million less than enacted from general revenues to reflect additional turnover savings equivalent to 10.0 positions. The enacted budget funds 173.0 of the authorized 180.0 full-time equivalent positions. As of the beginning of October, the Division had averaged 141.0 full-time equivalent positions for FY 2025. The revised request also lowers the number of authorized positions by one to accommodate an increase in Central Management. *The Governor recommended \$1.1 million more than requested to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. **Based on spending through the beginning of May, the Assembly included \$0.9 million of additional general revenue turnover savings.***

Reappropriation - Bus. The Department requested \$275,000 from general revenues reappropriated from FY 2024 for a prisoner transport bus. The Governor also reappropriated this amount from FY 2023, but the funds were not spent because of delays in delivery and invoicing. *The Governor included the reappropriation. **The Assembly concurred.***

Motor Vehicles. The Department requested \$0.5 million more than enacted from general revenues to purchase eight vehicles outright in the current fiscal year. The Department reported that it intends to utilize its current personnel savings to purchase the vehicles in FY 2025 rather than using the State Fleet Replacement Revolving Loan Fund, which requires a three-year payback. *The Governor recommended funding as requested. **The Assembly concurred.***

Other Operations. The Department requested \$78,354 more than enacted from general revenues for all other expenses, including \$18,381 reappropriated from FY 2024 for items purchased but delayed. The remaining increases relate to updated estimates, including the academy and a planned recruitment drive.

*The Governor's recommendation adds \$3,274. This includes \$16,726 in savings to account for adjustments to centralized service billings, including a delay in implementing new systems management software. This is offset by \$20,000 more for travel expenses consistent with the recent labor agreement. **The Assembly concurred.***

Capitol Police

Salaries and Benefits. The Department requested \$27,841 less than enacted from general revenues for 40.0 full-time equivalent positions for Capitol Police staff not allocated to internal service funds, reflecting a reduction in overtime and other 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. As of early October, there were 3.0 vacancies.

*The Governor recommended \$266,374 more than requested to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. **The Assembly concurred.***

Other Operations. The Department requested \$113,815 more than enacted for all other expenses. The increase includes \$121,000 to purchase two vehicles outright as part of the Department's updated fifteen-year vehicle plan. This is partially offset by reductions in equipment purchases based on prior year spending. *The Governor's recommendation adds \$29,703 to account for adjustments to information technology centralized service billings based on a revision to anticipated expenses. **The Assembly concurred.***

Municipal Police Training Academy

Personnel and Operations. The Department requested \$79,286 more than enacted for Municipal Police Training Academy expenses, including \$7,683 less from general revenues. The increase reflects updated federal awards for highway safety grants; the request also shifts funding from operating expenses to contracted professional services. *The Governor recommended \$10,267 more than requested, including \$2,584 from general revenues, to account for statewide adjustments consistent with his recent labor agreements and centralized service billing projections. **The Assembly concurred.***

State Police

Reappropriation - Aquidneck Island Study. The Department's revised request includes \$100,000 from general revenues reappropriated from FY 2024 to conduct a feasibility study to examine the appropriate presence of the State Police on Aquidneck Island. After a delay in selecting the vendor, the Department noted the work was expected to begin in the fall of 2024 and be completed before the end of FY 2025. *The Governor included the reappropriation. **The Assembly concurred.***

Anti-Heroin Task Force Program. After submitting its budget, the Department received a grant to support a joint operation with the State Police and other law enforcement and federal agency representatives beginning in FY 2025 and extending into FY 2028. Operation Secure Shield increases surveillance and investigations of high-level distributors. The total grant amount is \$4.0 million, of which the Department expects to spend \$1.8 million in FY 2025, \$1.0 million in FY 2026, and \$1.3 million in FY 2027. *The Governor recommended \$1.8 million for FY 2025, of which \$0.2 million will be used for overtime and \$0.3 million for vehicles related to the effort. **The Assembly concurred.***

Other Salaries and Benefits. The Department requested \$0.1 million less than enacted from all sources, including \$0.8 million less from general revenues for salaries and benefits for 328.0 full-time equivalent positions. The request reflects an increase in turnover savings equivalent to approximately five positions, partially offset by other current service adjustments and overtime increases. The enacted budget funds about 321 positions, but the Department had averaged only 308.0 filled through the end of the first quarter. Therefore, additional turnover savings could be expected, although increased overtime would offset some of these costs.

The Governor added \$0.4 million, mostly from general revenues, to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate where applicable. As noted previously, most employees in the Division of State Police are covered by labor contracts that have not been settled. The Governor recommended funding for all unsettled contracts in the Department of Administration's budget.

*The Governor subsequently requested an amendment to add \$6.2 million, including \$5.9 million from general revenues based on the settled State Police contract. This reflects the same cost-of-living adjustments given to other state employees, as well as a uniform stipend increase. It is also retroactive to November 1, 2023, eight months earlier than other contracts because that is when the previous contract expired. **The Assembly concurred.***

Reappropriation - Equipment and Repairs. The Department requested \$1.2 million from general revenues, reappropriated from FY 2024, for various equipment and software that was ordered but not received in FY 2024. This includes delayed repairs to communication towers and equipment for the Training Academy. The total also includes \$0.6 million for vehicle lighting packages. *The Governor included the reappropriation. **The Assembly concurred.***

Motor Vehicles. The Department requested \$2.4 million more than enacted from all sources, most of which is from general revenues for the outright purchase of 47 vehicles consistent with the Department's fifteen-year vehicle replacement plan. The request is partially offset by reductions to the Division's current repayment obligations to the State Fleet Replacement Revolving Loan fund and reduced overhead costs resulting from the purchase of new vehicles. *The Governor recommended \$0.7 million less than requested from general revenues, allowing for fewer vehicle purchases. **The Assembly concurred.***

Other Federal Funds. The Department requested an additional \$0.7 million from federal funds for all other grants. Notable increases are \$0.3 million for the Equitable Sharing Programs and \$0.6 million for the National Criminal History Improvement Program, which includes unexpended approved expenses from FY 2024 that the Department anticipates in FY 2025. This is partially offset by reductions to the Incentive Grant Program to Prohibit Racial Profiling, which was assumed in the enacted budget but not awarded. *The Governor recommended funding as requested. **The Assembly concurred.***

Capital Projects. The Department requested \$0.1 million less from Rhode Island Capital Plan funds for four capital projects. The projects are consistent with the Department's capital budget request. *The Governor recommended \$0.2 million more than requested. **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.***

Other Operations. The Department requested \$1,749 less from all sources for all other operations. This includes revisions among ongoing expenses based on FY 2024 experience and updated utility cost projections.

*The Governor's recommendation adds \$38,355 from general revenues to account for adjustments to information technology centralized service billings based on a revision to anticipated expenses. He also added \$62,000 from other funds for scales and equipment for vehicle weight enforcement based on a subsequent request from the Department. **The Assembly concurred.***

Office of the Public Defender

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 13,198,654	\$ 14,959,021	\$ 15,573,031	\$ 15,573,031
Contracted Services	166,144	260,690	247,507	247,507
Subtotal	\$ 13,364,798	\$ 15,219,711	\$ 15,820,538	\$ 15,820,538
Other State Operations	1,266,007	1,320,883	1,311,433	1,311,433
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	88,146	85,000	85,000	85,000
Capital	39,350	45,000	45,000	45,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 14,758,301	\$ 16,670,594	\$ 17,261,971	\$ 17,261,971
Sources of Funds				
General Revenue	\$ 14,670,119	\$ 16,585,559	\$ 17,176,936	\$ 17,176,936
Federal Aid	88,182	85,035	85,035	85,035
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 14,758,301	\$ 16,670,594	\$ 17,261,971	\$ 17,261,971
FTE Authorization	104.0	104.0	104.0	104.0
FTE Average	100.6			

FY 2025 Revised Request. The Office of the Public Defender requested \$50,493 less from general revenues than provided in the enacted budget. *The Governor recommended \$641,780 more than requested from general revenues, primarily to account for statewide adjustments consistent with his recent labor agreements.* **The Assembly concurred.**

Salaries and Benefits. The Office requested \$91,838 less from general revenues for staffing expenses. The enacted budget assumes turnover savings from only about half a position, while the Office has averaged 1.8 vacancies for FY 2025 through early November. The request includes additional turnover savings equal to approximately 0.6 full-time equivalent positions. It should be noted that the request reflects savings of \$148,870 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$58,169.

The Assembly added \$750,000 from general revenues in the FY 2025 enacted budget to assist the Office with offering competitive wages to ensure adequate staffing. Executing these upgrades has been delayed while a new statewide personnel system is being implemented, but it assumes these increases will be included in the current fiscal year, retroactive to July 1, 2024. *The Governor added \$705,848 from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The recommendation assumes turnover savings consistent with the request.* **The Assembly concurred. It also added language to ensure the delayed attorney salary upgrades can be implemented and required that unspent funds be reappropriated.**

Other Operations. The Office requested \$41,345 more from general revenues for all other operations. The request assumes use of personnel turnover savings for other increases to align with FY 2024 spending, including \$16,500 more for increased parking and utilities costs, \$6,000 more for non-Spanish interpreter services because of increased demand, and \$12,250 more for technology costs related to digital discovery and finding a new vendor for its legal research program. *The Governor recommended \$63,978 less than requested from general revenues, including \$14,433 for contracted staff and \$23,000 for travel and printing costs based on historical spending. The recommendation also includes a decrease of \$26,545 for adjustments to centralized service billings based on a revision to anticipated expenses, including a delay in the implementation of new systems management software.* **The Assembly concurred.**

Department of Environmental Management

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditure by Program				
Office of the Director	\$ 13,209,029	\$ 13,958,740	\$ 16,347,663	\$ 16,347,663
Bureau of Natural Resources	70,215,787	91,151,783	104,292,821	91,992,821
Bureau of Environmental Protection	30,160,327	38,622,061	42,000,579	42,000,579
Subtotal	\$ 113,585,143	\$ 143,732,584	\$ 162,641,063	\$ 150,341,063
Expenditures by Category				
Salaries and Benefits	\$ 58,848,969	\$ 63,604,551	\$ 65,557,427	\$ 65,557,427
Contracted Services	9,422,754	13,748,385	17,270,365	17,270,365
Subtotal	\$ 68,271,723	\$ 77,352,936	\$ 82,827,792	\$ 82,827,792
Other State Operations	20,832,839	21,097,655	23,285,770	23,285,770
Aid to Local Units of Government	31,739	-	-	-
Assistance, Grants, and Benefits	8,232,807	9,434,167	13,544,371	13,544,371
Capital	16,216,035	35,847,826	42,983,130	30,683,130
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 113,585,143	\$ 143,732,584	\$ 162,641,063	\$ 150,341,063
Sources of Funds				
General Revenue	\$ 55,457,397	\$ 57,238,872	\$ 56,014,410	\$ 56,014,410
Federal Aid	30,509,028	36,020,076	47,071,238	47,071,238
Restricted Receipts	15,102,601	21,304,790	27,261,032	27,261,032
Other	12,516,117	29,168,846	32,294,383	19,994,383
Total	\$ 113,585,143	\$ 143,732,584	\$ 162,641,063	\$ 150,341,063
FTE Authorization	425.0	439.0	439.0	439.0
FTE Average	399.3			

FY 2025 Revised Request. The Department of Environmental Management's revised request is \$13.3 million more than enacted from all sources, including \$5,000 less from general revenues. *The Governor recommended \$18.9 million more than enacted and \$5.6 million more than requested. General revenues are \$1.2 million less than enacted.* **The Assembly shifted \$12.3 million from Rhode Island Capital Plan funds from FY 2025 to later years based on revised project schedules and concurred with the remainder of the recommendation.**

Staffing. The Department requested \$0.1 million less than enacted from all sources for 439.0 full-time equivalent positions. This includes \$1.3 million less than enacted from general revenues by shifting expenses to available federal and restricted receipt sources. The request shifts funding for four Bureau of Environmental Protection positions, including two to the Office of the Director and two to the Bureau of Natural Resources. As of early November, the Department had 29.0 positions vacant. It should be noted that the request reflects savings of \$0.6 million from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$0.2 million, of which \$0.1 million is from general revenues.

*The Governor recommended \$2.1 million more than requested, including \$0.9 million less from general revenues. This includes \$2.6 million, including \$1.6 million from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. It also includes general revenue savings of \$2.4 million by shifting expenses to available restricted receipts and federal sources and an additional \$0.5 million in turnover savings from all sources. **The Assembly concurred.***

Centralized Services. The Department requested \$47,000 less for centralized information technology, facilities management, and human resources services provided through the Department of Administration. This reflects \$50,000 less for facilities management and \$3,000 more for information technology. *The Governor included an increase of \$215,094, including \$215,392 from general revenues, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses. **The Assembly concurred.***

Office of the Director

Salaries and Benefits. The Department requested \$0.3 million more than enacted from all sources for salaries and benefits in the Office of the Director, including \$0.2 million more from general revenues and \$0.1 million more from restricted receipts. This includes shifting the funding for two full-time equivalent positions from the Bureau of Environmental Protection to the Office and savings of \$61,445 from the reduction to the enacted assessed fringe benefit rate. As of the beginning of November, the Office had two vacancies. *The Governor recommended \$0.4 million more than requested, including \$0.1 million more from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. **The Assembly concurred.***

Environmental Justice. The Department requested \$0.3 million to reflect a new federal Environmental Protection Agency grant for environmental justice work. The funding will go to The Nature Conservancy to work on climate change issues, reconnect marine and coastal systems, advance science, and build partnerships. The FY 2026 request also includes \$0.3 million. *The Governor recommended funding as requested. **The Assembly concurred.***

Bays, Rivers, and Watersheds Fund. The Department requested \$0.3 million more than enacted 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 septage disposal from a \$1 per hundred gallons charge on septage disposal in the state. The increase includes \$125,000 to replace a shellfish boat that has exceeded its useful life and \$150,000 to replace outdated Narragansett Bay fixed-site monitoring network equipment. *The Governor recommended funding as requested. **The Assembly concurred.***

Regional Greenhouse Gas Initiative. Pursuant to Rhode Island General Law, the receipts from the Regional Greenhouse Gas auctions are used to benefit energy consumers through investment in the most cost-effective projects that can reduce long-term consumer energy demands and costs. The FY 2025 spending plan was not finalized until October, after the submission of the budget request.

*Based on the spending plan, the Governor recommended an additional \$325,000 from restricted receipts. This includes \$125,000 for the Bureau of Natural Resources to purchase a trailer and electric lawn equipment, and \$200,000 is for energy management consulting services and design and engineering consulting services for work with municipalities. **The Assembly concurred.***

Other Operations. The Department requested \$0.2 million more than enacted from all sources for all other operating expenses for the Office of the Director. This includes \$3,750 more from general revenues and \$0.2 million more from multiple restricted receipt sources. The largest change is the use of \$0.2 million

from indirect cost recovery restricted receipts for a temporary contractor to manage grants. The Department reported several vacancies and hiring delays for accounting positions, and additional federal funds requiring grant management work. The revised request also includes an additional \$50,000 from restricted boat registration fees and penalties for mailers to communicate with users about a new boating registration system. *The Governor recommended funding as requested. The Assembly concurred.*

Bureau of Natural Resources

Parks and Recreation. The Department requested \$0.1 million more from general revenues than enacted for Parks and Recreation operations. This includes \$0.4 million less for staffing costs, of which \$0.1 million is from the reduction to the enacted assessed fringe benefit rate, offset by \$0.4 million more for contracted services and operating costs. It reflects \$0.2 million more for contracted janitorial and security services and supplies because of the low recruitment of seasonal employees, which has been challenging for several years. The other changes are to align with FY 2024 spending.

The Governor recommended \$0.4 million less than requested from general revenues for salaries and benefits. He reduced expenses for seasonal staff by \$0.5 million based on prior year spending. He also added \$0.1 million to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate offset by one-time savings of \$0.5 million from shifting expenses to the indirect cost recovery account. The account ended FY 2024 with a \$2.3 million balance and would end FY 2025 with a \$2.3 million balance based on this recommendation. The Assembly concurred.

Enforcement. The Department requested \$1.0 million more than enacted, including \$0.2 million less from general revenues, to support enforcement. This includes \$1.3 million more from federal funds and \$0.1 million less from boating registration restricted receipts. The revised request includes \$0.6 million less from general revenues for salaries and benefits by shifting expenses to available federal funds. Other general revenue changes include \$45,000 more for contracted municipal police details necessary when the Department cannot cover them and \$47,000 more for ammunition for training officers. The largest requested increase is \$200,000 to purchase a bio-liquidator to dispose of biological materials on roads and other state properties. The general revenue changes also include savings of \$47,633 related to the reduction to the assessed fringe benefit rate.

It should be noted that the 2024 Assembly enacted pension changes, converting benefits for state public safety employees to the same retirement benefits as local public safety employees. It increased the employee contribution from 8.75 percent to 10.0 percent, affecting environmental police officers. The increase in the employer rate was budgeted in the Department of Administration for later distribution. *The Governor recommended \$0.8 million more than enacted from all sources for salaries and benefits to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The Assembly concurred.*

Other Salaries and Benefits. The Department requested \$11,729 more than enacted from all sources for all other salaries and benefits for the Bureau of Natural Resources. This includes \$0.1 million less from general revenues to reflect the reduction to the enacted assessed fringe benefit rate and shifting funding for two positions from the Bureau of Environmental Protection to the Bureau of Natural Resources, bringing its authorization to 217.0. The enacted budget assumed turnover savings equivalent to 4.7 vacant positions for the entire bureau. The revised request would restore savings equivalent to 1.6 positions and fund 211.9 of the 217.0 requested positions. *The Governor recommended \$0.3 million more than enacted from all sources for salaries and benefits to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. The Assembly concurred.*

Host Beach Communities. The Department requested the enacted amount of \$0.7 million from general revenues for anticipated payments to host beach communities. The Department collects fees for daily and

seasonal parking at seven facilities across the state. It reimburses the four host communities of Charlestown, Westerly, Narragansett, and South Kingstown 27 percent of all daily parking fees collected from Memorial Day to Labor Day. The 2021 Assembly authorized the Department to increase beach, park, and recreational fees at state facilities located in Westerly. *The Governor recommended \$0.1 million less based on final payments. The Assembly concurred.*

Chafee Research Vessel Repairs. The Department requested new general revenue expenditures of \$150,000 for a portion of planned repairs to the John H. Chafee research boat. This vessel is used to conduct seasonal and monthly surveys to provide data on finfish and crustaceans in Rhode Island state waters. It was built in 2002, and the Department reported that it needs around \$300,000 in repair work. The FY 2026 request also includes \$150,000. *The Governor recommended funding as requested. The Assembly concurred.*

Capital Projects. The Department requested the enacted level of \$27.4 million from Rhode Island Capital Plan funds for nine capital projects. It reflects updated project schedules and available carryforward funds for repairs to state-owned dams, improvements to the state's recreational facilities, and upgrades to Newport piers. The Department reported that the amounts reflected in the capital budget request are \$0.4 million higher. *The Governor recommended \$3.1 million more than enacted and requested. The Assembly revised the programming of Rhode Island Capital Plan funds for the dam repair and Galilee piers projects based on updated schedules by shifting \$12.3 million from FY 2025 to later years. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Federal Grants. The Department requested \$8.8 million more than the \$16.2 million from federal funds included in the enacted budget. This reflects revisions to current and new federal funds. It should be noted that the Department typically requests most of its available funding only to underspend the final appropriation. In FY 2024, the Department spent \$13.8 million, which is \$3.5 million or 20.4 percent less than budgeted. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$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. The general revenue change includes \$25,000 more for contracted groundskeeping services, \$25,000 to begin work on the 2025 Statewide Comprehensive Outdoor Recreation Plan, and \$70,000 for hatchery supplies, including fish food. The revised request also includes \$0.2 million more from fishing and game land acquisition and development restricted receipts for activities related to the recent purchase of the Cub World property from the Boy Scouts. *The Governor recommended funding as requested. The Assembly concurred.*

Bureau of Environmental Protection

Salaries and Benefits. The Department requested \$0.2 million less than enacted from all sources for salaries and benefits of the Bureau of Environmental Protection. The request includes \$0.4 million less from general revenues and \$0.4 million less from federal funds, partially offset by \$0.6 million more from restricted receipts and \$44,473 more from Department of Transportation funds. The additional restricted receipts are primarily from state revolving fund administration and water and air protection program funds. The request appears to shift four positions from the Bureau of Environmental Protection to the other divisions and assumes turnover savings equivalent to 3.2 vacancies. As of early November, there were six vacancies in the Bureau. It also includes savings of \$0.3 million from the reduction to the enacted assessed fringe benefit rate.

The Governor recommended \$1.3 million more than requested, including \$0.9 million less from general revenues. He shifted \$1.6 million of general revenue staffing expenses to available restricted receipt sources, primarily the Oil Spill Prevention, Administration and Response Fund. He also added \$1.3

million, including \$0.6 million from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. **The Assembly concurred.**

Environmental Response Fund. The Department requested \$1.7 million more than enacted from Environmental Response Fund restricted receipts. The Fund is generally supported by hazardous waste transport violation fees and 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), banned in 2007. The revised request reflects an updated plan for site cleanup based on staff capacity and procurement timelines. *The Governor recommended funding as requested.* **The Assembly concurred.**

Federal Grants. The Department requested \$0.8 million more than enacted from federal funds to reflect current and new awards. The Department typically requests most of its available funding only to underspend. The FY 2024 final budget included \$6.6 million, and the Department spent \$3.5 million. The enacted budget includes \$5.7 million for these programs. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Operations. The Department requested \$0.4 million less than enacted for all other expenditures. This includes \$0.1 million more from general revenues. The general revenue increase includes \$37,000 for digitizing records within the Office of Air Resources, \$26,900 for a new car for the Office of Water Resources, and \$35,000 for maintenance and monitoring activities at the Rose Hill Landfill based on FY 2024 spending. The revised request also includes \$0.5 million less from restricted receipts. This includes \$0.4 million less from the State Revolving Fund Administration account and the removal of \$0.1 million from Volkswagen settlement funds that were previously expended. *The Governor recommended funding as requested.* **The Assembly concurred.**

Coastal Resources Management Council

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Category				
Salaries and Benefits	\$ 4,244,998	\$ 4,689,417	\$ 5,015,901	\$ 5,015,901
Contracted Services	221,481	481,770	376,770	376,770
Subtotal	\$ 4,466,479	\$ 5,171,187	\$ 5,392,671	\$ 5,392,671
Other State Operations	329,429	294,886	495,945	495,945
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	292,848	642,890	5,169,820	5,169,820
Capital	113,473	68,000	168,000	168,000
Capital Debt Service	-	-	-	-
Operating Transfers	26,400	-	-	-
Total	\$ 5,228,629	\$ 6,176,963	\$ 11,226,436	\$ 11,226,436
Sources of Funds				
General Revenue	\$ 3,331,464	\$ 3,607,384	\$ 3,957,427	\$ 3,957,427
Federal Aid	1,672,165	2,319,579	6,919,009	6,919,009
Restricted Receipts	225,000	250,000	250,000	250,000
Other	-	-	100,000	100,000
Total	\$ 5,228,629	\$ 6,176,963	\$ 11,226,436	\$ 11,226,436
FTE Authorization	32.0	32.0	32.0	32.0
FTE Average	28.8			

FY 2025 Revised Request. The Coastal Resources Management Council requested \$4.8 million more than the enacted budget from all sources, including \$0.3 million more from general revenues and \$4.5 million more from federal funds. The request includes the authorized level of 32.0 full-time equivalent positions.

The Governor recommended \$0.2 million more than requested from all sources, including \$62,960 more from general revenues. The recommendation includes the authorized level of staffing. The Assembly concurred.

Salaries and Benefits. The Council requested \$175,295 more than enacted, including \$165,353 more from general revenues and \$9,942 more from federal funds for salary and benefit costs to fully fund its 32.0 authorized positions. As of December, the Council had 2.0 vacancies and had maintained that since before FY 2025. The request restores turnover savings equivalent to 1.0 full-time equivalent position, which would fund the two vacancies for half a year. The Council noted that a marine infrastructure coordinator position had been filled, and was in the process of filling the other position. The request includes scheduled step increases. It should also be noted that the request reflects savings of \$46,860 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$17,696.

The Governor recommended \$151,189 more than requested from all sources, including \$64,826 more from general revenues. This includes \$219,351, of which \$154,919 is from general revenues to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. This is partially offset by an additional \$68,162 of turnover savings. The Assembly concurred.

Offshore Wind Farm Pilot. The Council requested \$0.5 million more than enacted 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 plan technologies and develop solutions to issues being experienced at wind farms. 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 represents available carryforward funds that were not spent in FY 2024 because of delays in implementing a billing system with the University of Rhode Island. The request also extends the project one year to FY 2026. The Council noted that the project is now underway. *The Governor concurred. The Assembly concurred.*

National Oceanic and Atmospheric Administration Grant. The Council requested \$0.3 million more from federal funds 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, to help identify potential projects and develop proposals for initiatives within the Narragansett Bay watershed. The revised request is essentially a carryforward of unspent funding from FY 2024 and a project extension to FY 2026. The Council indicated that this project is done in conjunction with the Department of Environmental Management, which has been working with the federal government to refine the project scope. *The Governor recommended funding as requested. The Assembly concurred.*

Other Federal Grants. The Council requested \$3.7 million more than enacted from other federal funds, largely due to the award of three new grants. This includes \$0.2 million for the second phase of the Shoreline Access Management Plan, \$1.0 million for the South Fork Wind Farm project, and \$2.4 million for the Winnapaug Pond-Sorensen project. The request also includes a carryforward of \$0.1 million from unspent grant funds from FY 2024 for the Rhode Island Aquatic Invasive Species Management plan. *The Governor recommended funding as requested. The Assembly concurred.*

Capital - Projects. The FY 2024 final budget included \$0.1 million from Rhode Island Capital Plan funds, including \$50,000 each for two studies: Little Narragansett Bay Study and the Pawcatuck Resiliency Elevation. The funds were not expended nor included in the Council's operating budget request. *The Governor's recommendation includes the unspent funds from FY 2024. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Council requested \$121,730 more than enacted from general revenues for all other operations. The increase largely reflects the new inclusion of facility expenses for the Council office at the Stedman Government Center. Facility expenses are charged to agencies occupying spaces in state facilities. It appears these were not previously charged to the Council. *The Governor concurred, with the exception of providing \$1,866 less general revenues, primarily to account for adjustments to centralized service billings based on a revision to anticipated expenses. The Assembly concurred.*

Department of Transportation

	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
Expenditures by Program				
Central Management	\$ 11,747,069	\$ 23,387,603	\$ 23,032,539	\$ 23,032,539
Management and Budget	4,975,716	4,243,682	3,976,564	3,976,564
Infrastructure Program	756,237,983	861,928,952	1,078,001,170	1,048,247,058
Total	\$ 772,960,768	\$ 889,560,237	\$ 1,105,010,273	\$ 1,075,256,161
Expenditures by Category				
Salaries and Benefits	\$ 80,109,826	\$ 110,861,585	\$ 110,801,148	\$ 110,801,148
Contracted Services	68,411,075	70,732,699	73,352,751	73,352,751
Subtotal	\$ 148,520,901	\$ 181,594,284	\$ 184,153,899	\$ 184,153,899
Other State Operations	(13,872,822)	39,537,596	58,220,171	50,659,063
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	19,031,772	26,267,186	54,467,938	54,467,938
Capital	337,961,875	473,309,284	649,224,783	626,276,429
Capital Debt Service	-	330,050	330,050	330,050
Operating Transfers	281,319,042	168,521,837	158,613,432	159,368,782
Total	\$ 772,960,768	\$ 889,560,237	\$ 1,105,010,273	\$ 1,075,256,161
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	442,425,242	474,772,781	526,603,533	526,224,085
Restricted Receipts	1,961,977	6,116,969	6,165,817	6,165,817
Other	328,573,549	408,670,487	572,240,923	542,866,259
Total	\$ 772,960,768	\$ 889,560,237	\$ 1,105,010,273	\$ 1,075,256,161
FTE Authorization	755.0	755.0	755.0	755.0
FTE Average	704.9			

FY 2025 Revised Request. The revised request includes \$175.2 million more from all sources than enacted, including \$138.0 million from other funds. Of this amount, \$153.8 million is from the Highway Maintenance Account, partially offset by \$14.6 million less from Rhode Island Capital Plan funds, and \$0.4 million less from gasoline tax proceeds and other sources. It also includes \$37.3 million more from federal funds and \$0.1 million less from restricted receipts. The request includes the authorized level of 755.0 full-time equivalent positions. As of early December, the Department had 34 vacancies.

The Governor recommended \$40.3 million more than requested from all sources, primarily from FY 2024 unspent State Fiscal Recovery and Rhode Island Capital Plan funds. The recommendation includes staffing as enacted.

The Assembly provided \$1,075.3 million from all sources, which is \$29.8 million less than recommended, reflecting available resources from the Highway Maintenance Account, and shifting \$20.0 million from Rhode Island Capital Plan funds for the Washington Bridge project to FY 2026.

The following table shows available gasoline tax proceeds and other non-federal funds included in the FY 2025 budget. Additional information regarding the sources of funds is included in the Special Reports section of this publication.

Non Federal Sources	FY 2024 Reported	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final
<i>Gas Tax Yield per Cent</i>	4.349	4.274	4.362	4.432
<i>RIDOT Cents</i>	23.25	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	\$ 153,426,043	\$ 48,300,027	\$ 184,892,649	\$ 175,242,769
Gas Tax	158,730,653	155,989,320	159,215,701	161,777,271
Motor Vehicles Fees, Surcharges & Transfer	111,776,824	112,503,159	111,596,843	112,258,835
Surplus Property & Outdoor Advertising	220,593	226,000	226,000	226,000
Restricted Receipts	2,489,900	8,969,479	2,555,734	2,555,734
Land Sales	7,311,079	3,400,000	3,400,000	3,400,000
Rhode Island Capital Plan Funds	116,735,823	160,216,575	170,823,676	147,875,322
Total Revenues	\$ 550,690,915	\$ 489,604,560	\$ 632,710,603	\$ 603,335,931
Transportation Expenses				
Winter Maintenance	\$ 19,384,891	\$ 14,000,000	\$ 18,106,374	\$ 18,106,374
Vehicles & Maintenance	13,886,877	11,633,027	28,925,374	28,925,374
General Maintenance	51,370,206	60,546,050	56,187,017	58,308,889
Pay-go/Capital & Other	153,366,527	220,872,934	364,205,630	334,555,750
GARVEE Bond Debt Service	8,632,109	8,547,360	8,724,148	8,864,508
G.O. Debt Service*	34,103,951	31,799,805	31,799,805	31,799,805
State Match - Gas Tax	316,530	403,099	251,007	251,007
Internal Service Funds Transparency*	1,158,789	1,074,376	1,591,756	1,591,756
Restricted Receipts	1,961,977	6,116,969	6,165,817	6,165,817
Interstate 195 Land Sales	1,069,781	-	-	-
Land Sales	6,158,187	6,583,333	6,221,435	6,221,435
Equipment Replacement	2,613,660	1,800,000	3,809,769	3,809,769
Facilities	2,333,677	17,314,515	17,711,847	14,763,493
RIPTA - Gas Tax	43,578,936	41,668,389	42,530,213	43,214,476
RIPTA - Highway Maintenance Account	10,755,970	10,343,900	10,300,850	10,332,295
Turnpike and Bridge Authority	15,106,198	14,957,880	15,267,259	15,512,889
Total Expenditures	\$ 365,798,266	\$ 447,661,637	\$ 611,798,301	\$ 582,423,637
Surplus/Deficit	\$ 184,892,649	\$ 41,942,923	\$ 20,912,302	\$ 20,912,294

*Shown in the Department of Administration's budget

The revised request assumes the enacted per penny yield of \$4.274 million, which was projected in May 2024 by the Office of Revenue Analysis. This was updated to \$4.362 million in November, and is \$88,394 more than enacted. *The revised recommendation uses the November estimate of \$4.362 million. The Assembly used the May 2025 per penny yield of \$4.432 million, which is \$70,180 more than the November estimate.*

Centralized Services. The revised request includes \$0.7 million more than enacted for centralized facilities management services provided by the Department of Administration. This is consistent with projected expenses for FY 2025, and aligns expenses closer with FY 2024 spending. The request includes the enacted amount of \$1.8 million for human resources support and \$4.6 million for information technology services; however, these expenses appear to be \$0.9 million more than projected, based on spending through the first quarter of FY 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Student Internship Program. The revised request inadvertently excludes the enacted amount of \$1.5 million for the student internship program. Traditionally, the Department welcomes approximately 100 students to its internship program each summer, and students generally work from May through the end of August. Interns must work between 35 and 40 hours per week, with salaries ranging from \$14.00 to \$25.00 per hour based upon experience and job classification in the areas of: policy, planning, project management, construction, maintenance, traffic, highway safety, transit, materials, financial management, information technology, legal, environmental, and public affairs. FY 2024 expenses were \$1.0 million for 65 interns. *The Governor recommended \$1.5 million, essentially as enacted. The Assembly concurred.*

Salaries and Benefits. The revised request includes \$2.0 million more than enacted from all sources for salaries and benefits and the authorized level of 755.0 full-time equivalent positions. This includes decreases of \$1.7 million from federal funds and \$0.1 million from restricted receipts, and \$3.7 million more from other funds, of which \$3.1 million is from gasoline tax proceeds. It adds \$0.8 million for overtime, for which the enacted budget includes \$6.0 million; expenses were \$7.3 million for FY 2024 and \$6.3 million for FY 2023. The revised request appears to fund 767 positions; 12 more than authorized and 37 more than the enacted budget assumed. Subsequently, the Department noted issues with the budgeting system that impacted its request. It adds \$3.1 million for salaries and wages and decreases benefits by \$1.9 million, which is not consistent with revised planning values for FY 2025. As noted previously, it also excludes expenses for the student internship program.

The Governor recommended \$49,333 less than enacted from all sources, including \$2.2 million less from federal funds, offset by a like amount largely from gas tax proceeds. The recommendation adds \$4.0 million to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. It also adds \$1.1 million for overtime. These increases are offset by a like amount of turnover savings; the recommendation appears to assume 47 vacancies. Through mid-January, the Department had averaged 31 vacancies and it had 51 vacant positions at that time. The Assembly concurred.

GARVEE Debt Service. The revised request includes \$4.6 million more from federal funds than enacted for debt issued through the Grant Anticipation Revenue Vehicle Program, which allows states to borrow funds that are repaid by the annual allocation of Federal Highway Administration construction funds. In the first seven years, interest-only payments will be made and principal payments will start in the later years, as other previously issued debt are defeased. The 2024 Assembly authorized the issuance of up to \$334.6 million through the program for the replacement of the Washington Bridge. The amount to be issued would be less if federal discretionary grant funds are secured. In September, \$140.0 million of the bonds were issued and in October, \$221.0 million from federal discretionary grant funds were secured. These total \$361.0 million from federal funds, approximately \$26 million more than the approved plan had assumed for the project.

The Governor concurred and added \$0.2 million from gas tax proceeds, reflecting an upward revision to the gas tax yield. Subsequently, the Budget Office noted that federal fund expenses are overstated by \$0.4 million. The Assembly corrected for the overstatement and added \$140,360 from other funds to reflect an upward revision of the gas tax yield estimate.

Capital - Highway Improvement Projects. The revised request includes \$141.4 million more than enacted from all sources for highway improvement projects included in the Department's ten-year plan for FY 2025. The Highway Improvement Program represents those highway and intermodal projects that utilize federal funds administered by the Federal Highway Administration. Expenses supported by gasoline tax proceeds are \$18.1 million less, offset by increases of \$5.7 million from federal funds and \$153.8 million from highway maintenance funds, reflecting unspent FY 2024 funds. The request also includes \$2,060 less from Rhode Island Capital Plan funds, which is \$51.6 million less than FY 2024 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 concurred and adjusted for unspent Rhode Island Capital Plan funds; the recommendations assume use of \$8.2 million and \$43.4 million, respectively for FY 2025 and FY 2026, based on updated project schedules. Expenses from the Highway Maintenance Account are \$9.6 million more than available resources; some of this discrepancy is attributed to the lack of timely and accurate accounting data.

The Assembly reduced Highway Maintenance Account expenditures by \$9.6 million to align expenses with available resources. Based on an updated timeline for the Washington Bridge project, it shifted \$20.0 million from Rhode Island Capital Plan funds from FY 2025 to FY 2026. The contract was awarded in June, with construction starting in July.

Federal Discretionary Projects. The revised request includes \$54.8 million from federal funds for four ongoing projects funded with discretionary grants, which are awarded on a competitive basis and require a state match for their uses. It includes \$20.0 million for the Route 37 Corridor, \$3.2 million for Newport Pell Ramps Realignment, \$12.0 million for the Washington Bridge, and \$19.6 million for the I-95 and Route 4 Quonset Business Park project. The request is \$27.8 million more than enacted, primarily reflecting expenses for the latter project. In January 2024, the Department was awarded an \$81 million grant toward this \$135 million project to improve connectivity from I-95 to the Quonset Business Park. Additionally, ramps will be constructed to improve access for truck and freight operators. *The Governor concurred. The Assembly concurred.*

RI Public Transit Authority. The revised request includes \$52.0 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. It also includes the enacted amount of \$15.0 million from State Fiscal Recovery funds that the 2024 Assembly provided to assist the Authority with its projected operating deficit; the Authority's revised budget does not project a deficit for FY 2025. The Assembly also required an efficiency study be completed by March 1, 2025. *The Governor recommended \$818,774 more than enacted, reflecting updated estimates for the Authority's share of the funds. This includes \$43,050 less from highway maintenance funds and \$861,824 more from gasoline tax proceeds.*

The Assembly included \$53.5 million for the Authority, \$0.7 million more than recommended, primarily reflecting updated estimates for the Authority's share of gas tax proceeds and highway maintenance funds.

RI Public Transit Authority - Bus Match. Based on projected expenditures, the revised request includes \$252,649 less than the enacted budget assumption of \$4.8 million from the Department of Transportation's share of the Highway Maintenance Account for the Authority's match to purchase buses. Buses being replaced have or will have exceeded their useful lives, which is defined by Federal Transit Administration regulations and varies depending on the type of vehicle. *The Governor recommended funding as requested. The Assembly concurred.*

Capital - URI/Kingston Station Mobility Hub. The approved plan includes \$8.7 million from all sources, including \$7.4 million from federal funds and matching funds of \$0.5 million from highway maintenance funds and \$850,000 from Rhode Island Capital Plan funds to construct a new bus hub at the University of Rhode Island Kingston Campus. The project has been revised to reflect a shift in location to the Kingston Station. The Rhode Island Public Transit Authority noted that the new location would better serve passengers and encourage multi-modal transit from the Kingston Station. The project is estimated to cost \$5.7 million, reflecting the Authority's revised project scope. A feasibility review and conceptual design development are underway. The request excludes the highway maintenance funds, consistent with the updated scope. *The Governor concurred and included \$1.1 million from Rhode Island Capital Plan funds for the match in FY 2025, consistent with his capital budget recommendation.* **The Assembly concurred.**

Capital - RI Public Transit Authority Projects. The request inadvertently excludes the enacted amount of \$14.6 million from Rhode Island Capital Plan funds for two projects under the purview of the Rhode Island Public Transit Authority. This includes \$3.4 million for the Pawtucket Bus Hub Passenger Facility and \$11.2 million for the Land and Buildings projects; the 2022 Assembly provided these funds to match increased federal funds authorized in the Infrastructure Investment and Jobs Act. The final budget included \$12.0 million for various projects for FY 2024 that were not spent because of project delays; the request does not include the available funds. *The Governor recommended \$12.6 million more than requested.*

The Assembly concurred, with the exception of shifting \$3.1 million from FY 2025 to FY 2026, reflecting project delays. A detailed description of the projects is included in the Capital Budget section of this publication.

Transit Projects and Operating Expenses. Excluding salaries and benefits, the revised request is for \$29.1 million from all sources for transit-related projects and operating expenses. This is \$3.0 million more than enacted, including \$2.8 million from federal funds for fixed guideway infrastructure, including layover facilities, stations, and tracks, and \$150,000 more from gas tax proceeds, reflecting updated expenses for maintenance of several transit facilities. The request 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 2025. It also includes the enacted amount of \$1.1 million from CARES Act funds for transit operations, including the summer ferry program. Subsequently, the Department notes that these grant funds have been exhausted, and it is working with the Budget Office to revise the total. *The Governor recommended \$2.7 million less than requested, reflecting available grant funds.* **The Assembly concurred.**

ARPA - TBA Safety Barriers Study. The 2023 Assembly provided a total of \$1.8 million from State Fiscal Recovery funds for the Turnpike and Bridge Authority to conduct a study to identify and evaluate the options to prevent and address the risk of suicide on bridges under its purview. The studies for Mount Hope and Jamestown bridges were completed in May 2024, and Newport and Sakonnet bridges will be completed in FY 2025. A total of \$1.1 million has been spent through FY 2024, leaving a balance of \$641,764. The revised request does not include the carryforward; any unexpended funds will automatically be reappropriated. *The Governor's recommendation includes the reappropriation.* **The Assembly concurred.**

RI Turnpike and Bridge Authority. Consistent with the enacted budget, the revised request includes \$15.0 million from gasoline tax revenue to be transferred to the Rhode Island Turnpike and Bridge Authority for operations related to the four bridges under its purview: Newport Pell, Sakonnet River, Mount Hope, and Jamestown. Funding was provided by the 2014 Assembly in lieu of placing a toll on the newly constructed Sakonnet River Bridge. The funding is generated from 3.5 cents of the gasoline tax previously dedicated to the Department, which is able to make the transfer based on additional fund sources made available for infrastructure. The request uses estimates adopted in May 2024, which was revised to \$15.3 million in November. *The Governor recommended \$0.3 million more than enacted, reflecting an upward*

revision to the gas tax yield. **The Assembly provided \$15.5 million, \$0.2 million more than recommended, reflecting an upward revision to the gas tax yield.**

ARPA - Municipal Roads Grant Program. The Assembly provided a total of \$27.0 million from State Fiscal Recovery funds for the Municipal Roads Grant Program. Funds will be made available for the construction and maintenance of roads, sidewalks and bridges. This includes \$20.0 million for FY 2024, for which 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 is also authorized to retain any funds that are not obligated by June 30, 2024, for statewide paving projects. These funds have been obligated and the Department reported expenses of \$3.8 million for FY 2024, leaving a balance of \$16.2 million; any unexpended funds will automatically be reappropriated. The revised request includes the enacted amount of \$7.0 million, to be distributed equally. *The Governor's recommendation includes the unspent funds.* **The Assembly concurred.**

National Highway Safety Grants. The revised request includes \$1.2 million less than enacted from the National Highway Traffic Safety Administration for FY 2025, reflecting anticipated expenses. Though the request is less than enacted, historically the Department overestimates its ability to spend these funds. The request of \$13.2 million is \$8.7 million more than FY 2024 expenses. It includes \$8.5 million or \$2.8 million less 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. This is partially offset by \$1.6 million for program expenses, including media buy and advertising. *The Governor recommended funding as requested.* **The Assembly concurred.**

Winter Maintenance Operations. Excluding salaries and benefits, the revised request includes \$15.1 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 \$3.2 million more than enacted, including \$1.0 million for materials, \$1.7 million for vendor contracts, and \$0.5 million for fleet expenses. It is \$0.9 million less than FY 2024 expenses and \$2.4 million more than the average annual cost for winter maintenance operations from FY 2020 through FY 2024. *The Governor concurred.* **The Assembly concurred.**

Vehicles/Equipment and Maintenance. The Department's requests include a total of \$47.9 million from all sources, including \$30.7 million for FY 2025 and \$17.3 million for FY 2026 to purchase heavy trucks, sweepers, loaders, backhoes, and tractors to replace the Maintenance Division's existing fleet, and maintenance expenses. As part of RhodeWorks, the Department proposed a more aggressive replacement plan. The revised request for FY 2025 is \$17.1 million more than enacted for maintenance equipment that the Department purchased but has not received; payments are made upon delivery of vehicles and equipment. Prior to the pandemic, it took approximately 12 months to obtain the equipment, with the process of procurement, delivery and payment occurring within a fiscal year; however, since the pandemic, the lead time to obtain certain vehicles and equipment increased to more than two years. Expenses from FY 2016 through FY 2020 average \$10.0 million; they were \$1.5 million for FY 2021 through FY 2023. The request also includes the enacted amount of \$4.8 million for fleet expenses, and \$1.8 million from Rhode Island Capital Plan funds; this does not include the \$2.0 million of unspent FY 2024 funds.

The Governor concurred and added the unspent \$2.0 million from Rhode Island Capital Plan funds. **The Assembly concurred.**

Other Maintenance Division Expenses. The revised request includes \$21.5 million from gas tax proceeds for all remaining expenses in the Division of Maintenance. This includes activities such as trash and debris removal, landscaping, sand removal, and graffiti removal. The request is \$6.4 million less than enacted, including decreases of \$6.7 million for capital and building maintenance expenses, and \$0.2 million for

electricity, reflecting FY 2024 spending. These are partially offset by \$175,000 to the Town of New Shoreham; through a memorandum of agreement, the state transferred all maintenance responsibilities of state-owned roads on Block Island to the town. The ten-year agreement expired June 30, 2024 and the Department paid the town \$425,000 annually for services, including snow removal, de-icing, litter removal, mowing grass and cleaning sidewalks.

The Governor recommended funding as requested. The Assembly provided an additional \$2.1 million, reflecting an upward revision to the gas tax yield and updated estimates to highway maintenance funds.

Capital - Facilities and Other Projects. The request includes \$14.5 million from all sources, including the enacted amount of \$2.7 million from Rhode Island Capital Plan funds for five approved projects. It does not include the \$1.3 million of FY 2024 unspent funds. The request also includes \$11.8 million, or \$1.0 million less than enacted 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. *The Governor concurred and added \$1.3 million, reflecting the unspent funds.*

He subsequently required an amendment to increase FY 2025 funding by \$0.1 million for two projects to reflect the audited FY 2024 closing statement. The Assembly concurred with the amended recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.

Software and Information Technology Support. The revised request includes \$0.9 million more than enacted from gasoline tax proceeds, including \$0.1 million for computer equipment and \$0.7 million for contracted information technology support. This includes \$0.5 million for the VUEWorks Asset Management System, drainage condition inspections and property management. Other expenses include the project management system, which includes project dashboards and reporting, project scheduling at all phases, and procurement. *The Governor concurred. The Assembly concurred.*

Executive Climate Change Coordinating Council Projects. In October 2024, the Executive Climate Change Coordinating Council allocated \$100,000 from its funds to the Department, to investigate strategies for its carbon reduction plan. The request predates the plan allocation and did not include this expense. *The Governor's recommendation includes \$0.1 million from restricted receipts for the Council's project. The Assembly concurred.*

Rail Infrastructure and Safety Improvements. In 2019, the Department received a \$2.8 million grant from the Federal Railroad Administration for preliminary engineering and environmental assessment for an Amtrak stop at the Rhode Island T.F. Green International Airport. The Department was in contract negotiations with Amtrak and in FY 2022, a consultant was hired to conduct the study. Through FY 2024, a total of \$2.3 million has been spent, resulting in \$0.5 million in available funding. The revised request includes the enacted amount of \$0.4 million for FY 2025. *The Governor's recommendation adds \$0.1 million, reflecting the available grant balance. The Assembly concurred.*

Section VI

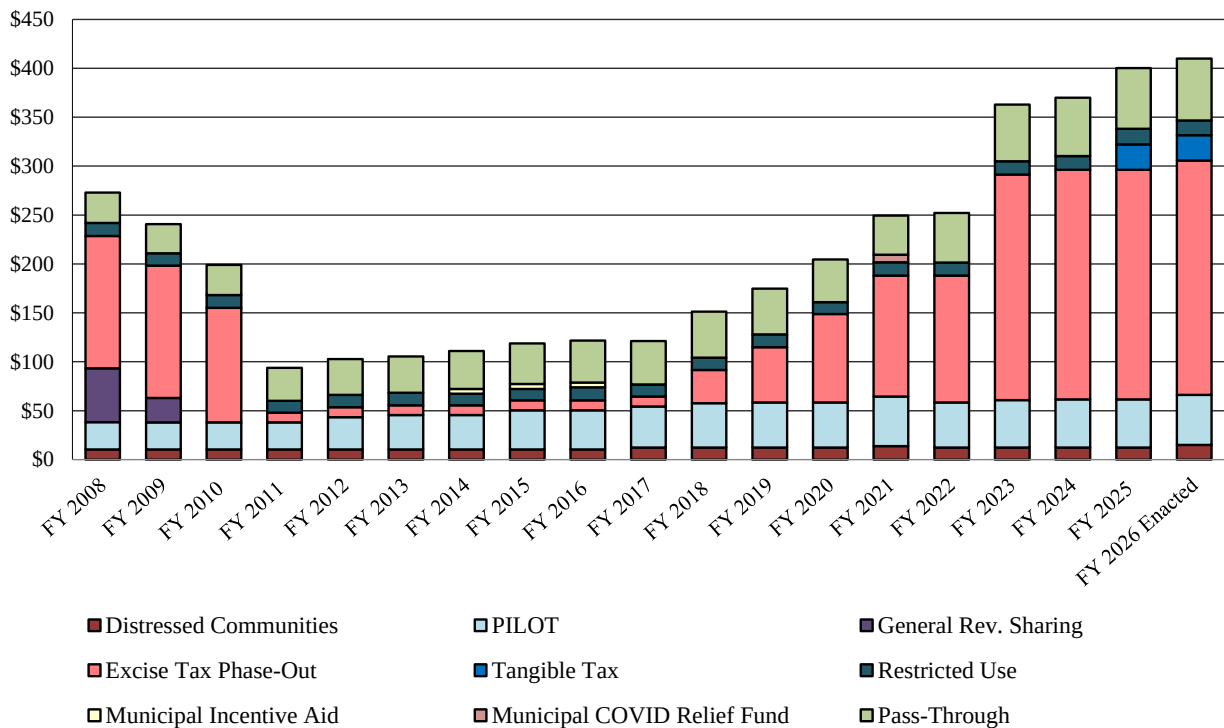
Special Reports

State Aid to Local Governments

Introduction

The Assembly provided state aid to cities and towns totaling \$338.2 million for FY 2025 and \$346.6 million for FY 2026. Funding for general aid programs is \$331.7 million for FY 2026, \$7.4 million more than the FY 2025 enacted budget and \$9.5 million more than the final FY 2025 budget. It is also \$9.3 million more than the Governor recommended. For FY 2025, it is \$322.2 million, which reflects \$2.1 million less for tangible tax exemption reimbursement payments. The recommendation for restricted use programs includes \$14.9 million for FY 2026, which is \$0.2 million more than the Governor recommended and \$1.1 million less than enacted; FY 2025 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 \$62.1 million for FY 2025 and \$66.2 million for FY 2026. The FY 2025 enacted assumption was \$61.3 million.

The following graph shows historical funding data, in millions, and includes the allocation by program from FY 2008 through the FY 2026 enacted budget.



The major changes included in the aid proposal are discussed on the following pages, followed by tables that show the recommended distribution of general aid and restricted aid programs by community. Though not a state aid program, there are also tables for the public service corporation, and local 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 Assembly provided \$331.7 million for FY 2026, and the Governor's revised level of \$322.2 million for FY 2025 for general state aid programs to local governments.

Fiscal Year	2005	2010	2020	2025 Enacted	2025 Final	2026 Governor	2026 Enacted	Chg. to Final
General Aid								
Distressed Communities	\$ 9.5	\$ 10.4	\$ 12.4	\$ 12.4	\$ 12.4	\$ 12.4	\$ 14.9	\$ 2.5
PILOT	22.7	27.6	46.1	49.2	49.2	49.2	51.3	2.1
Excise Tax Phase-Out	105.0	117.2	90.3	234.7	234.7	234.9	239.5	4.8
Tangible Tax Exemption	-	-	-	28.0	25.9	25.9	25.9	-
Subtotal	\$ 189.7	\$ 155.1	\$ 148.7	\$ 324.3	\$ 322.2	\$ 322.3	\$ 331.7	\$ 9.5
Restricted Use Aid								
Library Resource Aid	\$ 8.1	\$ 8.8	\$ 9.6	\$ 11.9	\$ 11.9	\$ 11.9	\$ 12.1	\$ 0.2
Library Const. Aid	2.5	2.6	1.9	2.2	2.2	2.1	2.1	(0.1)
Prop. Val. Reimb.	0.6	1.6	0.6	1.9	1.9	0.7	0.7	(1.2)
Subtotal	\$ 12.3	\$ 13.0	\$ 12.2	\$ 16.0	\$ 16.0	\$ 14.7	\$ 14.9	\$ (1.1)
Total Appropriated Aid	\$ 202.0	\$ 168.2	\$ 160.9	\$ 340.3	\$ 338.2	\$ 337.0	\$ 346.6	\$ 8.4
Other Aid - Pass-Through								
Public Service Corp.	\$ 14.6	\$ 10.2	\$ 13.2	\$ 14.5	\$ 15.5	\$ 14.8	\$ 14.8	\$ (0.6)
Meals and Beverage Tax	17.8	19.0	26.2	40.1	39.6	41.4	41.4	1.8
Local Hotel Tax	0.6	1.7	4.3	6.7	7.0	7.2	9.9	3.0
Total Other Aid	\$ 33.1	\$ 30.9	\$ 43.6	\$ 61.3	\$ 62.1	\$ 63.4	\$ 66.2	\$ 4.1

\$ in millions

- **Distressed Communities Relief Fund.** For FY 2026, the Assembly provided \$14.9 million for the Distressed Communities Relief Fund. This is \$2.5 million more than the enacted level and the Governor's recommendation. Communities' aid distribution is based on updated qualifying tax levies. For both the first year of a community's qualification as a distressed community and the year that a community no longer qualifies, it receives a transition payment of half its proportional share; there is a redistribution of funding among qualifying communities based on the recommended total. Coventry is newly qualified for FY 2026 and will receive a transition payment equal to 50.0 percent of the current law requirement.

- **Payment in Lieu of Taxes Program.** The Assembly provided \$51.3 million for FY 2026 for the payment in lieu of taxes program that reimburses municipalities for property taxes that would have been due on certain real property exempted from taxation by state law. This includes property owned by private nonprofit higher educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility, or correctional facility. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. If the appropriation is less than the necessary amount, the reimbursements are ratably reduced. The FY 2025 enacted budget funds the program at 26.7 percent; the Governor's FY 2026 recommendation had proposed 25.9 percent by maintaining that total. The Assembly added \$2.1 million to fully fund the program.

- **Motor Vehicle Excise Tax Phase-Out.** The Governor recommended funding the Motor Vehicle Excise Tax Phase-out program at \$234.9 million for FY 2026. This is \$9.7 million less than the current law estimate and assumes the repeal of the provision that requires increased aid proportional to the change in sales tax revenue compared to the prior year. Under current law, the FY 2025 distribution increases for some and decreases for others based on rounding values as part of the indexing to the sales tax. The tax was ended for each local government effective FY 2024, and FY 2026 is the first year the growth index would be applicable. The Assembly maintained the current law to allow growth, but capped the increase at 2.0 percent. It also held communities harmless for any decreases based on rounding values as part of the indexing to the sales tax. The FY 2026 total is \$239.5 million, a \$4.8 million increase to FY 2025.

- **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, which was then shifted to FY 2025. The Assembly concurred with the Governor's recommendation of

\$25.9 million, or \$2.1 million less than enacted for FY 2025, to reimburse municipalities for the cost of the exemption. This is based on a new estimate from the Division of Municipal Finance. The reimbursement has not been recalculated for FY 2026.

Municipalities and fire districts are reimbursed for all foregone revenues and the value of all uniformly applied exemptions; however, individualized exemptions are not eligible for reimbursement. Each community is required to submit its certified tax rolls to the Division of Municipal Finance by August 15 of each year. The initial reimbursement was made on September 30, 2024, with subsequent reimbursements scheduled annually thereafter.

- **Library Resource Sharing Aid.** The Assembly provided \$12.1 million to fully fund library aid for FY 2026. Current law allows for 25.0 percent reimbursement of expenditures from the second prior year, subject to appropriation. This is \$0.2 million more than the Governor's recommendation, which provided a 24.5 percent reimbursement.
- **Library Construction Aid.** The Assembly provided \$2.1 million to fully fund library construction aid requirements. The state reimburses libraries up to half of the total costs for eligible projects on an installment basis, for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project.
- **Property Valuation Reimbursement.** The Assembly provided the current law level of \$1.9 million for FY 2025 and \$0.7 million for FY 2026 to reimburse communities conducting property valuation updates.
- **Public Service Corporation Tax.** The FY 2026 budget assumes the state will collect and distribute \$15.5 million and \$14.8 million in FY 2025 and FY 2026, respectively, from property tax revenues from public service corporations on behalf of municipalities and pass that back to them. Companies are required to declare the assessed property values to the Division of Taxation annually by March 1; payments are made in July. A final figure will be provided when the actual payments are made.
- **Meals and Beverage Tax.** The FY 2026 budget assumes the state will collect and distribute an estimated \$39.6 million and \$41.4 million from local meals and beverage taxes for FY 2025 and FY 2026, respectively. The distributions are estimated and subject to change.
- **Local Hotel Tax.** The FY 2026 budget increases the 1.0 percent local hotel tax to 2.0 percent, effective January 1, 2026, and assumes the state will collect and distribute an estimated \$7.0 million and \$9.9 million for FY 2025 and FY 2026, respectively.

State Aid

State sources of aid can be classified into *general* aid and *restricted use* aid. *General* aid payments made to municipalities can be used for general budget use or as reimbursement for costs incurred. Examples include: distressed communities relief, payments in lieu of taxes, and Motor Vehicle Excise Tax Phase-Out payments. The general purpose of these programs is to relieve pressure on local property taxes by providing revenues from the state's broad-based taxes to local governments.

Restricted use aid includes payments made to a municipality for a specific purpose or payments to non-governmental entities providing a public service, including library aid. The largest source of restricted aid is education aid, not included in this report. This information is shown separately in the Education Aid report in this publication.

Pass-through aid in the form of the public service corporation, 1.0 percent local meals and beverage tax, and local hotel tax are listed as state aid. These funds are not paid from state sources. For efficiency of

collections, the Division of Taxation collects this local levy at the state level and returns the collections back to the local governments.

General State Aid

Distressed Communities Relief Program. The Distressed Communities Relief program was established in 1990 to provide assistance to the communities with the highest property tax burdens relative to the wealth of the taxpayers. The 2005 Assembly increased eligibility for FY 2006 to any community falling into the lowest 20.0 percent for at least three of four indices to be eligible for assistance.

Rankings	Central Falls	Coventry	Cranston	North Providence	Pawtucket	Providence	West Warwick	Woonsocket
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
FY 2026								
Levy/Full Value	19	5	11	6	23	1	2	17
Per Capita Income 2022	1	16	9	6	3	4	7	2
Personal Income/Full Value	1	7	13	5	4	6	2	3
Full Value Per Capita	1	7	8	6	3	4	5	2
Qualifying Rankings	3	3	1	4	3	4	4	3

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 Assembly provided \$14.9 million for the Distressed Communities Relief program for FY 2026, which is \$2.5 million more than the enacted level and the Governor's recommendation. Communities' aid distribution is based on updated qualifying tax levies and population data from 2023, 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. Coventry is newly qualified for FY 2026.

Payment in Lieu of Taxes (PILOT). This program reimburses cities and towns for property taxes, which would have been due on real property owned by private nonprofit higher educational institutions or nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. The state typically makes one payment to communities in July of each year.

If the appropriation is less than the necessary amount, the reimbursements are ratably reduced. The Assembly provided \$51.3 million for FY 2026 to fully fund the program. The FY 2025 enacted budget funds the program at 26.7 percent; the Governor's FY 2026 recommendation represents 25.9 percent or \$2.1 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 in FY 2025 and \$234.9 million in FY 2026. The revised FY 2025 estimates are based on current law that states

that starting in FY 2025, distributions will be restated as proportional to the sales tax revenues collected the prior year. This calculation still amounts to funding that is level with the enacted budget. His budget repeals this provision for FY 2026 distributions, which were calculated assuming passage of Article 5 of his recommended budget that the amount be based on the higher of FY 2024 or FY 2025 distributions.

The Assembly provided \$239.5 million for FY 2026, which is \$4.8 million more than enacted for FY 2025 and \$4.7 million more than the Governor recommended. It maintained the current law to allow growth, but capped the increase at 2.0 percent. It also held communities harmless for any decreases based on rounding values as part of the indexing to the sales tax.

Tangible Tax Exemption. The Assembly provided \$25.9 million, or \$2.1 million less than enacted from general revenues, for the cost of the tangible tax reimbursement in FY 2025. This amount is also provided for FY 2026, as the final amount has not been determined. The program established a statewide exemption of \$50,000 from the tangible taxes levied by municipalities and fire districts, except the public service corporation and renewable energy resources and equipment taxes. The exemption applies as of the December 31, 2023, assessment date, or effectively for all tax years beginning on or after January 1, 2024.

Municipalities and fire districts will be reimbursed for all foregone revenues and the value of all uniformly applied exemptions; however, individualized exemptions are not eligible for reimbursement. Each community is required to provide its certified tax rolls to the Division of Municipal Finance by August 15 annually. The initial reimbursements began on September 30, 2024. Required certifications and reimbursements occur annually thereafter.

Municipal Incentive Aid. The Municipal Incentive Aid program, which encouraged sustainable funding of retirement plans and reduction of unfunded liabilities was conceived as a three-year program. Aid was distributed on the basis of the most recent estimate of population of each municipality as a share of the total state population, as reported by the Bureau of the Census in the year the payment is made. Program payments were made in March of each year. If a municipality was not eligible to receive aid, its share may have been reappropriated to the following fiscal year. To receive the prior and current years' share of aid, the municipality had to meet the funding requirements for both years. FY 2016 was the third and final year. For FY 2016, Johnston did not meet the requirements for eligibility and its payment was reappropriated to FY 2017. Its share was ultimately redistributed amongst the other communities in May 2017.

Municipal COVID Relief Fund. The 2020 Assembly provided an enhanced level of local aid support for FY 2021 from the state's one-time allocation of \$1,250.0 million from the Coronavirus Relief Fund, provided under the CARES Act. The budget had proviso language for cities and towns to comply with all applicable federal laws and regulations under Section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136. The FY 2021 budget included \$136.5 million from Coronavirus Relief federal funds, using the enacted distribution methodology based on four formulas, including the distressed communities relief, payment in lieu of taxes, and Motor Vehicle Excise Tax Phase-Out programs, distributed based on those formulas, and a per capita funding formula.

General Revenue Sharing. Beginning in FY 1994, a portion of total state tax revenues from the second prior fiscal year had been earmarked as state aid to cities and towns and distributed based on per capita income and local tax burdens for public purposes. The FY 1999 budget began increasing the percentage of shared revenues as a mechanism for reimbursing municipalities for lost local revenues from the ten-year phase-out of the inventory tax. Legislation in 2005 and 2006 dedicated a portion of video lottery net terminal income, up to \$10.0 million for the non-distressed communities program. The 2009 Assembly adopted the Governor's recommendation to subject the program to appropriation. It has not been funded since FY 2009.

Restricted Use State Aid

Library Resource Sharing Aid. Current law requires state support to local libraries via grants-in-aid at a level up to 25.0 percent of the amount appropriated and expended from local tax revenues in the second prior fiscal year by the municipalities in which the libraries are located, provided that if the total exceeds the appropriation, the aid amounts to each municipality be proportionately reduced.

Aid remained relatively stable from FY 1991 through FY 1997. For FY 1998, the General Assembly appropriated an additional \$1.0 million to begin increasing funding to meet the 25.0 percent program requirement by FY 2000. The state is also required to fund 100 percent of the administrative and operating costs of the Rhode Island Library Network. 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. However, since FY 2023, the library resources services grant has been funded at \$1.1 million.

The Assembly provided \$12.1 million to fully fund library aid. Current law allows 25.0 percent reimbursement of second prior year expenditures, subject to appropriation. This is \$0.2 million more than the Governor's recommendation, which represents a 24.5 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 Assembly provided \$2.1 million for FY 2026 to fully fund library construction aid requirements.

State and Municipal Police Incentive Pay. The Rhode Island General Laws establish the Municipal Police Incentive Pay program. The purpose is to provide financial compensation to members of the state, city, and town police departments, sheriffs and deputy sheriffs, members of the Rhode Island marshals' unit, Rhode Island Capitol Police, park police and conservation officers of the Division of 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
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	\$ 691,884
2018	\$ 732,812	2025	\$ 1,887,448
2019	\$ 1,023,245	2026	\$ 712,390

The Budget includes \$1.9 million for FY 2025 and \$0.7 million for FY 2026. The FY 2025 recommendation is consistent with the enacted level; the change in FY 2026 reflects 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 2013, and the enacted amounts for FY 2025 and FY 2026.

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 \$14.8 million of property taxes from public service corporations on behalf of municipalities and pass that back to them during FY 2026. This is based on the FY 2025 distribution; it excludes the administrative fee applied in FY 2025 and includes updated census data from December 2024 to calculate the estimated distribution. A final figure will be calculated when updated data is available later in 2025. The 2009 Assembly adopted the Governor’s recommendation to require the tax rate applied to the tangible personal property of public service corporations not be less than the prior year. Annual tax collections had dropped from \$16.6 million in FY 2004 to \$10.2 million in FY 2010. The statute allows for the use of up to 0.75 percent for administrative expenses; these funds are deposited as general revenues.

The tangible personal property of telegraph, cable, and telecommunications corporations and express corporations used exclusively in conducting business for the corporation is exempt from local taxation under current law; however, it is subject to taxation by the state. Tangible personal property includes lines, cables, ducts, pipes, machines and machinery, and equipment. It should be noted this tax is not affected by the tangible tax exemption program, discussed previously.

By March 1 of each year, companies are required to declare the value of their tangible personal property to the Department of Revenue, which uses this data to calculate the taxes due from each company. The calculation is based on the average assessment ratios in the state and the average property tax rate. Funds are collected by the Department and distributed as prescribed in statute. The statewide average assessment ratio is the total gross statewide assessment divided by the total statewide value. The average property tax rate is calculated as the total statewide levy divided by the statewide net assessment. Funds collected by the state from this tax are distributed to cities and towns on the basis of the ratio of city or town population to the population of the state as a whole. It should be noted that while this category of state aid is displayed in the tables later in this report, the funds are not appropriated by the General Assembly.

Meals and Beverage Tax. The 2003 Assembly enacted an additional one percent tax on gross receipts from the sale of food and beverages sold in or from eating and drinking establishments, effective August 1, 2003. Meals are defined as food sold ready for immediate consumption, regardless of when or where consumed. Eating establishments include all entities preparing these foods, including caterers. The

Division of Taxation collects the tax and distributes it to the city or town where the meals and beverages were delivered. Collections for the last five fiscal years are shown in the following table.

Fiscal Year	Total Collections
2024	\$ 38,407,469
2023	\$ 37,498,657
2022	\$ 32,516,283
2021	\$ 26,005,401
2020	\$ 26,153,929

While not a direct appropriation, the Budget assumes these revenues will total \$39.6 million and \$41.4 million for FY 2025 and FY 2026, respectively, based on current estimates provided by the Office of Revenue Analysis updated in December 2024. Distributions are estimated and subject to change.

Local Hotel Tax. The 2004 Assembly enacted a one percent additional tax on occupancy charges, effective January 1, 2005. The tax is paid by anyone receiving monetary charge for occupancy of any space furnished in a structure with a minimum of one room that is kept, used, maintained, advertised as or held out to the public to be a space where living quarters are supplied for pay to transient use. The Division of Taxation collects the tax for all communities except the City of Newport and distributes it to the city or town where the occupancy occurred. An expansion of the types of lodging to which this tax applies has increased recent collections. Collections for the last five fiscal years are shown in the following table.

Fiscal Year	Total Collections
2024	\$ 6,704,462
2023	\$ 6,509,093
2022	\$ 5,856,253
2021	\$ 3,749,642
2020	\$ 4,299,317

The FY 2026 enacted budget increases the 1.0 percent local hotel tax to 2.0 percent, effective January 1, 2026 and assumes these revenues will total \$7.0 million and \$9.9 million for FY 2025 and FY 2026, respectively. These amounts are based on on current estimates provided by the Office of Revenue Analysis updated in December 2024. Distributions are estimated and subject to change.

For additional information, the tables at the end of this section show recent distributions from these sources.

Distribution by Community

General Aid Total

Includes Distressed Communities, PILOT, Motor Vehicle Excise Tax, & Tangible Tax

<i>City or Town</i>	<i>FY 2025 Enacted ¹</i>	<i>FY 2025 Gov. Rev. ²</i>	<i>FY 2025 Final</i>	<i>Change to Enacted</i>
Barrington	\$ 5,913,798	\$ 5,994,482	\$ 5,994,482	\$ 80,684
Bristol	4,230,755	4,382,945	4,382,945	152,190
Burrillville	5,114,670	5,180,212	5,180,212	65,542
Central Falls	2,346,110	2,709,191	2,709,191	363,081
Charlestown	1,020,877	1,027,690	1,027,690	6,812
Coventry	5,872,396	6,234,110	6,234,110	361,714
Cranston	26,349,428	28,099,150	28,099,150	1,749,723
Cumberland	6,073,469	6,584,835	6,584,835	511,366
East Greenwich	3,236,772	3,783,855	3,783,855	547,082
East Providence	11,730,446	13,612,383	13,612,383	1,881,936
Exeter	2,241,381	2,283,408	2,283,408	42,027
Foster	1,652,251	1,743,837	1,743,837	91,586
Glocester	2,381,941	2,574,397	2,574,397	192,455
Hopkinton	1,629,259	1,809,414	1,809,414	180,154
Jamestown	622,793	657,260	657,260	34,466
Johnston	10,382,785	11,766,441	11,766,441	1,383,657
Lincoln	5,683,015	6,163,642	6,163,642	480,627
Little Compton	366,775	411,574	411,574	44,799
Middletown	1,976,448	2,271,801	2,271,801	295,353
Narragansett	1,831,251	1,908,162	1,908,162	76,911
Newport	3,997,089	4,307,613	4,307,613	310,523
New Shoreham	163,298	178,496	178,496	15,198
North Kingstown	5,378,868	5,705,479	5,705,479	326,612
North Providence	10,760,062	11,672,181	11,672,181	912,119
North Smithfield	4,398,531	4,838,929	4,838,929	440,398
Pawtucket	18,307,126	19,690,757	19,690,757	1,383,632
Portsmouth	2,414,242	2,586,637	2,586,637	172,395
Providence	78,512,647	84,612,964	84,612,964	6,100,317
Richmond	1,448,455	1,560,310	1,560,310	111,855
Scituate	1,977,127	2,118,676	2,118,676	141,549
Smithfield	8,316,146	9,637,523	9,637,523	1,321,377
South Kingstown	4,116,797	4,317,809	4,317,809	201,012
Tiverton	1,748,175	1,890,046	1,890,046	141,871
Warren	2,090,911	2,269,108	2,269,108	178,198
Warwick	26,937,297	30,029,547	30,029,547	3,092,250
Westerly	5,916,549	6,410,697	6,410,697	494,148
West Greenwich	1,331,725	1,501,572	1,501,572	169,847
West Warwick	6,831,122	7,667,922	7,667,922	836,800
Woonsocket	10,574,117	11,402,940	11,402,940	828,822
Subtotal	\$ 295,876,905	\$ 321,597,995	\$ 321,597,995	\$ 25,721,090
MV Phase Out - Fire Districts	421,271	445,998	445,998	24,727
Tangible Tax	28,000,000	-	-	(28,000,000)
Tangible Tax Distribution to				
Fire Districts	-	157,419	157,419	157,419
Total	\$ 324,298,176	\$ 322,201,412	\$ 322,201,412	\$ (2,096,764)

¹ Tangible Tax funding was provided in FY 2025 enacted budget but no estimated distributions were available.

² Includes tangible tax distributions for each community.

General Aid Total

Includes Distressed Communities, PILOT, Motor Vehicle Excise Tax, & Tangible Tax

<i>City or Town</i>	<i>FY 2025 Enacted ¹</i>	<i>FY 2026 Governor ²</i>	<i>FY 2026 Enacted</i>	<i>Change to FY 2025 Final</i>
Barrington	\$ 5,913,798	\$ 5,996,165	\$ 6,114,764	\$ 120,282
Bristol	4,230,755	4,389,089	4,504,556	121,610
Burrillville	5,114,670	5,187,998	5,291,575	111,364
Central Falls	2,346,110	2,695,160	2,788,238	79,047
Charlestown	1,020,877	1,039,201	1,059,388	31,698
Coventry	5,872,396	6,907,453	7,159,938	925,828
Cranston	26,349,428	27,442,057	28,033,908	(65,242)
Cumberland	6,073,469	6,584,835	6,706,428	121,593
East Greenwich	3,236,772	3,885,826	3,973,813	189,958
East Providence	11,730,446	13,616,822	13,858,339	245,956
Exeter	2,241,381	2,294,799	2,339,399	55,991
Foster	1,652,251	1,752,938	1,785,801	41,964
Glocester	2,381,941	2,585,507	2,632,923	58,527
Hopkinton	1,629,259	1,818,996	1,851,389	41,976
Jamestown	622,793	657,260	669,935	12,676
Johnston	10,382,785	11,773,904	11,981,411	214,969
Lincoln	5,683,015	6,166,051	6,279,663	116,021
Little Compton	366,775	411,574	419,086	7,512
Middletown	1,976,448	2,276,468	2,315,904	44,103
Narragansett	1,831,251	1,908,474	1,945,092	36,931
Newport	3,997,089	3,956,193	4,061,955	(245,658)
New Shoreham	163,298	178,496	181,783	3,286
North Kingstown	5,378,868	5,708,846	5,816,358	110,879
North Providence	10,760,062	11,592,938	11,999,709	327,528
North Smithfield	4,398,531	4,847,901	4,935,692	96,763
Pawtucket	18,307,126	19,563,864	20,233,592	542,835
Portsmouth	2,414,242	2,586,637	2,634,993	48,356
Providence	78,512,647	85,209,346	88,908,383	4,295,419
Richmond	1,448,455	1,560,310	1,589,417	29,107
Scituate	1,977,127	2,124,022	2,163,458	44,782
Smithfield	8,316,146	9,674,329	9,869,641	232,118
South Kingstown	4,116,797	4,322,809	4,408,995	91,186
Tiverton	1,748,175	1,901,176	1,935,917	45,871
Warren	2,090,911	2,270,871	2,312,654	43,546
Warwick	26,937,297	30,013,248	30,590,433	560,886
Westerly	5,916,549	6,409,244	6,531,167	120,470
West Greenwich	1,331,725	1,501,572	1,528,332	26,760
West Warwick	6,831,122	7,588,481	7,919,692	251,770
Woonsocket	10,574,117	11,337,994	11,706,694	303,754
Subtotal	\$ 295,876,905	\$ 321,738,854	\$ 331,040,415	\$ 9,442,420
MV Phase Out - Fire Districts	421,271	445,998	454,918	8,920
Tangible Tax	28,000,000	-	-	-
Tangible Tax Distribution to Fire Districts	-	157,419	157,419	-
Total	\$ 324,298,176	\$ 322,342,271	\$ 331,652,752	\$ 9,451,340

¹ Tangible Tax funding was provided in FY 2025 enacted budget but no estimated distributions were available.

² Includes tangible tax distributions for each community.

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2025 Gov. Rev.</i>	<i>FY 2025 Final</i>	<i>Change to Enacted</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-
Burrillville	-	-	-	-
Central Falls	268,136	268,136	268,136	-
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	1,140,776	1,140,776	1,140,776	-
North Smithfield	-	-	-	-
Pawtucket	1,808,532	1,808,532	1,808,532	-
Portsmouth	-	-	-	-
Providence	7,107,546	7,107,546	7,107,546	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	1,157,378	1,157,378	1,157,378	-
Woonsocket	902,090	902,090	902,090	-
Total	\$ 12,384,458	\$ 12,384,458	\$ 12,384,458	\$ -

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2026 Governor</i>	<i>FY 2026 Enacted</i>	<i>Change to FY 2025 Final</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-
Burrillville	-	-	-	-
Central Falls	268,136	254,105	305,400	37,264
Charlestown	-	-	-	-
Coventry	-	669,342	804,459	804,459
Cranston	-	-	-	-
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	-	-	-	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	-	-	-	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	1,140,776	1,061,533	1,275,820	135,044
North Smithfield	-	-	-	-
Pawtucket	1,808,532	1,682,212	2,021,793	213,261
Portsmouth	-	-	-	-
Providence	7,107,546	6,810,734	8,185,589	1,078,043
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	1,157,378	1,077,937	1,295,536	138,158
Woonsocket	902,090	828,595	995,860	93,770
Total	\$ 12,384,458	\$ 12,384,458	\$ 14,884,458	\$ 2,500,000

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2025 Gov. Rev.</i>	<i>FY 2025 Final</i>	<i>Change to Enacted</i>
Barrington	\$ 18,976	\$ 18,976	\$ 18,976	\$ -
Bristol	1,324,937	1,324,937	1,324,937	-
Burrillville	60,737	60,737	60,737	-
Central Falls	-	-	-	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	4,037,181	4,037,181	4,037,181	-
Cumberland	-	-	-	-
East Greenwich	819,440	819,440	819,440	-
East Providence	296,967	296,967	296,967	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	1,773,418	1,773,418	1,773,418	-
New Shoreham	-	-	-	-
North Kingstown	50	50	50	-
North Providence	-	-	-	-
North Smithfield	-	-	-	-
Pawtucket	3,087	3,087	3,087	-
Portsmouth	-	-	-	-
Providence	37,273,505	37,273,505	37,273,505	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	1,217,452	1,217,452	1,217,452	-
South Kingstown	186,342	186,342	186,342	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	1,691,043	1,691,043	1,691,043	-
Westerly	151,026	151,026	151,026	-
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	347,251	347,251	347,251	-
Total	\$ 49,201,412	\$ 49,201,412	\$ 49,201,412	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2026 Governor</i>	<i>FY 2026 Enacted</i>	<i>Change to FY 2025 Final</i>
Barrington	\$ 18,976	\$ 17,705	\$ 18,467	\$ (509)
Bristol	1,324,937	1,331,081	1,388,333	63,396
Burrillville	60,737	61,409	64,050	3,313
Central Falls	-	-	-	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	4,037,181	3,380,088	3,525,471	(511,710)
Cumberland	-	-	-	-
East Greenwich	819,440	921,411	961,042	141,602
East Providence	296,967	299,560	312,445	15,478
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	1,773,418	1,421,998	1,483,161	(290,257)
New Shoreham	-	-	-	-
North Kingstown	50	48	51	1
North Providence	-	-	-	-
North Smithfield	-	-	-	-
Pawtucket	3,087	2,514	2,622	(465)
Portsmouth	-	-	-	-
Providence	37,273,505	38,165,686	39,807,256	2,533,751
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	1,217,452	1,244,585	1,298,117	80,665
South Kingstown	186,342	180,975	188,759	2,417
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	1,691,043	1,674,744	1,746,778	55,735
Westerly	151,026	149,573	156,006	4,980
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	347,251	350,035	365,090	17,839
Total	\$ 49,201,412	\$ 49,201,412	\$ 51,317,647	\$ 2,116,235

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2025 Gov. Rev.</i>	<i>FY 2025 Final</i>	<i>Change to Enacted</i>
Barrington	\$ 5,894,822	\$ 5,891,868	\$ 5,891,868	\$ (2,954)
Bristol	2,905,818	2,910,724	2,910,724	4,906
Burrillville	5,053,933	5,046,819	5,046,819	(7,114)
Central Falls	2,077,974	2,089,148	2,089,148	11,174
Charlestown	1,020,877	1,009,366	1,009,366	(11,511)
Coventry	5,872,396	5,868,395	5,868,395	(4,001)
Cranston	22,312,247	22,323,373	22,323,373	11,126
Cumberland	6,073,469	6,079,657	6,079,657	6,188
East Greenwich	2,417,332	2,417,779	2,417,779	447
East Providence	11,433,479	11,431,633	11,431,633	(1,846)
Exeter	2,241,381	2,229,990	2,229,990	(11,391)
Foster	1,652,251	1,643,150	1,643,150	(9,101)
Glocester	2,381,941	2,370,831	2,370,831	(11,110)
Hopkinton	1,629,259	1,619,677	1,619,677	(9,582)
Jamestown	622,793	633,787	633,787	10,994
Johnston	10,382,785	10,375,322	10,375,322	(7,463)
Lincoln	5,683,015	5,680,606	5,680,606	(2,409)
Little Compton	366,775	375,577	375,577	8,802
Middletown	1,976,448	1,971,781	1,971,781	(4,667)
Narragansett	1,831,251	1,830,939	1,830,939	(312)
Newport	2,223,671	2,229,990	2,229,990	6,319
New Shoreham	163,298	164,315	164,315	1,017
North Kingstown	5,378,818	5,375,449	5,375,449	(3,369)
North Providence	9,619,286	9,624,167	9,624,167	4,881
North Smithfield	4,398,531	4,389,559	4,389,559	(8,972)
Pawtucket	16,495,506	16,501,926	16,501,926	6,420
Portsmouth	2,414,242	2,417,779	2,417,779	3,537
Providence	34,131,596	34,130,583	34,130,583	(1,013)
Richmond	1,448,455	1,455,362	1,455,362	6,907
Scituate	1,977,127	1,971,781	1,971,781	(5,346)
Smithfield	7,098,694	7,089,021	7,089,021	(9,673)
South Kingstown	3,930,455	3,920,088	3,920,088	(10,367)
Tiverton	1,748,175	1,737,045	1,737,045	(11,130)
Warren	2,090,911	2,089,148	2,089,148	(1,763)
Warwick	25,246,254	25,257,570	25,257,570	11,316
Westerly	5,765,523	5,774,500	5,774,500	8,977
West Greenwich	1,331,725	1,337,994	1,337,994	6,269
West Warwick	5,673,744	5,680,606	5,680,606	6,862
Woonsocket	9,324,776	9,319,011	9,319,011	(5,765)
Subtotal	\$ 234,291,035	\$ 234,266,315	\$ 234,266,316	\$ (24,721)
<i>MV Phase Out - Fire Districts</i>	<i>421,271</i>	<i>445,998</i>	<i>445,998</i>	<i>24,727</i>
Total	\$ 234,712,307	\$ 234,712,313	\$ 234,712,314	\$ 6

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2026 Governor</i>	<i>FY 2026 Enacted</i>	<i>Change to FY 2025 Final</i>
Barrington	\$ 5,894,822	\$ 5,894,822	\$ 6,012,659	\$ 120,791
Bristol	2,905,818	2,910,724	2,968,938	58,214
Burrillville	5,053,933	5,053,933	5,154,869	108,050
Central Falls	2,077,974	2,089,148	2,130,931	41,783
Charlestown	1,020,877	1,020,877	1,041,064	31,698
Coventry	5,872,396	5,872,396	5,989,764	121,369
Cranston	22,312,247	22,323,373	22,769,840	446,467
Cumberland	6,073,469	6,079,657	6,201,250	121,593
East Greenwich	2,417,332	2,417,779	2,466,135	48,356
East Providence	11,433,479	11,433,479	11,662,112	230,479
Exeter	2,241,381	2,241,381	2,285,981	55,991
Foster	1,652,251	1,652,251	1,685,114	41,964
Glocester	2,381,941	2,381,941	2,429,358	58,527
Hopkinton	1,629,259	1,629,259	1,661,653	41,976
Jamestown	622,793	633,787	646,463	12,676
Johnston	10,382,785	10,382,785	10,590,291	214,969
Lincoln	5,683,015	5,683,015	5,796,627	116,021
Little Compton	366,775	375,577	383,089	7,512
Middletown	1,976,448	1,976,448	2,015,884	44,103
Narragansett	1,831,251	1,831,251	1,867,870	36,931
Newport	2,223,671	2,229,990	2,274,590	44,600
New Shoreham	163,298	164,315	167,601	3,286
North Kingstown	5,378,818	5,378,818	5,486,327	110,878
North Providence	9,619,286	9,624,167	9,816,650	192,483
North Smithfield	4,398,531	4,398,531	4,486,322	96,763
Pawtucket	16,495,506	16,501,926	16,831,965	330,039
Portsmouth	2,414,242	2,417,779	2,466,135	48,356
Providence	34,131,596	34,131,596	34,814,208	683,625
Richmond	1,448,455	1,455,362	1,484,469	29,107
Scituate	1,977,127	1,977,127	2,016,563	44,782
Smithfield	7,098,694	7,098,694	7,240,474	151,453
South Kingstown	3,930,455	3,930,455	4,008,857	88,769
Tiverton	1,748,175	1,748,175	1,782,916	45,871
Warren	2,090,911	2,090,911	2,132,694	43,546
Warwick	25,246,254	25,257,570	25,762,721	505,151
Westerly	5,765,523	5,774,500	5,889,990	115,490
West Greenwich	1,331,725	1,337,994	1,364,754	26,760
West Warwick	5,673,744	5,680,606	5,794,218	113,612
Woonsocket	9,324,776	9,324,776	9,511,156	192,145
Subtotal	\$ 234,291,035	\$ 234,407,175	\$ 239,092,501	\$ 4,826,185
<i>MV Phase Out - Fire Districts</i>	<i>421,271</i>	<i>445,998</i>	<i>454,918</i>	<i>8,920</i>
Total	\$ 234,712,307	\$ 234,853,173	\$ 239,547,419	\$ 4,835,105

Tangible Tax Exemption

<i>City or Town</i>	<i>FY 2025 Enacted ¹</i>	<i>FY 2025 Gov. Rev.</i>	<i>FY 2025 Final</i>	<i>Change to Enacted</i>
Barrington	\$ -	\$ 83,638	\$ 83,638	\$ 83,638
Bristol	-	147,284	147,284	147,284
Burrillville	-	72,656	72,656	72,656
Central Falls	-	351,907	351,907	351,907
Charlestown	-	18,324	18,324	18,324
Coventry	-	365,715	365,715	365,715
Cranston	-	1,738,596	1,738,596	1,738,596
Cumberland	-	505,178	505,178	505,178
East Greenwich	-	546,636	546,636	546,636
East Providence	-	1,883,783	1,883,783	1,883,783
Exeter	-	53,418	53,418	53,418
Foster	-	100,687	100,687	100,687
Glocester	-	203,566	203,566	203,566
Hopkinton	-	189,737	189,737	189,737
Jamestown	-	23,473	23,473	23,473
Johnston	-	1,391,119	1,391,119	1,391,119
Lincoln	-	483,036	483,036	483,036
Little Compton	-	35,997	35,997	35,997
Middletown	-	300,020	300,020	300,020
Narragansett	-	77,223	77,223	77,223
Newport	-	304,205	304,205	304,205
New Shoreham	-	14,181	14,181	14,181
North Kingstown	-	329,980	329,980	329,980
North Providence	-	907,238	907,238	907,238
North Smithfield	-	449,370	449,370	449,370
Pawtucket	-	1,377,212	1,377,212	1,377,212
Portsmouth	-	168,858	168,858	168,858
Providence	-	6,101,330	6,101,330	6,101,330
Richmond	-	104,948	104,948	104,948
Scituate	-	146,895	146,895	146,895
Smithfield	-	1,331,050	1,331,050	1,331,050
South Kingstown	-	211,379	211,379	211,379
Tiverton	-	153,001	153,001	153,001
Warren	-	179,960	179,960	179,960
Warwick	-	3,080,934	3,080,934	3,080,934
Westerly	-	485,171	485,171	485,171
West Greenwich	-	163,578	163,578	163,578
West Warwick	-	829,938	829,938	829,938
Woonsocket	-	834,588	834,588	834,588
Subtotal	\$ -	\$ 25,745,809	\$ 25,745,809	\$ 25,745,809
Data Update	28,000,000	-	-	(28,000,000)
Distribution to Fire Districts	-	157,419	157,419	157,419
Total	\$ 28,000,000	\$ 25,903,228	\$ 25,903,228	\$ (2,096,772)

¹ Tangible Tax funding was provided in FY 2025 enacted budget but no estimated distributions were available.

Tangible Tax Exemption

<i>City or Town</i>	<i>FY 2025 Enacted ¹</i>	<i>FY 2026 Governor</i>	<i>FY 2026 Enacted</i>	<i>Change to FY 2025 Final</i>
Barrington	\$ -	\$ 83,638	\$ 83,638	\$ -
Bristol	-	147,284	147,284	-
Burrillville	-	72,656	72,656	-
Central Falls	-	351,907	351,907	-
Charlestown	-	18,324	18,324	-
Coventry	-	365,715	365,715	-
Cranston	-	1,738,596	1,738,596	-
Cumberland	-	505,178	505,178	-
East Greenwich	-	546,636	546,636	-
East Providence	-	1,883,783	1,883,783	-
Exeter	-	53,418	53,418	-
Foster	-	100,687	100,687	-
Glocester	-	203,566	203,566	-
Hopkinton	-	189,737	189,737	-
Jamestown	-	23,473	23,473	-
Johnston	-	1,391,119	1,391,119	-
Lincoln	-	483,036	483,036	-
Little Compton	-	35,997	35,997	-
Middletown	-	300,020	300,020	-
Narragansett	-	77,223	77,223	-
Newport	-	304,205	304,205	-
New Shoreham	-	14,181	14,181	-
North Kingstown	-	329,980	329,980	-
North Providence	-	907,238	907,238	-
North Smithfield	-	449,370	449,370	-
Pawtucket	-	1,377,212	1,377,212	-
Portsmouth	-	168,858	168,858	-
Providence	-	6,101,330	6,101,330	-
Richmond	-	104,948	104,948	-
Scituate	-	146,895	146,895	-
Smithfield	-	1,331,050	1,331,050	-
South Kingstown	-	211,379	211,379	-
Tiverton	-	153,001	153,001	-
Warren	-	179,960	179,960	-
Warwick	-	3,080,934	3,080,934	-
Westerly	-	485,171	485,171	-
West Greenwich	-	163,578	163,578	-
West Warwick	-	829,938	829,938	-
Woonsocket	-	834,588	834,588	-
Subtotal	\$ -	\$ 25,745,809	\$ 25,745,809	\$ -
Data Update	28,000,000	-	-	-
Distribution to Fire Districts	-	157,419	157,419	-
Total	\$ 28,000,000	\$ 25,903,228	\$ 25,903,228	\$ -

¹ Tangible Tax funding was provided in FY 2025 enacted budget but no estimated distributions were available.

Library Aid

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2025 Gov. Rev.</i>	<i>FY 2025 Final</i>	<i>Change to Enacted</i>
Barrington	\$ 374,472	\$ 374,472	\$ 374,472	\$ -
Bristol	218,673	218,673	218,673	-
Burrillville	237,425	237,425	237,425	-
Central Falls	37,296	37,296	37,296	-
Charlestown	68,182	68,182	68,182	-
Coventry	269,635	269,635	269,635	-
Cranston	801,676	801,676	801,676	-
Cumberland	362,208	362,208	362,208	-
East Greenwich	153,342	153,342	153,342	-
East Providence	457,226	457,226	457,226	-
Exeter	65,245	65,245	65,245	-
Foster	42,989	42,989	42,989	-
Glocester	99,016	99,016	99,016	-
Hopkinton	44,300	44,300	44,300	-
Jamestown	121,534	121,534	121,534	-
Johnston	130,296	130,296	130,296	-
Lincoln	273,980	273,980	273,980	-
Little Compton	44,558	44,558	44,558	-
Middletown	180,903	180,903	180,903	-
Narragansett	246,158	246,158	246,158	-
Newport	500,366	500,366	500,366	-
New Shoreham	118,589	118,589	118,589	-
North Kingstown	325,575	325,575	325,575	-
North Providence	243,155	243,155	243,155	-
North Smithfield	98,289	98,289	98,289	-
Pawtucket	513,563	513,563	513,563	-
Portsmouth	139,256	139,256	139,256	-
Providence*	2,673,853	2,673,853	2,673,853	-
Richmond	32,604	32,604	32,604	-
Scituate	137,687	137,687	137,687	-
Smithfield	375,697	375,697	375,697	-
South Kingstown	262,439	262,439	262,439	-
Tiverton	150,750	150,750	150,750	-
Warren	78,191	78,191	78,191	-
Warwick	925,461	925,461	925,461	-
Westerly	453,238	453,238	453,238	-
West Greenwich	71,408	71,408	71,408	-
West Warwick	210,823	210,823	210,823	-
Woonsocket	235,701	235,701	235,701	-
Subtotal	\$ 11,775,757	\$ 11,775,757	\$ 11,775,759	\$ -
Institutional Libraries	79,671	79,671	79,671	-
Total	\$ 11,855,428	\$ 11,855,428	\$ 11,855,430	\$ -

*Includes the Statewide Reference Library Resource Grant.

Library Aid

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2026 Governor</i>	<i>FY 2026 Enacted</i>	<i>Change to FY 2025 Final</i>
Barrington	\$ 374,472	\$ 356,383	\$ 363,559	\$ (10,913)
Bristol	218,673	224,131	228,644	9,971
Burrillville	237,425	221,823	226,290	(11,135)
Central Falls	37,296	36,682	37,420	124
Charlestown	68,182	68,798	70,183	2,001
Coventry	269,635	265,238	270,579	944
Cranston	801,676	829,266	845,964	44,288
Cumberland	362,208	372,016	379,507	17,299
East Greenwich	153,342	148,508	151,498	(1,844)
East Providence	457,226	504,598	514,759	57,533
Exeter	65,245	67,827	69,192	3,947
Foster	42,989	44,074	34,503	(8,487)
Glocester	99,016	97,812	99,782	766
Hopkinton	44,300	44,796	45,698	1,398
Jamestown	121,534	119,499	121,905	371
Johnston	130,296	134,989	137,708	7,412
Lincoln	273,980	267,306	272,688	(1,292)
Little Compton	44,558	47,384	48,338	3,780
Middletown	180,903	177,333	180,903	0
Narragansett	246,158	209,544	213,764	(32,394)
Newport	500,366	506,003	516,192	15,826
New Shoreham	118,589	110,639	112,867	(5,722)
North Kingstown	325,575	358,643	365,865	40,290
North Providence	243,155	241,944	246,816	3,661
North Smithfield	98,289	96,371	98,311	22
Pawtucket	513,563	515,906	526,294	12,731
Portsmouth	139,256	141,515	144,364	5,108
Providence*	2,673,853	2,617,682	2,681,739	7,886
Richmond	32,604	29,520	30,114	(2,490)
Scituate	137,687	143,064	145,945	8,258
Smithfield	375,697	375,203	382,758	7,061
South Kingstown	262,439	274,920	280,456	18,017
Tiverton	150,750	150,715	153,750	3,000
Warren	78,191	78,180	79,754	1,563
Warwick	925,461	909,676	927,993	2,532
Westerly	453,238	454,393	463,542	10,304
West Greenwich	71,408	72,848	74,315	2,907
West Warwick	210,823	227,263	231,839	21,016
Woonsocket	235,701	233,267	237,964	2,263
Subtotal	\$ 11,775,757	\$ 11,775,757	\$ 12,013,758	\$ 237,999
Institutional Libraries	79,671	79,671	81,264	1,593
Total	\$ 11,855,428	\$ 11,855,428	\$ 12,095,022	\$ 239,592

*Includes the Statewide Reference Library Resource Grant.

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2025 Gov. Rev.</i>	<i>FY 2025 Final</i>	<i>Change to Enacted</i>
Barrington	\$ 227,971	\$ 242,251	\$ 242,251	\$ 14,280
Bristol	295,616	317,229	317,229	21,613
Burrillville	214,519	229,290	229,290	14,771
Central Falls	294,118	316,365	316,365	22,247
Charlestown	106,186	113,167	113,167	6,981
Coventry	468,983	504,509	504,509	35,526
Cranston	1,095,441	1,170,024	1,170,024	74,583
Cumberland	479,585	513,282	513,282	33,697
East Greenwich	185,149	202,124	202,124	16,975
East Providence	625,173	665,190	665,190	40,017
Exeter	90,891	98,366	98,366	7,475
Foster	59,706	63,545	63,545	3,839
Glocester	132,626	142,045	142,045	9,419
Hopkinton	111,474	118,883	118,883	7,409
Jamestown	73,304	78,586	78,586	5,282
Johnston	391,636	418,043	418,043	26,407
Lincoln	297,074	318,021	318,021	20,947
Little Compton	47,712	51,249	51,249	3,537
Middletown	225,081	240,666	240,666	15,585
Narragansett	195,606	206,906	206,906	11,300
Newport	335,601	354,965	354,965	19,364
New Shoreham	13,346	13,612	13,612	266
North Kingstown	367,064	392,206	392,206	25,142
North Providence	449,752	480,300	480,300	30,548
North Smithfield	166,157	177,362	177,362	11,205
Pawtucket	996,651	1,063,692	1,063,692	67,041
Portsmouth	235,936	252,509	252,509	16,573
Providence	2,502,389	2,684,345	2,684,345	181,956
Richmond	106,875	114,284	114,284	7,409
Scituate	138,140	147,210	147,210	9,070
Smithfield	289,652	312,503	312,503	22,851
South Kingstown	418,487	451,761	451,761	33,274
Tiverton	215,857	230,974	230,974	15,117
Warren	147,987	157,298	157,298	9,311
Warwick	1,095,600	1,171,326	1,171,326	75,726
Westerly	309,492	330,204	330,204	20,712
West Greenwich	86,147	92,466	92,466	6,319
West Warwick	408,508	437,342	437,342	28,834
Woonsocket	570,477	608,833	608,833	38,356
Total	\$ 14,471,968	\$ 15,482,934	\$ 15,482,934	\$ 1,010,965

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2025 Enacted</i>	<i>FY 2026 Governor ¹</i>	<i>FY 2026 Enacted ¹</i>	<i>Change to FY 2025 Final</i>
Barrington	\$ 227,971	\$ 231,761	\$ 231,761	\$ (10,490)
Bristol	295,616	302,239	302,239	(14,990)
Burrillville	214,519	219,979	219,979	(9,311)
Central Falls	294,118	304,460	304,460	(11,905)
Charlestown	106,186	108,574	108,574	(4,593)
Coventry	468,983	484,257	484,257	(20,252)
Cranston	1,095,441	1,119,085	1,119,085	(50,939)
Cumberland	479,585	492,830	492,830	(20,452)
East Greenwich	185,149	195,114	195,114	(7,010)
East Providence	625,173	636,115	636,115	(29,075)
Exeter	90,891	96,155	96,155	(2,211)
Foster	59,706	60,686	60,686	(2,859)
Glocester	132,626	136,337	136,337	(5,708)
Hopkinton	111,474	114,046	114,046	(4,837)
Jamestown	73,304	75,096	75,096	(3,490)
Johnston	391,636	400,317	400,317	(17,726)
Lincoln	297,074	305,679	305,679	(12,342)
Little Compton	47,712	48,768	48,768	(2,481)
Middletown	225,081	229,147	229,147	(11,519)
Narragansett	195,606	196,915	196,915	(9,991)
Newport	335,601	338,968	338,968	(15,997)
New Shoreham	13,346	11,227	11,227	(2,385)
North Kingstown	367,064	375,629	375,629	(16,577)
North Providence	449,752	459,649	459,649	(20,651)
North Smithfield	166,157	170,412	170,412	(6,950)
Pawtucket	996,651	1,019,517	1,019,517	(44,175)
Portsmouth	235,936	240,253	240,253	(12,256)
Providence	2,502,389	2,576,067	2,576,067	(108,278)
Richmond	106,875	109,793	109,793	(4,491)
Scituate	138,140	141,077	141,077	(6,133)
Smithfield	289,652	298,962	298,962	(13,541)
South Kingstown	418,487	433,444	433,444	(18,317)
Tiverton	215,857	220,209	220,209	(10,765)
Warren	147,987	150,842	150,842	(6,456)
Warwick	1,095,600	1,122,322	1,122,322	(49,004)
Westerly	309,492	315,796	315,796	(14,408)
West Greenwich	86,147	89,357	89,357	(3,109)
West Warwick	408,508	420,171	420,171	(17,171)
Woonsocket	570,477	583,351	583,351	(25,482)
Total	\$ 14,471,968	\$ 14,834,605	\$ 14,834,605	\$ (648,327)

¹ Estimate based on FY 2025 spending; 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>	<i>FY 2026*</i>
Barrington	\$ 31,140	\$ 208,231	\$ 239,998	\$ 168,588	\$ 176,114
Bristol	590,782	688,838	673,752	714,556	746,456
Burrillville	221,419	242,125	261,203	265,143	276,980
Central Falls	221,276	249,793	289,628	277,566	289,957
Charlestown	187,929	210,220	228,306	228,976	239,198
Coventry	506,241	534,109	570,995	590,335	616,689
Cranston	2,221,497	2,636,740	2,759,034	2,780,908	2,905,055
Cumberland	623,172	645,745	682,290	715,471	747,411
East Greenwich	878,305	1,080,419	1,066,340	1,104,421	1,153,725
East Providence	1,075,238	1,356,423	1,463,542	1,418,339	1,481,657
Exeter	132,434	162,610	147,249	161,766	168,988
Foster	22,773	26,336	15,076	23,720	24,779
Glocester	91,894	108,909	148,492	126,798	132,459
Hopkinton	57,936	58,057	48,699	60,752	63,464
Jamestown	80,995	152,444	164,800	143,320	149,718
Johnston	892,690	991,264	1,020,596	1,063,116	1,110,576
Lincoln	798,570	953,065	946,221	985,825	1,029,835
Little Compton	47,837	48,651	52,610	54,679	57,120
Middletown	844,296	1,100,676	1,087,531	1,105,030	1,154,361
Narragansett	801,490	901,253	938,564	966,122	1,009,252
Newport	3,008,008	3,414,298	3,357,915	3,580,503	3,740,345
New Shoreham	511,516	537,580	528,938	579,233	605,091
North Kingstown	769,378	835,069	876,996	908,572	949,133
North Providence	523,939	624,707	765,400	696,327	727,413
North Smithfield	394,780	403,227	461,940	461,410	482,008
Pawtucket	1,123,138	1,175,628	1,240,191	1,297,262	1,355,175
Portsmouth	364,059	431,430	435,110	449,634	469,707
Providence	6,761,100	7,839,228	7,796,713	8,191,705	8,557,403
Richmond	165,834	192,249	208,252	206,767	215,998
Scituate	82,569	97,275	109,275	105,419	110,125
Smithfield	989,822	1,093,115	1,185,321	1,195,141	1,248,495
South Kingstown	981,754	1,182,444	1,095,605	1,192,474	1,245,709
Tiverton	366,104	416,158	430,854	443,620	463,424
Warren	438,503	533,600	544,510	553,519	578,229
Warwick	3,337,675	3,759,384	3,776,594	3,980,085	4,157,766
Westerly	1,119,560	1,203,418	1,324,212	1,334,505	1,394,081
West Greenwich	148,555	160,659	166,999	174,423	182,210
West Warwick	446,257	510,671	533,989	544,971	569,300
Woonsocket	655,816	732,610	763,730	787,360	822,510
Total	\$ 32,516,283	\$ 37,498,657	\$ 38,407,469	\$ 39,638,361	\$ 41,407,915

**Projections from Office of Revenue Analysis updated December 2024.*

Local Hotel Tax

<i>City or Town</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025*</i>	<i>FY 2026*</i>
Barrington	\$ 956	\$ 1,656	\$ 2,329	\$ 2,245	\$ 3,353
Bristol	39,734	42,417	42,349	45,228	63,934
Burrillville	35	115	182	126	270
Central Falls	93	529	512	431	680
Charlestown	78,806	79,663	83,577	81,770	114,706
Coventry	48,317	44,854	46,878	52,186	71,798
Cranston	13,342	15,753	14,573	24,283	31,177
Cumberland	365	721	669	521	625
East Greenwich	1,329	1,575	1,982	1,881	2,971
East Providence	27,904	24,557	30,185	38,994	51,343
Exeter	374	289	434	333	586
Foster	152	185	136	823	978
Glocester	1,329	955	966	1,642	2,111
Hopkinton	1,173	742	1,191	1,207	1,741
Jamestown	35,957	52,998	29,166	39,977	52,530
Johnston	5,947	8,051	5,658	7,437	9,443
Lincoln	75,846	106,945	119,168	95,069	150,723
Little Compton	23,786	26,304	27,407	28,366	37,033
Middletown	594,725	652,414	679,725	712,350	1,006,257
Narragansett	218,526	244,814	248,617	263,211	368,228
Newport	1,712,257	1,776,123	1,740,225	1,904,630	2,146,220
New Shoreham	420,852	444,767	529,263	531,794	1,265,102
North Kingstown	52,934	53,118	80,496	72,687	104,136
North Providence	1,612	1,529	1,557	1,949	2,842
North Smithfield	1,760	2,413	2,316	2,521	3,762
Pawtucket	40,143	41,378	44,537	51,089	70,431
Portsmouth	15,840	18,334	18,161	18,669	27,518
Providence	992,454	1,266,448	1,298,472	1,207,369	1,807,918
Richmond	26,722	36,277	25,805	23,350	35,704
Scituate	2,263	5,710	4,697	5,121	7,458
Smithfield	89,883	107,842	102,257	109,825	154,394
South Kingstown	162,175	177,887	184,579	179,693	260,762
Tiverton	5,185	4,392	3,327	8,132	10,171
Warren	1,294	1,983	2,359	1,373	2,361
Warwick	493,595	587,468	619,063	627,276	907,384
Westerly	536,537	530,461	559,532	658,601	697,700
West Greenwich	52,670	49,815	54,305	67,023	99,593
West Warwick	54,833	69,239	74,829	77,642	314,050
Woonsocket	24,548	28,370	22,978	31,713	42,734
Total	\$ 5,856,253	\$ 6,509,093	\$ 6,704,462	\$ 6,978,534	\$ 9,930,728

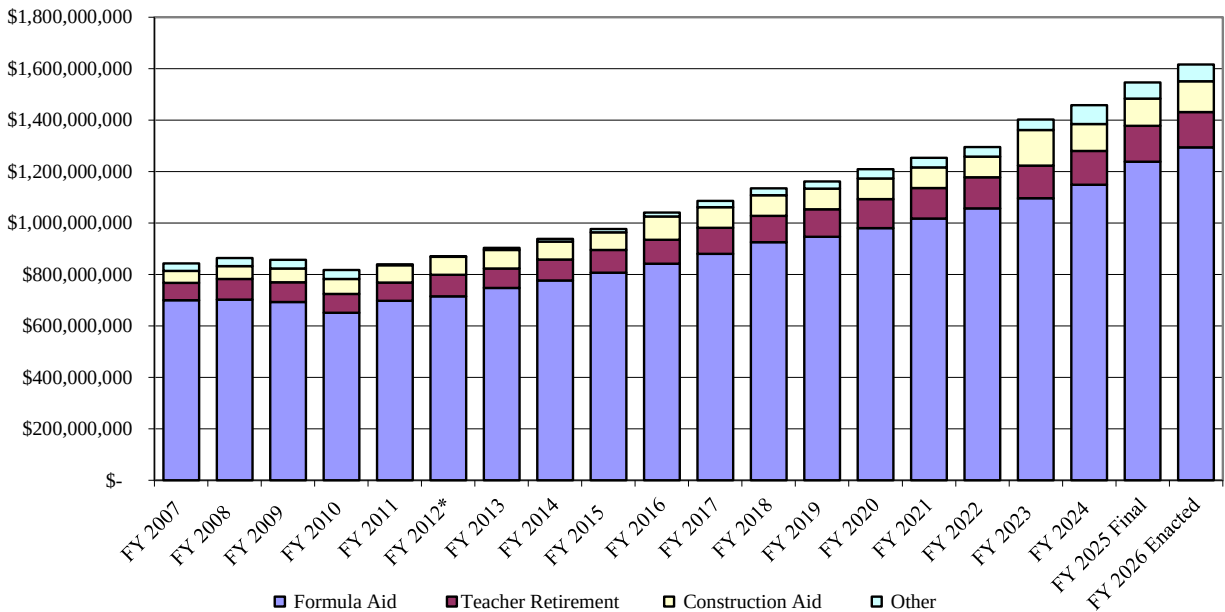
**Projections from Office of Revenue Analysis updated December 2024. FY 2026 figures include a partial year at 2%.*

Education Aid

Summary

The Budget includes \$1,616.2 million for FY 2026 in total aid for local school districts. This is \$66.6 million more than enacted for FY 2025. Funding includes \$1,293.8 million in direct distributions to local school districts, \$63.4 million in categorical funding, \$1.1 million in other aid for distribution by the Department, \$138.0 million for the state's contribution to teacher retirement, and \$119.9 million for school construction costs.

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.

The Governor's recommendation included a proposal to increase the student success factor from 40.0 percent to 43.0 percent of the core instruction amount for districts determined to have a poverty status at or above 60.0 percent by state share ratio calculations. The Assembly did not concur and the calculations maintain the current law student success factor. The Assembly added \$12.0 million to reflect the March data update, which also corrected a previous undercount of students in poverty.

The Assembly added \$2.5 million for high cost special education categorical funding for a total of \$17.5 million. This represents 56.0 percent of eligible expenses, an increase from 48.0 percent in the Governor's recommendation. The 2023 Assembly lowered the reimbursement threshold and increased this aid category to \$15.0 million from the \$4.5 million allocated for FY 2017 through FY 2023.

The Assembly also made changes to group home aid in Article 7 of 2025-H 5076, Substitute A, as amended. It added \$2.1 million to reflect the removal of the statutory provision that allows for group home beds to be deducted from enrollment data for the purpose of determining average daily membership. This is partially offset by \$0.5 million less from the removal of CRAFT program beds from this category of aid.

The Assembly added new reporting elements for the Department of Elementary and Secondary Education to submit as part of its FY 2027 budget submission. It required that the Department submit a report, including an overview of, and recommendations, to enhance the matching process between enrollment records and Department of Human Services program participation data. The Department must also reevaluate Medicaid matching as an alternative measure of students in poverty as part of its request. Additionally, it must submit a separate report by December 31, 2025 on the current and recommended processes to ensure that it receives consistent and accurate data from districts.

Separately from the state funds, the Budget includes the Governor's proposal to stabilize the reduction in local payments to charter schools, mayoral charter schools, and state schools to a maximum of 14.0 percent of the per-pupil amount. The minimum amount is 7.0 percent and unchanged.

Recent Changes. Since its 2010 inception, there have been various proposals to change the education funding formula. Based on the recommendations of a 2015 working group, the Assembly provided a category of aid for English language learners and three years of support for districts with a high incidence of students enrolled in charter or state schools. The 2018 Assembly also established a voluntary three-year pilot program to support school resource officers that ended in FY 2021. The 2021 Assembly enacted legislation to permanently provide transition support for districts with a concentration of students enrolled in charter or state schools, which has since been replaced by the enrollment loss transition fund that is described later in this report. The 2021 Assembly enacted legislation to hold districts harmless from the impacts of the coronavirus emergency on student enrollments for FY 2022 only.

The 2022 Assembly also enacted similar hold-harmless legislation for FY 2023 only. It also addressed pandemic-related enrollment issues that depressed data used to calculate the share ratio that uses June student enrollment and the number of students in poverty. This caused the state share ratios for wealthier communities to grow while falling for other communities because it is a relative measure. This was contrary to the equity intent of the formula. To avoid the impact of the data issues in calculating funding formula aid, the 2022 legislation also maintained the FY 2022 state share ratio for FY 2023.

The 2023 Assembly adopted several changes to the funding formula for FY 2024. 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 2023 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 2023 Assembly change allows use of that value alone for districts with more than 50.0 percent poverty status, if it is greater.

The 2024 Assembly increased the weight to support multilingual learners from 15.0 percent of the core instruction amount to 20.0 percent and shifted this aid from a categorical fund to being included in the initial formula calculation. The FY 2025 enacted budget also changes the name from English learner to multilingual learner and clarifies that the funding applies to students in the lowest three proficiency levels, based on the updated data provided by the Department in response to new requirements enacted by the 2023 Assembly.

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 as part of its FY 2024 request, which is students categorically eligible for free lunch, because they receive a means tested benefit, multiplied by a factor of 1.6. The use of that factor is intended to address shortcomings of the direct certification data, including that it relies on voluntary household participation and excludes some non-citizens. These data would also be used in the annual calculation of state share ratios. The 2023 Assembly adopted this proposal but also required that beginning with the FY 2026 budget submission, it must reexamine options for changing the measure for identifying students in poverty using more available data options.

In its FY 2026 request, the Department recommended using Medicaid matching coupled with a concentrated poverty factor for communities with a higher percentage of students in poverty. Medicaid matching, also called expanded direct certification, matches students whose families participate in Medicaid with incomes up to 185.0 percent of the federal poverty level. With Medicaid matching, there would be no multiplier.

Adding a concentrated poverty factor would involve increasing the student success factor from 40.0 percent of the core instruction amount to 43.0 percent for communities with over 60.0 percent of enrollment at or below the federal poverty level. The request indicated that a rolling three-year average of free or reduced-price lunch eligibility would determine this. The Department recommended this factor to account for certain students, including undocumented students, which it indicated might not be identified using direct certification. However, all Rhode Island children who would otherwise qualify for Medicaid, except for their immigration status, are eligible for RItE Care as a result of legislation enacted by the 2022 Assembly; this fact is not acknowledged in the proposal.

The Governor did not recommend the Medicaid matching proposal but did recommend increasing the student success factor from 40.0 percent to 43.0 percent of the core instruction amount for districts with poverty status at or above 60.0 percent, as determined by state share ratio calculations. The state share ratio calculation includes the percentage of students in poverty from kindergarten through sixth grade. The FY 2026 recommended budget includes \$10.9 million for this change and would include Central Falls, Newport, Pawtucket, Providence, and Woonsocket.

The Assembly did not concur with the proposal to increase the student success factor. It maintained the current law poverty determination and funding in the enacted budget. Subsequent to the submittal of the Governor’s budget, the Assembly was notified by the Department of a data issue with the October data used in the recommendation. Updated March data revealed 5,900 more students in poverty than assumed. The Assembly added new reporting elements for the Department to address data inconsistencies and get better information about the Department’s process and recommendations to improve it. It also required that the Department reevaluate the use of Medicaid matching for poverty determination with its FY 2027 request.

The following table shows how poverty measures are used in different calculations in education aid.

Education Aid Formula Use of Poverty Status		
	Share Ratio	Student Success Factor
Purpose	Determine each community's concentration of students in poverty for overall state funding share determination	Extra weight on core instruction for per student aid
Basic Inputs	Direct certification of those eligible for a means-tested benefit (SNAP/TANF) up to 185% of FPL	
Population Measured	K-6 Students	Pre K-12
Multiplier Used	1.6x the reported value	
Expression	Percent - as proxy for community poverty	Count
Reference year	2nd prior June; 2024 for FY 2026 Aid	Most recent enrollment

Trends. The Budget includes \$1,280.7 million for direct aid to local school districts, an average annual increase of 5.5 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.

Since FY 2012, the per pupil core instruction amount has increased by an annual rate of 4.3 percent. Aid per student during that same period has increased by 6.1 percent annually. The difference can partially be attributed to the 2024 Assembly's inclusion of the multilingual learner factor in the formula.

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. Current law provides a 40.0 percent weight for each student determined in poverty status. Since FY 2025, it has also included multilingual learners in the initial formula calculation. 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 2026 is 38.4 percent. When weighted for the number of students, the average state share ratio is 54.7 percent, somewhat higher than the 52.6 percent when the formula began. Table 2 at the end of this report shows the funding formula calculation by community for FY 2026.

	FY 2012	FY 2017	FY 2022	FY 2025 Enacted	FY 2026 Enacted	Change to FY 2012		% Avg. Annual Change
Per Pupil Core Amount	\$ 8,333	\$ 9,100	\$10,635	\$12,617	\$13,322	\$ 4,989	59.9%	4.3%
Student Enrollment	140,913	141,278	142,426	135,689	134,569	(6,344)	-4.5%	-0.3%
Students in Poverty	63,446	69,630	68,099	57,541	56,785	(6,661)	-10.5%	-1.4%
Highest State Share Ratio	92.6%	94.4%	95.4%	97.1%	96.7%	4.1%	4.4%	0.3%
Avg. State Share Ratio	38.7%	39.4%	38.1%	38.3%	38.4%	-0.3%	-0.8%	-0.1%
Avg. Weighted State Share Ratio	52.6%	55.5%	55.3%	54.9%	54.7%	2.1%	4.0%	0.3%
Aid Per Student	\$ 5,074	\$ 6,202	\$ 6,737	\$ 8,973	\$ 9,517	\$ 4,443	87.6%	6.1%

Education Aid by Component

The Budget includes \$1,616.2 million for FY 2026 education aid for distribution to districts, including Central Falls, Davies Career and Technical School, charter schools, and the Metropolitan Career and Technical School. This also includes teacher retirement, school housing aid, and other formula aid for distribution by the Department. This is \$66.6 million more than enacted for FY 2025, including \$63.1 million more in formula aid, \$13.7 million more for construction aid, \$3.2 million less for teacher retirement, and \$0.6 million more for categorical and set-aside aid. The FY 2025 final budget is \$2.7 million less than enacted, primarily reflecting lower costs for teacher retirement and current service funding for the early childhood categorical fund.

The table below and tables on the following pages compare the FY 2026 enacted funding for the major components of education aid to the enacted FY 2025 budget. It is followed by tables with more detail and explanations of each item.

Education Aid	FY 2025 Enacted	FY 2025 Final	Change to Enacted	FY 2026 Enacted	Change to Enacted	Change to Governor
Operating Aid	\$ 1,217,597,451	\$ 1,218,419,138	\$ 821,688	\$ 1,280,654,873	\$ 63,057,423	\$ 15,029,427
Formula Adjustments	20,711,278	20,303,964	(407,314)	13,144,118	(7,567,160)	(1,668,830)
Categorical Funding	62,611,267	61,511,267	(1,100,000)	63,355,370	744,103	2,500,000
Set-Aside Funds	1,322,952	1,142,581	(180,371)	1,142,952	(180,000)	-
Other Aid	247,367,477	245,571,374	(1,796,103)	257,878,761	10,511,284	-
Statewide Total	\$ 1,549,610,424	\$ 1,546,948,324	\$ (2,662,100)	\$ 1,616,176,074	\$ 66,565,650	\$ 15,860,597

Operating Aid

Education Aid	FY 2025 Enacted	FY 2025 Final	FY 2026 Enacted	Change to Enacted	Change to Governor
Operating Aid					
Local Districts	\$ 947,937,345	\$ 948,755,800	\$ 989,039,477	\$ 41,102,132	\$ 11,714,809
Central Falls	53,634,575	54,041,889	54,567,882	933,307	879,799
Met School	11,131,142	11,131,142	12,966,926	1,835,784	(10,402)
Davies Career & Tech.	18,131,389	18,239,763	18,532,152	400,763	(240,310)
Charter Schools*	178,322,887	177,504,432	195,233,633	16,910,746	1,163,933
Nowell Academy	2,311,758	2,311,758	2,664,112	352,354	(138,526)
UCAP	2,111,614	2,111,614	2,296,446	184,832	34,311
YouthBuild Academy	2,137,890	2,137,890	1,818,245	(319,645)	(7,025)
Group Home Funding	1,878,850	2,184,850	3,536,000	1,657,150	1,632,838
Subtotal	\$ 1,217,597,451	\$ 1,218,419,138	\$ 1,280,654,873	\$ 63,057,423	\$ 15,029,427

*Understated by \$4,186 in FY 2026 enacted budget

Local Districts. The Budget includes \$989.0 million for formula aid to locally operated school districts. This is \$41.1 million more than enacted, reflecting the current law core instruction amount increase from \$12,617 to \$13,322 and updated March enrollment.

Central Falls. The Budget includes \$54.6 million for formula aid for the Central Falls School District. This is \$0.9 million more than enacted, which reflects the core instruction amount increase. Beginning with FY 2012, Central Falls is funded pursuant to the funding formula. The formula includes a discretionary stabilization fund to support the district until the city can begin paying its local share. This is the eleventh year of stabilization funding and the Budget includes \$10.8 million, \$0.3 million less than the FY 2025 enacted amount to reflect the Governor's recommendation for the city to begin to share in expenses and a gradual transition of district finances and governance back to local control. This total includes \$0.4 million from the enrollment transition fund, which the Budget shows as part of the operating aid amount instead of the enrollment transition fund total.

The Assembly also adopted 2025-H 6255, Substitute A, to create a study commission to create a report that includes a sustainable financial plan for the City to contribute its local share of foundation education aid and a plan for the transfer of operations and finances back to local control. The report is due by March 3, 2026, and would include a potential transfer of operations for July 1, 2026.

Metropolitan Career and Technical School. The Budget includes \$13.0 million for formula aid for the Metropolitan Career and Technical School. This is \$1.8 million more than enacted. The 2016 Assembly enacted a stabilization fund for the state schools, which were previously fully state-supported, in order to mitigate some of the losses in funding from the implementation of the funding formula and recognize the additional costs associated with running a stand-alone school that offers both academic and career and technical education. This includes \$3.2 million in stabilization funding for the Met School, \$1.1 million more than the enacted amount, primarily for costs associated with a new labor contract. Table 5 at the end of this report includes estimated enrollment for FY 2026.

Davies Career and Technical School. The Budget includes \$18.5 million from general revenues for formula aid to support the Davies Career and Technical School. This is \$0.4 million more than the FY 2025 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 \$7.9 million in stabilization funding for Davies.

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 2026.

Charter Schools. The Budget includes \$195.2 million for formula aid to charter schools. This is \$16.9 million more than the FY 2025 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. Districts are billed quarterly for students attending charter and state schools.

Current law allows for a reduction of the greater of 7.0 percent of the per-pupil amount or the per-pupil value of "unique" costs defined in statute, reduced by the average of those costs for all charter schools. Mayoral academies have an additional reduction equal to the per-pupil value of teacher retirement costs attributable to unfunded liability if "unique" costs are greater than 7.0 percent. The Assembly concurred with the Governor's recommendation to stabilize this holdback, capping it at a maximum of 14.0 percent.

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 year enrollment. The enrollment at Nuestro Mundo charter school in October was 20.7 percent less than assumed in the enacted budget, producing a mid-year adjustment of \$0.8 million. The enacted budget included estimated enrollment reflecting a planned middle school expansion, which did not occur. The FY 2025 final budget shifted these funds to Providence, as it is the sending district for Nuestro Mundo and its enrollment was adjusted in the enacted budget to reflect the expansion.

Charter schools are public schools authorized by the state to operate independently from many state and local district rules and regulations. The 2010 Assembly increased the total to no more than 35 charters; it had previously been no more than 20 charters serving no more than 4.0 percent of the state's school age population. At least half of the total is reserved for charter school applications designed to increase

educational opportunities for at-risk pupils. Mayoral academies are charter schools and are included in the total. In FY 2026, there are 24 charter schools in Rhode Island, serving 12.1 percent of public school students. Table 5 at the end of this report includes enrollment used to calculate aid for FY 2026. It should be noted that the FY 2026 enacted budget is understated by \$4,138. Table 6 includes aid for each school by sending district, and includes the correct distribution.

Nowell Academy. The Budget includes \$2.7 million for the Sheila C. “Skip” Nowell Leadership Academy for FY 2026, which is \$0.4 million more than enacted. The 2024 Assembly passed legislation to establish the program as an independent public school beginning in FY 2025 with a focus on the needs of pregnant and parenting teenagers. The school had previously operated as an independent charter school for 12 years. The Department indicated that a referral-based model would be more beneficial for the mission of the school and the needs of its students than the charter school lottery system. Table 5 at the end of this report includes enrollment by sending district used to calculate aid for FY 2026.

Urban Collaborative Accelerated Program. The Budget includes \$2.3 million for the Urban Collaborative Accelerated Program (UCAP) for FY 2025, which is \$0.2 million more than enacted. 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 2026.

YouthBuild Preparatory Academy. The Budget includes \$1.8 million for the YouthBuild Preparatory Academy, which opened in the fall of 2022. This is \$0.3 million less than enacted, reflecting lower enrollment. 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 2026.

Group Homes. The Budget includes \$3.5 million for group home aid, based on 208 beds, which is 13 fewer beds than the enacted budget. The bed reduction reflects the removal of CRAFT program beds from this category of aid which the Assembly removed and clarified the educational and financial responsibility for children in that program. The per-bed amount is \$17,000. Prior to FY 2026, the law required that the number of group home beds be deducted from enrollment data for the purpose of determining average daily membership. The Assembly removed this reduction and added \$1.6 million to reflect the changes.

Increases in beds prior to December 31 of each year are paid as part of the supplemental budget for that year. The FY 2025 final budget added \$306,000 for 18 new beds, including 4 in North Smithfield, 1 in Pawtucket, 12 in Portsmouth, and 1 in Providence. Table 3 at the end of the report shows the distribution by district.

Formula Adjustments

Education Aid	FY 2025 Enacted	FY 2025 Final	FY 2026 Enacted	Change to Enacted	Change to Governor
Formula Adjustments					
Enrollment Transition*	\$ 19,461,431	\$ 19,054,117	\$ 8,360,107	\$(11,101,324)	\$ (985,108)
Poverty Loss Stabilization**	1,249,847	1,249,847	4,784,011	3,534,164	(683,722)
Subtotal	\$ 20,711,278	\$ 20,303,964	\$ 13,144,118	\$ (7,567,160)	\$ (1,668,830)

*Governor's budget shifts Central Falls' enrollment loss allocation to the district, the Assembly maintains that shift

**Overstated by \$0.7 million in FY 2026 Recommendation

Enrollment Transition Fund. The Budget includes \$8.8 million for the category of aid created by the 2023 Assembly that provides two years of funding to districts experiencing enrollment declines, including from students transferring to charter schools. This is \$10.7 million less than enacted and includes \$0.4

million for Central Falls. The allocation for Central Falls is not included in the district total in the summary table above, but is included in the table below and Table 8 at the end of this report. Districts receive 40.0 percent of the state per-pupil funding lost in the first year and 25.0 percent in the second year in addition to any new enrollment losses that may trigger funding in the second year. New enrollment loss increments are calculated each year. The calculation and distribution of these funds are shown in Table 8 at the end of this report. The table below shows the FY 2026 total, as well as the FY 2027 impact of this year's losses.

Enrollment Transition Fund				
	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Projected
FY 2024: Year 1 - 40%	\$19,950,838	\$ -	\$ -	\$ -
FY 2024: Year 2 - 25%	-	12,469,274	-	-
FY 2025: Year 1 - 40%	-	6,992,157	-	-
FY 2025: Year 2 - 25%	-	-	4,370,098	-
FY 2026: Year 1 - 40%	-	-	4,380,467	-
FY 2026: Year 2 - 25%	-	-	-	2,737,792
Total	\$19,950,838	\$19,461,431	\$ 8,750,565	\$2,737,792

Poverty Loss Stabilization Fund. The 2023 Assembly created a poverty loss stabilization fund to help districts adjust to significant changes in state aid by giving them more time to align their budgets. This fund is triggered when the foundation formula aid produces less than the prior year and the decrease in the state share ratio is more than 2.0 percent. The Budget includes \$4.8 million for FY 2026. This is \$3.5 million more than enacted. The fund provides 50.0 percent of the difference that the formula aid calculation produces under the prior year's share ratio compared to the current year's share ratio. The calculation and distribution of these funds are shown in Table 9 at the end of this report.

Categorical Funding

Education Aid	FY 2025 Enacted	FY 2025 Final	FY 2026 Enacted	Change to Enacted	Change to Governor
Categorical Funding					
High Cost Special Ed.	\$ 15,000,000	\$ 15,000,000	\$ 17,500,000	\$ 2,500,000	\$ 2,500,000
Career and Technical	6,500,000	6,500,000	4,500,000	(2,000,000)	-
Early Childhood	29,884,568	28,784,568	28,884,568	(1,000,000)	-
Non-Public Transportation	3,931,589	3,931,589	4,662,543	730,954	-
Regional District Transportation	7,295,110	7,295,110	7,808,259	513,149	-
Subtotal	\$ 62,611,267	\$ 61,511,267	\$ 63,355,370	\$ 744,103	\$ 2,500,000

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 out-year estimates submitted with the Governor's budget assume these costs will remain constant for all categories that are subject to appropriation.

High Cost Special Education. The funding formula allows the state to assume the costs related to high cost special education students when those costs exceed four times the combined per-pupil core instruction amount and student success factor amount. The 2023 Assembly lowered the threshold for reimbursement from five times. The Budget includes \$17.5 million for FY 2026, \$2.5 million more than the enacted budget. This reflects 56.0 percent of eligible expenses, an increase from 48.0 percent in the Governor's budget, but lower than the 77.0 percent represented in the FY 2025 enacted budget. The Assembly required the

Department to submit a separate report by December 31, 2025 on the current and recommended processes to ensure that it receives consistent and accurate data from districts.

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 Budget includes \$4.5 million for FY 2026, \$2.0 million less than the enacted budget and consistent with the amount 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. These funds are not shown in the distribution tables at the end of this report. The 2024 Assembly included a \$2.0 million increase in funding be coordinated with the career and technical board of trustees to be directed to new programs to provide workforce training for jobs which there are no active programs. Those funds are excluded for FY 2026.

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 Budget includes \$28.9 million from general revenues for FY 2026, \$1.0 million less than the FY 2025 enacted budget but consistent with updated data based on capacity and demand. These funds are not shown in the distribution tables at the end of this report.

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. 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. Federal funds were available through FY 2023.

The 2022 Assembly required the Department to develop an expansion plan in order to achieve 5,000 seats over five years, including children ages three and four. The plan submitted on December 30, 2022, suggested building a pipeline of programs ready to become preschool providers so the state can open between 35 and 40 new classrooms a year from FY 2025 through FY 2028 to reach the 5,000 seats goal. 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 following table shows the amount of classrooms and seats for the state prekindergarten program from FY 2020 through FY 2025.

Rhode Island State Pre-K					
	FY 2020	FY 2021	FY 2022 - FY 2024	FY 2025 Enacted	FY 2025 Actual
Classrooms	78	101	128	162	152
Seats	1,420	1,854	2,370	2,997	2,809

The FY 2025 enacted budget added \$7.0 million to fund 35 new classrooms and 633 seats and assumed a total of 2,997 seats in 162 classrooms. Updated data provided by the Department indicates that the actual number of available seats is 2,809 in 152 classrooms, which is 188 fewer seats in 10 fewer classrooms than assumed. The Assembly also provided \$1.1 million less in FY 2025 reflecting actual program activity. The

out-year estimates included with the Governor’s recommended budget assume no growth after FY 2026 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 Budget includes \$4.7 million for FY 2026, \$0.7 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 \$7.8 million for FY 2026, \$0.5 million more than enacted to fully fund this aid. FY 2012 funding for this component of the original transportation fund was \$0.5 million.

Set-Aside Funds

Education Aid	FY 2025 Enacted	FY 2025 Final	FY 2026 Enacted	Change to Enacted	Change to Governor
Set-Aside Funds					
Textbook Loans	\$ 240,000	\$ 59,629	\$ 60,000	\$ (180,000)	\$ -
School Breakfast	270,000	270,000	270,000	-	-
Reduced-Price Meal Subsidy	812,952	812,952	812,952	-	-
Subtotal	\$ 1,322,952	\$ 1,142,581	\$ 1,142,952	\$ (180,000)	\$ -

Textbook Loans. The Budget includes \$60,000 for the textbook loan program based on anticipated reimbursements. The state currently reimburses districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade. The FY 2025 final budget includes \$59,629 based on actual reimbursements; FY 2024 expenditures were \$57,766.

School Breakfast. The Budget includes \$270,000 for FY 2026 for the administrative cost reimbursement to districts for the school breakfast program, which is consistent with the FY 2025 enacted level. State law mandates that all public schools provide a breakfast program and costs, other than transportation, associated with this program in excess of federal money for the meals shall be borne exclusively by the state, subject to appropriation. As in the lunch program, children from families with incomes at or below 130.0 percent of federal poverty are eligible for free meals, while those from families up to 185.0 percent of poverty are eligible for reduced-price meals.

Reduced-Price Meal Subsidy. The Budget includes \$0.8 million for FY 2026 for the costs of a program that makes school breakfasts and lunches free for students whose families qualify for reduced-price meals. This is consistent with the enacted budget that assumed approximately 6,500 students eligible for reduced-price meals. The 2024 Assembly concurred with the Governor’s proposal which 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.

Other Aid

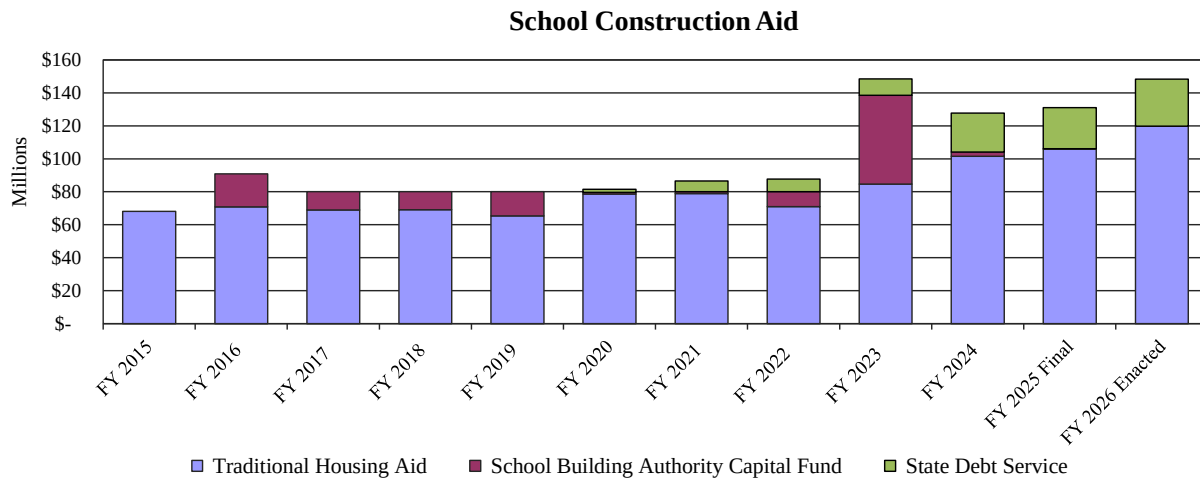
Education Aid	FY 2025 Enacted	FY 2025 Final	FY 2026 Enacted	Change to Enacted	Change to Governor
Other Aid					
Teacher Retirement*	\$ 141,168,922	\$ 139,372,819	\$ 137,991,006	\$ (3,177,916)	\$ -
Construction Aid	106,198,555	105,782,028	119,887,755	13,689,200	-
School Building Authority	-	416,527	-	-	-
Subtotal	\$ 247,367,477	\$ 245,571,374	\$ 257,878,761	\$ 10,511,284	\$ -
Statewide Total	\$ 1,549,610,424	\$ 1,546,948,324	\$ 1,616,176,074	\$ 66,565,650	\$ 15,860,597

*Includes \$8.9 million included in Dept. of Admin. in the FY 2025 enacted budget

Teacher Retirement. The Budget includes \$138.0 million to fund the state's 40.0 percent share of the employer contribution for teacher retirement. This is \$3.2 million less than all funding enacted for FY 2025, including the \$8.9 million assumed in the Department of Administration's budget for the estimated cost of the pension changes adopted by the 2024 Assembly attributed to the teachers' system. 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 Budget includes \$119.9 million for construction aid to local districts, which is \$13.7 million more than the FY 2025 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 2025 revised budget shifts \$0.4 million 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 required commitments for that year 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 prior graph shows school construction aid appropriations from FY 2015 through FY 2024 and the FY 2025 final and FY 2026 enacted 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 incentives on the following table.

Temporary Incentive	Original Expiration	Final Expiration	Share Ratio Increase
1. Health & Safety	December 30, 2022	June 30, 2024	5%
2. Educational enhancements (includes Early Education & CTE)	December 30, 2022	June 30, 2024	5%
3. Replace facility w/a facilities condition index of >65%	December 30, 2023	June 30, 2024	5%
4. Increase functional utilization of a facility from <60% to 80%	December 30, 2023	June 30, 2024	5%
5. Decrease facility functional utilization from >120% to between 85% & 105%	December 30, 2023	June 30, 2024	5%
6. Consolidate 2+ buildings	December 30, 2023	June 30, 2024	5%

While the maximum state share increase is 20.0 percent, a district's local share cannot decrease by more than half of its regular share regardless of the incentives earned, nor can a district's state share increase by more than half of its regular share. Also, the third incentive noted in the table cannot be combined with the fourth or fifth incentive. The 2023 Assembly removed the second limitation for the remainder of the incentive period, 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 were eligible for state share increases of up to 20.0 percent so long as commissioning agents and Owners Program Managers are utilized; those projects that do not were eligible for a 5.0 percent increase. Each incentive requires spending 25.0 percent of project costs or \$500,000 on related items. The original legislation required that projects begin by either December 30, 2022 or 2023 and be completed within five years to receive the temporary incentives. The 2022 Assembly extended two incentives by one year and aligned all temporary incentives with the December 30, 2023 start deadline; it maintained the five-year completion window. The 2023 Assembly extended all incentives by six months to June 30, 2024, and maintained the five-year completion window.

The 2018 legislation established a permanent incentive for projects that address school safety and established minimum maintenance spending requirements. Districts are required to meet one of three options. Maintenance spending may either equal \$3 per square foot of school building space, 3.0 percent of a building's replacement value, or 3.0 percent of the school's operating budget; the latter two options are phased-in over four years. It also includes additional requirements and oversight throughout the projects intended to control costs, ensure building systems operate correctly, and ensure that projects are executed properly from design through construction. 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 capital budget assumes issuances of \$95.0 million for FY 2025, \$100.0 million for FY 2026, \$50.0 million for FY 2027, and \$5.0 million for FY 2028 from the November 2022 bond. Of the original bond, \$247.2 million has been spent and the remaining \$2.8 million is programmed for FY 2025. The Budget includes \$18.0 million for the debt service on the \$345.0 million issued through FY 2025 and the \$100.0 million expected to be issued in FY 2026.

The Budget also includes \$10.5 million for the third 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 Budget also includes \$0.3 million in revenues from Central Falls to reimburse the state for its share of the debt service for FY 2026.

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 FY 2022 and \$586.4 in FY 2023. During FY 2024, \$2,344.2 million in projects were approved, including \$1,307.8 million in May 2024. The application surge was anticipated as a result of the pending expiration of the temporary incentives. No projects were approved in December 2024. The Council approved \$35.2 million in projects in June 2025.

Approvals	Total Project Costs	Base State Share w/o Incentives	Upfront Bond Reimbursement
FY 2015 to FY 2018	\$ 538,462,880	\$ 357,460,960	\$ 39,901,249
FY 2019	\$ 382,996,196	\$ 381,869,952	\$ 55,487,311
FY 2020	\$ 629,519,258	\$ 519,859,392	\$ 77,938,911
FY 2021	\$ 143,541,516	\$ 70,505,684	\$ 16,688,006
FY 2022	\$ 864,010,060	\$ 516,594,386	\$ 77,489,158
FY 2023	\$ 586,425,546	\$ 443,192,789	\$ 49,875,508
FY 2024	\$ 2,344,196,513	\$ 1,353,524,788	\$ 122,915,933
June 2025			
Chariho	\$ 15,159,999	\$ 9,247,599	\$ -
Westerly	20,025,542	7,008,940	-
FY 2025	\$ 35,185,541	\$ 16,256,539	\$ -
Total FY 2019-FY 2025	\$ 4,985,874,630	\$ 3,301,803,529	\$ 400,394,827

\$ in millions; excludes value of potential incentive points.

The previous table includes projects approved from FY 2015 through FY 2025. This reflects the state share of the total project costs as approved by the Council. It should be noted that these amounts exclude the impact of the new incentives and, pending calculation and confirmation of those final values, the actual state share of projects will likely be higher. At the December 2023 Council of Elementary and Secondary Education meeting, the School Building Authority reported that the total amount of pay-as-you-go funding from the \$500.0 million of general obligation bonds has been allocated to projects, which is why there is no upfront bond reimbursement shown for May 2024 approvals.

The out-year estimates incorporate projections based on June 2025 projections by the School Building Authority. 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. It appears that some projects were completed sooner than expected, causing a higher value for FY 2026.

The following table shows the traditional program estimates and combines the most recent one with the debt service for the state bonds and the Central Falls debt for a more complete picture. It should be noted that the School Building Authority does not yet have an estimate for FY 2030, and the projection for that year is based on an inflationary adjustment from FY 2029.

Out-Year Estimates					
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<i>Traditional School Construction</i>					
FY 2025 Enacted	\$ 111.1	\$ 133.8	\$ 162.3	\$ 162.3	\$ -
FY 2026 Enacted	119.9	131.7	158.4	172.5	176.6
<i>Debt Service</i>					
School Construction Bond	18.0	29.0	35.8	38.6	38.9
Central Falls Debt	10.5	11.0	11.0	11.0	11.0
Adjusted FY 2026 Total	\$ 148.4	\$ 171.7	\$ 205.2	\$ 222.1	\$ 226.5

\$ in millions

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. The following table shows the federal education relief funding for Rhode Island, including the FY 2022 and FY 2023 expenses, FY 2024 reported expenditures, and the FY 2025 final budget. It should be noted that the recommendation is \$14.1 million more than enacted to account for unspent FY 2024 funds. The distribution by district is shown in Table 11 at the end of the report.

All funds must have been obligated by September 30, 2024. The FY 2026 enacted budget excludes all relief funds, as final spending deadlines were on January 30, 2025.

Elementary & Secondary School Emergency Relief Funds						
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	
	Spent	Spent	Reported	Enacted	Final	Total
Aid to Districts	\$ 88.5	\$ 174.5	\$ 205.9	\$ 49.0	\$ 52.4	\$ 521.3
<i>State Schools</i>	<i>0.1</i>	<i>3.1</i>	<i>2.2</i>	<i>1.6</i>	<i>1.3</i>	<i>6.7</i>
<i>Central Falls</i>	<i>0.0</i>	<i>6.6</i>	<i>9.9</i>	<i>1.0</i>	<i>1.0</i>	<i>17.5</i>
<i>All Other Districts</i>	<i>88.4</i>	<i>164.8</i>	<i>193.8</i>	<i>46.5</i>	<i>50.1</i>	<i>497.1</i>
Discretionary Funds	6.2	16.6	34.7	11.0	21.6	79.1
Total	\$ 94.7	\$ 191.1	\$ 240.6	\$ 60.0	\$ 74.0	\$ 600.4

\$ in millions; excludes CARES Act funding

The following table shows the items previously discussed, combined to show the total enacted education aid for FY 2025 and FY 2026.

Education Aid	FY 2025 Enacted	FY 2025 Final	FY 2026 Enacted	Change to Enacted	Change to Governor
Operating Aid					
Local Districts	\$ 947,937,345	\$ 948,755,800	\$ 989,039,477	\$ 41,102,132	\$ 11,714,809
Central Falls	53,634,575	54,041,889	54,567,882	933,307	879,799
Met School	11,131,142	11,131,142	12,966,926	1,835,784	(10,402)
Davies Career & Tech.	18,131,389	18,239,763	18,532,152	400,763	(240,310)
Charter Schools ¹	178,322,887	177,504,432	195,233,633	16,910,746	1,163,933
Nowell Academy	2,311,758	2,311,758	2,664,112	352,354	(138,526)
UCAP	2,111,614	2,111,614	2,296,446	184,832	34,311
YouthBuild Academy	2,137,890	2,137,890	1,818,245	(319,645)	(7,025)
Group Home Funding	1,878,850	2,184,850	3,536,000	1,657,150	1,632,838
Subtotal	\$ 1,217,597,451	\$ 1,218,419,138	\$ 1,280,654,873	\$ 63,057,423	\$ 15,029,427
Formula Adjustments					
Enrollment Transition ²	\$ 19,461,431	\$ 19,054,117	\$ 8,360,107	\$(11,101,324)	\$ (985,108)
Poverty Loss Stabilization ³	1,249,847	1,249,847	4,784,011	3,534,164	(683,722)
Adjusted Subtotal	\$ 1,238,308,729	\$ 1,238,723,102	\$ 1,293,798,991	\$ 55,490,263	\$ 13,360,597
Categorical Funding					
High Cost Special Ed.	\$ 15,000,000	\$ 15,000,000	\$ 17,500,000	\$ 2,500,000	\$ 2,500,000
Career and Technical	6,500,000	6,500,000	4,500,000	(2,000,000)	-
Early Childhood	29,884,568	28,784,568	28,884,568	(1,000,000)	-
Non-Public Transportation	3,931,589	3,931,589	4,662,543	730,954	-
Regional District Transportation	7,295,110	7,295,110	7,808,259	513,149	-
Subtotal	\$ 62,611,267	\$ 61,511,267	\$ 63,355,370	\$ 744,103	\$ 2,500,000
Set-Aside Funds					
Textbook Loans	\$ 240,000	\$ 59,629	\$ 60,000	\$ (180,000)	\$ -
School Breakfast	270,000	270,000	270,000	-	-
Reduced-Price Meal Subsidy	812,952	812,952	812,952	-	-
Subtotal	\$ 1,322,952	\$ 1,142,581	\$ 1,142,952	\$ (180,000)	\$ -
Total	\$ 1,302,242,948	\$ 1,301,376,950	\$ 1,358,297,313	\$ 56,054,366	\$ 15,860,597
Other Aid					
Teacher Retirement ⁴	\$ 141,168,922	\$ 139,372,819	\$ 137,991,006	\$ (3,177,916)	\$ -
Construction Aid	106,198,555	105,782,028	119,887,755	13,689,200	-
School Building Authority	-	416,527	-	-	-
Statewide Total	\$ 1,549,610,424	\$ 1,546,948,324	\$ 1,616,176,074	\$ 66,565,650	\$ 15,860,597

¹ Understated by \$4,186 in FY 2026 enacted budget

² Governor's budget shifts Central Falls' enrollment loss allocation to the district, the Assembly maintains that shift

³ Overstated by \$0.7 million in FY 2026 Recommendation

⁴ Includes \$8.9 million included in Dept. of Admin. in the FY 2025 enacted budget

Calculation and Distribution Tables

The 12 tables on the following pages include the calculation and distribution of the FY 2026 enacted education aid to districts, charter and state schools. Tables 1A and 1B show the total funding and Tables 2 through 9 illustrate different components of the funding formula. Table 10 has education aid to districts for FY 2020 through FY 2024 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 2026

Table 1B: Total Education Aid for Charter and State Schools for FY 2026

Table 2: Calculation of Funding Formula for FY 2026

Table 3: Group Home Aid for FY 2026

Table 4: Calculation of State Share Ratio

Table 5: FY 2026 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 2026

Table 8: Enrollment Transition Fund for FY 2026

Table 9: Poverty Stabilization Fund for FY 2026

Table 10: Education Aid for FY 2020 - FY 2024

Table 11: Education Federal Stimulus Funds

Table 1A: Total Education Aid for Districts for FY 2026

A. Column **A** shows the formula aid calculation for FY 2026. It is based on March student enrollment data adjusted for charter school growth, uses the current law core instruction amount of \$13,322 and student success factor. This calculation is shown in Table 2.

B. Column **B** 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.

C. Column **C** 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.

D. Column **D** shows the amount of group home aid for FY 2026. Group home aid is paid in addition to the funding formula pursuant to current law. The Assembly made changes to this category of aid, which are described in depth earlier in this report. The calculation is described in Table 3.

E. 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 **E**.

F. Column **F** shows the total FY 2026 enacted general revenue aid.

G. Column **G** shows the difference between FY 2026 enacted general revenue aid found in column **F** and the FY 2025 enacted general revenue aid.

H. Column **H** shows the Governor's total FY 2026 recommended aid.

I. Column **I** is the difference between the FY 2026 enacted budget shown in column **F** and the Governor's recommended FY 2026 budget shown in column **H**.

Table 1A: Total Education Aid for Districts for FY 2026

<i>District</i>	<i>A FY2026 Enacted Formula Aid (Table 2)</i>	<i>B Enrollment Transition Fund (Table 8)</i>	<i>C Poverty Loss Stabilization Fund (Table 9)</i>	<i>D Group Home Aid (Table 3)</i>	<i>E Categorical Funding (Table 7)</i>
Barrington	\$ 9,906,027	\$ 106,986	\$ 1,039,957	\$ -	\$ 599,428
Burrillville	13,506,736	144,015	-	-	437,816
Charlestown	1,437,860	39,123	39,756	-	-
Coventry	28,316,948	439,016	-	136,000	601,140
Cranston	79,947,152	616,592	-	-	2,465,912
Cumberland	28,228,353	16,591	-	-	218,050
East Greenwich	4,506,248	49,316	1,012,068	-	732,352
East Providence	39,321,148	256,779	-	289,000	761,157
Foster	1,215,818	-	34,469	-	20,923
Glocester	2,961,445	32,927	78,860	-	107,958
Hopkinton	7,176,966	29,014	-	-	-
Jamestown	372,348	9,060	-	-	199,649
Johnston	24,128,236	-	405,941	-	913,787
Lincoln	20,891,647	121,787	-	136,000	275,525
Little Compton	302,814	13,405	5,047	-	323
Middletown	6,152,386	163,272	261,850	-	184,695
Narragansett	1,728,633	72,691	-	-	121,122
Newport	14,239,269	352,675	441,039	119,000	181,036
New Shoreham	96,190	2,316	-	-	-
North Kingstown	12,506,815	50,592	737,038	-	93,317
North Providence	30,424,725	271,278	-	136,000	784,250
North Smithfield	9,237,556	78,421	-	68,000	178,226
Pawtucket	110,615,318	1,182,732	-	340,000	1,184,468
Portsmouth	2,806,429	29,163	80,184	510,000	268,684
Providence	297,521,286	1,548,914	-	986,000	5,601,315
Richmond	6,207,775	102,279	96,444	-	-
Scituate	4,299,021	10,808	-	-	141,187
Smithfield	10,587,119	131,218	-	85,000	164,555
South Kingstown	5,062,521	160,295	-	-	712,909
Tiverton	5,310,972	69,836	164,401	-	432,463
Warwick	48,586,276	286,445	-	408,000	831,641
Westerly	8,148,033	207,892	-	-	405,776
West Warwick	42,094,167	456,911	-	-	272,438
Woonsocket	88,120,161	833,791	-	-	551,361
Bristol-Warren	10,652,150	264,512	243,027	170,000	3,555,339
Chariho	-	-	-	-	3,440,265
Exeter-West Greenwich	7,123,365	47,401	-	153,000	2,283,497
Foster-Glocester	5,299,561	162,055	143,931	-	1,009,217
Central Falls*	54,177,424	390,458	-	-	200,198
Total	\$1,043,216,901	\$ 8,750,565	\$ 4,784,011	\$ 3,536,000	\$ 29,931,979
<i>Adjusted Chariho</i>	<i>\$ 14,822,601</i>	<i>\$ 170,416</i>	<i>\$ 136,200</i>	<i>\$ -</i>	<i>\$ 3,440,265</i>

*Includes an \$11.1 million stabilization fund payment to Central Falls in FY 2025 and \$10.8 million in FY 2026.

Table 1A: Total Education Aid for Districts for FY 2026

	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>
<i>District</i>	<i>FY2026 Enacted Total Aid</i>	<i>Change to Enacted</i>	<i>FY2026 Governor Total Aid</i>	<i>Enacted Change to Governor</i>
Barrington	\$ 11,652,398	\$ (460,158)	\$ 11,636,244	\$ 16,155
Burrillville	14,088,567	133,504	13,967,818	120,750
Charlestown	1,516,739	(31,335)	1,517,658	(919)
Coventry	29,493,104	1,616,464	29,197,476	295,628
Cranston	83,029,656	3,484,112	81,711,223	1,318,433
Cumberland	28,462,994	1,925,799	28,452,173	10,821
East Greenwich	6,299,984	(773,231)	6,218,714	81,270
East Providence	40,628,084	1,558,681	40,410,438	217,646
Foster	1,271,209	(34,189)	1,289,664	(18,455)
Glocester	3,181,190	69,826	3,173,679	7,511
Hopkinton	7,205,980	418,454	7,314,044	(108,063)
Jamestown	581,058	(128,841)	556,056	25,001
Johnston	25,447,965	697,036	25,426,876	21,089
Lincoln	21,424,959	2,649,139	21,305,505	119,453
Little Compton	321,589	(22,064)	321,432	157
Middletown	6,762,203	(634,794)	6,732,579	29,624
Narragansett	1,922,446	(283,901)	1,912,270	10,176
Newport	15,333,019	(377,028)	15,290,958	42,061
New Shoreham	98,506	7,622	99,435	(929)
North Kingstown	13,387,762	(107,030)	13,460,590	(72,828)
North Providence	31,616,253	1,222,487	30,895,775	720,478
North Smithfield	9,562,204	1,490,116	9,532,364	29,840
Pawtucket	113,322,519	1,769,468	112,172,396	1,150,123
Portsmouth	3,694,460	(76,267)	3,590,725	103,736
Providence	305,657,515	11,378,679	297,970,253	7,687,262
Richmond	6,406,497	36,131	6,472,548	(66,050)
Scituate	4,451,016	760,713	4,438,886	12,131
Smithfield	10,967,892	856,064	10,784,738	183,154
South Kingstown	5,935,725	(72,795)	5,831,430	104,294
Tiverton	5,977,672	126,891	5,857,822	119,850
Warwick	50,112,363	3,349,210	49,283,302	829,060
Westerly	8,761,700	(23,607)	8,687,773	73,927
West Warwick	42,823,516	2,718,578	42,205,451	618,065
Woonsocket	89,505,313	4,422,686	88,853,634	651,678
Bristol-Warren	14,885,028	50,467	14,596,168	288,860
Chariho	3,440,265	(15,178)	3,424,329	15,936
Exeter-West Greenwich	9,607,263	1,940,004	9,477,153	130,110
Foster-Glocester	6,614,764	(95,351)	6,559,844	54,920
Central Falls*	54,768,079	402,585	53,867,761	900,318
Total	\$ 1,090,219,456	\$ 39,948,945	\$ 1,074,497,182	\$ 15,722,274
<i>Adjusted Chariho</i>	<i>\$ 18,569,482</i>	<i>\$ 408,072</i>	<i>\$ 18,728,578</i>	<i>\$ (159,097)</i>

*Includes an \$11.1 million stabilization fund payment to Central Falls in FY 2025 and \$10.8 million in FY 2026.

Table 1B: Total Education Aid for Charter and State Schools for FY 2026

A. Column **A** is the FY 2025 formula aid enacted by the 2024 Assembly. It is based on March 15, 2024 student enrollment data adjusted for charter school growth.

B. Column **B** is the final FY 2025 formula aid. There is \$0.8 million less than enacted based on a mid-year adjustment. State law allows for 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 year. Enrollment at Nuestro Mundo charter school in October was 20.7 percent less than assumed in the enacted budget, producing a mid-year adjustment of \$0.8 million. The enacted budget included estimated enrollment reflecting a planned middle school expansion, which did not occur. The FY 2025 final budget shifts these funds to Providence, as it is the sending district for Nuestro Mundo, and its enrollment was adjusted in the enacted budget to reflect the expansion. There is also a \$0.1 million adjustment for Davies school stabilization funds, reflecting a portion of the cost-of-living adjustment for state employees.

C. Column **C** shows the formula aid calculation for FY 2026. It is based on March 15, 2025, student enrollment data adjusted for charter school growth and a new charter school and uses the current law core instruction amount of \$13,322.

D. Column **D** shows the amount of high cost special education funding. The funding formula allows for additional funding from the state for high cost special education students when those costs exceed four times combined per pupil core instruction and student success factor amounts. Funds available for distribution are prorated if the total costs exceed the appropriation.

E. Column **E** shows the state school stabilization payments. The state schools are funded pursuant to the funding formula, with the state paying its share for each student and the sending districts contributing a local share. The 2016 Assembly enacted a stabilization fund for state schools to mitigate some of the losses from the implementation of the funding formula and provide additional support due to costs associated with running standalone high schools offering both academic and career and technical coursework.

F. Column **F** shows the total general revenue education aid enacted for FY 2026.

G. Column **G** shows the total general revenue education aid enacted for FY 2025.

H. Column **H** is the difference between the FY 2026 enacted aid shown in column **F** and the FY 2025 total enacted aid shown in column **G**.

I. Column **I** shows the total general revenue education aid recommended by the Governor for FY 2026.

J. Column **J** shows the difference between the FY 2026 enacted aid shown in column **F** and the Governor's recommendation in column **I**.

Table 1B: Total Education Aid for Charter and State Schools for FY 2026

<i>School</i>	<i>A</i> <i>FY 2025</i> <i>Enacted</i> <i>Formula Aid</i>	<i>B</i> <i>FY 2025</i> <i>Final</i> <i>Formula Aid</i>	<i>C</i> <i>FY 2026</i> <i>Enacted</i> <i>Formula Aid</i>	<i>D</i> <i>High Cost</i> <i>Special Ed.</i> <i>Categorical</i>	<i>E</i> <i>Stabilization</i>
Achievement First	\$ 43,546,953	\$ 43,546,953	\$ 47,135,853	\$ -	\$ -
Apprenticeship Exploration (New England Laborers)	1,810,414	1,810,414	1,988,910	-	-
Beacon	4,661,107	4,661,107	4,925,759	-	-
Blackstone	4,722,778	4,722,778	5,189,245	-	-
Charette	2,439,857	2,439,857	2,581,926	-	-
Compass	848,585	848,585	950,421	-	-
Excel Academy	4,314,759	4,314,759	6,337,707	-	-
Greene School	1,631,523	1,631,523	1,654,216	-	-
Highlander	7,983,567	7,983,567	8,555,519	-	-
Hope Academy	4,452,503	4,452,503	4,687,174	2,610	-
International	4,557,483	4,557,483	4,733,806	-	-
Kingston Hill	1,151,989	1,151,989	1,173,919	-	-
Learning Community	9,009,693	9,009,693	9,305,598	876	-
MedPrep Academy ¹	-	-	-	-	-
Nuestro Mundo	5,393,618	4,575,163	5,357,457	-	-
Nurses Institute ²	6,688,041	6,688,041	6,678,286	-	-
Paul Cuffee	11,316,647	11,316,647	11,758,706	-	-
Providence Preparatory	3,304,404	3,304,404	3,606,772	-	-
RI Mayoral Academies					
Blackstone Prep.	26,950,437	26,950,437	29,952,871	35,337	-
RISE Mayoral Academy	8,175,911	8,175,911	10,224,092	-	-
Segue Institute	7,131,892	7,131,892	8,509,591	-	-
Southside Elementary	2,047,860	2,047,860	2,119,035	-	-
Times2 Academy	9,675,429	9,675,429	10,283,577	-	-
Trinity	3,636,955	3,636,955	4,563,624	-	-
Village Green	2,870,482	2,870,482	2,959,569	-	-
Charter Schools Subtotal	\$ 178,322,887	\$ 177,504,432	\$ 195,233,633	\$ 38,823	\$ -
Davies Career and Tech ³	18,131,389	18,239,763	10,600,553	-	7,931,599
Met School ³	11,131,142	11,131,142	9,793,682	-	3,173,244
Nowell Academy	2,311,758	2,311,758	2,664,112	-	-
Urban Collaborative	2,111,614	2,111,614	2,296,446	-	-
Youth Build Academy	2,137,890	2,137,890	1,818,245	-	-
Total	\$ 214,146,680	\$ 213,436,599	\$ 222,406,671	\$ 38,823	\$ 11,104,843

¹ Approval of MedPrep Academy has been delayed

² FY 2026 enacted aid understated by \$4,186, see table 6

³ Includes state school stabilization payments of \$8.0 million & \$8.1 million to Davies in FY 2025 Enacted and FY 2025 Final, and \$2.1 million to the Met in FY 2025

Table 1B: Total Education Aid for Charter and State Schools for FY 2026

<i>School</i>	<i>F</i> <i>FY 2026</i> <i>Enacted</i> <i>Total Aid</i>	<i>G</i> <i>FY 2025</i> <i>Enacted</i> <i>Total Aid</i>	<i>H</i> <i>Change to</i> <i>Enacted</i>	<i>I</i> <i>FY 2026 Gov.</i> <i>Recommended</i> <i>Total Aid</i>	<i>J</i> <i>Change to</i> <i>Governor</i>
Achievement First	\$ 47,135,853	\$ 43,557,616	\$ 3,578,237	\$ 47,067,703	\$ 68,150
Apprenticeship Exploration (New England Laborers)	1,988,910	1,810,414	178,496	1,971,278	17,632
Beacon	4,925,759	4,661,107	264,652	4,867,863	57,896
Blackstone	5,189,245	4,722,778	466,467	5,181,111	8,134
Charette	2,581,926	2,439,857	142,069	2,623,803	(41,877)
Compass	950,421	848,585	101,836	935,655	14,766
Excel Academy	6,337,707	4,314,759	2,022,948	7,734,664	(1,396,957)
Greene School	1,654,216	1,640,523	13,693	1,677,795	(23,579)
Highlander	8,555,519	7,983,567	571,952	8,333,254	222,265
Hope Academy	4,689,784	4,454,964	234,820	4,660,233	29,551
International	4,733,806	4,557,483	176,323	4,662,210	71,596
Kingston Hill	1,173,919	1,151,989	21,930	1,165,399	8,520
Learning Community	9,306,474	9,009,693	296,781	9,225,495	80,979
MedPrep Academy ¹	-	-	-	2,371,696	(2,371,696)
Nuestro Mundo	5,357,457	5,393,618	(36,161)	5,181,769	175,688
Nurses Institute ²	6,678,286	6,688,041	(9,755)	6,608,107	70,179
Paul Cuffee	11,758,706	11,392,717	365,989	11,288,430	470,276
Providence Preparatory	3,606,772	3,304,404	302,368	3,418,193	188,579
RI Mayoral Academies					
Blackstone Prep.	29,988,208	26,994,791	2,993,417	28,103,892	1,884,316
RISE Mayoral Academy	10,224,092	8,175,911	2,048,181	10,136,862	87,230
Segue Institute	8,509,591	7,131,892	1,377,699	7,822,964	686,627
Southside Elementary	2,119,035	2,047,860	71,175	2,111,650	7,385
Times2 Academy	10,283,577	9,675,429	608,148	10,111,298	172,279
Trinity	4,563,624	3,636,955	926,669	3,907,651	655,973
Village Green	2,959,569	2,870,482	89,087	2,934,003	25,566
Charter Schools Subtotal	\$ 195,272,456	\$ 178,465,435	\$ 16,807,021	\$ 194,102,978	\$ 1,169,478
Davies Career and Tech ³	18,532,152	18,131,389	400,763	18,772,462	(240,310)
Met School ³	12,966,926	11,131,142	1,835,784	12,977,328	(10,402)
Nowell Academy	2,664,112	2,311,758	352,354	2,802,638	(138,526)
Urban Collaborative	2,296,446	2,111,614	184,832	2,262,135	34,311
Youth Build Academy	1,818,245	2,137,890	(319,645)	1,825,270	(7,025)
Total	\$ 233,550,337	\$ 214,289,228	\$ 19,261,110	\$ 232,742,811	\$ 807,526

¹ Approval of MedPrep Academy has been delayed

² FY 2026 enacted aid understated by \$4,186, see table 6

³ Includes state school stabilization payments of \$8.0 million & \$8.1 million to Davies in FY 2025 Enacted and FY 2025 Final, and \$2.1 million to the Met in FY 2025

Table 2: Enacted Funding Formula for FY 2026

- A.** The FY 2026 student counts are shown in column **A** based on the resident average daily membership as of March 2025, adjusted for new and 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 identified as multilingual learners in the three lowest proficiency categories.
- C.** Column **C** 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 enacted budget uses direct certifications, or students categorically eligible for free and reduced-price lunch because they receive a means tested benefit, multiplied by a factor of 1.6.
- D.** Column **D** includes the percent of students that are in poverty status. This is column **C** divided by column **A**. This is for comparison purposes only.
- E.** Column **E** is the core instruction funding, which is the student count in column **A** times the core instruction per pupil amount of \$13,322. Current law requires the core instruction per pupil amount to be updated annually. It is derived from the average of northeast regional expenditure data for the states of Rhode Island, Massachusetts, Connecticut and New Hampshire from the National Center for Education Statistics. Maine and Vermont are excluded from the calculation because the data are not comparable to the other New England states. Expenditure data from the following categories are used: instruction and support services for students, instruction, general administration, school administration and other support services.
- F.** Column **F** includes the student success factor funding, which is a single poverty weight as a proxy for student supports and is 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 per-pupil amount of \$13,322.
- G.** Column **G** includes the MLL factor. Before FY 2025, it was a categorical fund. It is 20.0 percent times the number of students identified as multilingual learners in the three lowest proficiency categories in column **B** times the core instruction amount.
- H.** The total foundation amount in column **H** is the sum of the core instruction amount in column **E** plus the student success factor funding in column **F** plus the MLL Factor in column **G**.
- I.** Column **I** is the state share ratio; the calculation is described in Table 4.
- J.** Column **J** includes the enacted state formula aid under the funding formula. It is the total foundation amount in column **H** times the state share ratio in column **I**.
- K.** Column **K** is the FY 2025 enacted formula aid.
- L.** Column **L** is the difference between the FY 2026 enacted formula aid shown in column **J** and the FY 2025 enacted amount of formula aid in column **K**.
- M.** Column **M** is the difference between the FY 2026 enacted formula aid shown in column **J** and the Governor’s recommended formula aid.

Table 2: Calculation Funding Formula for FY 2026

<i>District</i>	<i>A</i> <i>FY 2026</i> <i>PK-12</i> <i>RADM</i>	<i>B</i> <i>MLL</i> <i>Students</i>	<i>C</i> <i>FY 2025</i> <i>Poverty</i> <i>Status</i>	<i>D</i> <i>% Poverty</i> <i>Status</i>	<i>E</i> <i>Core</i> <i>Instruction</i> <i>Funding</i>	<i>F</i> <i>Student</i> <i>Success Factor</i> <i>Funding</i>	<i>G</i> <i>MLL</i> <i>Factor</i>
Barrington	3,266	57	202	6.2%	\$ 43,509,652	\$ 1,074,286	\$ 151,871
Burrillville	1,992	15	483	24.3%	26,537,424	2,574,876	39,966
Charlestown	655	2	120	18.3%	8,725,910	639,456	5,329
Coventry	4,041	27	1,010	25.0%	53,834,202	5,379,956	71,939
Cranston	9,694	980	3,315	34.2%	129,143,468	17,666,038	2,611,112
Cumberland	4,764	236	762	16.0%	63,466,008	4,058,414	628,798
East Greenwich	2,470	38	206	8.4%	32,905,340	1,099,864	101,247
East Providence	4,966	252	1,902	38.3%	66,157,052	10,137,509	671,429
Foster	231	1	43	18.7%	3,077,382	230,204	2,664
Glocester	560	6	67	12.0%	7,460,320	358,095	15,986
Hopkinton	1,087	4	221	20.3%	14,481,014	1,176,599	10,658
Jamestown	545	1	29	5.3%	7,260,490	153,469	2,664
Johnston	3,291	273	1,114	33.8%	43,842,702	5,934,152	727,381
Lincoln	3,225	83	765	23.7%	42,963,450	4,075,466	221,145
Little Compton	253	4	35	13.9%	3,370,466	187,574	10,658
Middletown	1,860	153	440	23.7%	24,778,920	2,344,672	407,653
Narragansett	919	3	181	19.7%	12,242,918	963,447	7,993
Newport	1,721	328	1,107	64.3%	22,927,162	5,900,047	873,923
New Shoreham	121	14	10	7.9%	1,611,962	51,156	37,302
North Kingstown	3,517	64	829	23.6%	46,853,474	4,416,509	170,522
North Providence	3,418	352	1,246	36.5%	45,534,596	6,641,816	937,869
North Smithfield	1,602	45	237	14.8%	21,341,844	1,261,860	119,898
Pawtucket	7,659	1,700	4,862	63.5%	102,033,198	25,910,757	4,529,480
Portsmouth	2,007	29	288	14.3%	26,737,254	1,534,694	77,268
Providence	19,209	7,457	14,323	74.6%	255,902,298	76,325,468	19,868,431
Richmond	1,035	6	197	19.0%	13,788,270	1,048,708	15,986
Scituate	1,165	5	134	11.5%	15,520,130	716,191	13,322
Smithfield	2,355	25	330	14.0%	31,373,310	1,756,372	66,610
South Kingstown	2,332	39	458	19.6%	31,066,904	2,438,459	103,912
Tiverton	1,580	10	331	21.0%	21,048,760	1,764,899	26,644
Warwick	7,926	239	2,435	30.7%	105,590,172	12,976,694	636,792
Westerly	2,169	48	645	29.7%	28,895,418	3,436,010	127,891
West Warwick	3,464	155	1,698	49.0%	46,147,408	9,046,171	412,982
Woonsocket	5,452	1,069	4,333	79.5%	72,631,544	23,088,625	2,848,244
Bristol-Warren	2,710	54	658		36,102,620	3,504,219	143,878
Chariho	-	-	-	see table below	-	-	-
Exeter-West Greenwich	1,516	14	213		20,196,152	1,133,969	37,302
Foster-Glocester	1,012	6	122		13,481,864	647,982	15,986
Central Falls	2,487	1,258	1,566	63.0%	33,131,814	8,347,032	3,351,815
Total	118,276	15,052	46,915		\$ 1,575,672,872	\$ 250,001,718	\$40,104,549
<i>Bristol</i>	<i>1,685</i>	<i>31</i>	<i>318</i>	<i>18.9%</i>	<i>22,447,570</i>	<i>1,696,690</i>	<i>82,596</i>
<i>Warren</i>	<i>1,025</i>	<i>23</i>	<i>339</i>	<i>33.1%</i>	<i>13,655,050</i>	<i>1,807,529</i>	<i>61,281</i>
<i>Exeter</i>	<i>730</i>	<i>4</i>	<i>110</i>	<i>15.1%</i>	<i>9,725,060</i>	<i>588,300</i>	<i>10,658</i>
<i>West Greenwich</i>	<i>786</i>	<i>10</i>	<i>102</i>	<i>13.0%</i>	<i>10,471,092</i>	<i>545,669</i>	<i>26,644</i>
<i>Foster</i>	<i>316</i>	<i>2</i>	<i>43</i>	<i>13.7%</i>	<i>4,209,752</i>	<i>230,204</i>	<i>5,329</i>
<i>Glocester</i>	<i>696</i>	<i>4</i>	<i>78</i>	<i>11.3%</i>	<i>9,272,112</i>	<i>417,778</i>	<i>10,658</i>
<i>Adjusted Chariho</i>	<i>2,777</i>	<i>12</i>	<i>538</i>	<i>-</i>	<i>36,995,194</i>	<i>2,864,763</i>	<i>31,973</i>

*This excludes an \$11.1 million and \$10.8 million stabilization fund payment to Central Falls in FY 2025 & FY 2026, respectively

Table 2: Calculation of Funding Formula for FY 2026

<i>District</i>	<i>H</i> <i>Total</i> <i>Foundation</i>	<i>I</i> <i>State Share</i> <i>Ratio</i> <i>(Table 4)</i>	<i>J</i> <i>FY 2026</i> <i>Enacted</i> <i>Formula Aid</i>	<i>K</i> <i>FY 2025</i> <i>Enacted</i> <i>Formula Aid</i>	<i>L</i> <i>Difference</i> <i>from</i> <i>Enacted</i>	<i>M</i> <i>Difference</i> <i>from</i> <i>Governor</i>
Barrington	\$ 44,735,809	22.1%	\$ 9,906,027	\$ 11,418,578	\$ (1,512,551)	\$ (59,235)
Burrillville	29,152,266	46.3%	13,506,736	13,266,956	239,780	20,739
Charlestown	9,370,695	15.3%	1,437,860	1,514,709	(76,849)	(12,183)
Coventry	59,286,097	47.8%	28,316,948	26,569,935	1,747,013	50,904
Cranston	149,420,618	53.5%	79,947,152	77,102,194	2,844,958	1,046,376
Cumberland	68,153,220	41.4%	28,228,353	26,341,736	1,886,617	(30,900)
East Greenwich	34,106,452	13.2%	4,506,248	6,243,354	(1,737,106)	(15,982)
East Providence	76,965,990	51.1%	39,321,148	37,431,252	1,889,895	342,209
Foster	3,310,251	36.7%	1,215,818	1,178,178	37,639	(18,593)
Glocester	7,834,402	37.8%	2,961,445	2,902,861	58,585	(2,014)
Hopkinton	15,668,271	45.8%	7,176,966	6,709,736	467,230	(118,628)
Jamestown	7,416,624	5.0%	372,348	297,632	74,716	(6,260)
Johnston	50,504,235	47.8%	24,128,236	23,368,076	760,161	(71,792)
Lincoln	47,260,061	44.2%	20,891,647	18,481,613	2,410,034	(107,652)
Little Compton	3,568,697	8.5%	302,814	326,439	(23,625)	(4,793)
Middletown	27,531,245	22.3%	6,152,386	6,722,115	(569,729)	(33,343)
Narragansett	13,214,358	13.1%	1,728,633	1,757,494	(28,861)	(17,079)
Newport	29,701,133	47.9%	14,239,269	14,971,701	(732,432)	(50,839)
New Shoreham	1,700,420	5.7%	96,190	74,570	21,620	(2,201)
North Kingstown	51,440,505	24.3%	12,506,815	13,120,180	(613,365)	(81,364)
North Providence	53,114,281	57.3%	30,424,725	29,606,271	818,454	525,933
North Smithfield	22,723,602	40.7%	9,237,556	7,857,620	1,379,936	(100,298)
Pawtucket	132,473,435	83.5%	110,615,318	107,328,506	3,286,812	254,692
Portsmouth	28,349,216	9.9%	2,806,429	2,830,867	(24,438)	6,911
Providence	352,096,197	84.5%	297,521,286	284,752,093	12,769,194	8,653,280
Richmond	14,852,964	41.8%	6,207,775	6,228,750	(20,975)	(119,376)
Scituate	16,249,643	26.5%	4,299,021	3,357,790	941,231	2,679
Smithfield	33,196,292	31.9%	10,587,119	9,812,560	774,559	175,897
South Kingstown	33,609,274	15.1%	5,062,521	4,997,562	64,959	17,739
Tiverton	22,840,303	23.3%	5,310,972	5,361,007	(50,035)	65,300
Warwick	119,203,657	40.8%	48,586,276	44,822,207	3,764,069	448,511
Westerly	32,459,319	25.1%	8,148,033	7,912,662	235,371	(54,041)
West Warwick	55,606,561	75.7%	42,094,167	39,595,027	2,499,139	334,410
Woonsocket	98,568,412	89.4%	88,120,161	82,151,150	5,969,010	572,912
Bristol-Warren	39,750,716		10,652,150	10,538,060	114,090	74,713
Chariho	-	see table below	-	-	-	-
Exeter-West Greenwich	21,367,422		7,123,365	5,395,150	1,728,215	(20,948)
Foster-Glocester	14,145,832		5,299,561	5,590,751	(291,190)	49,129
Central Falls	44,830,662	96.7%	43,351,250	42,508,401	842,849	1,436,642
Total	\$ 1,865,779,139		\$ 1,032,390,727	\$ 990,445,746	\$ 41,944,981	\$ 13,151,456
<i>Bristol</i>	<i>24,226,856</i>	<i>19.2%</i>	<i>4,642,020</i>	<i>4,193,471</i>	<i>448,549</i>	<i>(12,967)</i>
<i>Warren</i>	<i>15,523,860</i>	<i>38.7%</i>	<i>6,010,130</i>	<i>6,344,589</i>	<i>(334,459)</i>	<i>87,680</i>
<i>Exeter</i>	<i>10,324,017</i>	<i>34.5%</i>	<i>3,562,025</i>	<i>3,271,323</i>	<i>290,702</i>	<i>(28,682)</i>
<i>West Greenwich</i>	<i>11,043,405</i>	<i>32.2%</i>	<i>3,561,340</i>	<i>2,123,827</i>	<i>1,437,513</i>	<i>7,733</i>
<i>Foster</i>	<i>4,445,285</i>	<i>36.7%</i>	<i>1,632,703</i>	<i>1,702,923</i>	<i>(70,220)</i>	<i>35,230</i>
<i>Glocester</i>	<i>9,700,548</i>	<i>37.8%</i>	<i>3,666,858</i>	<i>3,887,828</i>	<i>(220,970)</i>	<i>13,899</i>
<i>Adjusted Chariho</i>	<i>39,891,930</i>		<i>14,822,601</i>	<i>14,453,195</i>	<i>369,406</i>	<i>(250,187)</i>

*This excludes an \$11.1 million and \$10.8 million stabilization fund payment to Central Falls in FY 2025 & FY 2026, respectively

Table 3: Group Home Aid for FY 2026

The 2025 Assembly made multiple changes to group home aid. Prior to FY 2026, the law required that the number of group home beds be deducted from enrollment data for the purpose of determining average daily membership. This was shown as a reduction in group home aid. The Assembly removed this reduction and added \$1.6 million to reflect the changes described above. The Assembly also removed beds related to the CRAFT program at Bradley hospital and clarified the educational and financial responsibility for children in that program.

A. Column **A** is the number of beds eligible for group home aid. Excluding CRAFT program beds, the Department of Children, Youth and Families identified 208 beds eligible for aid as of December 31, 2024.

B. Column **B** is the FY 2026 enacted group home aid, reflecting the total cost of \$17,000 per bed identified in column **A**.

C. Column **C** shows the Governor's recommended FY 2026 group home aid.

D. Column **D** shows the difference between the FY 2026 enacted group home aid shown in column **B** and the Governor's recommended FY 2026 group home aid shown in column **C**.

E. Column **E** shows the FY 2025 enacted group home aid.

F. Column **F** shows the difference in group home aid from the FY 2026 enacted appropriation shown in column **B** and the FY 2025 enacted aid shown in column **E**.

Table 3: Group Home Aid for FY 2026

<i>District</i>	<i>A Beds as of Dec. 31, 2024</i>	<i>B FY2026 Enacted</i>	<i>C FY2026 Gov.</i>	<i>D FY2026 Enacted Chg. to Gov.</i>	<i>E FY2025 Enacted</i>	<i>F Change to FY2025 Enacted</i>
Barrington	-	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	-	-	-	-	-	-
Charlestown	-	-	-	-	-	-
Coventry	8	136,000	64,734	71,266	70,815	65,185
Cranston	-	-	-	-	-	-
Cumberland	-	-	-	-	-	-
East Greenwich	-	-	-	-	-	-
East Providence	17	289,000	595,015	(306,015)	611,557	(322,557)
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	-	-	-	-	-	-
Lincoln	8	136,000	70,042	65,958	78,157	57,843
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	7	119,000	56,409	62,591	72,064	46,936
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-
North Providence	8	136,000	50,532	85,468	108,452	27,548
North Smithfield	4	68,000	37,672	30,328	-	68,000
Pawtucket	20	340,000	28,532	311,468	38,736	301,264
Portsmouth	30	510,000	454,610	55,390	272,726	237,274
Providence	58	986,000	71,924	914,076	109,622	876,378
Richmond	-	-	-	-	-	-
Scituate	-	-	-	-	-	-
Smithfield	5	85,000	55,259	29,741	69,601	15,399
South Kingstown	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-
Warwick	24	408,000	225,555	182,445	249,560	158,440
Westerly	-	-	-	-	-	-
West Warwick	-	-	-	-	-	-
Woonsocket	-	-	-	-	-	-
Bristol-Warren	10	170,000	97,793	72,207	96,083	73,917
Chariho	-	-	-	-	-	-
Exeter-West Greenwich	9	153,000	95,085	57,915	101,477	51,523
Foster-Glocester	-	-	-	-	-	-
Central Falls	-	-	-	-	-	-
Total	208	\$ 3,536,000	\$ 1,903,162	\$ 1,632,838	\$ 1,878,850	\$ 1,657,150

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, 2021 value is used for FY 2026 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 2026 student counts are shown in column **C** based on the resident average daily membership as of June 30, 2024. 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 sixth grade as of June 2024. 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 maximized the share ratio for districts with more than 50.0 percent poverty status by allowing use of the property share ratio alone if it is higher than the two-factor calculation.

H. Column **H** shows the state share ratio used in the FY 2025 enacted budget. It uses property valuations as of December 31, 2020 and student counts as of June 30, 2023.

I. Column **I** shows the difference between the share ratio calculated for FY 2026 and enacted for FY 2025.

J. Column **J** is the percent change between the share ratio calculated for FY 2026 and the FY 2025 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>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
<i>District</i>	<i>Assessed Value 12/31/21</i>	<i>Adjusted EWAV 12/31/21</i>	<i>June 2024 Student Count</i>	<i>Property Share Ratio</i>	<i>June 2024 % Students in Poverty</i>
Barrington	\$ 3,599,409,655	\$ 5,842,260,935	3,302	30.5%	7.1%
Bristol	3,825,097,479	3,777,724,248	1,747	15.1%	22.5%
Burrillville	2,349,079,220	2,212,652,240	2,122	59.0%	28.5%
Charlestown	2,931,324,197	3,905,368,829	712	0.0%	21.7%
Coventry	4,224,017,114	4,182,763,305	4,223	61.1%	28.8%
Cranston	9,622,000,551	9,348,202,270	10,379	64.6%	39.4%
Cumberland	4,818,880,455	5,822,477,556	5,183	55.9%	17.5%
East Greenwich	2,882,579,394	5,293,691,192	2,512	17.2%	7.3%
East Providence	5,036,571,570	5,349,682,528	5,245	59.9%	40.4%
Exeter	1,072,594,103	1,096,858,545	782	44.9%	19.1%
Foster	677,716,812	744,236,625	553	47.1%	21.9%
Glocester	1,436,430,373	1,572,019,676	1,286	52.0%	12.4%
Hopkinton	1,129,393,571	1,155,714,665	1,113	59.2%	26.3%
Jamestown	3,408,792,845	4,450,447,620	582	0.0%	7.1%
Johnston	3,366,957,443	3,783,405,634	3,378	56.0%	37.8%
Lincoln	4,113,564,520	3,759,976,489	3,462	57.3%	25.0%
Little Compton	2,713,376,441	3,841,774,846	282	0.0%	12.0%
Middletown	3,814,685,100	4,644,460,130	1,980	7.9%	30.6%
Narragansett	6,376,898,421	8,050,620,240	999	0.0%	18.5%
Newport	7,967,049,297	9,423,897,488	1,819	0.0%	67.8%
New Shoreham	1,722,715,862	1,602,043,728	124	0.0%	8.0%
North Kingstown	6,423,987,114	7,042,503,071	3,615	23.5%	25.1%
North Providence	3,237,894,932	2,848,511,791	3,746	70.1%	40.6%
North Smithfield	2,209,102,567	1,946,256,982	1,679	54.5%	18.3%
Pawtucket	5,662,810,761	4,353,361,339	10,349	83.5%	66.3%
Portsmouth	4,000,629,964	5,748,902,988	2,043	0.0%	14.0%
Providence	19,067,053,843	10,861,737,641	27,496	84.5%	84.0%
Richmond	1,084,494,517	1,250,078,930	1,089	54.9%	21.9%
Scituate	2,012,598,619	1,927,021,247	1,170	35.3%	12.4%
Smithfield	3,918,695,555	3,513,198,474	2,400	42.5%	15.1%
South Kingstown	7,206,862,943	6,464,434,550	2,547	0.3%	21.3%
Tiverton	2,967,070,394	3,105,068,760	1,597	23.6%	22.9%
Warren	1,505,072,032	1,614,920,133	1,074	40.9%	36.4%
Warwick	11,142,695,852	11,105,898,298	8,143	46.4%	34.2%
West Greenwich	1,146,055,089	1,150,648,739	800	43.5%	13.7%
Westerly	8,163,348,650	7,464,482,797	2,280	0.0%	35.5%
West Warwick	3,313,731,085	2,229,719,217	3,610	75.7%	56.4%
Woonsocket	3,458,674,662	1,700,008,137	6,273	89.4%	85.6%
Central Falls	948,938,086	371,819,210	4,387	96.7%	72.3%
Total	\$ 164,558,851,088	\$ 164,558,851,088	136,083		

Table 4: Calculation of State Share Ratio

<i>District</i>	<i>F</i> <i>FY 2026 State</i> <i>Share Ratio -</i> <i>Two-Factor</i>	<i>G</i> <i>FY 2026 State</i> <i>Share Ratio -</i> <i>Maximized</i>	<i>H</i> <i>FY 2025 Enacted</i> <i>State Share Ratio</i>	<i>I</i> <i>Change to</i> <i>FY 2025</i>	<i>J</i> <i>% Change to</i> <i>FY 2025</i>
Barrington	22.1%	22.1%	26.8%	-4.7%	-17.4%
Bristol	19.2%	19.2%	17.7%	1.5%	8.4%
Burrillville	46.4%	46.4%	47.2%	-0.9%	-1.8%
Charlestown	15.4%	15.4%	16.2%	-0.8%	-5.1%
Coventry	47.7%	47.7%	46.2%	1.6%	3.5%
Cranston	53.5%	53.5%	54.1%	-0.6%	-1.1%
Cumberland	41.4%	41.4%	40.8%	0.6%	1.4%
East Greenwich	13.2%	13.2%	19.1%	-5.9%	-30.9%
East Providence	51.1%	51.1%	51.1%	0.0%	0.0%
Exeter	34.5%	34.5%	32.4%	2.1%	6.4%
Foster	36.7%	36.7%	38.8%	-2.1%	-5.3%
Glocester	37.8%	37.8%	39.8%	-2.0%	-5.1%
Hopkinton	45.8%	45.8%	45.0%	0.9%	1.9%
Jamestown	5.0%	5.0%	4.0%	1.0%	24.0%
Johnston	47.8%	47.8%	49.4%	-1.6%	-3.2%
Lincoln	44.2%	44.2%	41.0%	3.3%	8.0%
Little Compton	8.5%	8.5%	8.8%	-0.3%	-3.2%
Middletown	22.3%	22.3%	24.2%	-1.9%	-7.7%
Narragansett	13.1%	13.1%	13.3%	-0.2%	-1.4%
Newport	47.9%	47.9%	50.9%	-2.9%	-5.8%
New Shoreham	5.6%	5.6%	4.5%	1.1%	24.5%
North Kingstown	24.3%	24.3%	27.2%	-2.9%	-10.6%
North Providence	57.3%	57.3%	57.9%	-0.6%	-1.0%
North Smithfield	40.6%	40.6%	35.7%	5.0%	14.0%
Pawtucket	75.4%	83.5%	84.7%	-1.2%	-1.5%
Portsmouth	9.9%	9.9%	10.4%	-0.5%	-5.1%
Providence	84.2%	84.5%	85.3%	-0.8%	-1.0%
Richmond	41.8%	41.8%	43.1%	-1.3%	-3.0%
Scituate	26.5%	26.5%	21.7%	4.7%	21.7%
Smithfield	31.9%	31.9%	30.6%	1.3%	4.3%
South Kingstown	15.0%	15.0%	15.1%	-0.1%	-0.7%
Tiverton	23.3%	23.3%	24.7%	-1.4%	-5.8%
Warren	38.7%	38.7%	41.9%	-3.1%	-7.4%
Warwick	40.8%	40.8%	39.8%	1.0%	2.6%
West Greenwich	32.3%	32.3%	20.7%	11.6%	56.0%
Westerly	25.1%	25.1%	24.7%	0.4%	1.5%
West Warwick	66.8%	75.7%	72.9%	2.8%	3.9%
Woonsocket	87.5%	89.4%	88.7%	0.6%	0.7%
Central Falls	85.4%	96.7%	97.1%	-0.4%	-0.4%
Total					

Table 5: FY 2026 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	11	-	-	-
Charlestown	-	-	-	-	-	14
Coventry	1	-	1	-	-	9
Cranston	315	80	1	-	-	5
Cumberland	-	-	18	-	-	1
East Greenwich	-	-	-	-	-	-
East Providence	1	2	-	-	-	2
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	10
Jamestown	-	-	-	-	-	1
Johnston	-	7	2	-	-	1
Lincoln	3	-	7	1	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	6
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	30
North Providence	91	4	7	-	-	1
North Smithfield	-	-	18	-	-	-
Pawtucket	4	14	25	172	-	-
Portsmouth	-	-	-	-	-	-
Providence	2,808	46	15	49	166	1
Richmond	-	-	-	-	-	20
Scituate	-	-	-	-	-	-
Smithfield	-	1	2	1	-	-
South Kingstown	-	-	-	-	-	50
Tiverton	-	-	-	-	-	-
Warwick	64	9	4	-	-	20
Westerly	-	-	-	-	-	14
West Warwick	-	3	5	-	-	7
Woonsocket	-	2	245	-	-	-
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	-	1	-	-	25
Foster-Glocester	-	-	-	-	-	-
Central Falls	-	8	2	127	-	-
Total	3,287	177	364	350	166	217
<i>Adjusted Chariho</i>	-	-	-	-	-	44

Table 5: FY 2026 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	-	-	-	-	-	-
Charlestown	-	4	-	-	-	7
Coventry	-	28	1	-	-	13
Cranston	-	8	36	-	13	10
Cumberland	-	3	-	-	2	-
East Greenwich	-	3	-	-	-	3
East Providence	-	-	16	-	25	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	4	-	-	-	9
Jamestown	-	-	-	-	-	-
Johnston	-	3	10	-	7	2
Lincoln	-	-	2	-	5	1
Little Compton	-	-	-	-	-	-
Middletown	-	1	-	-	-	1
Narragansett	-	-	-	-	2	1
Newport	-	-	-	-	-	-
New Shoreham	-	1	-	-	-	-
North Kingstown	-	8	-	-	-	60
North Providence	43	2	14	16	19	1
North Smithfield	-	-	-	-	-	-
Pawtucket	-	21	94	-	177	3
Portsmouth	-	-	-	-	-	2
Providence	374	27	409	304	97	8
Richmond	-	4	-	-	-	9
Scituate	-	1	-	-	1	-
Smithfield	-	-	-	-	1	-
South Kingstown	-	2	-	-	-	72
Tiverton	-	-	1	-	-	-
Warwick	-	19	10	1	2	30
Westerly	-	3	-	-	-	2
West Warwick	-	21	7	-	-	4
Woonsocket	-	-	6	-	4	2
Bristol-Warren	-	1	6	-	1	-
Exeter-West Greenwich	-	18	2	-	-	20
Foster-Glocester	-	-	-	-	-	-
Central Falls	31	5	4	-	18	-
Total	448	188	619	321	380	260
<i>Adjusted Chariho</i>	-	12	-	-	-	25

Table 5: FY 2026 Estimated Charter and State School Enrollment by Sending District

<i>Sending District</i>	<i>Learning Community</i>	<i>Nuestro Mundo</i>	<i>Nurses Institute</i>	<i>Paul Cuffee</i>	<i>Providence Prepartory</i>	<i>RI Mayoral Academies Blackstone Valley Prep</i>
Barrington	-	-	-	-	-	-
Burrillville	-	-	-	-	-	-
Charlestown	-	-	-	-	-	-
Coventry	-	-	-	-	-	-
Cranston	-	1	23	-	-	1
Cumberland	-	-	4	-	-	337
East Greenwich	-	-	-	-	-	-
East Providence	2	-	11	-	-	4
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	-	-	4	-	-	1
Lincoln	-	-	1	-	-	116
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-
North Providence	-	-	5	-	-	5
North Smithfield	-	-	-	-	-	-
Pawtucket	154	-	89	-	-	1,170
Portsmouth	-	-	-	-	-	-
Providence	113	339	289	813	243	6
Richmond	-	-	-	-	-	-
Scituate	-	-	-	-	-	-
Smithfield	-	-	1	-	-	-
South Kingstown	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-
Warwick	-	-	6	-	-	1
Westerly	-	-	-	-	-	-
West Warwick	-	-	3	-	-	3
Woonsocket	-	-	5	-	-	4
Bristol-Warren	-	-	2	-	-	-
Exeter-West Greenwich	-	-	-	-	-	-
Foster-Glocester	-	-	-	-	-	-
Central Falls	308	-	27	-	-	666
Total	577	340	470	813	243	2,314
<i>Adjusted Chariho</i>	-	-	-	-	-	-

Table 5: FY 2026 Estimated Charter and State School Enrollment by Sending District

<i>Sending District</i>	<i>RISE Mayoral Academy</i>	<i>Segue Institute</i>	<i>Southside Elementary</i>	<i>Times2</i>	<i>Trinity</i>	<i>Village Green</i>
Barrington	-	-	-	-	-	-
Burrillville	73	-	-	-	-	-
Charlestown	-	-	-	-	-	-
Coventry	-	-	-	-	-	1
Cranston	-	-	-	-	-	4
Cumberland	-	-	-	-	-	5
East Greenwich	-	-	-	-	-	-
East Providence	-	1	-	-	-	1
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	1	-	-	-	-	4
Lincoln	-	-	-	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	1
North Providence	-	-	-	-	-	3
North Smithfield	44	-	-	-	-	-
Pawtucket	2	46	-	-	-	23
Portsmouth	-	-	-	-	-	-
Providence	3	38	136	710	308	153
Richmond	-	-	-	-	-	-
Scituate	-	-	-	-	-	-
Smithfield	-	-	-	-	-	-
South Kingstown	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-
Warwick	-	-	-	-	-	3
Westerly	-	-	-	-	-	-
West Warwick	-	-	-	-	-	1
Woonsocket	607	10	-	-	-	4
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-	-
Foster-Glocester	-	-	-	-	-	-
Central Falls	-	436	-	-	-	3
Total	730	531	136	710	308	206
<i>Adjusted Chariho</i>	-	-	-	-	-	-

Table 5: FY 2026 Estimated Charter and State School Enrollment by Sending District

<i>Sending District</i>	<i>Nowell Academy</i>	<i>Urban Collaborative</i>	<i>YouthBuild Academy</i>	<i>Davies Career & Tech. Center</i>	<i>Metropolitan Career & Tech. Center</i>	<i>Total</i>
Barrington	-	-	-	-	3	11
Burrillville	1	-	-	4	1	91
Charlestown	-	-	-	-	3	28
Coventry	-	-	-	2	5	61
Cranston	5	-	-	16	39	557
Cumberland	1	-	-	29	2	402
East Greenwich	-	-	-	-	4	10
East Providence	1	-	-	10	15	91
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	23
Jamestown	-	-	-	-	9	10
Johnston	9	-	-	20	12	83
Lincoln	2	-	-	48	2	188
Little Compton	-	-	-	-	2	2
Middletown	-	-	-	-	18	20
Narragansett	-	-	-	-	2	11
Newport	-	-	-	-	33	33
New Shoreham	-	-	-	-	-	1
North Kingstown	-	-	-	-	13	112
North Providence	1	-	-	46	11	269
North Smithfield	-	-	-	11	-	73
Pawtucket	47	-	-	475	87	2,603
Portsmouth	-	-	-	-	10	12
Providence	96	144	114	79	418	8,306
Richmond	-	-	-	-	4	37
Scituate	-	-	-	-	-	2
Smithfield	-	-	-	17	2	25
South Kingstown	-	-	-	-	5	129
Tiverton	-	-	-	-	15	16
Warwick	2	-	-	2	14	187
Westerly	-	-	-	-	-	19
West Warwick	-	-	-	1	9	64
Woonsocket	7	-	-	16	13	925
Bristol-Warren	-	-	-	-	15	25
Exeter-West Greenwich	-	-	-	-	1	67
Foster-Glocester	-	-	-	-	2	2
Central Falls	6	-	-	117	40	1,798
Total	178	144	114	893	809	16,293
<i>Adjusted Chariho</i>	-	-	-	-	7	88

Table 6: Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Apprenticeship</i>					
	<i>Achievement</i>	<i>Exploration</i>	<i>Beacon</i>	<i>Blackstone</i>	<i>Charette</i>	<i>Compass</i>
	<i>First</i>	<i>(N.E. Laborers)</i>		<i>Academy</i>		
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	-	6,172	87,647	-	-	-
Charlestown	-	-	-	-	-	28,618
Coventry	10,435	-	6,363	-	-	65,412
Cranston	2,743,958	687,700	11,690	-	-	40,201
Cumberland	-	-	106,384	-	-	9,049
East Greenwich	-	-	-	-	-	-
East Providence	6,806	13,612	-	-	-	17,968
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	61,022
Jamestown	-	-	-	-	-	669
Johnston	-	62,118	20,876	-	-	6,365
Lincoln	17,667	-	48,762	5,889	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	11,572
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	109,608
North Providence	839,722	36,934	64,711	-	-	7,631
North Smithfield	-	-	100,947	-	-	-
Pawtucket	60,959	200,230	320,812	2,349,806	-	-
Portsmouth	-	-	-	-	-	-
Providence	43,059,270	681,729	214,335	718,653	2,581,926	18,462
Richmond	-	-	-	-	-	111,358
Scituate	-	-	-	-	-	-
Smithfield	-	6,968	8,497	4,249	-	-
South Kingstown	-	-	-	-	-	119,024
Tiverton	-	-	-	-	-	-
Warwick	397,036	59,295	21,720	-	-	102,902
Westerly	-	-	-	-	-	48,958
West Warwick	-	43,163	52,441	-	-	72,610
Woonsocket	-	33,824	3,830,214	-	-	-
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	-	4,596	-	-	118,992
Foster-Glocester	-	-	-	-	-	-
Central Falls	-	157,165	25,765	2,110,648	-	-
Total	\$47,135,853	\$ 1,988,910	\$ 4,925,759	\$ 5,189,245	\$2,581,926	\$950,421

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	\$ -	\$ 2,950	\$ 2,950	\$ -	\$ 18,290	\$ -
Burrillville	-	-	-	-	-	-
Charlestown	-	8,177	-	-	-	14,309
Coventry	-	210,743	6,363	-	-	82,719
Cranston	-	72,134	331,590	-	104,638	75,841
Cumberland	-	16,554	-	-	12,139	-
East Greenwich	-	5,280	-	-	-	5,280
East Providence	-	-	145,106	-	182,675	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	24,409	-	-	-	66,636
Jamestown	-	-	-	-	-	-
Johnston	-	19,094	80,957	-	53,971	18,075
Lincoln	-	-	19,316	-	30,623	5,889
Little Compton	-	-	-	-	-	-
Middletown	-	2,977	-	-	-	2,977
Narragansett	-	-	-	-	3,834	1,743
Newport	-	-	-	-	-	-
New Shoreham	-	754	-	-	-	-
North Kingstown	-	27,985	-	-	-	201,207
North Providence	399,562	15,262	162,084	126,676	157,810	7,631
North Smithfield	-	-	-	-	-	-
Pawtucket	-	282,991	1,355,777	-	2,435,683	33,372
Portsmouth	-	-	-	-	-	2,638
Providence	5,407,906	368,332	6,079,279	4,555,069	1,363,459	99,513
Richmond	-	22,272	-	-	-	50,111
Scituate	-	3,524	-	-	3,524	-
Smithfield	-	-	-	-	6,968	-
South Kingstown	-	4,013	-	-	-	147,451
Tiverton	-	-	3,098	-	-	-
Warwick	-	110,119	63,421	5,430	11,946	181,359
Westerly	-	10,032	-	-	-	8,828
West Warwick	-	250,505	100,444	-	-	48,810
Woonsocket	-	-	101,948	-	57,644	23,820
Bristol-Warren	-	5,158	31,642	-	2,553	-
Exeter-West Greenwich	-	85,316	9,193	-	-	95,710
Foster-Glocester	-	-	-	-	-	-
Central Falls	530,239	105,635	62,351	-	288,050	-
Total	\$6,337,707	\$1,654,216	\$ 8,555,519	\$ 4,687,174	\$ 4,733,806	\$ 1,173,919

Table 6: Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Learning Community</i>	<i>Nuestro Mundo</i>	<i>Nurses Institute</i>	<i>Paul Cuffee</i>	<i>Providence Prep</i>	<i>RI Mayoral Academies Blackstone Valley Prep</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	-	-	-	-	-	-
Charlestown	-	-	-	-	-	-
Coventry	-	-	-	-	-	-
Cranston	-	11,690	207,850	-	-	7,128
Cumberland	-	-	22,071	-	-	2,170,054
East Greenwich	-	-	-	-	-	-
East Providence	13,612	-	89,296	-	-	31,580
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	-	-	29,531	-	-	10,438
Lincoln	-	-	5,889	-	-	769,350
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-
North Providence	-	-	43,039	-	-	38,155
North Smithfield	-	-	-	-	-	-
Pawtucket	2,241,682	-	1,277,465	-	-	15,766,528
Portsmouth	-	-	-	-	-	-
Providence	1,712,879	5,345,767	4,394,318	11,758,706	3,606,772	74,747
Richmond	-	-	-	-	-	-
Scituate	-	-	-	-	-	-
Smithfield	-	-	4,249	-	-	-
South Kingstown	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-
Warwick	-	-	43,005	-	-	5,430
Westerly	-	-	-	-	-	-
West Warwick	-	-	36,709	-	-	30,254
Woonsocket	-	-	84,798	-	-	60,026
Bristol-Warren	-	-	9,344	-	-	-
Exeter-West Greenwich	-	-	-	-	-	-
Foster-Glocester	-	-	-	-	-	-
Central Falls	5,337,425	-	434,909	-	-	10,989,180
Total	\$9,305,598	\$ 5,357,457	\$ 6,682,472	\$ 11,758,706	\$ 3,606,772	\$ 29,952,871

Table 6: Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>RISE Mayoral Academy</i>	<i>Segue Institute</i>	<i>Southside Elementary</i>	<i>Times2</i>	<i>Trinity</i>	<i>Village Green</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	503,166	-	-	-	-	-
Charlestown	-	-	-	-	-	-
Coventry	-	-	-	-	-	10,435
Cranston	-	-	-	-	-	33,073
Cumberland	-	-	-	-	-	39,287
East Greenwich	-	-	-	-	-	-
East Providence	-	6,806	-	-	-	11,162
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	6,365	-	-	-	-	37,678
Lincoln	-	-	-	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-
Newport	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	5,312
North Providence	-	-	-	-	-	22,893
North Smithfield	302,626	-	-	-	-	-
Pawtucket	22,248	580,221	-	-	-	300,789
Portsmouth	-	-	-	-	-	-
Providence	33,771	509,271	2,119,035	10,283,577	4,563,624	2,350,931
Richmond	-	-	-	-	-	-
Scituate	-	-	-	-	-	-
Smithfield	-	-	-	-	-	-
South Kingstown	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-
Warwick	-	-	-	-	-	24,326
Westerly	-	-	-	-	-	-
West Warwick	-	-	-	-	-	10,085
Woonsocket	9,355,916	141,966	-	-	-	47,639
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-	-
Foster-Glocester	-	-	-	-	-	-
Central Falls	-	7,271,327	-	-	-	65,958
Total	\$ 10,224,092	\$ 8,509,591	\$ 2,119,035	\$ 10,283,577	\$ 4,563,624	\$ 2,959,569

Table 6: Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Nowell Academy</i>	<i>Urban Collaborative</i>	<i>YouthBuild Academy</i>	<i>Davies Career and Technical Center</i>	<i>Metropolitan Career and Technical Center</i>	<i>Total</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ 8,850	\$ 33,040
Burrillville	11,357	-	-	28,640	6,172	643,154
Charlestown	-	-	-	-	7,441	58,545
Coventry	-	-	-	16,798	31,815	441,083
Cranston	53,602	-	-	132,294	333,871	4,847,260
Cumberland	10,153	-	-	170,611	18,098	2,574,400
East Greenwich	-	-	-	-	9,294	19,854
East Providence	8,167	-	-	68,061	115,159	710,010
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	152,067
Jamestown	-	-	-	-	6,447	7,116
Johnston	75,865	-	-	131,364	102,087	654,784
Lincoln	21,672	-	-	320,366	11,778	1,257,201
Little Compton	-	-	-	-	2,984	2,984
Middletown	-	-	-	-	63,709	69,663
Narragansett	-	-	-	-	4,601	21,750
Newport	-	-	-	-	265,180	265,180
New Shoreham	-	-	-	-	-	754
North Kingstown	-	-	-	-	48,326	392,438
North Providence	12,515	-	-	401,394	90,352	2,426,371
North Smithfield	-	-	-	71,053	-	474,626
Pawtucket	685,230	-	-	6,041,151	1,213,392	35,168,336
Portsmouth	-	-	-	-	13,188	15,826
Providence	1,535,917	2,296,446	1,818,245	1,061,769	6,263,895	124,877,603
Richmond	-	-	-	-	22,272	206,013
Scituate	-	-	-	-	-	7,048
Smithfield	-	-	-	74,947	11,217	117,095
South Kingstown	-	-	-	-	10,033	280,521
Tiverton	-	-	-	-	50,431	53,529
Warwick	10,860	-	-	14,335	82,969	1,134,153
Westerly	-	-	-	-	-	67,818
West Warwick	-	-	-	10,085	120,614	775,720
Woonsocket	123,863	-	-	225,811	202,944	14,290,413
Bristol-Warren	-	-	-	-	53,644	102,341
Exeter-West Greenwich	-	-	-	-	4,296	318,103
Foster-Glocester	-	-	-	-	13,152	13,152
Central Falls	114,911	-	-	1,831,874	605,472	29,930,909
Total	\$2,664,112	\$ 2,296,446	\$1,818,245	\$10,600,553	\$ 9,793,682	\$ 222,410,857

Table 7: Categorical Aid for FY 2026

<i>Sending District</i>	<i>High Cost Special Education</i>	<i>Non-Public Transportation</i>	<i>Regional Transportation</i>	<i>Total</i>
Barrington	\$ 350,449	\$ 248,979	\$ -	\$ 599,428
Burrillville	336,018	101,798	-	437,816
Charlestown	-	-	-	-
Coventry	590,471	10,669	-	601,140
Cranston	1,461,188	1,004,724	-	2,465,912
Cumberland	175,913	42,137	-	218,050
East Greenwich	613,600	118,752	-	732,352
East Providence	751,111	10,046	-	761,157
Foster	4,659	16,264	-	20,923
Glocester	67,052	40,906	-	107,958
Hopkinton	-	-	-	-
Jamestown	199,649	-	-	199,649
Johnston	658,621	255,166	-	913,787
Lincoln	275,525	-	-	275,525
Little Compton	323	-	-	323
Middletown	184,695	-	-	184,695
Narragansett	121,122	-	-	121,122
Newport	181,036	-	-	181,036
New Shoreham	-	-	-	-
North Kingstown	93,317	-	-	93,317
North Providence	581,314	202,936	-	784,250
North Smithfield	149,721	28,505	-	178,226
Pawtucket	906,497	277,971	-	1,184,468
Portsmouth	268,684	-	-	268,684
Providence	4,874,564	726,751	-	5,601,315
Richmond	-	-	-	-
Scituate	66,163	75,024	-	141,187
Smithfield	74,083	90,472	-	164,555
South Kingstown	534,993	177,916	-	712,909
Tiverton	432,463	-	-	432,463
Warwick	783,891	47,750	-	831,641
Westerly	405,776	-	-	405,776
West Warwick	217,612	54,826	-	272,438
Woonsocket	551,361	-	-	551,361
Bristol-Warren	768,784	536,358	2,250,197	3,555,339
Chariho	111,550	538,036	2,790,679	3,440,265
Exeter-West Greenwich	487,380	-	1,796,117	2,283,497
Foster-Glocester	37,951	-	971,266	1,009,217
Central Falls	143,641	56,557	-	200,198
Subtotal	\$ 17,461,177	\$ 4,662,543	\$ 7,808,259	\$ 29,931,979
Charters & State Schools	38,823	-	-	38,823
Total	\$ 17,500,000	\$ 4,662,543	\$ 7,808,259	\$ 29,970,802

Table 8: Enrollment Transition Fund for FY 2026

- A.** Column **A** shows the FY 2025 enacted student counts based on the resident average daily membership as of March 2024.
- B.** The FY 2026 student counts are shown in column **B** based on the resident average daily membership as of March 2024.
- C.** Column **C** is the difference between the FY 2026 student counts shown in column **B** and the FY 2025 student counts shown in column **A**.
- D.** Column **D** is the effective state share per pupil. It is the amount of FY 2026 enacted formula aid shown in column **H** in Table 2 divided by the FY 2026 student counts shown in column **B**.
- E.** Column **E** shows the year one aid for FY 2026. The calculation is 40.0 percent of the loss of students shown in column **C** times the effective state share per pupil shown in column **D**. The second year of this payment is 25.0 percent of the loss of students and will be \$2.7 million in FY 2027.
- F.** Column **F** shows the value of year two aid related to FY 2025 enrollment losses in the FY 2025 enacted budget.
- G.** Column **G** is the total enacted enrollment transition fund amount for FY 2026. It is the sum of the FY 2025 year two calculation in column **F** and the FY 2026 year one aid in column **E**.

Table 8: Enrollment Transition Fund for FY 2026

<i>District</i>	<i>A FY 2025 PK-12 RADM</i>	<i>B FY 2026 PK-12 RADM</i>	<i>C FY 2026 Chg. To FY 2025</i>	<i>D Effective State Share Per Pupil</i>	<i>E FY 2026 Year 1</i>	<i>F FY 2025 Year 2</i>	<i>G Total Enrollment Transition</i>
Barrington	3,292	3,266	(26)	\$ 3,033	\$ 31,544	\$ 75,442	\$ 106,986
Burrillville	2,027	1,992	(35)	6,780	94,927	49,088	144,015
Charlestown	687	655	(32)	2,195	28,099	11,024	39,123
Coventry	4,156	4,041	(115)	7,007	322,341	116,675	439,016
Cranston	9,792	9,694	(98)	8,247	323,285	293,306	616,592
Cumberland	4,771	4,764	(7)	5,925	16,591	-	16,591
East Greenwich	2,506	2,470	(36)	1,824	26,271	23,045	49,316
East Providence	5,020	4,966	(54)	7,918	171,030	85,749	256,779
Foster	221	231	10	5,263	-	-	-
Glocester	551	560	9	5,288	-	32,927	32,927
Hopkinton	1,091	1,087	(4)	6,603	10,564	18,450	29,014
Jamestown	571	545	(26)	683	7,105	1,955	9,060
Johnston	3,278	3,291	13	7,332	-	-	-
Lincoln	3,272	3,225	(47)	6,478	121,787	-	121,787
Little Compton	281	253	(28)	1,197	13,405	-	13,405
Middletown	1,964	1,860	(104)	3,308	137,602	25,670	163,272
Narragansett	986	919	(67)	1,881	50,411	22,281	72,691
Newport	1,798	1,721	(77)	8,274	254,834	97,841	352,675
New Shoreham	125	121	(4)	795	1,272	1,044	2,316
North Kingstown	3,501	3,517	16	3,556	-	50,592	50,592
North Providence	3,493	3,418	(75)	8,901	267,040	4,238	271,278
North Smithfield	1,636	1,602	(34)	5,766	78,421	-	78,421
Pawtucket	7,791	7,659	(132)	14,443	762,565	420,167	1,182,732
Portsmouth	2,033	2,007	(26)	1,398	14,543	14,621	29,163
Providence	19,212	19,209	(3)	15,489	18,586	1,530,328	1,548,914
Richmond	1,058	1,035	(23)	5,998	55,180	47,098	102,279
Scituate	1,165	1,165	-	3,690	-	10,808	10,808
Smithfield	2,407	2,355	(52)	4,496	93,508	37,709	131,218
South Kingstown	2,424	2,332	(92)	2,171	79,889	80,406	160,295
Tiverton	1,588	1,580	(8)	3,361	10,756	59,079	69,836
Warwick	7,970	7,926	(44)	6,130	107,888	178,558	286,445
Westerly	2,256	2,169	(87)	3,757	130,729	77,162	207,892
West Warwick	3,558	3,464	(94)	12,152	456,911	-	456,911
Woonsocket	5,419	5,452	33	16,163	-	833,791	833,791
Bristol-Warren	2,807	2,710	(97)		156,629	107,883	264,512
Chariho	-	-	-	See Table Below	-	-	-
Exeter-West Greenwich	1,527	1,516	(11)		35,132	12,269	47,401
Foster-Glocester	1,065	1,012	(53)		111,163	50,892	162,055
Central Falls	2,543	2,487	(56)	17,431	390,458	-	390,458
Total	119,842	118,276	(1,566)	\$ 8,729	\$4,380,467	\$4,370,098	\$8,750,565
<i>Bristol</i>	<i>1,742</i>	<i>1,685</i>	<i>(57)</i>	<i>2,755</i>	<i>62,812</i>	<i>34,905</i>	<i>97,717</i>
<i>Warren</i>	<i>1,065</i>	<i>1,025</i>	<i>(40)</i>	<i>5,864</i>	<i>93,817</i>	<i>72,978</i>	<i>166,794</i>
<i>Exeter</i>	<i>748</i>	<i>730</i>	<i>(18)</i>	<i>4,879</i>	<i>35,132</i>	<i>-</i>	<i>35,132</i>
<i>West Greenwich</i>	<i>779</i>	<i>786</i>	<i>7</i>	<i>4,531</i>	<i>-</i>	<i>12,269</i>	<i>12,269</i>
<i>Foster</i>	<i>329</i>	<i>316</i>	<i>(13)</i>	<i>5,167</i>	<i>26,867</i>	<i>29,762</i>	<i>56,630</i>
<i>Glocester</i>	<i>736</i>	<i>696</i>	<i>(40)</i>	<i>5,268</i>	<i>84,296</i>	<i>21,130</i>	<i>105,425</i>
<i>Adjusted Chariho</i>	<i>2,836</i>	<i>2,777</i>	<i>(59)</i>	<i>5,338</i>	<i>93,843</i>	<i>76,573</i>	<i>170,416</i>

Table 9: Poverty Stabilization Fund for FY 2026

- A.** Column **A** is the FY 2026 enacted formula aid shown in column **J** in Table 2.
- B.** Column **B** is the calculation of formula aid using FY 2026 enrollment, student poverty and core instruction amount but using the FY 2025 share ratio instead of the FY 2026 share ratio.
- C.** Column **C** is the difference between the FY 2026 enacted formula aid in column **A** and the FY 2026 calculation using the FY 2025 share ratio in column **B**.
- D.** Column **D** is the percent change between the share ratio for FY 2026 and FY 2025. It is column **J** on Table 4. The full calculation is shown in Table 4.
- E.** Column **E** is the distribution of the poverty loss stabilization fund. When the foundation formula aid produces less than the prior year as shown in column **C** and the decrease in the state share ratio is more than 2.0 percent as shown in column **D**, the payment is 50.0 percent of the difference in formula aid shown in column **C**.

Table 9: Poverty Stabilization Fund for FY 2026

	A	B	C	D	E
	<i>FY 2026 Enacted</i>	<i>FY 2026 Enacted</i>	<i>FY 2026</i>	<i>Share Ratio %</i>	<i>Poverty Loss</i>
<i>District</i>	<i>Formula Aid</i>	<i>Formula Aid w/FY</i>	<i>Calculation</i>	<i>Chg. to FY 2025</i>	<i>Stabilization</i>
		<i>2025 Share Ratio</i>	<i>Chg. to FY 2025</i>	<i>(Table 4)</i>	<i>Fund</i>
Barrington	\$ 9,906,027	\$ 11,985,941	\$ (2,079,914)	-17.4%	\$ 1,039,957
Burrillville	13,506,736	13,764,964	(258,228)	-1.8%	-
Charlestown	1,437,860	1,517,373	(79,513)	-5.1%	39,756
Coventry	28,316,948	27,348,118	968,830	3.5%	-
Cranston	79,947,152	80,851,053	(903,901)	-1.1%	-
Cumberland	28,228,353	27,860,250	368,103	1.4%	-
East Greenwich	4,506,248	6,530,384	(2,024,135)	-30.9%	1,012,068
East Providence	39,321,148	39,322,692	(1,544)	0.0%	-
Foster	1,215,818	1,284,755	(68,937)	-5.3%	34,469
Glocester	2,961,445	3,119,165	(157,719)	-5.1%	78,860
Hopkinton	7,176,966	7,046,551	130,415	1.9%	-
Jamestown	372,348	298,928	73,421	24.0%	-
Johnston	24,128,236	24,940,119	(811,883)	-3.2%	405,941
Lincoln	20,891,647	19,345,045	1,546,602	8.0%	-
Little Compton	302,814	312,908	(10,094)	-3.2%	5,047
Middletown	6,152,386	6,676,086	(523,699)	-7.7%	261,850
Narragansett	1,728,633	1,756,665	(28,032)	-1.4%	-
Newport	14,239,269	15,121,348	(882,079)	-5.8%	441,039
New Shoreham	96,190	76,952	19,238	24.5%	-
North Kingstown	12,506,815	13,980,891	(1,474,077)	-10.6%	737,038
North Providence	30,424,725	30,736,354	(311,628)	-1.0%	-
North Smithfield	9,237,556	8,103,792	1,133,764	14.0%	-
Pawtucket	110,615,318	112,205,000	(1,589,681)	-1.5%	-
Portsmouth	2,806,429	2,966,797	(160,367)	-5.1%	80,184
Providence	297,521,286	300,529,006	(3,007,720)	-1.0%	-
Richmond	6,207,775	6,400,663	(192,888)	-3.0%	96,444
Scituate	4,299,021	3,537,872	761,149	21.7%	-
Smithfield	10,587,119	10,148,107	439,012	4.3%	-
South Kingstown	5,062,521	5,085,784	(23,263)	-0.7%	-
Tiverton	5,310,972	5,639,774	(328,802)	-5.8%	164,401
Warwick	48,586,276	47,358,069	1,228,207	2.6%	-
Westerly	8,148,033	8,033,272	114,761	1.5%	-
West Warwick	42,094,167	40,537,183	1,556,984	3.9%	-
Woonsocket	88,120,161	87,430,182	689,979	0.7%	-
Bristol-Warren	10,652,150	10,797,389	(145,239)		243,027
Chariho	-	-	-	See Table Below	-
Exeter-West Greenwich	7,123,365	5,630,051	1,493,314		-
Foster-Glocester	5,299,561	5,587,423	(287,862)		143,931
Central Falls	43,351,250	43,530,572	(179,323)		-
Total	\$ 1,032,390,727	\$ 1,037,397,477	\$ (5,006,750)		\$ 4,784,011
<i>Bristol</i>	<i>4,642,020</i>	<i>4,301,205</i>	<i>340,815</i>	<i>8.4%</i>	<i>-</i>
<i>Warren</i>	<i>6,010,130</i>	<i>6,496,184</i>	<i>(486,054)</i>	<i>-7.4%</i>	<i>243,027</i>
<i>Exeter</i>	<i>3,562,025</i>	<i>3,346,001</i>	<i>216,024</i>	<i>6.4%</i>	<i>-</i>
<i>West Greenwich</i>	<i>3,561,340</i>	<i>2,284,050</i>	<i>1,277,290</i>	<i>56.0%</i>	<i>-</i>
<i>Foster</i>	<i>1,632,703</i>	<i>1,725,277</i>	<i>(92,574)</i>	<i>-5.3%</i>	<i>46,287</i>
<i>Glocester</i>	<i>3,666,858</i>	<i>3,862,146</i>	<i>(195,288)</i>	<i>-5.1%</i>	<i>97,644</i>
<i>Adjusted Chariho</i>	<i>14,822,601</i>	<i>14,964,586</i>	<i>(141,986)</i>	<i>-6.2%</i>	<i>136,200</i>

Table 10: Education Aid for FY 2020-FY 2024

<i>District</i>	<i>FY 2020*</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024</i>
Barrington	\$ 5,872,943	\$ 6,148,515	\$ 8,232,393	\$ 8,828,606	\$ 11,101,246
Burrillville	13,164,631	14,352,095	13,994,929	14,410,118	14,124,620
Charlestown	1,543,508	1,310,422	1,291,375	1,341,690	1,372,841
Coventry	24,463,006	23,564,535	24,191,219	25,098,898	26,376,051
Cranston	65,623,892	69,762,285	69,876,885	72,154,948	74,422,252
Cumberland	21,686,834	20,799,151	21,305,153	22,263,569	24,359,167
East Greenwich	2,724,747	3,490,910	4,542,049	4,841,875	6,085,014
East Providence	36,282,710	36,377,563	36,956,352	38,149,384	39,186,558
Foster	1,214,958	1,065,648	1,109,702	1,137,350	1,222,365
Glocester	2,272,359	2,218,174	2,481,208	2,551,793	2,890,505
Hopkinton	5,170,111	5,488,786	5,590,838	5,826,634	6,343,316
Jamestown	465,975	405,580	339,230	391,662	794,918
Johnston	18,288,991	19,127,284	19,970,936	20,720,126	22,428,734
Lincoln	14,418,820	15,198,685	16,231,922	17,055,189	17,721,522
Little Compton	403,595	397,665	432,020	448,877	362,326
Middletown	7,592,462	7,894,209	8,185,474	8,476,387	7,897,253
Narragansett	2,255,835	2,261,373	2,196,991	2,271,278	2,256,135
Newport	12,580,979	14,034,125	15,005,286	15,698,952	15,212,110
New Shoreham	132,830	178,491	237,000	240,792	151,991
North Kingstown	10,492,830	11,867,847	11,302,964	11,547,833	11,921,360
North Providence	23,382,239	25,275,682	27,298,296	28,223,847	29,046,056
North Smithfield	5,884,223	6,206,522	6,372,462	6,533,857	7,606,634
Pawtucket	91,306,394	92,823,636	96,013,908	99,145,207	107,174,138
Portsmouth	4,048,900	3,935,800	3,800,556	3,772,245	3,593,688
Providence	263,818,881	272,314,070	277,047,845	279,075,003	282,866,333
Richmond	4,640,811	4,694,206	5,150,039	5,415,636	5,774,871
Scituate	2,824,310	2,727,973	2,535,612	2,603,877	3,717,597
Smithfield	6,457,531	6,227,713	7,085,403	7,281,435	8,926,874
South Kingstown	5,433,317	4,853,437	4,969,168	5,140,323	5,923,005
Tiverton	7,239,775	7,475,571	6,896,308	7,236,769	6,961,353
Warwick	38,761,116	38,441,937	40,271,671	41,873,277	45,898,470
Westerly	8,656,589	8,255,191	8,083,721	8,379,537	8,781,097
West Warwick	27,094,132	29,535,239	30,945,717	32,123,085	37,983,651
Woonsocket	63,980,831	68,991,503	70,423,976	72,528,817	82,872,750
Bristol-Warren	14,855,717	14,514,094	13,130,077	14,008,318	14,619,452
Exeter-West Greenwich	6,419,481	2,135,033	1,847,044	2,405,627	3,178,096
Chariho	2,147,804	5,696,331	5,468,643	6,213,653	7,269,662
Foster-Glocester	5,268,060	5,207,657	5,768,566	5,961,183	6,659,257
Central Falls	42,498,528	45,680,069	48,422,396	49,633,417	51,643,349
<i>District Subtotal</i>	\$ 871,370,655	\$ 900,935,010	\$ 925,005,336	\$ 951,011,073	\$ 1,006,726,616
Charter Schools	101,538,276	109,288,557	137,747,583	139,702,946	157,846,451
State Schools	24,595,802	23,085,073	24,562,182	24,564,990	27,449,288
Total	\$ 997,504,733	\$ 1,033,308,641	\$ 1,087,315,101	\$ 1,115,279,009	\$ 1,192,022,355

*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 recommended \$10.6 million and \$267.0 million more general revenues than estimated at the November 2024 Revenue Estimating Conference for FY 2025 and FY 2026, respectively. He also recommended internal fund transfers for FY 2025 that would increase resources available for expenditure from general revenues by \$46.9 million. The May 2025 Revenue Estimating Conference increased the FY 2025 estimates by \$55.1 million to \$5,617.6 million and included \$5,486.3 million for FY 2026. The Budget includes total FY 2025 revenues of \$5,624.3 million and \$5,766.5 million for FY 2026. The items are explained in the pages that follow.

Taxes

- **Digital Advertising Revenue Tax.** The Budget does not include the Governor's proposal for a new 10.0 percent tax on digital advertising revenue derived in Rhode Island for companies with at least \$1.0 billion in global revenues, effective January 1, 2026. His FY 2026 budget assumed \$9.5 million in revenues that would annualize to \$19.6 million for FY 2027.
- **Cigarette Tax Increase.** The Budget does not include the Governor's proposal to increase the cigarette tax by \$0.50 to \$5.00 per 20-pack, effective September 2, 2025. This would have generated \$4.4 million in revenues for FY 2026. This assumes \$4.7 million more in excise tax offset by a \$0.3 million reduction in applicable sales tax to reflect a decline in consumption linked to the higher cost. The estimated FY 2027 value is \$3.3 million.
- **OTP Tax on Nicotine Pouches.** The Budget updates the definition of items subject to the tax on other tobacco products to include nicotine pouches. These small synthetic fiber pouches containing nicotine are designed to be placed between a person's gum and lip, but are not expressly included in the 80.0 percent of wholesale cost tax applied to tobacco or other tobacco products. Other states have similarly extended their taxes on this product, including Maine, Illinois, and Minnesota. This is estimated to generate \$7.5 million, assuming an effective date of October 1, 2025, which would annualize to \$12.0 million for FY 2027.
- **Firearm Safety Devices.** The Budget does not include the Governor's proposal to exempt firearm safety devices and storage from the state's sales tax, effective October 1, 2025. His budget assumes a revenue reduction of \$85,714; that revenue loss annualizes to \$115,438 in FY 2027.
- **Sales Tax on Parking.** The Budget expands the application of the current 7.0 percent sales and use tax to short-term parking of up to one month, effective October 1, 2025. Currently, 15 states and Washington, D.C., charge either a specific parking excise tax or sales tax. This is estimated to generate \$1.6 million in FY 2026, with an annualized total of \$3.2 million for FY 2027, once fully implemented with a greater level of compliance. The Budget also includes general revenue support for the Department of Revenue to cover implementation costs of new revenue initiatives.
- **Motion Picture Tax Credit.** The Budget retroactively adjusts the annual cap for the motion picture and theatrical production tax credits, correcting an error resulting from several project completions that were misaligned with initial expectations. It increases the calendar year 2022 cap from \$30.0 million to \$35.0 million and decreases the 2023 cap from \$40.0 million to \$35.0 million. This is assumed to result in \$3.2 million in additional redemptions, reflected as a reduction to FY 2026 revenue. This is consistent with the Governor's amended proposal.
- **Real Estate Conveyance Tax.** The Budget increases both the first and second tier of the real estate conveyance tax from 0.46 percent to 0.75 percent, effective October 1, 2025, for a top effective rate of 1.5 percent. The first tier applies to all real estate transfers; revenues would be allocated according to a statutory

formula, essentially unchanged from current law. This includes allocations to municipalities and the Housing Resources and Homelessness restricted account. The second tier applies to the portion of residential transfers above \$800,000; this rate will now be split, with 0.50 percent of the 0.75 percent allocated to the Housing Production Fund, up from the current 0.46 percent, and the remaining 0.25 percent to the Housing Resources and Homelessness restricted account. It also provides that the \$800,000 threshold shall be subject to an inflation adjustment beginning January 1, 2026. These changes are estimated to generate \$13.5 million for FY 2026 across all state fund sources, annualizing to \$18.7 million for FY 2027. Additionally, municipal collections are estimated to increase by \$10.7 million for FY 2026 and \$14.7 million for FY 2027.

This differs from the Governor's proposal, which would have increased the second tier only, to 0.79 percent, and dedicated resulting revenues entirely to the restricted account.

Real Estate Conveyance Tax	Applicability	Current Law	Governor	Assembly
Tier 1	All	0.46%	0.46%	0.75%
State Revenue Change to Current Law		\$ -	\$ -	\$ 11.5
Tier 2	Residential; Portion >\$800,000	0.46%	0.79%	0.75%
State Revenue Change to Current Law		\$ -	\$ 2.3	\$ 2.1

\$ in millions

- **Tax Incentive Repeals.** The Budget assumes \$0.2 million of increased revenues from repealing several tax incentives, including: new research and development facilities deduction, research and development property credit, jobs growth act, and the small business capital investment modification. The revenues would annualize to \$0.4 million for FY 2027. This is consistent with the Governor's proposal.

Tax Incentive Repeals		
Item	FY 2026	FY 2027
New R&D Facilities Deduction	\$ 136,992	\$ 273,984
R&D Property Tax Credit	74,842	148,683
Jobs Growth Act	1,489	2,979
Small Business Capital Investment	6,551	13,102
Total	\$ 219,874	\$ 438,748

- **Financial Institutions Data Matching.** The Budget assumes \$5.3 million in revenues in FY 2026 from the Governor's proposal, which authorizes the Division of Taxation to initiate a Financial Institution Data Matching Program. This program allows the division to match financial accounts with non-compliant taxpayers, thereby supporting the collection of state tax liability. While there is no expansion of the state's authority to levy, the proposal is to empower financial institutions to share data. Other states currently use automated data matching, but Rhode Island's use of this tool is limited to child support debts. The expected revenue figures are based on estimates of taxpayer liability and a timeline for implementation by January 1. The expectation for FY 2027 is \$8.0 million, assuming a decline in receivables. All values are net of any costs, assuming the current contingency contract authority is used to implement this program.

Financial Institutions Data Match		
Tax Type	FY 2026	FY 2027
Personal Income Tax	\$ 2,403,997	\$ 3,663,233
Business Corp	1,164,296	1,774,166
Sales and Use	1,681,707	2,562,601
Total	\$ 5,250,000	\$ 8,000,000

- **Medicaid Spending Proposals.** The Budget contains two of the Governor's proposals that affect Medicaid expenditures delivered through managed care plans that reduce current law expenses. The changes are estimated to reduce revenues by \$0.3 million for FY 2026 because managed care plans pay a 2.0 percent provider tax on gross premiums.
- **Nursing Facilities.** The Budget limits the October 1, 2025 rate increase to 2.3 percent, compared to current law, but adds a 3.0 percent base adjustment related to the safe staffing plan. These changes will increase revenues by \$0.3 million.

Departmental Revenues

- **Hospital Licensing Fee Renewal.** The Budget extends the three-tiered system for the community hospitals with FY 2026 payments totaling \$228.5 million based on 2023 revenue rather than 2022. The license fee is generally set and renewed annually and, as such, was not included in the consensus revenue estimate for FY 2026. The license fee for Eleanor Slater Hospital is 5.25 percent based on 2023 revenues for payments totaling \$4.0 million; this is consistent with the enacted budget. The Budget assumes total revenues of \$232.5 million from both, which is \$16.8 million more than FY 2025 enacted.
- **Eleanor Slater Disproportionate Share Payment.** The Budget includes additional revenue from increasing the disproportionate share payment to the state hospital by \$5.9 million for FY 2025 and FY 2026 to \$12.9 million. There are offsetting expenditures in the Executive Office of Health and Human Services from Medicaid and matching general revenues.
- **Health Services Funding Assessment.** The Assembly adopted legislation establishing an assessment, similar to the child and adult immunization program assessments, to generate \$30.0 million annually to support primary care and other critical healthcare programs. The current assessments are based on a per member per month fee applied to all covered lives including self-insured; this is estimated to be approximately \$4 per month per covered life. The funds would be deposited as general revenues and the FY 2026 impact is \$15.0 million for half a year. As an employer, the estimated cost for the state is \$1.4 million, of which \$0.8 million is from general revenues.
- **Indirect Cost Recovery on Restricted Receipts.** The Assembly concurred with the Governor's proposal to increase the indirect cost recovery charge applied to restricted receipt accounts from 10.0 percent to 15.0 percent. This aligns the state's indirect cost recovery rate with the federal rate. The state's rate was last increased in FY 2006 from 7.0 percent to 10.0 percent. It also adds the Workers' Compensation Administration Fund to the list of restricted receipt accounts that are exempt from the indirect cost recovery charge. The FY 2026 budget assumes revenues of \$3.2 million from these changes.
- **Vital Records Receipts.** Current law authorizes a fee of \$20 for a vital records request. The chief of the Office of Vital Records within the Department of Health is also authorized to assess surcharges for certified records; these receipts are deposited as general revenues. Legislation signed into law on June 24, in 2025-H 5349, exempts incarcerated individuals set to be released from prison from paying these fees for a vital records request. The Assembly reduced general revenues by \$8,475 to reflect the anticipated revenue loss.
- **Traffic Fines.** The Budget revises the traffic violation schedule, assumed to generate \$0.5 million in new general revenues for FY 2026. The 2008 Assembly revised the violation schedule, increasing most fines from \$75 to \$85. Fees have not been adjusted since, although cumulative inflation over the same time period is around 50 percent. The Assembly increased most of these fines from \$85 to \$100, representing an approximately 18 percent increase.

- **Dredge Fee.** The Budget reduces revenues by \$100,000 to reflect its action to direct all fees to the Dredge Fund. Under current law, amounts up to \$11.65 are deposited as general revenues, with fees above that going to the Fund. This aims to partially cover the debt service associated with the authorization to borrow \$23.0 million through Certificates of Participation for the maintenance dredging of the Providence River and Harbor Shipping Channel. The Budget also increases the minimum dredge fee from \$11.65 to \$35.00.

- **Dental Insurance Loss Ratio.** The 2024 Assembly required the Office of the Health Insurance Commissioner to provide recommendations on dental health plans and dental premium dollars spent on patient care by October 1, 2026. It also authorized the Office to levy a maximum of \$150,000 from general revenues for contractors to produce the report. Consistent with the November Revenue Estimating Conference, the Governor included \$150,000 in revenues and the corresponding expenses. The Budget assumes only \$24,000 for FY 2025 and \$126,000 for FY 2026 based on updated estimates of revenues and expenditures in the Office's third quarter report.

Other Revenues

- **Rhode Island Student Loan Authority.** The Budget requires the transfer of \$2.7 million from the Rhode Island Student Loan Authority to state general revenues by June 30, 2025, and a transfer of \$2.9 million by June 30, 2026.

- **Rhode Island Infrastructure Bank.** The Budget includes the Governor's proposal to transfer \$2.0 million from the Rhode Island Infrastructure Bank to state general revenues by June 30, 2025.

- **Judiciary Escrow Transfer.** If the Judiciary determines that any funds it holds in escrow have been unclaimed for five years or more, it is required to transfer them to the general fund. The Judiciary provided notification after the May revenue conference that \$1.1 million has remained unclaimed since 2019, and it will be transferring those funds by the end of FY 2025. The enacted budget recognizes those revenues.

- **Health Insurer Penalties.** The Budget recognizes \$1.0 million in additional revenue for FY 2025 from fines assessed against three health insurers that continued to bill for cost-sharing for pandemic-related services, despite a statutory prohibition. The Office of the Health Insurance Commissioner announced the fines on June 12, and reported that the insurers have reprocessed affected claims.

Internal Fund Transfers. These are resources going to the general fund, which are required by accounting rules to be shown as fund transfers rather than revenues; they have the same general effect of increasing available general revenue resources.

- **Excess Revenues Transfer Reversal.** The FY 2024 budget created a supplemental reserve fund to which it contributed \$55.0 million. It also dedicated any unexpected excess revenues annually at fiscal close, half each to the supplemental reserve fund and the Employees' Retirement System. The Governor proposed repealing the transfer provision for FY 2024 only and recapturing the \$43.3 million that would have been transferred to those two funds for use in FY 2025. The Assembly maintained the current law transfer for the half applicable to the Employees' Retirement System, which reduced available revenues by \$21.6 million.

- **Underground Storage Tank Trust Fund.** The Budget requires the transfer reserves of \$3.0 million from the Underground Storage Tank restricted receipts to state general revenues by June 30, 2025.

- **Marijuana Trust Fund.** The Budget transfers \$0.6 million from Marijuana Trust Fund restricted receipts to general revenues by June 30, 2025, based on lower than expected costs within the Judiciary for expungement activities associated with the 2022 law. This is consistent with the Governor's proposal.

- **Low Income Housing Tax Credit.** The Budget transfers \$4.0 million in each year from general revenues to the Low-Income Housing Tax Credit Fund. In previous years, this transaction was recognized as an expenditure; however, consistent with their treatment by the state controller, it is now reclassified as a fund transfer.

- **Housing Resources and Homelessness Recapitalization.** The Budget transfers \$2.5 million from general revenues to the Housing Resources and Homelessness restricted account. This will appear as a fund transfer. FY 2027 will be the first year of full collections for two new dedicated revenue streams. These funds are intended to bridge the gap for FY 2026 while these initiatives are implemented.

Other Sources

- **Whole Home Short-Term Rental Tax.** The Budget includes the Governor’s proposal to establish a new tax on houses, condominiums, or other furnished residential dwellings rented for a short term in their entirety, equal to the 5.0 percent State Hotel Tax, from which these units are currently exempt. However, while the Governor proposed dedicating all revenue to the Housing Resources and Homelessness restricted account, the Assembly provided that 50.0 percent of revenue be distributed to the account and 25.0 percent each to the municipality and tourism district in which the rental occurs. This is estimated to generate \$1.0 million for the account for FY 2026, annualizing to \$2.4 million for FY 2027.

Hotel Tax	Applicability	Current Law	Governor	Assembly
State Hotel Tax	Excludes Whole-Home	5.00%	5.00%	5.00%
State Revenue Change to Current Law		\$ -	\$ -	\$ -
Whole-Home	Only Whole-Home	None	5.00%	5.00%
State Revenue Change to Current Law		\$ -	\$ 2.1	\$ 1.0

\$ in millions

- **Local Hotel Tax.** The Budget increases the Local Hotel Tax from 1.0 percent to 2.0 percent, effective January 1, 2026. Consistent with current law, the tax applies to all short-term rentals, including hotels and dwellings rented in part or in their entirety. There is no state budget impact; it is estimated to generate \$2.8 million for cities and towns, annualizing to \$7.6 million in FY 2027.

- **Non-Owner Occupied Tax.** The Budget includes a non-owner-occupied residential property tax, effective July 1, 2026. The tax does not apply to commercial property or property rented for more than 183 days in a given taxable year. Affected properties will be subject to a 0.5 percent annual tax on the portion of their value exceeding \$1.0 million, with all resulting revenues dedicated to the Low Income Housing Tax Credit Fund. It also provides that the \$1.0 million threshold shall be subject to an inflation adjustment beginning July 1, 2027. There is no FY 2026 impact; FY 2027 is the first year of collections.

- **Motor Fuel Gas Tax.** The Assembly increased the motor fuel tax from the estimated current law amount of \$0.39 to \$0.41, including the one cent environmental protection fee, and dedicates the additional two cents to the Authority. Based on the estimated \$4.359 million per penny yield, \$8.7 million in additional gas tax receipts would be generated for FY 2026.

- **Highway Maintenance Account.** The Assembly included two proposals to increase resources being deposited into the Highway Maintenance Account, including establishing annual registration fees of \$200.00 for battery electric vehicles, \$100.00 for plug-in hybrid electric vehicles, and \$50.00 for hybrid electric vehicles. It also increased the current surcharges on licenses and most vehicle registrations from \$30.00 to \$40.00. The surcharges have not changed since 2016. These fee changes would take effect on January 1, 2026, and would generate \$6.7 million for FY 2026, or \$4.9 million more than the Governor’s budget assumed, and \$16.0 million

for FY 2027. Currently, 5.0 percent of the receipts are retained as general revenues to offset the cost of collections, which equates to \$0.3 million and is included in the budget.

Source	FY 2025 Enacted	FY 2026 Recommended*	May FY 2026 Projected	FY 2026 Enacted	FY 2026 Enacted to
					May Projected
Inspection Sticker Fees	\$ 14,983,420	\$ 14,666,721	\$ 12,938,570	\$ 12,938,570	\$ -
Title Fees	10,679,439	11,253,880	10,703,554	10,703,554	-
Rental Car Surcharge	10,434,853	9,800,138	10,683,141	10,683,141	-
Good Driving Surcharge	343,905	406,164	444,405	444,405	-
License and Registration Transfer	54,784,091	61,142,612	56,907,245	56,907,245	-
Surcharges	21,277,450	21,543,068	19,283,564	22,383,564	3,100,000
Electric Vehicles	-	-	-	3,640,450	3,640,450
Total	\$ 112,503,158	\$ 118,812,583	\$ 110,960,479	\$ 117,700,929	\$ 6,740,450
5.0 Percent for Collection Cost	(5,625,158)	(5,940,629)	(5,548,024)	(5,885,046)	(337,022)
Total	\$ 106,878,000	\$ 112,871,954	\$ 105,412,455	\$ 111,815,883	\$ 6,403,428
<i>RI Public Transit Authority</i>	<i>\$ 10,343,900</i>	<i>10,643,598</i>	<i>\$ 10,270,623</i>	<i>\$ 16,181,589</i>	<i>\$ 5,910,966</i>
<i>Department of Transportation</i>	<i>\$ 96,534,100</i>	<i>\$ 102,228,356</i>	<i>\$ 95,141,832</i>	<i>\$ 95,634,294</i>	<i>\$ 492,462</i>

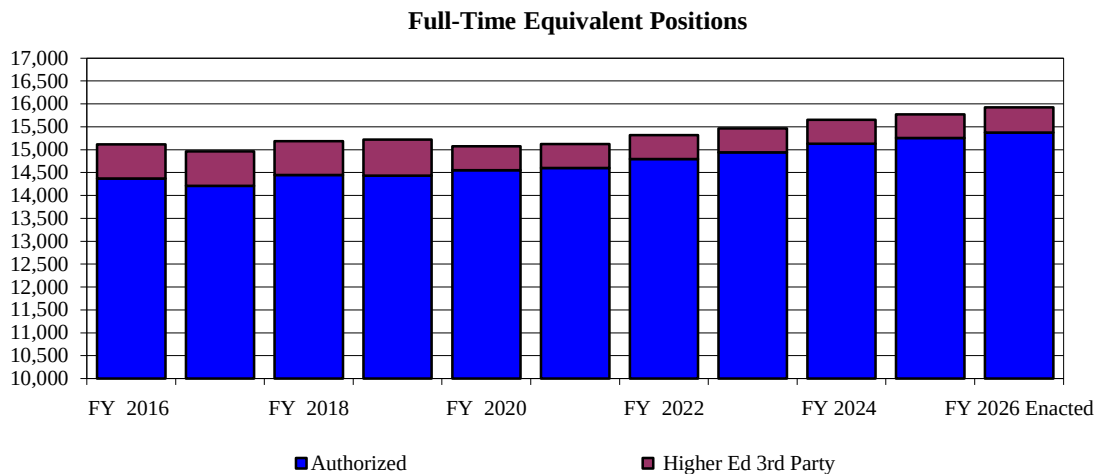
Does not include carryforward funds

**Does not reflect receipts from proposed electric vehicle registration fees*

State Government Personnel and Staffing

The Governor recommended FY 2026 authorization for 15,806.8 full-time equivalent positions, which is 34.0 more than enacted and the revised recommendation. The new positions support revenue proposals, energy programs, program integrity, and other budget initiatives. The recommendations include the FY 2025 enacted amount of 519.8 higher education positions dedicated for research or supported by other third-party funds. The Governor later requested an amendment to add 15.0 full-time equivalent specialized information technology positions.

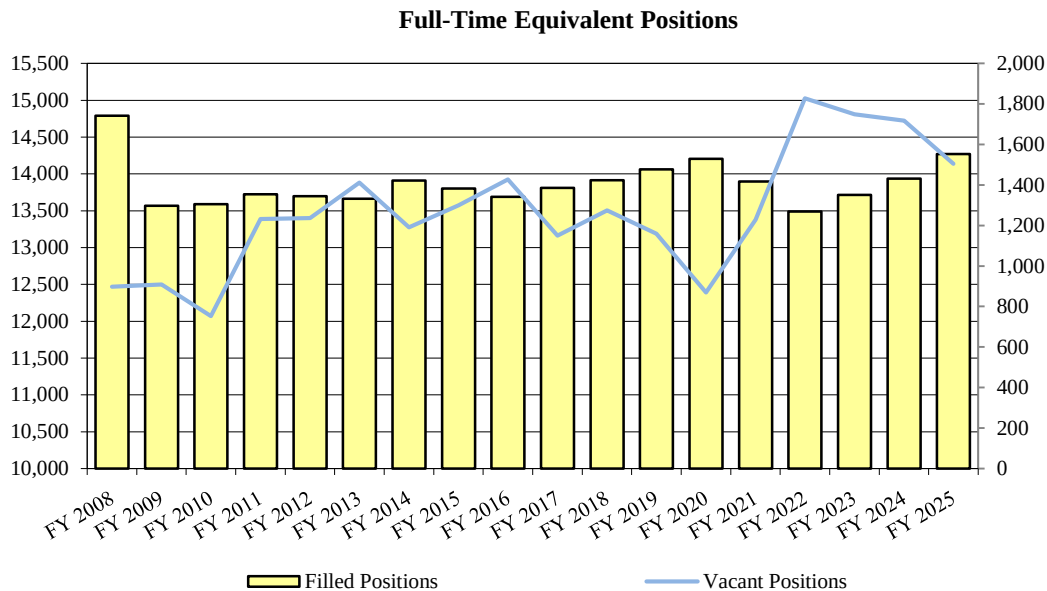
The Assembly authorized 15,921.8 full-time equivalent positions, including 544.8 higher education positions dedicated for research or supported by other third-party funds. This is 149.0 positions more than enacted, including 100.0 new positions for the University of Rhode Island, of which 25.0 are limited to third-party sources.



The General Assembly sets personnel limits for each agency and department defined as the maximum allowable number of full-time equivalent positions filled during any pay period. These limits are referred to as authorized levels. The authorized levels do not include temporary or seasonal employees or individuals in training requisite to employment, such as state trooper classes. Generally, agencies do not fill all authorized positions because of various reasons, such as hiring freezes or budgeted turnover savings. Turnover is budgeting less money than needed for full staffing. Turnover savings result from the gap in time from when an employee leaves state service and a new employee is hired, often at a lower cost or from when a department leaves a position vacant to achieve a certain level of savings.

For many years, the budget has also limited a certain number of higher education positions to those solely funded by third-party sources in response to requests from the higher education institutions to reduce constraints on their pursuit of outside research funding. The FY 2020 final enacted budget shifted 265.0 third-party full-time equivalent positions at the University of Rhode Island to non-third-party positions. This addressed a problem with certain auxiliary enterprise positions incorrectly reported as third-party before FY 2020.

The following graph shows average filled and authorized staffing levels from FY 2008 through FY 2025.



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.

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 was 188.5 full-time equivalent positions more than the prior enacted budget with about half of the new positions being dedicated to the Department of Children, Youth and Families to proceed with the accreditation process.

The 2022 Assembly authorized 15,455.5 full-time equivalent positions for FY 2023, an increase of 142.3 positions compared to the FY 2022 enacted budget. Additional positions supported new housing functions, expanded staffing in several agencies based on new initiatives as well as conversion of functions previously filled by contractors. The 2023 Assembly further increased the authorized positions by 136 to 15,591.5 full-time equivalent positions, expanding support for housing, health and higher education initiatives among others. Despite the growth in authorized positions, vacancy rates remained high.

In FY 2024, the state averaged 13,934.7 filled full-time equivalent positions, and an average of 1,718.1 vacancies. For FY 2025, it averaged 14,268.0 filled full-time equivalent positions, an average of 1,504.8 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 \$2,240.6 million for salaries and benefits and \$569.3 million for contracted services. These expenditures represent an increase of \$82.7 million or 3.0 percent from the FY 2025 enacted budget.

It should be noted that the Governor's FY 2025 recommended budget reclassified \$113.1 million of expenses, mostly staffing, to grants as part of a proposed change to the way Medicaid billings for the Eleanor Slater Hospital and the Rhode Island Community Living and Supports program are budgeted. The Assembly concurred with the proposal. The following table shows the adjusted personnel recommendation with the aforementioned expenses for both years.

Adjusted Excluding ISF	FY 2025 Enacted	FY 2025 Revised	Adjusted FY 2025 Final	FY 2026 Recommended	Adjusted FY 2026 Enacted
Salaries and Benefits	\$ 2,203,277,260	\$ 2,239,202,282	\$ 2,240,277,118	\$ 2,340,654,993	\$ 2,359,405,182
Contracted Services	622,543,958	663,148,032	602,469,993	573,163,602	529,715,768
Total Personnel	\$ 2,825,821,218	\$ 2,902,350,314	\$ 2,902,350,314	\$ 2,913,818,595	\$ 2,889,120,950
General Revenues	\$ 1,336,819,664	\$ 1,341,052,009	\$ 1,329,305,887	\$ 1,389,803,025	\$ 1,402,066,935

The Assembly provided \$2,259.3 million for salary and benefit expenses and authorized 15,921.8 full-time equivalent positions for FY 2026. This is \$18.8 million more than recommended, including \$11.6 million more from general revenues for settlements reached that exceeded the aggregate amount set aside for FY 2026. It also restored \$6.1 million of budgeted savings from the Governor's facilities consolidation proposal for the Department of Corrections. Expenses for contracted services are \$43.4 million less from all sources, \$6.6 million less is from general revenues.

FY 2026 Enacted Excluding ISF	General Revenues	Federal Funds	Restricted Receipts	Other Funds	Total
Salaries and Wages	\$ 764,611,591	\$ 200,904,685	\$ 66,847,852	\$ 430,394,343	\$ 1,462,758,471
Benefits	471,394,683	117,919,407	38,548,472	168,684,352	796,546,914
Total Salaries and Benefits	\$ 1,236,006,274	\$ 318,824,092	\$ 105,396,324	\$ 599,078,695	\$ 2,259,305,385
Contracted Services	121,553,199	249,180,287	104,627,471	50,471,312	525,832,269
Total Personnel	\$ 1,357,559,473	\$ 568,004,379	\$ 210,023,795	\$ 649,550,007	\$ 2,785,137,654

These expenditures exclude internal service funds; however, the staffing levels do include them, which skews the actual cost per position. Further information and descriptions of the internal service funds are included in the last section of this report.

There are three divisions of state service: classified, unclassified, and non-classified. Classified service includes competitive and non-competitive positions. Competitive positions require employees to take civil service examinations, as opposed to non-competitive positions which include positions that require licenses, certificates, or registrations. Positions in the unclassified service are established by law and are subject to compliance with standards of the federal government and regulations set forth by the state's Personnel Administrator. Positions in this category generally include the employees of elected officials, courts, boards and commissions, both houses of the General Assembly, department directors, and various positions of a policy-making nature. All appointments are made by the appointing authorities or the Governor in accordance with the provisions of the laws governing such appointments and the personnel rules adopted for the unclassified service. Positions within the non-classified service are covered under contract terms for the Board of Education and include positions related to a health system transformation project, as well as faculty.

Employee status refers to an employee's protection during reorganizations or layoffs. When an employee is first hired, he or she may have temporary or probationary status, which provides the least protection. All employees that were hired prior to August 7, 1996 gained statutory status when reaching 20 years of state service. This means that the state is required to find a suitable position for that employee in the case of reorganizations or layoffs. For veterans, statutory status is acquired after 15 years of service. Since this protection was ended prospectively in 1996, it is applicable to a declining number of current employees. On January 21, 2025, the administration reported 1,180 employees with statutory status, including 49 employees eligible through the veterans' provision.

Governor Chafee commissioned an analysis of the state's personnel system to recommend alternatives to the current system. The study was completed in January 2013 and found that the current personnel structure, organization, and staffing of the Division of Human Resources was not sufficient to support the state's needs as the recruiting process was highly paper-based, job classification structures did not reflect qualifications to deliver the services and the compensation structures were non-competitive.

A total of 16 actions were recommended, including implementing an online application system, eliminating the public hearing process when making changes to the classification structure, and hiring a new chief of human resources dedicated to establishing strategic direction and developing policies. The 2013 Assembly provided funding for this position, which was filled in December 2013.

The FY 2016 and FY 2017 budgets included \$1.2 million for a classification and compensation study. The study was completed in the summer of 2017 and a total of \$0.8 million was spent. The following excerpts summarize the major findings from four comparisons.

1. Salary structure: Overall, the state's salary structure is different from the market in the following ways:
 - Range minimum: 7.6 percent higher than the market average minimum
 - Range midpoint: 2.5 percent lower than the market average midpoint
 - Maximum: 11.8 percent lower than the market average maximum
2. Health care insurance: On average, Rhode Island is 9.7 percent higher than the market median for employer 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, which includes human resources, information systems, 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 in the various systems.

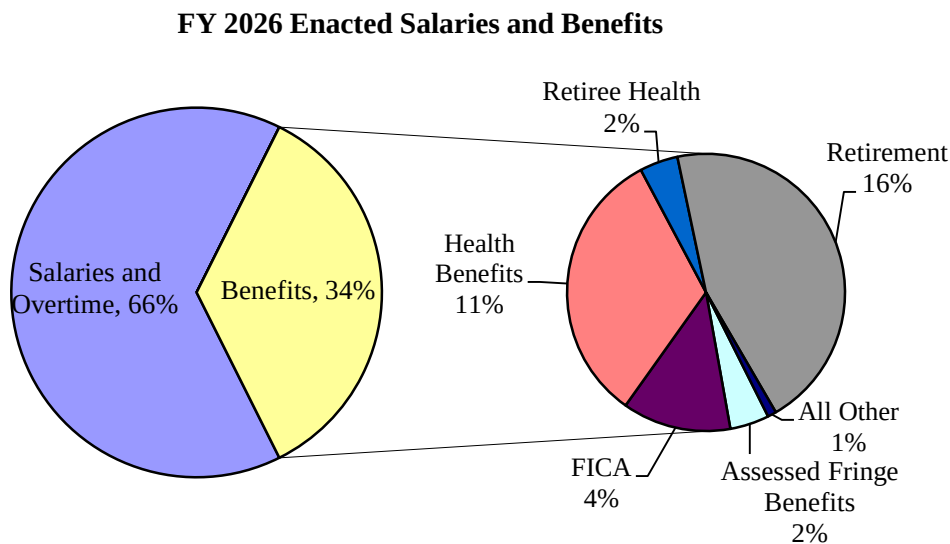
The FY 2023 final budget included \$2.0 million from general revenues to conduct another statewide compensation and job classification study. The current human resource system contains too many job classifications, and the administration noted that if job classifications are not updated, outdated data will be entered into the new human resources module of the new Enterprise Resource Planning System.

The administration requested proposals on December 22, 2022; 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, 2023, noting that the 2013 study "is no longer current and therefore unusable for

compensation decision-making purposes.” None of the funds included in the FY 2023 or FY 2024 budgets were spent. The 2024 Assembly required that unspent funds for the study be reappropriated. The contract with the vendor was finalized in July 2024 for a project cost not to exceed \$1.9 million. The final FY 2025 budget includes \$750,000 for the study, as the Administration reduced the scope of the study and the number of deliverables in the contract.

Salaries and benefits make up 81.1 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.



Salaries. Direct salaries refer to the wages paid to state employees. This amount may increase due to many factors. For many state employees, pay scales are determined by position grade and classification. An employee will have a base salary, and there will be increases along a five-step scale annually after the employee’s first six months. Before July 1, 2011, employees in state service for a specified number of years became eligible for longevity increases applied to the base salary. This was authorized by collective bargaining agreements for union employees, with different increases for education agencies contained in statute; it was personnel policy for non-union employees.

For most positions, collective bargaining agreements determine if an employee will receive a cost-of-living adjustment. This adjustment applies to the pay grade. For example, a 3.0 percent cost-of-living increase for a pay grade ranging from \$50,000 to \$59,000 would change that range to \$51,500 to \$60,770.

In late 2021, Governor McKee reached agreements that included cost-of-living adjustments of 2.5 percent annually from FY 2021 through FY 2024, a total of 10.0 percent over the four years. It included two \$1,500 bonuses, one payable to current union employees as of the contract’s ratification and the second for those employed on July 1, 2022. The agreement increased the number of sick leave days allowed to care for an immediate family member who is ill, provided that medical documentation is furnished. It broadened the eligibility for bereavement days and added a provision for teleworking.

In August 2024, Governor McKee reached new agreements with most state employee unions that included cost-of-living adjustments of 5.0 percent for FY 2025, 4.0 percent for FY 2026, and 3.0 percent for FY 2027, or 12.0 percent over the three years. Healthcare benefits remained essentially the same, except for changes to specialty drugs, beginning on January 1, 2025.

Agreements with the remaining unions were settled by May. The contract for the professional employees' union at the Department of Elementary and Secondary Education includes the same cost-of-living adjustments given to other state employees.

For Correctional Officers, in addition similar to those received by other state employees, the contract contains provisions increasing night shift supplemental pay and the speed at which positions achieve their maximum pay grade. The State Police contract also includes adjustments given to other state employees as well as a uniform stipend increase. It is also on a different schedule from other unions and retroactive to November 1, 2023.

The following table shows a recent history of negotiated increases.

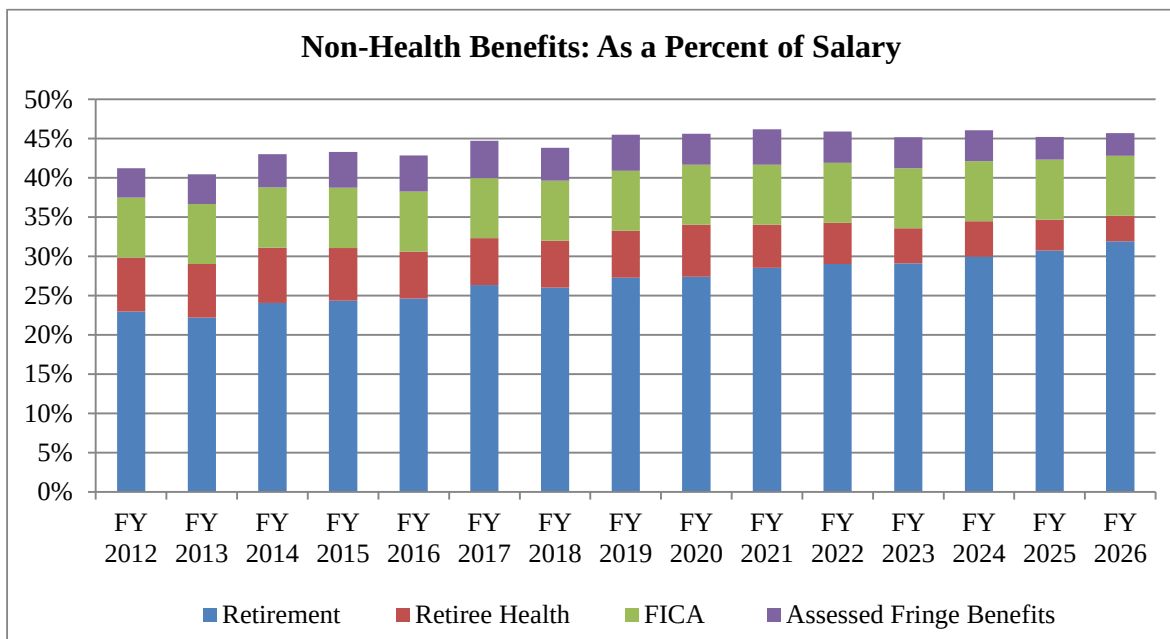
Cost-of-Living Adjustments		
Fiscal Year	Increase	Notes
2021	2.5%	Eff. July 1, 2020 - Retro paid in FY 2022
2022	2.5%	Plus \$1,500 for union members
2023	2.5%	Plus \$1,500 for union members
2024	2.5%	July 1, 2023
2025	5.0%	July 1, 2024
2026	4.0%	July 1, 2025
2027	3.0%	July 1, 2026

Excludes Troopers, RIBCO and some other smaller unions

Overtime. Overtime accounts for 4.5 percent of total salary and benefit expenses. The Department of Administration adopted a new overtime policy in 2019, requiring each agency to detail overtime authorization and approval procedures to the Division of Human Resources and the Office of Management and Budget. Beginning in FY 2020, agencies must also submit quarterly reports of overtime expenses with their quarterly financial reports to the Office of Management and Budget. As shown in the table below, most overtime expenses occur in places with 24-7 operations, including the prison and state hospitals.

Overtime - FY 2026 Enacted	
Corrections	39.7%
BHDDH	18.5%
Public Safety	11.2%
Children, Youth and Families	7.6%
Transportation	6.7%
Human Services	5.9%
Higher Education	5.5%
All Others	4.9%
Total	100%

Benefits. Benefits include direct benefits to employees such as health, workers' compensation, and unemployment, as well as unfunded liabilities for retirement and retiree health benefits. Except for health benefits, these are calculated as a percentage of salary. The following chart shows that the values have consistently been almost half of the salary. The FY 2026 value is 45.7 percent, up from 41.2 percent in FY 2012.



Each benefit is described in the paragraphs that follow.

Retirement. Participation in Rhode Island’s hybrid defined benefit/defined contribution plan is mandatory for most state employees, except for certain higher education employees who participate in a defined contribution plan. Employees must work until a combination of their years of service and age equal 95. Employees who were not eligible to retire when the 2011 changes became effective have an individualized retirement age based on their years of service, but they must be at least 59 years old to retire.

The salary basis is the three highest consecutive years. Annual cost-of-living adjustments are granted for members who retired before July 1, 2012; for all others, the annual cost-of-living adjustment will return when the pension systems’ aggregate funded ratio exceeds 75.0 percent. The formula uses both investment returns and inflation, but no more than 3.5 percent or less than zero. It is applied to the member’s first \$25,000 of pension income, indexed to grow at the same rate as the cost-of-living adjustment. Prior to full funding, intermittent cost-of-living adjustments are granted every four years for members who retired between July 1, 2012 and June 30, 2015. There have been many changes to the retirement system over the past several years. These changes are discussed later in the report.

The retirement rates are determined actuarially and under Rhode Island General Laws; they are certified annually by the State of Rhode Island Retirement Board. The Board’s current policy is that the contribution rates determined by an actuarial valuation take effect two years after the valuation date. The Retirement System conducts an experience study every three years to evaluate the appropriateness of assumptions. The actuaries use the system’s own experience where relevant and credible data is available. It uses population or general economic data such as inflation for other assumptions. The assumption changes are incorporated in future annual valuations that determine the rate required to support the defined benefit portion of the pension system. The System’s actuaries conducted an experience study during the spring of 2017. As a result of that, as well as an asset liability review conducted by the State Investment Commission, the Board approved new assumptions, including decreasing the investment return assumption from 7.5 percent to 7.0 percent and some other assumptions around inflation, wage growth and mortality. These changes were included in the actuarial valuation, effective for FY 2021 and beyond.

The rate for FY 2019 was revised upward by 2.1 percent or 0.53 percentage points based on the retirement incentive program the administration undertook in the fall of 2017, which is described later in this report.

In 2021, the administration offered the voluntary retirement incentive. The rates for FY 2026 as well as the previous seven years are shown in the table below.

Employer Contribution Rates - Regular Employees								
FY	2019	2020	2021	2022	2023	2024	2025*	2026
Rates	26.28%	26.39%	27.54%	28.01%	28.01%	28.97%	30.75%	30.91%

**Rates restated based on changes made by the 2024 Assembly; funding was provided.*

Retiree Health. The state provides health coverage to individuals who are retired from state employment, have at least 20 years of state service, and are at least 59. Eligible retirees pay a 20.0 percent cost share on the plan's actual cost. These benefits are less generous than previously provided and are discussed later in the report. The Board of Education has a separate plan for certain higher education employees.

FICA. The Federal Insurance Contributions Act tax is a United States payroll tax imposed by the federal government on both employees and employers to fund Social Security and Medicare. This applies to all state employees except State Police. This rate is applied on salaries and overtime; however, the Social Security portion has a salary limit, currently \$176,100 for 2025. 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	2018	2019	2020	2021	2022	2023	2024	2025	2026
% of Salary	4.20	4.40	3.95	4.52	3.95	3.95	3.95	2.90	2.90

Recent fluctuations have been related to two separate voluntary retirement incentive programs and outsourcing the administration of the Workers' Compensation program. The enacted budget assumed a rate of 3.95 percent for FY 2025. Subsequently, the rate was revised to 2.90 percent for both FY 2025 and FY 2026. The current rate for certain public safety personnel is 1.65 percent because these employees receive injured on duty benefits instead of workers' compensation. The rate for higher education faculty is 2.20 percent because they do not receive severance payments.

Health Benefits. All full-time and certain part-time state employees are eligible for health benefits, including medical, dental, and vision, through Blue Cross Blue Shield and Delta Dental. The state is self-insured, but these entities administer the benefits.

For vision and dental plans, employees exclusively cover the excess cost of an enhanced plan. Employees began contributing to the cost of this health care in 2005. At that time, some employees paid a percentage of salary, depending on salary range, and some employees paid 5.0 percent of the cost of the health plans.

Currently, an employee's contribution is a percentage of plan cost, depending on his or her salary and the type of plan chosen. Before employees contributed, the state began to offer employees the option of choosing a medical benefit waiver instead of enrolling in a state health plan. The waiver had been \$2,002 through FY 2011, then reduced by half to \$1,001. More recent contracts eliminated the waiver option for two state employee spouses hired on or after June 29, 2014.

The state started offering three medical plans, called Anchor Choice, Anchor and Anchor Plus, three dental plans and two vision plans, effective on January 1, 2019. Immediately prior to that, only one plan was offered. The 2018 labor contracts increased co-pays for office visits and prescription drugs, and increased deductibles. The deductibles are based on plan selections and are now \$500 to \$1,500 for individuals and \$1,000 to \$3,000 for families. The recently negotiated agreement with the McKee Administration maintains the same deductibles, which took effect on January 1, 2025.

CY 2025 Per Employee	Below \$62,004		\$62,004 - \$119,192		Over \$119,192	
	Individual	Family	Individual	Family	Individual	Family
Total Cost of Benefits ¹	\$ 10,616	\$ 29,762	\$ 10,616	\$ 29,762	\$ 10,616	\$ 29,762
% of Premium: State	80.0%	85.0%	80.0%	80.0%	75.0%	75.0%
Annual Cost to State	\$ 8,493	\$ 25,298	\$ 8,493	\$ 23,810	\$ 7,962	\$ 22,322
% of Premium: Employee	20.0%	15.0%	20.0%	20.0%	25.0%	25.0%
Annual Cost to Employee	\$ 2,123	\$ 4,464	\$ 2,123	\$ 5,952	\$ 2,654	\$ 7,441

¹ Based on Anchor Plus Plans

The previous table shows the cost of health benefits and the employee co-shares for calendar year 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 2025 Gov. Rev./ Enacted	FY 2025 Revised Planning	Chg. to Enacted	FY 2025 Revised/ Final	FY 2026 Planning	Planning to Enacted	FY 2026 Governor/ Enacted
Medical	\$ 18,627	\$ 18,481	\$ (146)	\$ 18,400	\$ 19,303	\$ 676	\$ 19,161
Dental	685	751	66	755	666	(19)	672
Vision	114	124	10	126	109	(5)	112
Total	\$ 19,426	\$ 19,356	\$ (70)	\$ 19,281	\$ 20,078	\$ 652	\$ 19,945

The Health Benefits Fund closed FY 2023 with a significant shortfall. Post-closing adjustments recommended by the Auditor General total \$15.2 million, including \$14.3 million from general revenues. The Controller made these adjustments to agency budgets in FY 2023 based on an agency's proportion of statewide employer contributions. However, because the financial statements for the Higher Education institutions were already final, their contribution toward the shortfall was not made.

The Governor's FY 2024 revised budget added \$9.0 million in general revenues to account for their share of the shortfall. The Governor's recommendations for both FY 2024 and FY 2025 increased planning values to bring the fund into balance. Values budgeted for FY 2025 were 7.5 percent higher than the previous projection. The Governor's FY 2024 revised budget included \$7.5 million from all sources, including \$4.7 million from general revenues from updating the medical benefit rates; the FY 2025 recommendation included \$9.7 million from general revenues for higher than anticipated health benefit rates. Final audit data for FY 2024 shows the fund essentially back in balance.

The State Budget Office instructions issued in August 2024 revised the FY 2025 planning values to \$19,356 or 0.4 percent less than the enacted budget assumed. The FY 2026 planning values were estimated at \$20,078, which is \$652 or 3.4 percent more than the enacted budget and 3.7 percent more than the FY 2025 revised values.

The Governor's revised budget assumes \$19,281, a \$76 decrease, and \$19,945 for FY 2026, or \$133 less than projected. His revised budget includes savings of \$0.5 million from all sources, including \$0.3 million from general revenues. The associated savings for FY 2026 is \$0.9 million from all sources, of which \$0.5 million is from general revenues.

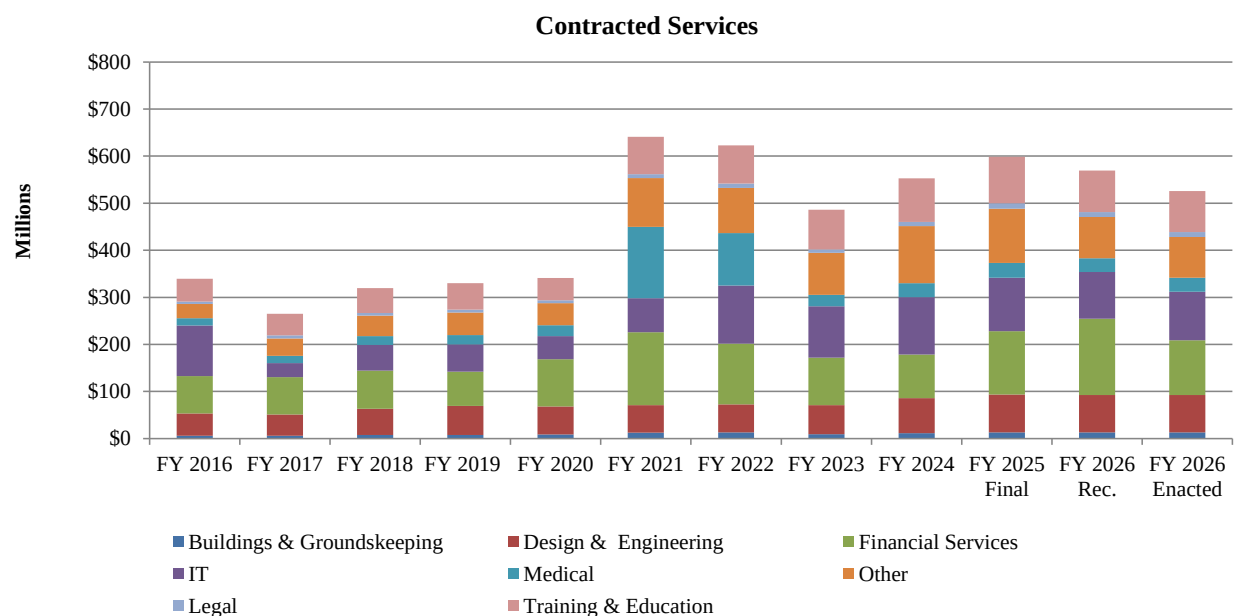
Total Costs. The following table displays the total cost examples for two employees with salaries of \$65,000 and \$115,000, respectively, and a family health plan in FY 2026.

Cost of a Position - FY 2026 Enacted					
	% of Salary/ Expense		% of Salary/ Expense		
Salary	\$	65,000	\$	115,000	
FICA	\$	4,973	7.65%	\$ 8,798	7.65%
Assessed Fringe		1,885	2.90%	3,335	2.90%
Retiree Health		2,113	3.25%	3,738	3.25%
Retirement		20,742	31.91%	36,697	31.91%
Subtotal	\$	29,712	45.71%	\$ 52,567	45.71%
Health Benefits*	\$	29,762	Family Plan	\$ 29,762	Family Plan
Total Co-Share*		(5,952)	20.00%	(7,441)	25.00%
Subtotal Benefits	\$	53,521	82.3%	\$ 74,888	65.1%
Total Cost	\$	118,521		\$ 189,888	

*Based on Anchor Plus Plans; calendar year 2025

Contracted Services. Contracted services make up the remaining 18.9 percent of personnel costs. The recommended budget includes \$525.8 million for expenditures the state classifies as contracted services, often called consultants. These expenditures reflect the compensation paid for the services of non-employee individuals or firms and include payments to professional practitioners and other independent contractors who sell their services. These exclude expenses paid through internal service funds of \$23.9 million and \$17.1 million in FY 2025 and FY 2026, respectively.

The following graph shows the types of services provided by outside contractors from FY 2016 to the FY 2026 enacted budget. Most 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.



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 FY 2024 revised budget included \$41.4 million more from all sources than enacted initially for FY 2024, including \$15.6 million more from general revenues. This included \$4.8 million for medical services at the Rhode Island Psychiatric Hospital; turnover savings partially offset this. The 2024 Assembly provided \$591.1 million for FY 2024, and expenses of \$552.6 million were \$38.6 million less than budgeted. However, general revenue expenses were \$0.4 million more than the final budget, including \$5.9 million more in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals primarily for security services.

The Governor's FY 2025 revised budget includes \$39.1 million more from all sources than enacted for FY 2025. This includes \$4.6 million less from general revenues, mainly reflecting a reclassification of one-time expenses for instructional coaches in local education. For FY 2026, he recommended \$569.3 million, which is \$50.8 million less than enacted, primarily reflecting the removal of time-limited funds for home- and community-based services.

The Assembly provided \$598.4 million for FY 2025, which is \$60.7 million less than the Governor's revised budget. This includes \$47.9 million less in the Executive Office of Health and Human Services' budget for an updated project timeline for the Medicaid Enterprise System. The Assembly enacted \$525.8 million for FY 2026.

For the past decade, the Assembly has required state agencies to be held more accountable for contracted services they purchase. These requirements have not been well executed. The Assembly concurred with most of Governor Chafee's FY 2015 budget proposal to repeal or consolidate them to improve compliance. The following paragraphs identify these reporting requirements, any significant revisions, and current compliance.

RIGL 42-90-1. This statute, first adopted in Chapter 161 of the Public Laws of 1985, requires all departments, commissions, boards, councils and other agencies to submit to the Secretary of State the name of any person who performs legal, medical, accounting, engineering or any other professional services, and the amount of the compensation received by the consultant during the previous quarter. It further requires the Secretary of State to compile, publish and make a report available to the public.

The 2006 Assembly amended this legislation in H 6779, Substitute A, to establish a \$100,000 threshold for which services obtained are substantially similar to work performed by regular employees of the department, commission, board, council or agency. The legislation further required state agencies to list all privatization contracts as part of the budget requests, which must contain the name of the contractor, duration of the contract and costs of previous, current and upcoming years. Agencies must also include a summary of contracted private employees for each contract, reflected as full-time equivalent positions and their hourly wage rate. It appeared that only a few agencies were complying with this requirement.

The 2007 Assembly adopted legislation in Public Law 2007, Chapter 73, requiring an extensive cost comparison analysis and an appeal process before privatizing any state facility, function, or property. It required that bids for such services substantially beat the current in-house costs and meet or exceed current service quality and performance. The comparisons must consider monitoring and conversion costs. The 2008 Assembly further amended the legislation by modifying the requirements.

Governor Chafee included legislation in Article 17 of his recommended FY 2015 budget that increased the threshold from \$100,000 to \$150,000 and required the reporting to be electronically submitted to the Budget Office. The legislation requires that the Budget Office electronically post all contracts and reports online

using the state's transparency portal or an equivalent website no later than December 1 of each year. The Assembly concurred and included the legislation in Section 4 of Article 9 of 2014-H 7133, Substitute A, as amended. Despite the change, the administration was not in compliance with this requirement. At the Personnel Issues Hearing on April 4, 2018, the Director of Administration pledged to comply with this reporting requirement. Since then, FY 2015 through FY 2024 reports have been posted on the state's transparency portal.

RIGL 37-2.3-1. The 2006 Assembly adopted legislation requiring agencies to list all privatization contracts as part of the budget request when obtaining services that are substantially similar to work performed by regular employees of the department, commission, board, council or agency starting in FY 2009. The list must contain the name of the contractor, duration of the contract and costs of previous, current and upcoming years. Agencies must also include a summary of contracted private employees for each contract, reflected as full-time equivalent positions and their hourly wage rate.

The 2014 Assembly concurred with Governor Chafee's legislation to alter the requirements so that agencies provide actual information for the prior fiscal year and projected costs for the current and subsequent fiscal years. The listings must be published annually online using the state's transparency portal or an equivalent website no later than December 1 of each year. This reporting requirement has not been met since it was adopted. The staff from the Budget Office previously indicated that it had been in discussions with Council 94 to format the template for reporting. It does not appear that anything came of that.

RIGL 42-149-1. This statute, adopted in Public Law 2007, Chapter 525, requires all state departments to submit quarterly reports of all non-state employee expenditures for legal services, financial services, temporary work and other non-state employee personnel costs. The report must contain efforts made to identify qualified individuals or services within state government, factors used in choosing a non-state employee or firm, results of requests for proposals for services or bids for services, and the actual cost and the budgeted cost for the expenditure. Governor Chafee included legislation in Article 17 of 2014-H 7133 to repeal this, in conjunction with modifying a similar requirement. The Assembly concurred.

RIGL 42-149-3.1. This legislation, adopted in Public Law 2011, Chapter 409, requires an assessment of 5.5 percent on contractual costs to be paid to the retirement system on a quarterly basis when a department, commission, board, council, agency or 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 and \$196,270 in FY 2021. Collections in the last three fiscal years average \$65,034. The FY 2025 final and the FY 2026 enacted budgets include \$118,413 and \$144,017, respectively.

The House Fiscal Staff brought the sustained decline in receipts to the attention of the Administration for an explanation. It appears the process established more than a decade ago may not have been updated to ensure compliance. The Department of Administration committed to reviewing current practices and identifying which accounting mechanisms may need updates, as well as including information about this assessment in the Budget Instructions to educate agencies and promote compliance.

P.L. 2007, Chapter 073. The 2007 Assembly adopted legislation to correct a situation concerning contract employees who were doing the same work as state employees under state employee supervisors. Departments and agencies could convert those positions to state employee positions within available funding. The law also required that an agency or department may not employ contracted employees or employee services where the contracted employees would work under state employee supervisors after

October 1, 2007, without determination of need by the Director of Administration acting upon the positive recommendations of the Budget Officer and the Personnel Administrator and 15 days after a public hearing. This language was included in budgets until FY 2016. The Assembly restored the provision in the FY 2020 budget and has maintained it since.

Recent Compensation and Benefit Revisions

Recent budgets have included initiatives affecting personnel costs, including savings from reducing retirement benefits and compensation and implementing pay reductions for state employees. The paragraphs that follow describe these, along with the Assembly's action on those items.

- **Retirement Benefits.** The 2011 Assembly enacted legislation to address pension funding as part of a special session. The law moved most employees into a hybrid pension plan with a defined contribution component, raised the retirement age for those not already eligible, and adjusted benefit accruals to 1.0 percent per year of service starting July 1, 2012. The vesting period was reduced from ten to five years, but accrued benefits through June 30, 2012, were preserved. For teachers and state employees, the minimum retirement age was set to the Social Security Normal Retirement Age, up to 67, with adjustments based on years of service but no less than age 59. It suspended new cost-of-living adjustments for retirees until the system reached 80.0 percent funding, allowing intermittent cost-of-living adjustments every five years.

After the 2011 pension law was enacted, public labor unions challenged its constitutionality. To avoid a lengthy trial, the state and unions entered federal mediation. In February 2014, a settlement was proposed that kept most pension changes but reduced the retirement age from 67 to 65. It allowed employees with over 20 years of service to keep their defined benefit pensions. Retirees received a one-time 2.0 percent cost-of-living increase, and intermittent cost-of-living increases would occur every four years instead of five. The settlement required approval from retirees, state employees, and the General Assembly. Although most employees and retirees supported it, most police officers voted against it, rejecting the settlement. The trial, initially set for September 2014, was rescheduled for April 2015.

In March 2015, a proposed settlement was reached, and the Assembly passed legislation to formalize it in May 2015. The agreement preserved over 90 percent of the 2011 pension reform savings. Key changes included providing cost-of-living increases every four years instead of five, two one-time \$500 payments to retirees, and a new formula for cost-of-living adjustments based on both investment returns and the consumer price index, with a 3.5 percent cap. The calculation base for current retirees was raised from \$25,000 to \$30,000. State employees, teachers, and Municipal Employees Retirement System (MERS) employees with at least 20 years of service as of June 2012 returned to a defined benefit plan with a 2.0 percent annual accrual rate and higher employee contributions. The state's contribution to the defined contribution plan was increased for those with between 10 and 20 years of service.

The 2023 Assembly enacted three measures related to the pension system. First, it altered the intermittent cost-of-living adjustments by replacing that provision with a requirement for 25.0 percent of what the cost-of-living calculation would produce if the system were 80.0 percent funded, effective beginning in calendar year 2024. This provision will be in effect until the reinstatement of the current cost-of-living adjustment, which was projected to reach 80.0 percent funded status in FY 2031.

Second, it required the controller to transfer 50.0 percent of all general revenues received in the completed fiscal year net of transfer to the state budget reserve and stabilization account above adopted estimates for that year upon issuance of the audited financial statement to the Employees' Retirement System. The excess funds transferred at the close of FY 2023 was \$6.5 million. The Governor's FY 2025 budget proposal eliminated this law, but the Assembly did not concur. The Assembly did authorize separate legislation in

2024-H 7927, Substitute A, eliminating the transfer to the reserve account for FY 2023 only allowing for the recapture of the \$6.5 million as general revenues.

The 2023 Assembly also required the General Treasurer to establish and convene a working group to review and analyze the impacts of the Rhode Island Retirement Security Act of 2011 on the retirement systems and their current and retired members. The analysis would assist in determining if the stated goals are being met, as well as inform any changes that may be needed to improve the pension programs and address any unintended consequences of the Act and any impacts on the ability of the state to attract and retain a stable workforce. A report of the findings, recommendations, and any proposed options for consideration was due to the Governor, Speaker of the House, and President of the Senate no later than March 1, 2024.

The required report was submitted on February 26; it did not include any recommendations but did provide cost estimates for options that witnesses proposed during the six meetings of the working group. Several of the options were incorporated into standalone legislation. Some were included in the FY 2025 Appropriations Act as described below.

COLA

- Repeals 80% funding target for COLA return for members that retired before July 1, 2012
- Decreases threshold to 75% for all others

Active Members

- Changes benefits calculation from highest 5 consecutive years of compensation to highest 3
- Converts state public safety employees benefits to same retirement benefits as local public safety employees

Post Retirement Employment

- Increases maximum earnings for retired teachers from \$18,000 to \$25,000
 - One year extension for working more than 90 days at LEA; requires employer contribution for extra days
-

These changes were expected to increase the unfunded liability by approximately \$400 million, which required annual employer contributions to increase by \$42.6 million. Of that, \$27.5 million was included in the state budget for FY 2025, with \$20.6 million from general revenues. The remaining \$15.1 million would be borne by local governments, primarily for teachers. The rate for most state employees was updated from 28.54 percent to 30.75 percent for FY 2025.

The Governor proposed not making the transfer of excess FY 2024 revenues to the State Employees' Retirement System, instead recapturing those funds for use in FY 2025. The Assembly did not concur and maintained the current law transfer of \$21.6 million to the system.

The Assembly adopted legislation in Article 3 of 2025-H 5076, Substitute A, as amended, changing the calculation for State Police pension benefits to be based on the highest three consecutive years, rather than five, which would make it consistent with other state employees. This aligns with the change made by the 2024 Assembly that applied to state employees, teachers, and general municipal employees.

- **Retiree Health Benefits.** The 2008 Assembly enacted legislation to change its provision of retiree health benefits from a pay-as-you-go system along with significant benefit reductions to future retirees effective October 1, 2008. Based on a recommendation in the Governor's FY 2009 revised budget, the 2009 Assembly enacted legislation to delay the move to a trust fund for two years. The trust fund was set up in FY 2011, and the state is now funding it on an actuarial basis.

The 2012 Assembly adopted legislation establishing a Medicare exchange for eligible retirees that offers a wider array of health benefit choices at a lower cost through competition. The state sets up a Health Reimbursement Arrangement for each retiree and deposits the state subsidy into the account each month. It is the same percent subsidy that the retiree previously received. The maximum state contribution is set equal to the lowest cost plan, adjusted for age that is comparable to the highest former plan. A retiree can

choose a lower cost plan and use the balance of funds for any approved expense including: purchasing a plan for a spouse, dental or vision plan, and payment of Medicare Part B premiums and Part D coverage.

As part of her FY 2016 recommended budget, Governor Raimondo proposed changing the requirements for what benefits must be included in early retiree health benefit plans. The Assembly did not concur.

It should be noted that the federal “Cadillac” tax was scheduled to take effect in 2018 for plans deemed high cost. The tax would be 40.0 percent of the cost above federally established thresholds. While final regulations had not been issued, it was widely assumed that the threshold would be \$10,200 for an individual plan and \$27,500 for a family plan. The pre-65 rate plan costs were \$11,300 for an individual plan and \$31,500 for a family plan. In January 2018, Congress delayed the start of the tax to 2022. In December 2019, Congress repealed the tax.

- **Longevity.** The 2011 Assembly ended new longevity payments for all state employees effective July 1, 2011, or upon the expiration of any current collectively bargained contract. Employees continue to receive the same longevity percentage they have already earned; however, no new longevity will be granted. Provisions for these payments are generally a matter of collective bargaining agreements for union employees or personnel policy for non-union staff. Non-classified employees of the former Board of Governors, Board of Regents and Public Telecommunications Authority received longevity payments of five percent after 10 years and ten percent after 20 years, pursuant to three different sections of the General Laws. Out-year estimates had projected \$4.0 million in annual costs from this provision.

In her FY 2016 budget, Governor Raimondo proposed to freeze longevity payments at a fixed dollar amount rather than a percent. She later rescinded her proposal. The Assembly retained the current law.

- **Voluntary Retirement Incentive.** In 2017, the Raimondo Administration implemented a voluntary retirement incentive under its own authority as part of an effort to achieve the \$25.0 million of undistributed savings in the FY 2018 enacted budget. State employees eligible to retire on or before December 31, 2017, were eligible for the incentive, which was two times the employee’s longevity capped at \$40,000. The administration indicated that there were 941 eligible state employees and it assumed savings of \$6.5 million based on the assumption that 45 percent of eligible employees would retire by January 31 for five months of savings. Payouts would be made from the Assessed Fringe Benefit Fund, which is generated from all fund sources. The savings also assumed that only 60 percent of those vacated positions are filled for one month in FY 2018 and at 70 percent of the incumbent’s cost in the first year.

The incentive program was implemented in stages based on the amount of longevity to allow the Retirement System time to process the applications. The most senior employees had until February 15 and the least senior had until April 15. The Governor’s revised budget included savings of \$4.6 million from vacancies, but no comprehensive information was provided on how much savings 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 pandemic provided Rhode Island \$1,250.0 million for related expenditures incurred between March 1, 2020 and December 30, 2020, including responding directly to the emergency. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency are allowable expenses as are those to facilitate compliance with COVID-19 related public health measures. Revised federal guidance issued in September 2020 further clarified and broadened eligible costs. The state realized savings of approximately \$120 million for FY 2020 and \$230 million for FY 2021.

- **Deferred Pension Liability.** In 1991 and 1992, the state deferred payments into the retirement system as one of the many measures taken to address the financial crisis. That deferral is part of the unfunded liability being paid down in annual pension contributions and is calculated separately in each actuarial valuation. As of the most recent valuation, setting the retirement rates for FY 2024, the value of this liability is \$61.8 million. This includes \$26.9 million related to state employees and \$34.9 million related to teachers. It represents approximately \$6 million of the state's combined annual payments of \$541.7 million into both systems. The 2022 Assembly concurred with the Governor's recommendation to make a \$61.8 million appropriation in FY 2022 to the retirement system to pay off this debt specifically. His out-year forecast assumed annual savings to the state would begin in FY 2025 when those rates are set with this liability removed. The Employees' Retirement System adopted the FY 2025 rates in December 2022 based on the June 30, 2022 valuations.

- **Statewide Cost-of-Living Adjustments.** After enactment of the FY 2025 budget, the McKee Administration reached agreements with a majority of state employee unions that included cost-of-living adjustments of 5.0 percent for FY 2025, 4.0 percent for FY 2026, and 3.0 percent for FY 2027, for a total of 12.0 percent. His budgets include \$70.1 million from all sources for FY 2025, including \$45.6 million from general revenues, and \$128.0 million from all sources, including \$82.8 million for FY 2026 to account for these agreements and assuming the pay increases also apply to non-union state employees. These expenses include \$32.8 million from all sources for FY 2025 and FY 2026 for potential costs where settlements have not yet been reached. The general revenue share is \$11.2 million for FY 2025 and \$19.0 million for FY 2026. The following table shows the reserves and expenses included in agency budgets.

	General Revenues		All Funds	
FY 2025 Governor Revised	\$	34,372,061	\$	57,950,088
FY 2025 Reserve		11,234,778		12,152,587
Requested Amendment		4,101,811		3,753,331
Total FY 2025 Final	\$	49,708,650	\$	73,856,006
FY 2026 Recommended	\$	63,809,303	\$	107,374,049
FY 2026 Reserve		18,959,345		20,642,448
Requested Amendment		11,628,391		10,712,449
Total FY 2026 Enacted	\$	94,397,039	\$	138,728,946
Total	\$	144,105,689	\$	212,584,952

The Assembly concurred with the Governor's requested amendments to distribute the funds to the Departments of Corrections, Elementary and Secondary Education, and Public Safety. Settlements were reached that exceeded the aggregate amount set aside by \$15.7 million from general revenues, including \$4.1 million for FY 2025 and \$11.6 million for FY 2026.

- **Transfer of State Employees.** The practice of cost allocation may skew the distribution of positions by function. In this case, cost allocation refers to the practice of charging an agency for a portion of the costs for a position that is working in a different agency. There are also cases in which the entire cost of a position is being charged to one agency while the authorization for that position is in another agency.

The 2017 Assembly adopted legislation in Section 6 of Article 5 of 2017-H 5175, Substitute A, as amended, requiring the Personnel Administrator or any director of a department file a written report with the Speaker of the House, the President of the Senate and the chairpersons of the House and Senate Finance Committees when transferring or extending the duration of a transferred employee. This report must be filed within seven days of making or extending the transfer. Since the adoption of this requirement, nine reports identifying a total of eight transfers have been received. The 2019 Assembly adopted legislation in Section 11 of Article 4 of 2019-H 5151, Substitute A, as amended, to clarify that reports be made on the transfer of all state employees, including those who are members of labor unions.

Distribution of Positions

The number of full-time equivalent positions authorized for each agency and department is contained in Article 1 of the annual appropriations act. The departments and agencies may not exceed the number of full-time equivalent positions authorized in any pay period. Full-time equivalent positions do not include seasonal or intermittent positions for which scheduled periods of employment do not exceed 26 consecutive weeks or for which scheduled hours do not exceed 925, excluding overtime, in a one-year period. Nor do they include individuals engaged in training, the completion of which is a prerequisite 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.

The following table summarizes the distribution of positions by function.

Changes to Enacted	Gen. Gov't.	Human Services	Education	Public Safety	Natural Resources	Transp.	Total
<i>FY 2025 Enacted</i>	2,570.3	3,848.5	4,789.6	3,338.4	471.0	755.0	15,772.8
New Positions	27.0	11.0	104.0	9.0	-	-	151.0
Transfers	(2.0)	2.0	-	-	-	-	-
Program/Vacancy Reduction	-	(2.0)	-	-	-	-	(2.0)
<i>Total Change to Enacted</i>	25.0	11.0	104.0	9.0	-	-	149.0
FY 2026 Enacted	2,595.3	3,859.5	4,893.6	3,347.4	471.0	755.0	15,921.8
Percent by Function	16.3%	24.2%	30.7%	21.0%	3.0%	4.7%	100%

A description of changes from the FY 2025 enacted budget follows. Education and human services functions together account for over half of all positions. Changes are concentrated in general government and human services.

Program Changes to FY 2025 Enacted Staffing Levels

Administration. The Governor recommended FY 2025 revised staffing of 667.6 full-time equivalent positions, which is 16.0 fewer than enacted, reflecting the Office of Energy Resources as a standalone agency. To the revised recommendation, he added 2.0 positions for a statewide integrated data system, 2.0 positions related to program integrity, and transferred 2.0 positions to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals for FY 2026 staffing of 669.6 full-time equivalent positions. He subsequently requested an amendment to add 15.0 full-time equivalent specialized information technology positions within the Division of Enterprise Technology Strategy and Services, an internal service fund program. The Assembly concurred with the amended recommendation.

Office of Energy Resources. The Governor's budget reflects the Office of Energy Resources as a standalone agency. He recommended FY 2025 revised staffing of 16.0 full-time equivalent positions; this aligns with the current Department of Administration staffing allocation. For FY 2026, he recommended 20.0 full-time equivalent positions, 4.0 more than the revised budget. The Assembly provided FY 2026 staffing of 17.0 full-time equivalent positions, 1.0 more than the FY 2025 final budget.

Business Regulation. The Governor recommended FY 2026 staffing of 155.0 full-time equivalent positions, which is 26.0 fewer than enacted to reflect the Cannabis Control Commission as a standalone agency. The Assembly concurred.

Cannabis Control Commission. The Governor's budget reflects the Cannabis Control Commission as a standalone agency. He recommended FY 2026 staffing of 28.0 full-time equivalent positions, 2.0 positions more than the enacted allocation for associated work within the Department of Business Regulation to reflect a new administrative officer and a legal support position. The Assembly did not concur with the new positions and provided a total of 26.0 positions.

Revenue. The Governor recommended 604.5 full-time equivalent positions for FY 2026, which is 5.0 positions more than the enacted amount, including 3.0 positions to oversee the administration of the whole-home short-term rental tax and 2.0 positions for the digital advertising tax initiative. The Assembly did not enact the digital advertising tax proposal but did adopt other new revenue initiatives. It added 1.0 position and \$250,000 to the recommendation, providing a total of \$0.7 million for the implementation costs of new revenues.

Office of the General Treasurer. The Governor recommended 92.0 full-time equivalent positions for FY 2026, 1.0 more than authorized to reflect a new cybersecurity manager position. The Assembly concurred.

Executive Office of Health and Human Services. The Governor recommended 243.0 full-time equivalent positions for FY 2026, 10.0 more than enacted. This includes 4.0 positions to support the Medicaid

program's oversight of pharmacy claims, 4.0 positions related to fraud, waste, and abuse; and 2.0 positions to support a statewide integrated data systems initiative. The Assembly concurred.

Children, Youth and Families. The Governor recommended 713.5 full-time equivalent positions for FY 2026, 1.0 fewer than enacted. This reflects a transfer of a position to the Office of Childcare in the Department of Human Services to facilitate coordination between agencies and ensure access to high quality early learning and developmental services. The Assembly concurred.

Health. The Governor recommended the authorized level of 572.6 full-time equivalent positions for both years. However, the FY 2026 recommendation includes a new data analyst position to increase cannabis product testing, and eliminates a currently filled position. The Assembly concurred.

Human Services. The Governor recommended 1,079.0 full-time equivalent positions for FY 2026, which reflects the transfer of an Early Childhood Systems Coordinator position to the Office of Childcare and the elimination of a position. The Assembly concurred.

Behavioral Healthcare, Developmental Disabilities and Hospitals. The Governor recommended 1,223.4 full-time equivalent positions for FY 2026, 2.0 more than enacted. This reflects the transfer of two positions from the Department of Administration's Division of Capital Asset Management and Maintenance, to oversee maintenance and operations of the state-owned group homes. The Assembly concurred.

Elementary and Secondary Education. The Governor recommended 342.1 full-time equivalent positions for FY 2026, 2.0 more than enacted to reflect two new art teachers for the Davies Career and Technical School to meet updated student graduation requirements. The Assembly concurred.

Public Higher Education. The Governor recommended 4,417.3 full-time equivalent positions for FY 2026, 2.0 more than enacted for the Office of Postsecondary Commissioner associated with his proposal to create a statewide integrated data system. As of mid-January, the University exceeded its staffing cap by 24.9 positions. The Assembly concurred and also added authorization for 100.0 new full-time equivalent positions for the University of Rhode Island, of which 25.0 are limited to third-party sources. This will enable the University to stay within its cap while also allowing for growth.

Attorney General. The Governor recommended 264.1 full-time equivalent positions for FY 2026, consistent with the enacted authorization. The Assembly authorized 268.1 full-time equivalent positions; it added 4.0 civil attorney positions based on an updated request from the Office.

Judiciary. The Governor recommended 749.3 full-time equivalent positions for FY 2026, 4.0 more than enacted. This includes 2.0 positions to support the Office of Court Interpreters, 1.0 deputy clerk for the Traffic Tribunal, and 1.0 administrative clerk for the Workers' Compensation Court. The Assembly concurred.

Public Safety. The Governor recommended 634.0 full-time equivalent positions for FY 2026, 1.0 more than enacted for an additional Capitol Police screener position. The Assembly concurred.

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. Billings to agencies support them since no money is appropriated to the funds, and the services appear as operating costs even though they often fund personnel expenses. This makes it difficult to exercise the same level of scrutiny as direct appropriations. The 2017 Assembly adopted legislation authorizing internal service funds for centralized services, including information technology, facilities management, and human resources. It also requires that the Department of Administration report the fund activities quarterly, starting with October 15, 2017, including a breakdown by each department and agency. The report must be submitted to the Speaker of the House and President of the Senate with copies to the House and Senate Finance Committee chairpersons. The following table shows the dates the reports were submitted.

Fiscal Year	1st 10/15	2nd 1/15	3rd 4/15	4th 7/15
2025	10/15	1/15	4/23	
2024	10/16	1/31	4/19	9/19
2023	10/17	1/20	4/14	8/11
2022	10/27	1/15	4/15	7/15
2021	10/30	2/22	5/14	
2020	10/31	1/17	5/20	8/24
2019		2/19	5/21	9/13
2018	10/13	2/21		11/24

Previous personnel costs discussed exclude internal service funds expenses; however, the staffing levels do include them, which skews the actual cost per position. The following table shows them included.

FY 2026 Enacted Including ISF	General Revenues	Federal Funds	Restricted Receipts	Other Funds	Total
Salaries and Wages	\$ 764,611,591	\$ 200,904,685	\$ 66,847,852	\$ 477,185,662	\$ 1,509,549,790
Benefits	471,394,683	117,919,407	38,548,472	196,834,853	824,697,415
Total Salaries and Benefits	\$ 1,236,006,274	\$ 318,824,092	\$ 105,396,324	\$ 674,020,515	\$ 2,334,247,205
Contracted Services	121,553,199	249,180,287	104,627,471	67,607,786	542,968,743
Total Personnel	\$ 1,357,559,473	\$ 568,004,379	\$ 210,023,795	\$ 741,628,301	\$ 2,877,215,948

The associated staffing costs of \$74.9 million support 478.2 full-time equivalent positions statewide, including 434.1 positions in the Department of Administration. There are also 12.0 positions in the Department of Public Safety, 4.2 in the Secretary of State, and 28.0 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 2025 Enacted	FY 2025 Revised	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Human Resources	\$ 17,669,248	\$ 18,075,166	\$ 18,075,166	\$ 18,711,878	\$ 18,711,878
Facilities Management	53,327,083	53,946,171	53,946,171	40,492,965	40,492,965
Information Technology	62,092,295	63,523,776	63,523,776	70,587,805	70,587,805
Total	\$ 133,088,626	\$ 135,545,113	\$ 135,545,113	\$ 129,792,648	\$ 129,792,648
Agency Budgets					
Human Resources	\$ 18,794,624	\$ 18,942,615	\$ 18,892,615	\$ 16,178,487	\$ 16,178,487
Facilities Management	51,950,609	52,898,101	52,748,101	44,086,317	44,086,317
Information Technology	51,397,301	51,833,229	51,822,271	57,571,743	57,571,743
Total	\$ 122,142,534	\$ 123,673,945	\$ 123,462,987	\$ 117,836,547	\$ 117,836,547
Difference	\$ 10,946,092	\$ 11,871,168	\$ 12,082,126	\$ 11,956,101	\$ 11,956,101

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 2024, the fund balance was \$2.4 million. Through the first quarter of FY 2025, expenses totaled \$3.4 million. The Department billed \$2.8 million for services for only two months because the year-end fund balance was higher than expected. This results in a current-year surplus of \$1.8 million. As of mid-December 2024, 14,267.3 full-time equivalent positions are filled; this is 351.0 and 520.6 positions more, respectively, than December 2023 and 2022.

Human Resources	FY 2024 Reported	FY 2025 Enacted	FY 2025 Final	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 13,119,869	\$ 14,739,435	\$ 13,072,779	\$ 15,738,424
Contracted Services	150,614	204,200	1,960,305	204,200
Other State Operations	2,220,891	2,696,113	3,012,582	2,739,754
Capital	117,343	29,500	29,500	29,500
Total	\$ 15,608,717	\$ 17,669,248	\$ 18,075,166	\$ 18,711,878
Ending Fund Balance	\$ 2,377,490			
FTE Authorization	97.0	100.0	104.0	104.0

The FY 2025 revised request includes expenditures of \$17.7 million, essentially as enacted. However, this includes \$1.9 million less than enacted for salaries and benefits, reflecting updated staffing costs and allocations. The revised request repurposed the turnover savings, primarily for contracted information technology support and other services for implementation of the Enterprise Resource Planning System.

At the time of the budget submission there were 11 vacancies. Based on a payroll analysis through the first pay period in January, the revised request of \$12.9 million is \$0.3 million above projected expenses. Subsequently, the administration indicated that it is analyzing staff time currently being allocated to the Large Systems Initiatives Fund and preliminary information shows a possible over allocation to the Fund. As a result, salary and benefit expenses for Human Resources will be higher than the revised request assumes. It should be noted that the request reflects savings of \$172,792 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$46,364.

The FY 2026 request of \$18.1 million is \$0.4 million more than enacted. It includes \$15.0 million for salary and benefit expenses of 104.0 full-time equivalent positions, \$0.3 million and 4.0 positions more than enacted, which are repurposed authorizations from Facilities Management. Salary and benefit expenses for FY 2026 are \$2.1 million more than the revised request. All remaining expenses of \$3.1 million are \$140,000 more than enacted and consistent with the revised request for employee training initiatives.

The constrained request proposes savings of \$0.4 million, including \$0.3 million from office supplies and \$0.1 million from advertising. These areas are where underspending primarily occurred in FY 2024.

*The Governor recommended \$18.1 million for FY 2025 revised expenses, which is \$0.4 million more than requested to account for statewide adjustments consistent with his recent labor agreements and adjustments to centralized service billings based on a revision to anticipated expenses. He recommended \$18.7 million and staffing as requested for FY 2026. This is \$0.7 million more than requested, including \$1.0 million for statewide adjustments, partially offset by \$0.4 million from the proposed savings initiatives. **The Assembly concurred.***

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 charged based on the square footage they occupy in a facility.

At the end of FY 2020, the fund had an accumulated deficit of \$1.9 million. In FY 2021, a total of \$43.5 million for services 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, \$0.4 million and \$0.5 million, respectively for FY 2022, FY 2023 and FY 2024. Through the first quarter of FY 2025, expenses total \$12.8 million, while the Department billed \$13.3 million for services; a current surplus of \$0.1 million. It should be noted that facilities management expenses are generally higher during winter months.

Facilities Management	FY 2024 Reported	FY 2025 Enacted	FY 2025 Final	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 13,227,271	\$ 14,535,985	\$ 14,811,501	\$ 15,339,025
Contracted Services	7,492,204	9,180,748	9,385,748	8,572,334
Other State Operations	34,353,292	29,595,350	29,733,922	16,517,106
Capital	212,972	15,000	15,000	64,500
Total	\$ 34,566,264	\$ 53,327,083	\$ 53,946,171	\$ 40,492,965
Ending Fund Balance	\$ (470,546)			
FTE Authorization	110.0	111.0	103.0	101.0

The FY 2025 revised request includes \$53.3 million, consistent with the enacted budget. This includes \$0.3 million less for salaries and benefits, reflecting turnover savings not assumed in the enacted budget. Based on a payroll analysis through the first pay period in January, the revised request of \$14.3 million is \$0.9 million above projected expenses. There were 22 vacancies as of mid-December 2024; the request reduces staffing authorization by 8.0 to 103.0 full-time equivalent positions. Staffing levels for both Human Resources and Information Technology increased by four positions each. It should be noted that the request reflects savings of \$137,964 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$48,677.

The revised request repurposed the savings to other expenses, including security services which increase by \$205,000 to \$2.3 million and FY 2024 expenses were \$1.8 million. It also adds \$47,101 for snow removal; expenses were \$2.2 million in FY 2024 and the enacted budget includes \$1.6 million.

For FY 2026, the request includes expenditures of \$40.4 million for facilities management, which is \$12.9 million less than enacted. This reflects the Department's proposal to remove \$13.9 million of utility expenses from centralized services and budget them directly. The Department noted that these expenses tend to fluctuate and it does not have means to control consumption. It further noted that this is one area that has caused the fund to have negative balances. The request includes \$14.6 million for salaries and benefits. This is \$0.1 million more than enacted, and \$0.2 million less than current service estimates. It assumes turnover savings of \$0.4 million, equivalent to approximately three vacancies. The request reflects benefit rates consistent with FY 2026 planning values.

The request also includes \$25.8 million for operating expenses. This includes \$11.4 million or 44.0 percent for the Pastore Center, and \$5.0 million for the Capital Center, which includes the following buildings:

State House, William Powers, Cranston Armory, Cannon, Chapin, State Office Building, Old State House, and Arrigan. Requested expenditures include \$8.6 million for various maintenance including snow removal; elevators; heating, ventilation and air conditioning systems repairs; and waste disposal. It includes \$3.9 million for the Central Power Plant at the Pastore Center. The contract with NORESCO has two components; the direct labor paid, which is a fixed amount, and consumables, which depend on repair costs. It also includes \$2.6 million for security services, and \$5.2 million for utilities, including sewer, water, and oil. These expenses are \$0.5 million more than enacted, including new expenses of \$0.3 million for the Office of State Medical Examiners' new facility in Cumberland. Waste disposal expenses are \$0.5 million more than enacted and consistent with FY 2024 spending. These increases are partially offset by adjustments to insurance, janitorial services, groundskeeping, and various supplies.

The constrained budget proposes savings of \$3.5 million, including \$0.4 million from eliminating second and third shift maintenance staff at the Veterans' Home. The Department noted that the Veterans' Home would need to hire contracted staff to maintain the facility off hours. It proposed that contracted janitorial services be reduced to three days per week for savings of \$1.3 million. It also proposed to shift \$1.8 million of general maintenance expenses to Rhode Island Capital Plan funds. It should be noted that Department of Administration's request includes another proposal to shift \$1.8 million from salary and benefit expenses for 10.5 full-time equivalent positions, including project managers and architects, from general revenues to Rhode Island Capital Plan funds. The 2024 Assembly had rejected this proposal. 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 recommended \$53.9 million for FY 2025, which is \$0.6 million more than requested to account for statewide adjustments consistent with his recent labor agreements, and adjustments to centralized service billings based on a revision to anticipated expenses. He recommended \$40.5 million and staffing of 101.0 full-time equivalent positions for FY 2026. This is \$0.1 million more and 2.0 fewer positions than requested, reflecting the transfer of positions to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The recommendation includes \$0.7 million to account for statewide adjustments consistent with his recent labor agreements. He concurred with the proposal to decrease contracted janitorial services, but only by one day or 20 percent per week for savings of \$0.6 million. He also concurred with the proposal to allocate salary and benefit expenses for project managers to Rhode Island Capital Plan funds. **The Assembly concurred, with the exception of maintaining general revenue funding for project managers and restored \$2.0 million of budgeted savings.***

Enterprise Technology Strategy and Services. The Division of Enterprise Technology Strategy and Services provides centralized information technology services to state agencies. According to the Department of Administration, expenditures are broken 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, and to \$7.1 million at the end of FY 2024. Through the first quarter of FY 2025, expenses total \$9.8 million, while the Department billed \$11.1 million for services; resulting in a current surplus of \$1.4 million, totaling \$8.5 million with prior year balance. The administration noted that the rates for FY 2025 will be adjusted to reflect available resources.

Enterprise Technology Strategy and Services	FY 2024 Reported	FY 2025 Enacted	FY 2025 Final	FY 2026 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 27,066,191	\$ 28,570,388	\$ 30,756,655	\$ 34,451,003
Contracted Services	3,303,018	4,695,269	5,447,093	5,719,985
Other State Operations	20,872,538	28,802,145	27,295,535	30,392,324
Capital	162,320	24,493	24,493	24,493
Total	\$ 51,404,067	\$ 62,092,295	\$ 63,523,776	\$ 70,587,805
Ending Fund Balance	\$ 7,092,178			
FTE Authorization	174.0	175.0	179.0	196.0

The revised request includes \$62.1 million for FY 2025, essentially consistent with the enacted budget. However, it adds \$0.7 million for salaries and benefits, including restoration of \$0.1 million of the enacted \$1.3 million from turnover savings and updated staffing costs and allocations. Based on a payroll analysis through the first pay period in January, it appears the requested amount of \$29.3 million is \$0.8 million less than projected expenses. At the time of the budget submission there were 11 vacancies; the requested turnover savings are equivalent to 6.5 full-time equivalent positions. It should be noted that the request reflects savings of \$270,897 from a reduction to the enacted assessed fringe benefit rate equal to 1.7 percent of salaries; however, the correct rate is only 1.1 percent lower, a difference of \$106,531. Expenditures for contracted information technology support are \$0.8 million more. These increases are offset by \$1.5 million less for computer repairs.

The request includes \$67.9 million for FY 2026, which is \$5.8 million more than enacted. It includes \$31.3 million for salary and benefit expenses for 179.0 full-time equivalent positions. This is \$2.7 million and 4.0 positions more than enacted. This also reflects the transfer of 2.0 positions, one each from the Office of Accounts and Control and Human Resources relating to the implementation of the Enterprise Resource Planning System. In lieu of decreasing staffing authorization to reflect current vacancies in Facilities Management, they were reallocated to Information Technology and elsewhere.

The request assumes \$1.6 million in turnover savings, equivalent to approximately nine vacancies. Consistent with the enacted budget, the request includes \$0.5 million for overtime, \$0.2 million more than spent in FY 2024, and \$0.1 million more than the revised request. The request is \$2.4 million more than the current service estimate, including \$1.4 million for staffing costs and allocations for the Enterprise Resource Planning System, and \$0.7 million for the associated positions and transfers.

Operating expenses of \$36.6 million are \$3.1 million more than enacted, including \$2.1 million to implement the new systems management software. Total annual expenses, including salaries and benefits, are estimated at \$7.5 million for FY 2026; this amount will be billed to agencies.

The enacted budget includes a total of \$3.5 million, including \$2.7 million from general revenues for the state's share assuming that the human resources and payroll systems would be implemented in January 2025; implementation has been delayed to March.

The Division's constrained request reduces software maintenance expenses by \$750,000; however, the funding would be retained in agency budgets for Microsoft Copilot 360, which is Microsoft's Artificial Intelligence Productivity tool for the government tenant, or other tools.

The Governor recommended \$1.5 million more than requested for FY 2025 to account for statewide adjustments consistent with his recent labor agreements.

He recommended \$70.6 million and 181.0 full-time equivalent positions for FY 2026; this is \$3.4 million and 2.0 positions more than the constrained request. He proposed legislation, establishing an integrated data system and includes a total of 6.0 new full-time equivalent positions for the system. This includes 2.0 positions in the Department of Administration; the recommendation includes \$0.4 million for salary and benefit expenses, offset by a like amount of savings from operating. It adds \$2.7 million to account for statewide adjustments consistent with his recent labor agreements and adjustments to centralized service billings based on a revision to anticipated expenses. His recommendation assumes the expense for artificial intelligence tools within the Division's budget.

*The Governor subsequently requested an amendment, creating a designation for specialized information technology positions in state service, to be capped at 15.0 full-time equivalent positions in any fiscal year. It authorized the personnel administrator to change classifications and pay grades for any new or existing specialized information technology positions. This excludes positions that are part of a collective bargaining agreement. It further requires that the job specifications be reviewed annually. He later suggested changes to align with agreements with the union. **The Assembly concurred with the amended recommendation; the authorization granted to the personnel administrator under this section will sunset on December 31, 2026.***

Assessed Fringe Benefits. The Assessed Fringe Benefit Fund provides funding for the state employee workers' compensation, severance pay, unemployment pay, and employee assistance programs. The Fund is supported from a biweekly assessment that is applied to the amount of salaries and wages paid from all accounts and funds. At the end of FY 2023, the balance was \$6.7 million, and it appears to be \$5.9 million for FY 2024; audited data is not available.

The enacted budget assumes an assessment of 3.95 percent, it was reduced to 2.90 percent for both FY 2025 and FY 2026. It appears that agency budget requests used 2.3 percent for FY 2025 and the correct rate for FY 2026. Through the first half of the fiscal year, \$17.3 million has been assessed.

The Department projected FY 2025 revised expenses of \$37.2 million, \$0.2 million more than enacted. This includes \$0.1 million in turnover savings and \$0.4 million more for insurance. The request is \$5.7 million more than spent in FY 2024, including \$1.3 million less for severance payments and \$7.2 million more for workers' compensation expenses. The FY 2026 request is essentially consistent with the revised request.

*The Governor concurred and added \$19,445 and \$61,316 for FY 2025 and FY 2026, respectively, to account for statewide adjustments consistent with his recent labor agreements, and adjustments to centralized service billings based on a revision to anticipated expenses. **The Assembly concurred.***

Central Mailroom. The central mail services program provides for inter-agency mail delivery and processing of mail for most state agencies. Agencies are billed based on mail processed on their behalf. The revised request includes funding essentially as enacted and the authorized level of 9.0 full-time equivalent positions for FY 2025.

For FY 2026, the Department projected expenditures of \$8.9 million, which is \$0.5 million more than enacted. It includes \$1.5 million or \$31,719 less for salaries and benefits, reflecting turnover savings, and is essentially consistent with the revised request. Operating expenses of \$7.4 million are \$0.5 million more, including \$0.3 million less for equipment maintenance based on recent experience. This is offset by \$0.8 million more for postage, for total expenses of \$7.0 million based on an anticipated January 2026 rate increase. *The Governor concurred and added \$68,509 and \$116,680 for FY 2025 and FY 2026, respectively, to account for statewide adjustments consistent with his recent labor agreements and adjustments to centralized service billings based on a revision to anticipated expenses. **The Assembly concurred.***

State Fleet. State Fleet provides charges for the administration and fiscal management of state-owned vehicles and operates several fuel depots throughout the state. The FY 2025 revised and the FY 2026 requests assume staffing of 7.0 full-time equivalent positions, consistent with the enacted level. As of late December, there were no vacancies.

The revised request includes expenses of \$20.9 million, or \$5.4 million more than enacted, to align maintenance and insurance expenses more closely with prior year spending. Salary and benefit expenses are essentially consistent with the enacted budget. The request of \$21.6 million for FY 2026 is \$0.6 million more than the revised request to account for a 4 percent increase for maintenance expenses.

*The Governor concurred and added \$11,177 and \$58,796 for FY 2025 and FY 2026, respectively, to account for statewide adjustments consistent with his recent labor agreements, and adjustments to centralized service billings based on a revision to anticipated expenses. **The Assembly concurred.***

Telecommunications. The Division of Enterprise Technology Strategy and Services' telecommunications program manages all voice telephone line installations, service changes and billings statewide. It also provides direct services both internally to government and to the public. Agencies are billed based on their number of lines as well as requested maintenance. The revised and FY 2026 requests are essentially consistent with FY 2025 enacted expenses of \$3.7 million. Salary and benefit expenses of \$0.9 million for 7.0 full-time equivalent positions are \$99,300 less, reflecting turnover savings. Operating expenses increase by a like amount, primarily for telecommunications.

The Division proposes disconnecting approximately 40 percent of desk phones utilized by agencies for a savings of \$750,000. This would apply to employees who also have cellphones.

The Governor's revised recommendation for FY 2025 is \$47,149 more than requested to account for statewide adjustments consistent with his recent labor agreements and the correct assessed fringe benefit rate. It also includes adjustments to centralized service billings based on a revision to anticipated expenses.

*His recommendation of \$3.4 million for FY 2026 is \$0.3 million less than requested, including \$0.1 million to account for statewide adjustments consistent with his recent labor agreements. He concurred with the constrained proposal; however, he assumes half of the savings as there might be legitimate business reasons to retain desk phones for some employees with cell phones. **The Assembly concurred.***

Medicaid

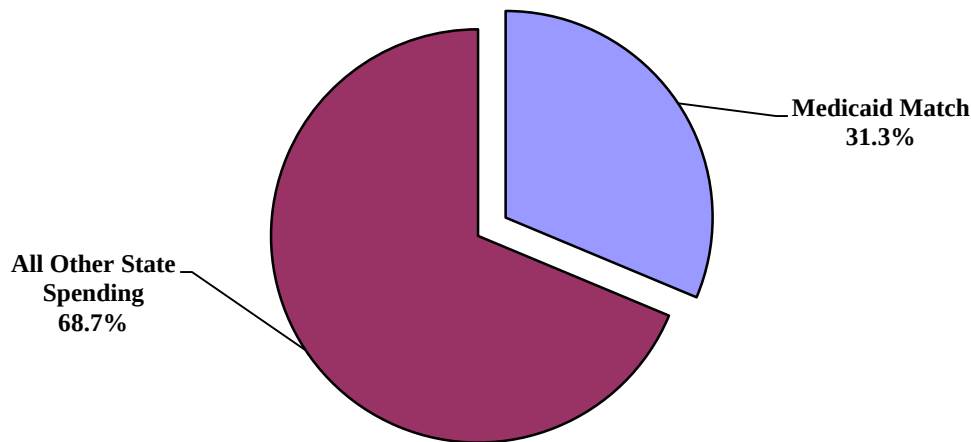
Medicaid is a health insurance program jointly funded by the federal government and the states to provide services to low-income children, pregnant women, parents of dependent children, the elderly, and people with disabilities. The federal government's share of expenditures for most Medicaid services is called the federal medical assistance percentage (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 2026 Enacted	General Revenues	All Funds	% of Medicaid
EOHHS	\$ 1,465,704,467	\$ 4,138,746,376	84.5%
BHDDH	301,152,254	642,656,241	13.1%
Children, Youth and Families	35,588,779	81,002,216	1.7%
Human Services	14,194,236	31,172,600	0.6%
Health	1,458,887	5,328,923	0.1%
Total	\$ 1,818,098,623	\$ 4,898,906,356	100%

Medicaid as a Percent of the State Budget. Programs supported by Medicaid are 34.2 percent of total spending in the FY 2026 enacted budget and the state match for that requires 31.3 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 2026 State Medicaid Match vs
All General Revenue Spending**



Federal Action Strategy. The Assembly included Section 8 of Article 8 Substitute A, as amended, which directs the Secretary of Health and Human Services to convene an advisory working group to assist in the review and analysis of potential impacts of any adopted federal actions related to Medicaid programs. The working group shall develop options for administrative action or General Assembly consideration that may be needed to address any federal funding changes that impact Rhode Island's Medicaid programs and report its findings no later than October 31, 2025.

On May 22, the U.S. House of Representatives passed a budget reconciliation bill that included significant changes to the Medicaid program. On June 16, the U.S. Senate Finance Committee released proposed reconciliation language that made changes to what was passed by the House.

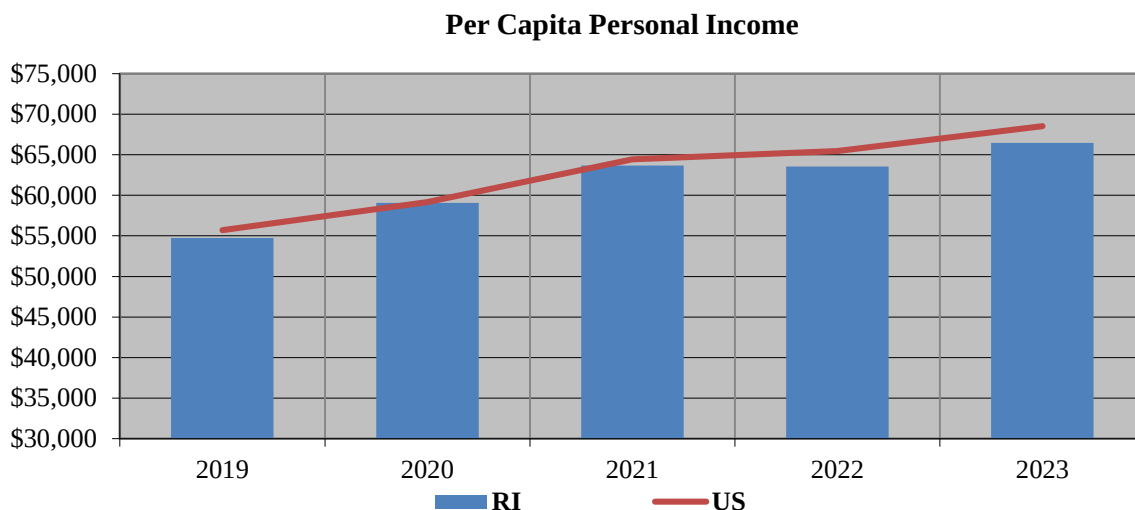
The following information is adapted from a comparison by KFF, formerly known as the Kaiser Family Foundation, released on June 17. While not an exhaustive list, it shows some of the pending and/or potential changes to state Medicaid programs that will affect Rhode Island. As of June 30, final action by the Senate was still pending.

House Reconciliation Bill		Effective Date	Senate Finance Text
Work Requirements	New requirements for those ages 19-64 (expansion population) to work or participate in qualifying activities at least 80 hours/month	Effective no later than: 12/31/2026	<i>Same, but allows for extension of effective date to 12/31/2028 if state demonstrates good faith efforts to comply</i>
	Exempts parents of dependent children or the medically frail		<i>Limits exemption to parents with children 14 or younger</i>
	Verify the individual meets the requirements for one or more consecutive months preceding the month of application		<i>Caps "look-back" for work compliance to three months</i>
	If denied or disenrolled b/c of work requirements, the individual is not eligible for subsidized Marketplace Coverage		
	Provision cannot be waived		
Eligibility Determinations	Moves from every 12 to every 6 months for expansion population only	Renewals on or after 12/31/2026	<i>Same. Plus requires guidance issued within 180 days of enactment</i>
State Only Programs for Ineligible Immigrants	Reduces match rate from 90% to 80% for the expansion population if a state provide this coverage	Effective 10/1/2026	<i>Same. Clarifies that health coverage for individuals without a qualified status does not include coverage for lawfully residing children or pregnant adults covered under the Medicaid or CHIP option for these groups</i>
Cost Sharing	New cost-sharing requirements up to \$35 for expansion population/certain services exempt; cost sharing for prescriptions limited to nominal amounts	Effective 10/1/2028	<i>Same. Except permits cost sharing for non-emergency services provided in an ER that is not to exceed \$35</i>
Provider Taxes	No new provider taxes; no existing taxes can be increased; retains 6% current law cap but revises some other material rules and conditions	Immediately but up to 3 year transition period allowed	<i>Gradually reduces the existing 6% limit for all but nursing and intermediate care facilities by 0.5% per year until 3.5% in FY 2031</i>

Adapted from <https://www.kff.org/tracking-the-medicaid-provisions-in-the-2025-budget-bill/>

Medicaid Rate. The federal medical assistance percentage, also known as the federal Medicaid matching rate, is a calculation with a 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 2026 rate is based on 2021 through 2023 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 2026 rate is based on one quarter of the federal fiscal year 2025 rate and three quarters of the federal fiscal year 2026 rate, resulting in a 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 2021 through FY 2026. As shown, the federal share has remained fairly consistent over the last several years.

Medicaid Rates	FFY		SFY	
	Regular	Enhanced	Regular	Enhanced
2026	57.50%	N/A	57.20%	N/A
2025	56.31%	N/A	55.99%	N/A
2024	55.01%	55.75%	54.75%	55.75%
2023	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%

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 was 2.5 percent in the first quarter and 1.5 percent in the second quarter, which marked 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 were 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 final budget totaling \$695.9 million. These savings are offset by the fluctuations in enrollment, which grew by approximately 74,200 individuals from February 2020 through March 2023.

Gross General Revenue	
Match Savings	
FY 2024 Final	\$ (39.4)
FY 2023 Final	(162.8)
FY 2022 Final	(280.0)
FY 2021 Final	(135.9)
FY 2020 Final	(77.8)
Total	\$ (695.9)

\$ 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 33.3 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.

CHIP Rates	FFY	SFY
2026	70.25%	70.04%
2025	69.42%	69.19%
2024	68.51%	68.33%
2023	67.77%	67.93%
2022	68.42%	68.28%
2021	67.86%	70.54%

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 67.86 percent and FY 2026 is 70.25 percent.

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 included 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 RItCare eligibility for parents who are at or below 175 percent of poverty and children who are at or below 250 percent. The 2013 Assembly lowered the parent's threshold to 133 percent of poverty and included funding to assist in the transition to coverage through the health benefits exchange. The eligibility threshold for the parent was increased to 138 percent to match the threshold for the expansion program.

Between 2014 and 2016, the federal government paid 100 percent of the cost of covering newly-eligible individuals. 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 2026 enacted budget and projected through FY 2030. Expenditures from FY 2021 through FY 2024 reflect caseload growth partially attributable to the prohibition on redeterminations during the public health emergency. Redeterminations began April 1, 2023, and the state match for this program remains at 10 percent; the delay in redeterminations did affect total state costs, which more than doubled.

As noted, the potential changes to the Medicaid program have a significant impact on this population, including working requirements, more frequent eligibility checks, and cost-sharing requirements.

Medicaid Expansion		
FY	General Revenues	All Funds
2030	\$ 91.3	\$ 843.1
2029	\$ 87.6	\$ 809.2
2028	\$ 84.1	\$ 776.5
2027	\$ 80.7	\$ 745.2
2026	\$ 78.4	\$ 723.5
2025	\$ 78.7	\$ 730.8
2024	\$ 76.2	\$ 705.1
2023	\$ 83.6	\$ 784.5
2022	\$ 77.6	\$ 722.7
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. The 2015 Assembly enacted Article 18 of 2015-H 5900, Substitute A, as amended, to establish the Exchange in general law as a division within the Department of Administration. It authorized HealthSource RI to operate a state-based exchange to meet the minimum requirements of the federal act. It also authorized an assessment be charged by the Department not to exceed revenues raised through the federally facilitated marketplace upon those insurers offering products on the Exchange. The assessment is anticipated to generate \$11.1 million for FY 2026.

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 2026 enacted budget includes \$1.9 million from general revenues to be used in conjunction with these revenues for the operations of HealthSource RI.

HealthSource RI offers in-person assistance from professional health benefits navigators and online tools to assist Rhode Island residents and small businesses with shopping for and purchasing health insurance. All plans offered through HealthSource RI meet minimum coverage requirements set by the federal government, including essential health benefits such as preventive care and annual physicals, doctor sick visits, hospitalizations, maternity care, emergency room visits, and prescription coverage.

Tools offered can be used by those who do not have coverage either through an individual plan or through an employer plan, are under-insured by their individual or employer plan, 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 incomes below 400 percent of poverty and who are not Medicaid eligible will receive federal subsidies to reduce the cost of commercial health plans purchased through the Exchange.

The 2013 Assembly lowered the state's threshold criteria for RItE Care parents to 133 percent of poverty and created a premium assistance program to aid in the transition to coverage through the Exchange. The state pays 50 percent of the cost of commercial coverage after subtracting what the parents are currently paying for RItE Care coverage and any federal tax credits or subsidies that are available.

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 imposed 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 2026 enacted budget includes \$16.5 million, which includes \$10.8 million from federal funds and \$5.7 million in revenue from the Shared Responsibility Payment penalty for individuals without health insurance coverage, with certain exemptions. This includes \$15.8 million for 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, RIBridges, instead of two separate systems for its human services eligibility and 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 FY 2016 spending through the FY 2026 enacted budget, which shifts \$18.9 million, including \$10.9 million from general revenues, of contracted expenses from the Department of Human Services and HealthSource RI to the Executive Office of Health and Human Services.

Unified Health Infrastructure Project/Contact Center	General Revenues	Federal Funds	Deloitte Settlement Funds	Other Restricted & HealthSource RI	Total
FY 2016 to FY 2024	\$ 135,144,207	\$ 468,529,678	\$ 49,783,569	\$ 25,734,587	\$ 682,955,805
FY 2025 Enacted					
EOHHS	\$ 15,094,971	\$ 52,400,438	\$ -	\$ -	\$ 67,495,409
DHS	12,722,083	16,076,881	520,708	-	29,319,672
HealthSource RI/Contact Center	1,497,552	-	-	5,013,568	6,511,120
Total	\$ 29,314,606	\$ 68,477,319	\$ 520,708	\$ 5,013,568	\$ 103,326,201
FY 2025 Final					
EOHHS	\$ 11,331,480	\$ 40,301,198	\$ 216,431	\$ -	\$ 51,849,109
DHS	12,680,039	17,942,751	520,708	-	31,143,498
HealthSource RI/Contact Center	1,500,038	-	-	5,295,917	6,795,955
Total	\$ 25,511,557	\$ 58,243,949	\$ 737,139	\$ 5,295,917	\$ 89,788,562
FY 2026 Request					
EOHHS	\$ 13,945,611	\$ 49,128,450	\$ -	\$ -	\$ 63,074,061
DHS	13,583,584	17,470,434	520,708	-	31,574,726
HealthSource RI/Contact Center	690,607	-	-	5,804,018	6,494,625
Total	\$ 28,219,802	\$ 66,598,884	\$ 520,708	\$ 5,804,018	\$ 101,143,412
FY 2026 Recommendation					
EOHHS	\$ 21,665,055	\$ 53,744,893	\$ 520,708	\$ -	\$ 75,930,656
DHS	3,618,132	9,140,548	-	-	12,758,680
HealthSource RI/Contact Center	-	-	-	5,793,588	5,793,588
Total	\$ 25,283,187	\$ 62,885,441	\$ 520,708	\$ 5,793,588	\$ 94,482,924
FY 2026 Enacted					
EOHHS	\$ 22,368,654	\$ 56,336,615	\$ 520,708	\$ -	\$ 79,225,977
DHS	3,618,132	9,140,548	-	-	12,758,680
HealthSource RI/Contact Center	-	-	-	5,793,558	5,793,558
Total	\$ 25,986,786	\$ 65,477,163	\$ 520,708	\$ 5,793,558	\$ 97,778,215
FY 2016 through FY 2026 Enacted	\$ 186,642,550	\$ 592,250,790	\$ 51,041,416	\$ 36,824,062	\$ 870,522,582

RIBridges Cyberattack. In December 2024, the state was notified of a cybersecurity attack on the enrollment system, which was subsequently taken offline. HealthSource RI extended the open enrollment period from January 31 to February 28 and extended the call center hours. It offered direct enrollment through Blue Cross and Blue Shield, and Neighborhood Health Plan, with a no-cost option for January and February. The state will also reimburse the entities for administrative expenses.

Subsequently, Deloitte provided the state with \$5.0 million to help pay for expenses related to the attack. The administration later reported that it had identified \$6.9 million in expenses associated with the RIBridges data security event through early June. While this estimate is subject to change, it will attempt to reconcile these and any additional costs with Deloitte. This process remains a legal matter. The Department of Administration projected \$4.5 million for direct premium assistance and noted it has incurred other direct and indirect costs above that. The FY 2025 final budget includes \$0.7 million from general revenues to cover some of the direct expenses identified in the report that exceed the allocation from Deloitte.

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 2026 recommended budget total \$226.9 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 \$18 million annually for FY 2018 through FY 2024.

FY 2025 final expenses are \$9.1 million and the remaining funding of \$3.5 million is eligible for FY 2026. The FY 2026 enacted budget includes \$1.3 million for contracted services, \$0.6 million for administrative expenses, and \$1.6 million for a behavioral health infrastructure project. The following table shows the progression of the grant and examples of the investments made for FY 2017 through FY 2026 in addition to the accountable entities arrangement.

Fiscal Year	Investment	
2026	Staff support, data and financial analysis, information technology projects, and behavioral health infrastructure project.	\$ 5.7
2025		
2024	Workforce Transformation Initiative & Care Transformation Collaborative through DOH.	3.2
2023	Dept. of Health's Care Transformation Collaborative for Practice Facilitation Services & Collaboration with URI/RIC & CCRI.	17.6
2022	Real Jobs Healthcare Workforce Initiative with URI, RIC, CCRI & DLT. Continued program support for the Commission on the Deaf and Hard of Hearing. Staff support and contracted services.	19.7
2021	Workforce Transformation Initiative and Care Transformation Collaborative through the Dept. of BHDDH. Staff support and contracted services.	17.0
2020	Workforce Transformation Initiative and program support for the Commission on the Deaf and Hard of Hearing.	15.2
2019	Healthcare Workforce Transformation Initiative with URI, CCRI & RIC and administrative services.	9.7
2018		
2017		
Total		\$ 88.1

\$ in millions

Poverty Guidelines

The federal poverty guidelines are thresholds used for the purpose of determining financial eligibility for certain state and federal programs, including several programs in state agencies under the Executive Office of Health and Human Services. They are based on the calculations made for the poverty threshold used by the United States Census Bureau mainly for statistical purposes, for instance, preparing the estimates of the number of Americans in poverty for each year's report. They are issued each year, generally in the winter, in the Federal Register by the United States Department of Health and Human Services and adjusted for families of different sizes.

Both the thresholds and the guidelines are updated annually for price changes using the Consumer Price Index for All Urban Consumers (CPI-U). The poverty guidelines are sometimes loosely referred to as the “federal poverty level” or “poverty line.” The 2025 guidelines are shown in the following table.

Percent of Federal Poverty Level Based on Annual Income								
Family Size	100%	138%	175%	185%	200%	225%	250%	261%
1	\$ 15,650	\$ 21,597	\$ 27,388	\$ 28,953	\$ 31,300	\$ 35,213	\$ 39,125	\$ 40,847
2	21,150	29,187	37,013	39,128	42,300	47,588	52,875	55,202
3	26,650	36,777	46,638	49,303	53,300	59,963	66,625	69,557
4	32,150	44,367	56,263	59,478	64,300	72,338	80,375	83,912
5	37,650	51,957	65,888	69,653	75,300	84,713	94,125	98,267
6	43,150	59,547	75,513	79,828	86,300	97,088	107,875	112,622
7	48,650	67,137	85,138	90,003	97,300	109,463	121,625	126,977
8	54,150	74,727	94,763	100,178	108,300	121,838	135,375	141,332

For families with more than 8 members, add \$6,880 for each additional member for the 100 percent calculation.

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 established a new federal-state agreement that provides Rhode Island with the flexibility to provide services in the least restrictive, most cost-effective way to meet the needs of its citizens. It was 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 next renewal period was to begin January 1, 2024, and the state submitted its renewal application in December 2022. The Centers for Medicare and Medicaid Services notified the state that it was impossible to approve the waiver because of staff capacity at the federal agency.

Rhode Island initially received an extension until December 1, 2024, which has now been extended through at least June 30, 2025. The extension does not affect current programs but does delay implementation of programs that have Assembly approval such as adult dental services being provided by the managed care plans. Other programs the state has applied for but not yet requested Assembly approval for include housing and nutrition support.

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	• 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	• 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	• 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	• 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	• 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	• 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 changed 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 of Waiver Changes
I	No	Any administrative change that does not affect eligibility, benefits, healthcare delivery, payment methods or cost sharing	General operating procedures, instruments to determine level of care and prior authorization procedures
II	Yes	State plan amendment change that does not change the special terms and conditions of the global waiver or expenditure authority	Benefit packages, payment methods, and cost sharing levels that do not affect eligibility
III	Yes	Requires modifying the current waiver or expenditure authority	All eligibility changes, changes to spend down levels, aggregate changes to cost sharing that exceed current limit

As part of the state’s 2018 waiver extension, the Centers for Medicare and Medicaid Services notified the state that the way to approve requested waiver changes would be streamlined and the separate categories eliminated for its 2018 through 2023 waiver. 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.

Medicaid Recipients

The following table shows the populations to which a state must provide medical benefits and the eligibility criteria established in Rhode Island. This is followed by descriptions of the populations served.

Populations	
Mandatory	Optional
Low-income Medicare beneficiaries up to 135% of poverty	Low-income elderly or adults with disabilities and individuals eligible for home and community care waiver services
Children up to age 1 at or below 185% of poverty; Parents and children age 1 to 19 at or below 133% of poverty	Children up to 250% of poverty
Supplemental Security Income or Social Security Disability Insurance recipients	Non-disabled adults, without dependent children, ages 19 through 64 with income at or below 138% of poverty
	Individuals who are medically needy Women eligible for breast and cervical cancer treatment services
Children in adoption assistance or who live in foster care under a Title IV-E program	Children under 18 who would otherwise need institutional care

Citizenship. To be eligible to receive Medicaid-funded services, an individual must be a state resident and generally either be a citizen or a legal resident for at least five years. There are exceptions.

Children and Parents. Medical services are provided to children whose family income is at or below 250 percent of poverty and parents if the income is at or below 138 percent of poverty through the RItE Care and RItE Share programs. Medical services are also provided to children who are placed in foster care or adopted through the Department of Children, Youth and Families.

Children with Special Health Care Needs. Medical services are provided to children with special health care needs, including children who are in foster care or adopted through the Department of Children, Youth and Families.

Pregnant and Post-Partum Women. Medical services are provided to pregnant women whose annual income is at or below 250 percent of the poverty level. States are federally required to provide services to women at or below 133 percent of poverty. Women who are not otherwise eligible for Medicaid lose coverage after 60 days post-partum. Previously, the state offered a limited Medicaid benefit to post-partum women up to 250 percent of poverty for up to 24 months. The American Rescue Plan Act created a new state Medicaid option to extend full Medicaid coverage for women who are 12 months post-partum and the Assembly enacted 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. The FY 2023 enacted budget first included \$5.2 million, including \$3.5 million from general revenues for this

extension.

Coverage for Children Regardless of Immigration Status. The FY 2023 enacted budget extended medical benefits coverage, funded solely from state sources, to children whose family income is at or below 250 percent of poverty regardless of immigration status and included \$1.3 million for the benefit. The legislative change was included in Section 6 of Article 12 of 2022-H 7123, Substitute A, as amended.

Program expenses were \$4.7 million for FY 2023 and \$9.4 million for FY 2024. The budgets include \$16.1 million for FY 2025 and \$16.9 million for FY 2026, consistent with May caseload estimates.

As noted, Congress is considering Medicaid changes that would affect this population by penalizing states with such programs. If this coverage is provided after October 1, 2027, the state would pay a higher match rate for the expansion population, 80 percent instead of 90 percent.

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 October 2024 and included Medicaid spending by population and cost per person for FY 2023 as shown in the following table.

FY 2023 Medicaid Annual Report					
Populations	# of Persons	% of Population	Total Cost*	% of Cost	Annual Cost/Person
Children/Parents	183,193	50.0%	\$ 789	23.3%	\$ 4,308
Expansion	112,745	30.8%	\$ 759	22.4%	\$ 6,732
Elderly	27,535	7.5%	\$ 728	21.5%	\$ 26,436
Disabled - Children	12,344	3.4%	\$ 261	7.7%	\$ 21,120
Disabled - Adults	30,265	8.3%	\$ 855	25.2%	\$ 28,260
Total	366,082	100%	\$ 3,392	100%	

**in millions*

The 2024 annual report includes Medicaid expenditures that total \$3,930.2 million from federal and state funds on direct benefits and administrative expenses. Of this amount, \$3,392.0 million, or 86 percent of the expenses, is for benefits for full enrollees' covered services. There is another \$319.8 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 \$209.2 million, or five percent of program costs, on administrative expenses. Of the total spent on Medicaid benefits, \$1,289.0 million, or 38.0 percent, was spent on mandatory services for mandatory populations.

FY 2023 Medicaid Annual Report		All Funds	% of Total
Mandatory Populations	Mandatory Services	\$ 1,289.0	38.0%
	Optional Services	576.6	17.0%
	Subtotal - Mandatory Populations	\$ 1,865.6	55.0%
Optional Populations	Mandatory Services	\$ 1,051.5	31.0%
	Optional Services	474.9	14.0%
	Subtotal - Optional Populations	\$ 1,526.4	45.0%
Total Expenses		\$ 3,392.0	100%

\$ in millions

The requirements to submit the annual report are contained in Rhode Island General Law, Section 42-7.2-5 and, starting in 2020, the report must include: expenditures, including administrative expenses, outcomes and utilization rates by population and sub-population served (e.g. families with children, persons with disabilities, children in foster care, children receiving adoption assistance, adults ages 19 to 64, and the elderly); expenditures, outcomes and utilization rates by each state department or other municipal or public entity receiving federal reimbursement under Medicaid; and expenditures, outcomes and utilization rates by type of service and/or service provider.

The annual report, due by September 15, is also required to show separate reporting of expenditures by mandatory and optional populations receiving mandatory and 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 Rite Care program provides medical benefits to eligible children and their parents, with federal mandates ensuring coverage for specific low-income populations. Rhode Island extends benefits to children from families earning up to 250 percent of the poverty level (for example, a family of four with an income that does not exceed \$80,375) and to parents if the family income is at or below 138 percent of poverty (for that same family of four, an income that is not above \$44,367). The state also implemented an income verification method under the Affordable Care Act, which slightly increased the income threshold for children to 261 percent of poverty while keeping the parent's threshold the same.

RItE Share participants can receive RItE Care while having access to employer-sponsored insurance, where the state covers certain costs. Legislation enacted by the 2019 Assembly requires a plan to identify Medicaid-eligible individuals with employer insurance to boost enrollment, which declined after the launch of the Unified Health Infrastructure Project. The most recent figures indicate enrollment levels significantly lower than the pre-implementation numbers. Additionally, there are new reporting requirements for evaluating employer-sponsored plans for cost-effectiveness in RItE Share, discussed in the next section.

The FY 2025 enacted budget included two new positions and converted three contractors for a total of five positions to increase enrollment in the premium assistance program. The FY 2025 budget assumed savings of \$1.3 million, including \$0.6 million from general revenues, and projected an increase of 1,500 individuals enrolled in the program. The November Caseload Estimating Conference estimate assumes savings of \$0.6 million for FY 2025 and \$4.1 million for FY 2026 based on the updated timeline to implement the proposal. The November 2024 caseload testimony reported enrollment of about 1,600 for FY 2025 and 2,800 for FY 2026. For the May Caseload Estimating Conference, savings were further reduced to \$0.3 million for FY 2025 and \$1.9 million for FY 2026, with projected enrollment lowered to 1,400 and 2,050, respectively.

RItE Share Outreach and Reporting. Prior to the September 2016 launch of the Unified Health Infrastructure Project (UHIP), about 8,400 individuals were covered through RItE Share, which declined to 2,000 by November 2020. Following a proposal from Governor Raimondo concerning a new fee for large employers with Medicaid-covered workers, testimonies revealed employers were often unaware of their employees' RItE Care status.

In 2019, the Assembly required the Executive Office to present a plan by October 1, 2019, aimed at revisiting the RItE Share program and enhancing enrollment. This led to ongoing monthly reports beginning January 2020 detailing access to third-party insurance and RItE Share enrollment. Under current law, enrollment in RItE Share is mandatory for anyone over 19, and failure to enroll can result in the termination of Medicaid eligibility for adults, although children retain their RItE Care coverage.

Governor Raimondo's FY 2021 budget suggested significant operational changes to RItE Share, including penalties for employers not providing employee-specific information on Medicaid eligibility. However, the Assembly did not adopt this proposal because of the impact COVID-19 had on employment and delays in budget enactment.

Governor McKee proposed similar changes in FY 2022 with anticipated savings, but the Assembly only required reports on cost-effective employer-sponsored plans. The January 2025 report indicated 403 employers with 100-299 employees, of which 93 participated, and 143 employers with 300 or more employees, of which only 66 participated as of November 2023. Notably, the report lacked specific details on which employer-sponsored health plans met cost-effectiveness criteria, focusing instead on aggregated data.

RItE Share Cost Sharing Requirement. RItE Share recipients with annual incomes above 150 percent of federal poverty pay a monthly cost sharing requirement that is no more than five percent of their annual income. The following table shows the 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 within 60 days after having a child.

Foster Care. The state provides RItE Care benefits to a child in a foster care placement. The state does not provide benefits to the biological parent or the foster parent. The child is also covered by Medicaid if determined to be eligible for disability through the Supplemental Security Income program.

Adoptive Assistance. The state provides RItE Care benefits to a child in adoptive assistance. The child is also covered by Medicaid if determined to be eligible for disability through the Supplemental Security Income program.

Children with Special Health Care Needs - Katie Beckett Option. The state chooses to provide home care and other services to children under the age of 18 who would require an institutional level of care. The income eligibility is based on the child's income and not the family's income. States can also choose to provide this service as a waiver, which would include a limited number of placements, or as an option under the Medicaid state plan, which is not limited. Rhode Island provides the services under the state plan option allowing for an unlimited number of program participants.

Early Intervention. The state provides services to children from birth to age three who have presented with a disability through the early intervention program. The services include physical, speech and occupational therapies.

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, signed by the Governor on July 6, 2021, to require coverage for telemedicine services in certain circumstances for 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 Waiver.

Home and Community Care Services. Through the Medicaid 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. Eleanor Slater Hospital provides long-term care for individuals with disabilities and psychiatric patients. The hospital, comprising the Zabarano and Cranston campuses, faced compliance issues with Medicaid billing, particularly in how psychiatric and forensic patients were categorized. As of October 25, 2022, the Benton facility for forensic patients became a separate entity called the Rhode Island State Psychiatric Facility.

Key issues included non-compliance with federal rules about the patient mix (which led to the designation as an Institute of Mental Disease) and improper billing for forensic patients. Following guidance from the Centers for Medicare and Medicaid Services, the state amended its Medicaid billing practices. Over the years, these compliance issues resulted in significant revenue losses totaling over \$200 million due to the need to utilize general revenues in place of the loss of Medicaid funding.

Governor Raimondo and later Governor McKee proposed budgets to address facility needs, including a \$64.9 million proposal for a new nursing facility, which the Assembly did not approve. For FY 2023, Governor McKee included funding for a new 110-bed long-term care facility and finalized the separation of the Benton facility into its own fully funded psychiatric facility. The Governor's FY 2026 recommendation for the new facility includes \$197.1 million, which is \$90.0 million or 84.0 percent more than the approved plan. It assumes that the Assembly will eventually approve the newly proposed debt to supplement current pay-go allocations. However, the Governor's budget does not contain the debt approval for Assembly consideration; it is unclear how the project can proceed as scheduled without an approved plan for updated costs. The Assembly was not presented with a debt authorization for the project. It included funding of \$107.1 million but shifted FY 2026 funding of \$26.1 million to FY 2030, based on a delay in the design phase of the project, including the identification of cost estimates and financing plans, for further consideration and approval.

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 who receive services from 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 adopted 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 comply with federal regulations that require that person-centered planning and case management services be provided independently from the agency providing the direct service to avoid a conflict of interest.

Funding was initially included in the FY 2024 budget to cover the cost for half a year assuming the January 1, 2024 start date. The Executive Office reported at the May 2024 Caseload Estimating Conference that it delayed the planned implementation and instead would have a phased approach starting in April 2024 with full enrollment assumed in early FY 2026. The May 2025 Caseload Estimating Conference adopted estimates for medical benefits includes \$5.6 million, of which \$2.4 million is from general revenues for FY 2025 and \$13.5 million, including \$5.7 million from general revenues, for FY 2026.

Certified Community Behavioral Health Clinics. The Assembly authorized the Executive Office of Health and Human Services to submit a state Medicaid plan amendment to establish certified community behavioral health clinics in accordance with the federal model. There is also a \$30.0 million appropriation from State Fiscal Recovery funds to support the infrastructure needed to expand the number of clinics and assist with the rate reimbursement structure tied to the federal model. The Executive Office spent \$21.8 million in FY 2023 and FY 2024. The Governor's budget includes \$7.0 million for FY 2025 and \$0.2 million for FY 2026. The total expenses are \$29.0 million for the clinics, with the Governor shifting \$1.0 million to another project in the Department of Human Services.

The Assembly enacted Section 4 of Article 12 of 2022-H 7123, Substitute A, as amended, to authorize the change to the state Medicaid plan, and the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals defined additional criteria for certification and services provided. During FY 2023, there were requirements to use the appropriate purchasing process for any organizations wanting to participate in the program and to submit cost reports developed by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to the Executive Office. The reports must include the cost of providing the required services. The Department and Executive Office had to prepare an analysis of the proposals, determine how many organizations could be certified, and the cost for each one. Finally, the Executive Office had to apply for the federal Certified Community Behavioral Health Clinics Demonstration Program if another round of funding becomes available. There was another round of funding, which the state applied for and received approval.

The 2023 Assembly approved legislation delaying implementation from July 1, 2023, to February 1, 2024. It also repealed the deadlines for organizations to submit their cost reports and the state agencies to complete the required analyses for the number and cost for each clinic.

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 FY 2024 final budget included \$0.6 million, including \$0.3 million from general revenues, for one new position and three contractors to support the initiative. The Governor proposed legislation in his budget to extend the February 1, 2024 start date to July 1, 2024, and again to October 1, 2024, or FY 2025. Even though the Assembly did not change the start date in the current law, the program started on October 1. The May Caseload Estimating Conference estimated \$115.7 million for FY 2025 and \$160.9 million for FY 2026.

As noted, the state applied for and was awarded a four-year Medicaid demonstration grant through the Centers for Medicare and Medicaid Services and the Substance Abuse and Mental Health Services Administration, effective October 1, 2024, that provides enhanced Medicaid rates for services provided through the initiative. For FY 2025 and FY 2026, the general revenue savings total \$11.9 million and \$16.1 million, respectively.

Mobile Response and Stabilization Services. The Executive Office originally received a four-year, \$10.6 million federal grant to expand services available to children and their families and used a portion of the funding for a pilot program, Mobile Response and Stabilization Services. Family Service of Rhode Island and Tides Family Services received the time-limited federal funds to accept referrals from the 24-hour 988 crisis hotline, schools, and primary care providers, with an in-person response to provide mental health crisis emergency services within one hour of receiving the referral. The Assembly passed Section 10 of Article 8 of 2025-H 5076 Substitute A, as amended, to establish a rate methodology for a Medicaid benefit to be effective by October 1, 2026, with the state plan amendment submitted no later than October 1, 2025. The current pilot program will be converted to a Medicaid benefit and will adhere to the federal model being used.

Adults with Developmental Disabilities. States are mandated to provide Medicaid-funded medical benefits to developmentally disabled adults who require a nursing home level of care and to those who are

Supplemental Security Income recipients. The state operates a state-run system for about 100 adults with developmental disabilities and the remaining 3,800 individuals receive residential and community-based services through private developmental disability organizations.

Services provided under the Medicaid Waiver are optional, with mandated medical benefits paid for through the Executive Office of Health and Human Services' budget. The federal regulations governing the waiver mandate that 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.

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 an adult with intellectual or developmental disabilities as someone who is 18 years of age or older, not under the jurisdiction of the Department of Children, Youth and Families, and who is either a developmentally disabled adult or is a person with a severe, chronic disability.

Financial eligibility requires a person to be income-eligible for services. In most cases, the only source of income for individuals with developmental disabilities is the \$1,007 monthly Supplemental Security Income check, which places them below 135 percent of the poverty required for the program.

Functional eligibility requires an individual to have a substantial functional limitation in three or more of the following life activities: self-care, receptive and expressive language learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency.

The following table shows the tiers and descriptions of options and support.

DD/ID Needs-Based Service Tier Classifications and Options		
Tier	Service Options	Available Supports
Tier D and E (Highest): <i>Extraordinary Needs</i>	• Living with Family/Caregiver • Independent Living • Shared Living • Community Support Residence • Group Home/Specialized Group Home	• Community Residential Support or Access to Overnight Support Services • Integrated Employment Supports • Integrated Community and/or Day Supports • Transportation
Tier C (Highest): <i>Significant Needs</i>	• Living with Family/Caregiver • Independent Living • Shared Living • Community Support Residence • Group Home	• Community Residential Support or Access to Overnight Support Services • Integrated Employment Supports • Integrated Community and/or Day Supports • Transportation
Tier B (High): <i>Moderate Needs</i> Tier A (High): <i>Mild Needs</i>	• Living with Family/Caregiver • Independent Living • Community Support Residence • Group Home* • Shared Living**	• 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

Recent Changes. The Assembly adopted 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 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 is available if needed by the court monitor.

A court monitor, initially Charles Moseley and later Dr. A. Anthony Antosh, oversees compliance, including training and outreach programs, and investigates the state's adherence to the decree. The state established an \$800,000 Workshop Conversion Trust Fund to support agencies transitioning to supported employment, involving nine participating agencies.

Additionally, an employment-first task force was created to ensure funding is available for integrated services instead of segregated programs. Court orders from Judge McConnell, starting in February 2020, mandated ongoing reviews and the development of a three-year budget to address workforce issues, align with federal Medicaid standards, and enhance individualized service plans.

Governor McKee 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.

The state's "Action Plan" that addressed compliance with the consent decree, which included increasing the reimbursement rates for direct support professionals to an average of \$20 an hour is shown in the following table.

Action Plan	Description	Status
Rate Review	Completed by 12/2022 & recommended changes in the FY 2024 budget	Review Done & Funded in FY 2024
DSP Wages	FY 2023: \$18/hour FY 2024: \$20/hour Both years: Overnight & supervisor wages will increase proportionally	Funded in FY 2023 and FY 2024
Transformation Fund	\$12.0 million to be used for integrated day activities and supported employment services	Funded
Technology	\$2.0 million for technology purchases (example, iPads)	

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 made less than \$20 an hour and to supplement the response to the public health emergency by addressing any business interruptions, including loss of revenue.

Conflict-Free Case Management. The Assembly concurred with the Governor's requested amendment to add 18 positions and \$1.9 million, including \$1.0 million from general revenues for FY 2025, to serve as independent facilitators in the interim until the Executive Office has fully implemented conflict-free case management services.

Human Service Agencies

The Executive Office of Health and Human Services is the umbrella agency for the four health and human service agencies, each analyzed separately in the *House Fiscal Advisory Staff Budget as Enacted FY 2026*. The table shows services provided by population and the agency responsible for the expenses.

Programs	EOHHS	DHS	BHDDH	DCYF	DOH
Medical Benefits					
Children and parents	X				
Elderly	X				
Disabled and adults, without dependent children	X				
Residential and Other Services					
Nursing and hospice services	X				
Assisted living; home- & community-based services to the elderly	X	X			
Foster care and group home placements				X	
Community-based services - developmentally disabled			X		
Mental health and substance abuse treatment services	X			X	
Eleanor Slater Hospital			X		
HIV surveillance and treatment services	X				X

Medical benefits are those primarily provided through the managed care plans, Neighborhood Health Plan of Rhode Island, UnitedHealthcare or Tufts Health Plan. Benefits include: doctor's office visits, prescriptions, lab tests, hospital and emergency care, drug and alcohol treatment, mental health services and referrals to specialists, funded through the Executive Office. The plans also pay for short-term and

long-term residential treatment services for those with behavioral health issues and/or substance use disorders.

Residential and other community-based services are those provided outside medical benefits through the departments' budgets.

ARPA State Fiscal Recovery Funds

The American Rescue Plan Act of 2021 included significant support for states and local governments to cover certain expenses and revenue losses related to the coronavirus pandemic until December 31, 2026. Resources from the State and Local Fiscal Recovery Fund established in the Act were required to be obligated by December 31, 2024. Obligated funds are available for use through December 31, 2026, or FY 2027. Rhode Island received \$1.8 billion for state and local use. The state received \$112.3 million from the Capital Projects Fund and \$1,131.1 million from the State and Local Fiscal Recovery Fund designated for state use; local governments received \$536.8 million. Funds are intended to respond to the coronavirus pandemic, negative economic impacts, and infrastructure supports for water, sewer, or broadband systems.

The 2021 Assembly preserved the full value of 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 met federal deadlines for formally obligating the funds. Since then, funding for previously approved programs has always been reflected in the current year, although actual spending can still occur over a longer time horizon. The 2024 Assembly made adjustments based on updated needs and priorities and provided \$5.4 million from general revenues to continue operating funding for four projects.

The Governor recommended \$1,243.2 million from the State Fiscal Recovery and Capital Projects funds, with minor changes to reflect accounting of prior year expenses. This is \$0.1 million less than enacted, including \$0.3 million more from State Fiscal Recovery funds in error, \$0.5 million less from Capital Projects funds likely associated with a delay in accounting for FY 2024 spending, and one new project. It also contains \$4.8 million from general revenues to continue operating funds for three projects, \$0.7 million less and one fewer project than enacted. For most approved projects total funding is unchanged except to shift unspent FY 2024 funding to FY 2025, consistent with the enacted reappropriation authority.

The Assembly concurred and shifted funding for one project from FY 2025 to FY 2026. Totals by category are shown in the following table. The State Fiscal Recovery Fund overstatement is associated with the timing of when financial statements were released; actual spending cannot exceed available funds.

State Fiscal Recovery Funds			
Category	2024 Assembly	2025 Assembly	Difference
Housing	\$ 332,200,002	\$ 332,200,004	\$ 2
Economic and Workforce Development	90,000,000	89,999,998	(2)
Small Business & Impacted Industry	165,300,003	165,300,004	1
Public Health	129,489,498	129,489,496	(2)
Children, Families and Education	137,642,631	142,481,539	4,838,908
Behavioral Health	59,299,365	55,400,001	(3,899,364)
Public Infrastructure & Technology	73,500,000	73,500,000	-
Climate	93,250,000	92,649,999	(600,001)
Operating Shortfall	35,000,000	35,000,000	-
Administration	15,372,515	15,378,931	6,416
Subtotal	\$ 1,131,054,014	\$ 1,131,399,972	\$ 345,958
Capital Projects Fund	112,300,434	111,806,014	(494,420)
Total	\$ 1,243,354,448	\$ 1,243,205,986	\$ (148,462)

Federal Guidance and State Compliance

The Pandemic Recovery Office within the Department of Administration is responsible for ensuring compliance with rules, regulations, and other guidance issued by the U.S. Department of the Treasury and submission of all required reports for the State Fiscal Recovery Fund and Capital Projects Fund. As required by the Assembly, it produces spending and programmatic reports, which are publicly available on its website. For the capital fund, guidance was issued in September 2021 and a one-year application window opened later that month.

Federal guidance on uses of the fiscal recovery funds was issued in May 2021, updated in July, finalized in January 2022, modified by the 2023 Consolidated Appropriations Act in December 2022, updated in November 2023, and updated again in December 2024. Compared to the original guidance, it provides increased flexibility for obligations and expenditures and creates an additional allowable use for certain specified infrastructure projects. Funds obligated under the new allowable uses must be expended by September 30, 2026, three months earlier than those obligated under the pre-existing use categories. Additionally, after December 31, 2024, if any program has excess funds, those funds may be reclassified to any program for which an obligation has already been incurred. This significantly reduces the risk of federal recapture, as it effectively allows unspent funds to be reallocated to any existing State Fiscal Recovery funds project or to replace general revenues where funds are set aside but not necessarily disbursed. Such revisions would still be subject to the state budget process and authority.

Eligibility categories consistent with federal legislation are shown in the following table alongside the corresponding abbreviations used in Pandemic Recovery Office documents. The Office has issued category designations that may differ from enacted assumptions. The table at the end of the report notes the Office's determinations and the fiscal staff's estimate of the applicable designation for 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 Appropriations Act*

State Projects by Topic

Each item on the pages that follow includes the Governor's original and amended proposals as well as the Assembly's actions, status updates for every previously approved project, and if the Budget makes one-time programs permanent or otherwise replaces State Fiscal Recovery funds with other fund sources, such as general revenues. Descriptions of projects from the Capital Projects Fund follows a table showing the State Fiscal Recovery Fund projects at the end of this report.

Funding for FY 2025 and FY 2026 are, respectively, contained in Article 13, Section 1 and Article 1, Section 1 of 2025-H 5076, Substitute A, as amended. Section 5 and Section 17 of each article, respectively, contain a description of each of the projects for which any appropriation is made. Consistent with previous years, the enacted budget includes language to reappropriate any unspent funds for the same purpose. The Governor recommended increasing his discretion to reallocate funds. The Assembly authorized the

Governor to reclassify program income or underspending to other eligible projects. However, if the value of the proposal is greater than \$1.0 million or 20.0 percent of program appropriations, it will go into effect within 30 days unless rejected by joint action of the House and Senate.

Housing

Development of Affordable Housing. The Governor maintained the authorized amount of \$100.0 million from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments. Of these funds, \$90.0 million supports additional direct subsidies as a match to multiple sources of financing and \$10.0 million supports a pilot program for low income public housing vouchers and financing. The 2023 Assembly expanded allowable uses to include prevention and stabilization programs. For FY 2025, \$60.1 million remains to be spent, but as of September 2024, only \$0.3 million remains to be awarded. The Assembly concurred.

Site Acquisition. The Governor's budget maintains the authorized amount of \$25.0 million from State Fiscal Recovery funds to continue a site acquisition program administered by RI Housing. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. For FY 2025, \$900 remains to be spent, and all funds have been awarded. The Assembly concurred.

Down Payment Assistance. As of the end of FY 2024, all \$30.0 million has been spent from State Fiscal Recovery funds provided for down payment assistance to eligible first-time homebuyers and the program is now closed. Funds were used to provide grants to promote homeownership up to a \$20,000 limit established by the 2023 Assembly.

Workforce Housing. The Governor's budget maintains the authorized 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. For FY 2025, \$16.3 million remains to be spent; as of October 2024, only \$1.5 million remains to be awarded and is subject to a request for proposals. The Assembly concurred.

Affordable Housing Predevelopment. As of the end of FY 2024, all \$10.0 million has been spent from State Fiscal Recovery funds provided to reduce pre-construction barriers to housing development and the program is now closed. Funds supported predevelopment, including prerequisite environmental studies and legal work, to build a pipeline of new projects and affordable housing developer capacity.

Home Repair and Community Revitalization. The Governor's budget maintains the authorized amount of \$24.5 million from State Fiscal Recovery funds to support RI Housing's acquisition and revitalization program initially supported from 2016 general obligation bonds. Of these funds, \$20.0 million finances acquisition and redevelopment of blighted properties in disadvantaged communities and \$4.5 million is for critical home repairs within the same communities. For FY 2025, \$17.5 million remains to be spent, and only \$4.5 million remains to be awarded for home repairs. The Assembly concurred.

Predevelopment and Capacity Building. The Governor's budget maintains the authorized amount of \$1.5 million from State Fiscal Recovery funds for consultants to provide administrative support to the 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 2024, all funds have been obligated, and \$0.3 million remains unspent. The Assembly concurred.

Homelessness Assistance Program. The Governor’s budget maintains the authorized amount of \$38.8 million from State Fiscal Recovery funds to provide housing navigation, stabilization and mental health services for people experiencing homelessness. The Assembly appropriated funding from FY 2022 to FY 2024 and included a requirement to provide monthly progress reports regarding achievement of these efforts. The Department of Housing submitted its first report in March 2023 and has not submitted a report since July 2023. The 2024 Assembly provided \$17.3 million. As of the end of FY 2024, \$15.7 million has been disbursed; the remaining \$23.1 million has been awarded and is programmed for FY 2025. The Assembly concurred.

Homelessness Infrastructure. The Governor’s budget maintains 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. For FY 2025, \$17.6 million remains to be spent. The Assembly concurred.

Statewide Housing Plan. The Governor maintains the authorized amount of \$2.0 million from State Fiscal Recovery funds to develop a statewide comprehensive housing plan to assess current and future housing needs, consider barriers to home ownership and affordability, and identify services needed for increased investments toward disproportionately impacted individuals and communities. These funds also support municipal planning efforts. All funds have been obligated, and \$38,650 was spent in FY 2024. The Assembly concurred.

Targeted Housing Development. The Governor’s budget maintains the authorized amount of \$26.0 million from State Fiscal Recovery funds for a program that allows the Secretary of Housing discretion to target projects for funding. Of this amount, \$4.0 million supports development near public transit and \$22.0 million supports priority projects, defined as permanent supportive housing, housing dedicated to vulnerable populations, individuals transitioning out of state care, and extremely low-income Rhode Islanders. All funds have been awarded and are programmed for FY 2025. The Assembly concurred.

Housing Related Infrastructure. The Governor’s budget maintains the authorized amount of \$3.0 million from State Fiscal Recovery funds for the Infrastructure Bank to support municipal infrastructure associated with affordable housing development, such as road and utility connections. The program provides additional resources to municipalities for pre-development and development work associated with adjusting or expanding infrastructure to accommodate additional affordable housing. All funds were awarded in October 2024 and are programmed for FY 2025. The Assembly concurred.

Municipal Homelessness Support Initiative. The Governor’s budget maintains the authorized amount of \$2.2 million from State Fiscal Recovery funds to award grants to municipalities to help pay for community services that support homeless individuals. Municipalities hosting shelters bear a financial burden on municipal services, which this program is intended to partially offset. For FY 2025, \$1.9 million remains to be spent, but only \$0.1 million remains to be obligated as of December 2024. The Assembly concurred.

Municipal Planning. The Governor’s budget maintains the authorized 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. For FY 2025, no funds have been spent, but all municipal fellows funds have been awarded. The Assembly concurred.

Proactive Housing Development. The Governor’s budget maintains the authorized amount of \$1.4 million from State Fiscal Recovery funds to create a proactive development subsidiary of RI Housing. Other states, such as Massachusetts, have a quasi-public agency to help developers with land acquisition, to assemble

financing, and navigate regulatory and legal processes. These funds are intended to provide initial staffing and setup costs for a similar organization to reduce these barriers to housing production. The subsidiary was formally established in January 2024, and a president was appointed in September, but no funds were spent. The Assembly concurred.

Preservation of Affordable Units. The Governor's budget maintains the authorized amount of \$0.5 million from State Fiscal Recovery funds to preserve affordable housing units at risk of foreclosure or blight. All funds have been awarded to create a revolving loan fund and are programmed for FY 2025. The Assembly concurred.

Economic and Workforce Development

Enhanced Real Jobs. The Governor's budget maintains the authorized amount of \$30.0 million from State Fiscal Recovery funds authorized by the 2022 Assembly, including \$5.9 million for FY 2025, for an enhanced version of the Real Jobs RI workforce training program. FY 2023 and FY 2024 spending was \$9.6 million and \$14.5 million, respectively. 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. Through the third quarter of FY 2025, the Pandemic Recovery Office reports that \$29.7 million has been spent. The Assembly concurred.

Bioscience Investments. The Governor's budget maintains the authorized amount of \$45.0 million from State Fiscal Recovery funds to finance one or more wetlab facilities and capitalize a new fund to promote bioscience business and workforce development. The 2023 Assembly provided these funds for the creation of the Rhode Island Life Science Hub. This replaced a prior initiative intended as a match for a federal grant application that was unsuccessful. For FY 2025, \$43.0 million remains to be spent. The Assembly concurred.

Rhode Island Reconnect. The Governor's budget maintains the authorized amount of \$8.0 million from State Fiscal Recovery funds to establish the Rhode Island Reconnect program and fund it for two years. Funding will be used for direct supports, such as targeted coaching and wraparound support, for those 16 and older to continue their education. A portion of these funds must be used to address barriers to the attainment of teacher certification as a Second Language Education Teacher, Grades PK-12, and as an All Grades Special Education Teacher. For FY 2025, \$7.2 million remains to be spent. The Assembly concurred.

Cybersecurity Center. The Governor's budget maintains the authorized allocation of \$2.0 million from State Fiscal Recovery funds to support the establishment of the Institute for Cybersecurity and Emerging Technologies at Rhode Island College. Funding will support three years of program development and operating costs. The College launched the Center in November 2023. For FY 2025, \$1.6 million remains to be spent. The Assembly concurred.

Fresh Start Scholarship. The Governor's budget maintains the authorized allocation of \$5.0 million from State Fiscal Recovery funds for a new adult scholarship program that targets adult students with some college credits but no degree, focusing on students who dropped out of the Community College. Funding the first semester back will allow students to regain federal financial aid eligibility. Funding represents two years of scholarships. For FY 2025, \$3.0 million remains to be spent. The Assembly concurred.

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. Timing of the

budget enactment meant that the FY 2022 expense did not occur, and funds were reappropriated to FY 2023. The plan called for \$5.0 million to upgrade technology at the venues, \$3.2 million to replace seats in the north end of the Civic Center, \$0.8 million to upgrade the marquee, and \$1.0 million for operating expenses. All funds have been spent, and the Pandemic Recovery Office submitted its final project report on September 15, 2023.

Unemployment Insurance Trust Fund. The 2022 Assembly provided \$100.0 million from State Fiscal Recovery funds to deposit into the Unemployment Insurance Trust Fund to prevent an unemployment tax rate increase for 2023. The deposit was made on September 26, 2022. The 2024 Assembly authorized the Governor to reallocate to the trust fund any allocations from other programs at risk for not meeting federal spending deadlines as of October 1, 2024. No additional deposit occurred, as new federal guidance permitted the reclassification of excess State Fiscal Recovery funds, removing the risk of missing deadlines.

Small Business and Technical Assistance. The Governor's budget maintains the authorized amount of \$31.3 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 \$10.5 million in FY 2023; \$2.5 million remains unspent. The Assembly concurred.

Assistance to Impacted Industries. The Governor's budget maintains the authorized amount of \$15.0 million from State Fiscal Recovery funds to address the negative impacts of the pandemic to the tourism, hospitality, and events industries, consistent with the Governor's intent. The 2024 Assembly added \$2.0 million for FY 2025 for public space improvements and event programming, for total funding of \$15.0 million. The Assembly concurred.

Destination Marketing. The Governor's budget maintains the authorized amount of \$3.0 million from State Fiscal Recovery funds, matched by an equivalent amount from the Commerce Corporation's allocation of state hotel tax receipts, to conduct tourism campaigns in destination markets for airline routes to Rhode Island T.F. Green International Airport. All funds were spent by FY 2024, and the FY 2025 enacted budget allocated \$1.4 million from general revenues to continue the program. The Governor recommended the same level of general revenue support for FY 2026. The Assembly concurred.

Minority Business Accelerator. The Governor's budget maintains the \$6.0 million from State Fiscal Recovery funds authorized by the 2022 Assembly to establish a minority business accelerator program in coordination with minority small business associations to provide technical assistance, loans, and programming space. A total of \$3.6 million has been spent, and the remaining \$2.4 million is programmed for FY 2025. The FY 2025 enacted budget also provided \$0.5 million from general revenues to supplement the limited federal funds. The Governor did not include general revenues beyond FY 2025. The Assembly concurred.

Public Health

COVID-19 Operational Support. The Governor's recommendation maintains the authorized amount of \$32.2 million from State Fiscal Recovery funds for the Department of Health to continue COVID-19 mitigation activities and to address the public health impacts of the pandemic in the state. Through FY 2024, \$20.0 million has been spent, and the remaining \$12.2 million is included for FY 2025. The Assembly concurred.

Public Health Response Warehouse Support. The Governor's recommendation maintains the authorized amount of \$4.2 million from State Fiscal Recovery funds for lease expenses to store COVID-19 supplies. Through FY 2024, \$2.3 million has been spent, and the remaining \$1.9 million is recommended for FY 2025. The recommendation also includes \$0.6 million from general revenues for warehouse operations for FY 2025 and \$0.9 million for FY 2026. The Assembly concurred.

Auto-Enrollment Program. The Governor’s recommendation maintains the authorized amount of \$1.6 million for HealthSource RI to automatically enroll qualified individuals transitioning off Medicaid at the end of the COVID-19 emergency into a qualified public health plan. Through FY 2024, \$1.4 million was spent to support two months of premiums and information technology upgrades to the Unified Health Infrastructure Project. The Assembly concurred.

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. Consistent with the FY 2025 enacted budget, the Governor’s revised budget includes the additional \$10.0 million authorized to be disbursed in the first three months of FY 2025 to assist nursing facilities until the October 1, 2024 rate changes took effect. All funds have been disbursed. The Assembly concurred.

Public Health Clinics. The Governor’s budget maintains the authorized amount of \$4.0 million from State Fiscal Recovery funds for the Rhode Island Free Clinic to improve statewide access and quality of primary care for uninsured adults and for Open Door Health to address issues for people who are disproportionately impacted by the COVID-19 pandemic. Each entity was allocated \$2.0 million, and \$3.0 million was spent through FY 2024. Open Door Health was required to return any funds allocated for land acquisition not used by June 30, 2024; the transaction occurred. The Assembly concurred.

Children, Families, and Education

Nonprofit Assistance. The Assembly provided \$20.0 million from State Fiscal Recovery funds for FY 2023 for the Rhode Island Foundation to distribute to nonprofit organizations to address needs exacerbated by COVID-19, including housing and food insecurity and behavioral health issues. All funds have been spent, and the final report from the Pandemic Recovery Office was issued on December 31, 2024. The Assembly concurred.

Pediatric Recovery. The Governor maintains the authorized amount of \$15.0 million from State Fiscal Recovery funds to provide financial support to pediatric providers and incentives based on increased developmental and psychosocial behavioral screenings. Payments have been made with just \$129 included in the FY 2025 revised recommendation to clear the balance. The Assembly concurred.

Early Intervention Recovery. The Assembly provided \$11.0 million from State Fiscal Recovery funds to provide financial support to nine early intervention providers and performance bonuses for providers when meeting certain targets, such as reducing staff turnover and restoring the number of families receiving services to pre-pandemic levels. All payments have been made.

Provider Workforce Stabilization. The 2024 Assembly authorized \$24.1 million from State Fiscal Recovery funds to continue the workforce stabilization payments for providers contracted by the Department of Children, Youth and Families. The funding was in response to providers reporting a high number of vacancies and staff recruitment issues, which resulted in a capped or reduced capacity. As of the end of FY 2024, \$22.5 million has been spent. The Governor’s FY 2025 revised recommendation includes \$2.0 million, which brings the total authorization to \$24.5 million. The Assembly concurred.

Child Care Support. The Governor’s budget maintains the authorized level of \$42.0 million from State Fiscal Recovery funds, primarily to provide retention bonuses for direct care staff at child care centers and licensed family-based care providers. Funds are also used to waive any fees for new family child care providers, including application fees and background checks, and for quality improvements, creating a workforce registry, and staff education opportunities. Payments totaled \$39.3 million through FY 2024. The Governor’s FY 2025 revised recommended budget includes the remaining \$2.7 million. The Assembly concurred.

Support for Survivors of Domestic Violence. The Governor maintains the \$10.5 million from State Fiscal Recovery funds authorized by the 2022 Assembly to provide awards to nonprofits to provide housing, clinical, and mental health services to victims of domestic violence and assault for two years starting in FY 2023, after which federal grants are expected to return to historic levels. No funding was spent in FY 2023. As of the end of FY 2024, \$9.4 million remains to be spent. The Assembly concurred.

Adult Education Providers. The Governor maintained the authorized amount of \$5.0 million from State Fiscal Recovery funds for adult education providers. Grants are used to fund local adult education programs and literacy services, including workplace literacy services, family literacy services, English literacy, and civics education programs. Expenditures through FY 2024 were \$1.3 million and the Governor recommended \$3.6 million for FY 2025 and \$0.1 million for FY 2026. As of December 2024, all grants have been obligated. The Assembly concurred.

Out of School Time Education Providers. The Governor maintained the authorized amount of \$6.0 million from State Fiscal Recovery funds to be distributed to community organizations to expand access to out-of-school educational programs through the Department of Elementary and Secondary Education. As of January, no funds have been spent, and the Governor’s FY 2025 revised recommendation includes the full \$6.0 million reappropriated from FY 2024. He recommended continuing the program for FY 2026 with \$2.5 million of general revenues. This is in addition to \$3.0 million from general revenues in the FY 2025 enacted budget. The Assembly concurred with the allocation of State Fiscal Recovery funds, but provided \$1.3 million of general revenues for FY 2026.

Foster Care Youth Scholarships. The Governor’s budget maintains the authorized allocation of \$1.0 million from State Fiscal Recovery funds in the Office of the Postsecondary Commissioner for a last dollar scholarship program for foster care youth exiting the Department’s care to attend Rhode Island College. Recipients will receive tuition, room and board and/or support services, including during summer months. Funding will be distributed through the Rhode Island College Foundation. The College reports that ten students received scholarships totaling \$0.1 million for the fall 2024 semester. The Assembly concurred.

Rhode Island Community Food Bank. The Assembly authorized \$3.0 million from State Fiscal Recovery funds for the Rhode Island Community Food Bank to assist households in need, including those that received enhanced nutrition benefits during the public health emergency. As of FY 2024, all funds have been spent.

SNAP Healthy Incentives Pilot. Article 13 of 2022-H 7123, Substitute A, as amended, created a retail Supplemental Nutrition Assistance Program pilot in which eligible households would receive an incentive payment of \$0.50 for every \$1.00 spent on fruits and vegetables on their electronic benefits card, with incentive thresholds to be determined by the Department of Human Services. The 2022 Assembly provided \$11.5 million for the program, including information technology upgrades. The authorizing legislation calls for the pilot to operate until all funds are expended. The Governor maintained the \$8.3 million value of the unused general revenues reappropriated from FY 2024 for the Healthy Incentives Pilot but recommended swapping \$4.5 million from State Fiscal Recovery funds left from other projects for a portion of the general revenues, as allowed under updated federal guidance. The Assembly concurred.

Behavioral Health

Certified Community Behavioral Health Clinics. The Governor recommended a total of \$29.0 million from State Fiscal Recovery funds in the Executive Office of Health and Human Services' budget to transition to the certified community behavioral health clinics federal model. Funding supports the infrastructure needed to expand the number of clinics and assist with the rate reimbursement structure tied to the federal model. The recommendation is \$1.0 million less than authorized based on updated spending needs. FY 2023 and FY 2024 expenses totaled \$21.8 million, and the Governor recommends \$7.0 million for FY 2025 and \$0.2 million for FY 2026. The Assembly concurred.

988 Hotline. The Governor maintained the authorized amount of \$5.4 million from State Fiscal Recovery funds in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' budget for the 988 hotline to maintain compliance with the National Suicide Hotline Designation Act of 2020 and Federal Communications Commission rules to ensure consistent service. The hotline is operated by Horizon Health Partners, which used its BH Link program to provide the necessary staffing and operations to comply with the Act. The Department spent \$1.8 million in FY 2023 and FY 2024, and the Governor included \$3.5 million for use in FY 2025. The Assembly provided \$1.7 million for FY 2025 and \$1.8 million for FY 2026.

Psychiatric Residential Treatment Facility/Female Youth Facility. The Assembly authorized \$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. The Governor's recommendation is for a total of \$9.1 million. This includes \$1.0 million in support for planning work on the female youth facility being constructed in Exeter. The Department of Children, Youth and Families originally contracted with St. Mary's Home for Children to increase its capacity for these beds; that facility closed in August 2024, and unspent funds were recovered and reallocated. The replacement project is to expand psychiatric residential treatment beds at Bradley Hospital. The Assembly concurred with the Governor's recommendation to make \$6.5 million of funding available in FY 2025 for psychiatric residential treatment beds, pending an updated plan from the Department.

Crisis Intervention Trainings. The Governor maintained the authorized amount of \$2.2 million from State Fiscal Recovery funds to provide law enforcement training and offer technical assistance for strategies and protocols to respond to increased mental health-related calls to local police departments. The Governor's FY 2025 revised recommendation includes \$1.6 million, and \$0.6 million has been paid to Thundermist to conduct the training. The Assembly concurred.

Butler Hospital Short Term Stay Unit. The Assembly provided \$8.0 million from State Fiscal Recovery funds for the new short-term stay unit at Butler Hospital, a psychiatric hospital for adults and adolescents. The intent is to alleviate overcrowding in emergency departments for adults and adolescents by providing immediate access to inpatient behavioral health care services, crisis intervention, and other related services. All payments have been made. The Assembly concurred.

Turnpike and Bridge Authority - Safety Barriers Study. The Assembly authorized a total of \$1.8 million from State Fiscal Recovery funds for the Turnpike and Bridge Authority to conduct a study to identify and evaluate the options to prevent and address the risk of suicide on bridges under its purview. The Newport and Sakonnet bridge studies will be completed in February 2025. Mount Hope and Jamestown bridges were completed in May 2024. The Governor's FY 2025 revised budget includes the \$0.6 million of unspent funds. The total cost of study is now estimated at \$136,000 more than appropriated which the Authority will pay this from its sources. The Assembly concurred.

Public Infrastructure & Technology

Broadband Planning and Mapping. The Assembly authorized \$0.5 million from State Fiscal Recovery funds for broadband infrastructure planning work. Funds supported a needs assessment, statewide mapping of broadband access and cost, and one Broadband Director position at the Commerce Corporation. All funds have been spent, and this program has ended.

Municipal Public Safety Infrastructure. The Assembly authorized \$11.0 million from State Fiscal Recovery funds for matching support to cities and towns to make significant public safety facilities infrastructure improvements, including new construction. Funding priority is based on project readiness and limited to those for which the total costs exceed \$1.0 million. Matching funds to any municipality are limited to \$5.0 million for projects that serve a regional purpose and \$1.0 million for others.

The state released its funding application in December 2023 with a deadline of January 26, 2024. In March, nine municipalities were awarded funding: East Providence, Providence, Foster, Glocester, Middletown, Narragansett, North Smithfield, Smithfield, and South Kingstown. Through FY 2024, \$3.7 million has been spent; the Governor's FY 2025 budget includes the remaining \$7.3 million. The Assembly concurred.

Municipal Roads Grant Program. The Governor's revised budget includes the remaining \$23.2 million from State Fiscal Recovery funds for FY 2025 for the Municipal Roads Grant Program administered by the Department of Transportation. Funds are available to cities and towns for the construction and maintenance of roads, sidewalks and bridges, with a required municipal match of 67.0 percent. Additionally, \$5.0 million of the funds will be distributed equally and the remaining \$15.0 million will be distributed based on non-federal lane miles of roads in each community. A total of \$27.0 million was authorized, including \$20.0 million for FY 2024 with the proviso that the Department of Transportation could retain any funds not obligated by June 30, 2024, for statewide paving projects. All of those funds were obligated. It also included \$7.0 million for FY 2025, to be distributed equally.

The Governor also recommended making the program permanent and includes \$6.5 million from transportation funds for FY 2026. The proposed continuation language does not specify the same match requirements. The Assembly concurred and maintained the required municipal match of 67.0 percent and required that 25.0 percent of the funds be distributed equally and 75.0 percent be allocated proportionally based on each municipality's share of municipally maintained road miles, as determined by the most recent data available from the Department. This is consistent with the original distribution methodology.

Washington Bridge Project. The Governor's budget maintains the approved amount of \$35.0 million from State Fiscal Recovery funds for FY 2025 as a partial state match for the Washington Bridge Project. His budget does not alter the FY 2025 budget assumptions for a total project cost of \$455.2 million, with a state share of \$83.6 million. The contract for the bridge replacement has not been awarded, and there were change orders for the demolition component. These will impact the actual project costs. Any additional federal funds would need a state match. The Assembly provided \$22.0 million from Rhode Island Capital Plan funds in FY 2027, to account for increased match based on updated project costs.

Climate

Electric Heat Pump Grant Program. The Assembly authorized \$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 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 \$10.4 million has been spent.

The revised budget retains the annual reporting requirement for the program due by April 1 of each year to the Speaker of the House of Representatives and the Senate President. The report must include the number of grants issued, the amount of each grant, the average grant amount, and the expected cumulative carbon emissions reductions associated with the grants awarded. The Governor's revised budget includes \$14.0 million for FY 2025. This will close out the program at \$24.4 million; the state has since received \$63.8 million for home electrification and appliance rebates. The Assembly concurred.

Port of Davisville. The Governor's FY 2025 revised budget includes the remaining \$45.6 million of the \$65.0 million authorized from State Fiscal Recovery funds to support infrastructure at the Port of Davisville. Support expands on existing funding to develop port infrastructure to create job opportunities, invest in marine transportation, and make capital improvements to prepare for offshore wind development. The Assembly concurred.

R-Line - Free Service Pilot. As of the end of FY 2024, all \$3.3 million has been spent from State Fiscal Recovery funds authorized to support a free fare bus route service pilot program along the R-Line. This one-year pilot program started on September 1, 2022 and was set to end on September 30, 2023; however, the Authority's board of directors extended the program an additional month. The Authority tracked ridership data and submitted the required report to the Speaker of the House, the President of the Senate, and the Governor on March 21, 2024.

Operating/Administration

RI Public Transit Authority - Operating Grant. The Authority projected an operating deficit of about \$18 million for FY 2025. The Governor's FY 2025 recommended budget included \$10.0 million from State Fiscal Recovery funds to partially defray that gap and required the Authority to review all operations, including ridership and administration to identify efficiencies by January 1, 2025. The study must summarize the findings and include recommendations for sustainable and effective transit operations. The Assembly provided an additional \$5.0 million for a total of \$15.0 million and required the report to be submitted by March 1, 2025. The Governor's revised budget makes no changes to the enacted funding; the Authority is projecting operating deficits of \$32.6 million for FY 2026, increasing to \$56.3 million by FY 2030. The Authority identified some efficiency savings that will be achieved that reduced the projected deficit to \$26 million.

The Assembly provided State Fiscal Recovery funds as recommended. It also increased the motor fuel tax from the estimated current law amount of \$0.39 to \$0.41, including the \$0.01 environmental protection fee, and dedicated the additional two cents to the Rhode Island Public Transit Authority. Based on the estimated \$4.359 million per penny yield, \$8.7 million in additional gas tax receipts would be generated for FY 2026. It also amended the Authority's share of annual receipts from the Highway Maintenance Account from 5.0 percent to 10.0 percent, a \$5.9 million increase. The additional resources are intended to assist the Authority with its projected operating deficit.

DOC - Budget Shortfall. The Assembly authorized \$20.0 million from State Fiscal Recovery funds for operating budget expenses for the Department of Corrections. This provided general revenue relief and covered a FY 2024 operating deficit that resulted in part from not returning its housing modules to pre-pandemic densities, contrary to previous indications. All funds have been spent.

Administration. The Governor recommended \$1.8 million and \$1.4 million for FY 2025 and FY 2026, 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 2024, \$12.1 million has been spent. This brings total funding to \$15.4 million, consistent with the approved amount. The Assembly concurred.

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						
	Prior Years	FY 2024	FY 2025	FY 2026	Total	Eligibility Category
Housing						
Development of Affordable Housing	\$ 14,740,825	\$ 25,203,299	\$ 60,055,876	\$ -	\$ 100,000,000	NEI
Site Acquisition	15,000,000	9,999,100	900	-	25,000,000	NEI
Down Payment Assistance	10,000,000	20,000,000	-	-	30,000,000	RR
Workforce Housing	-	3,672,503	16,327,497	-	20,000,000	RR
Affordable Housing Predevelopment	2,500,000	7,500,000	-	-	10,000,000	NEI
Home Repair & Community Revitalization	-	6,997,899	17,502,101	-	24,500,000	RR
Predevelopment & Capacity Building	610,269	632,905	256,825	-	1,499,999	RR
Homelessness Assistance Program	5,557,605	10,146,559	23,095,840	-	38,800,004	NEI
Homelessness Infrastructure	3,714,912	23,669,137	17,615,951	-	45,000,000	NEI
Statewide Housing Plan	-	38,650	1,961,351	-	2,000,001	RR
Targeted Housing Development	-	-	26,000,000	-	26,000,000	NEI
Housing Related Infrastructure	-	-	3,000,000	-	3,000,000	RR
Municipal Homelessness Support Initiative	-	312,535	1,887,465	-	2,200,000	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	\$ 52,123,611	\$ 108,172,587	\$ 171,903,806	\$ -	\$ 332,200,004	
Economic & Workforce Development						
Enhanced Real Jobs	\$ 9,605,557	\$ 14,451,387	\$ 5,943,056	\$ -	\$ 30,000,000	NEI
Bioscience Investments	-	2,000,600	42,999,400	-	45,000,000	RR
Rhode Island Reconnect	-	803,078	7,196,921	-	7,999,999	NEI
Cybersecurity Center	-	404,677	1,595,322	-	1,999,999	RR
Fresh Start Scholarship	-	1,997,253	3,002,747	-	5,000,000	RR
Subtotal Economic & Workforce Development	\$ 9,605,557	\$ 19,656,995	\$ 60,737,446	\$ -	\$ 89,999,998	
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	28,939,109	(96,624)	2,457,517	-	31,300,002	NEI
Assistance to Impacted Industries	13,473,041	(473,041)	2,000,001	-	15,000,001	PH/NEI/RR
Destination Marketing	899,632	2,100,368	-	-	3,000,000	RR
Minority Business Accelerator	1,000,061	2,593,278	2,406,662	-	6,000,001	NEI/RR
Subtotal Small Business & Impacted Industry	\$ 154,311,843	\$ 4,123,981	\$ 6,864,180	\$ -	\$ 165,300,004	

State Fiscal Recovery Funds						
	Prior Years	FY 2024	FY 2025	FY 2026	Total	Eligibility Category
Public Health						
COVID-19 Operational Support	\$ -	\$ 19,963,774	\$ 12,233,311	\$ -	\$ 32,197,085	PH
Public Health Response Warehouse Support	380,993	1,868,378	1,928,972	-	4,178,343	RR
Auto-Enrollment Program	337,478	1,110,525	166,065	-	1,614,068	NEI
Health Care Facilities	77,500,000	-	10,000,000	-	87,500,000	NEI/RR
Public Health Clinics	279,882	2,736,091	984,027	-	4,000,000	NEI/RR
Subtotal Public Health	\$ 78,498,353	\$ 25,678,768	\$ 25,312,375	\$ -	\$ 129,489,496	
Children, Families, & Education						
Nonprofit Assistance	\$ 20,000,001	\$ -	\$ -	\$ -	\$ 20,000,001	NEI
Pediatric Recovery	11,301,992	3,697,881	129	-	15,000,002	PH
Early Intervention Recovery	9,550,000	1,450,000	-	-	11,000,000	PH
Provider Workforce						
Stabilization	14,642,457	7,849,545	1,967,672	-	24,459,674	NEI
Child Care Support	22,473,581	16,836,629	2,689,791	-	42,000,001	NEI/RR
Support for Survivors of Domestic Violence	-	1,121,319	9,348,929	29,753	10,500,001	PH
Adult Education Providers	-	1,320,362	3,551,266	128,373	5,000,001	RR
Out of School Time Education Providers	-	-	6,000,000	-	6,000,000	NEI
Foster Care Youth Scholarships	-	-	1,021,859	-	1,021,859	RR
RI Community Food Bank	-	3,000,000	-	-	3,000,000	NEI
SNAP Healthy Incentives Pilot	-	-	4,500,000	-	4,500,000	RR
Subtotal Children, Families & Education	\$ 77,968,031	\$ 35,275,736	\$ 29,079,646	\$ 158,126	\$ 142,481,539	
Behavioral Health						
Certified Community Behavioral Health Clinics	\$ 4,903,959	\$ 16,931,615	\$ 6,959,131	\$ 205,295	\$ 29,000,000	PH
988 Hotline	238,584	1,598,759	1,712,658	1,800,000	5,350,001	PH
Psychiatric Residential Facility/ Female Youth Facility	2,425,447	892,598	5,781,955	-	9,100,000	RR
Crisis Intervention Trainings	-	550,114	1,649,886	-	2,200,000	RR
Butler Short Stay Unit	600,180	7,399,820	-	-	8,000,000	PH
RITBA Safety Barrier Study	134,808	973,428	641,764	-	1,750,000	RR
Subtotal Behavioral Health	\$ 8,302,978	\$ 28,346,334	\$ 16,745,394	\$ 2,005,295	\$ 55,400,001	
Public Infrastructure & Technology						
Broadband Planning & Mapping	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	RR
Municipal Public Safety Infrastructure	-	3,666,232	7,333,768	-	11,000,000	RR
Municipal Roads Grant Program	-	3,816,585	23,183,415	-	27,000,000	RR
Washington Bridge Project	-	-	35,000,000	-	35,000,000	RR
Subtotal Public Infrastructure & Technology	\$ 500,000	\$ 7,482,817	\$ 65,517,183	\$ -	\$ 73,500,000	
Climate						
Electric Heat Pump Grant Program	\$ -	\$ 10,366,288	\$ 14,033,712	\$ -	\$ 24,400,000	RR
Port of Davisville	6,000,000	13,364,009	45,635,990	-	64,999,999	RR
RIPTA - R Line Free Service Pilot	2,500,000	750,000	-	-	3,250,000	RR
Subtotal Climate	\$ 8,500,000	\$ 24,480,297	\$ 59,669,702	\$ -	\$ 92,649,999	
Operating Shortfall						
RIPTA Operating Grant	\$ -	\$ -	\$ 15,000,000	\$ -	\$ 15,000,000	RR
DOC Budget Shortfall	-	20,000,000	-	-	20,000,000	RR
Subtotal Operating Shortfall	\$ -	\$ 20,000,000	\$ 15,000,000	\$ -	\$ 35,000,000	
Administration	\$ 9,894,466	\$ 2,208,148	\$ 1,839,770	\$ 1,436,547	\$ 15,378,931	A
Grand Total	\$ 399,704,839	\$ 275,425,663	\$ 452,669,502	\$ 3,599,968	\$ 1,131,399,972	

Capital Projects Fund

The recommendation includes \$111.8 million from the Capital Projects Fund, \$0.5 million less than authorized.

Capital Projects Fund					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
CPF Administration	\$303,042	\$ 341,507	\$ 3,124,253	\$530,582	\$ 4,299,384
Community Learning Center Municipal Grant Program	-	2,081,019	79,639,111	-	81,720,130
Last-Mile Broadband	-	-	25,786,500	-	25,786,500
Total	\$303,042	\$ 2,422,526	\$ 108,549,864	\$530,582	\$ 111,806,014

Funding for FY 2025 and FY 2026 are, respectively, contained in Article 13, Section 1 and Article 1, Section 1 of 2025-H 5076, Substitute A, as amended. Section 5 and Section 17 of each article, respectively, contain a description of each of the projects for which any appropriation is made. These descriptions are in the paragraphs below.

CPF Administration. The Governor recommended a total of \$4.3 million, or 3.8 percent, for administrative costs of the \$112.3 million from the Capital Projects Fund, which is exempt from the assessment on federal stimulus awards. The recommendation assumes use of \$3.1 million for FY 2025 and \$0.5 million for FY 2026 in the Department of Administration; \$0.6 million has been spent. The Governor's recommendation is \$1.3 million less than the approved amount, reflecting anticipated administrative expenses; up to 5.0 percent can be used for administrative expenses. The Assembly concurred.

Community Learning Center Municipal Grant Program. The Governor's revised budget includes the remaining \$79.6 million from Capital Projects funds in FY 2025 for cities and towns seeking to renovate or build community centers that comply with work, education, and health monitoring requirements set by the U.S. Department of the Treasury. Through FY 2024, \$2.1 million has been spent. A total of 18 municipalities are building 21 learning centers, and six municipalities are partnering to build four shared projects. Through late June 2025, \$12.5 million has been spent. The final budget also includes the enacted amount of \$2.0 million from State Fiscal Recovery funds to support the operation of approved Community Learning Centers. These funds would be distributed equally to each approved center that reaches substantial completion by October 31, 2026. The Assembly concurred.

Last-Mile Broadband. The Governor's budget includes \$25.8 million from Capital Projects funds, \$0.8 million more than enacted, 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. The increase incorporates administrative costs associated with this project that were previously budgeted separately. The Assembly concurred.

Housing

State spending to support housing production, access, and subsidies appears throughout the state budget and those of quasi-public entities, some of which are detailed as part of operating and capital budget analyses. Quasi-public entities authorized to administer housing programs do not appear in the state budget except to the extent that certain programs receive general obligation bond proceeds and pass-through funds. Support is generally provided through major federal grants, general obligation bonds, and a dedicated tax on real estate transfers. This report contains detailed information on these sources, programs, and the state housing policy structure. It is updated to include three existing programs not reflected in prior versions.

Recent Activity

The Assembly provided \$464.3 million for use on housing programs, which is \$19.4 million more than enacted for FY 2025. These funds are broken out in the table below; it should be noted that this value excludes regular operating costs borne by managing agencies, and some funding reflects the total value of multi-year programs while others are a single year only.

Housing Programs - 2025 Assembly			
Programs	Amount	Source	Managing Entity
Low Income Housing Tax Credit Fund*	\$ 4,000,000	General Revenue	Dept. Housing
Sojourner House	100,000	General Revenue	Dept. Housing
Livable Home Modification*	515,278	General Revenue	GCD
Crossroads	1,910,000	General Revenue	DHS & DOC
Emergency Housing	6,052,211	Gen. Rev. & Federal	DCYF
Medicaid Home Modifications*	701,062	Gen. Rev. & Federal	DHS
Education for Homeless Children and Youth	541,526	Federal	Dept. Elem. & Sec.
Community Development Block Grants*	9,345,940	Federal	Dept. Housing
Homelessness Assistance Grants*	4,602,278	Federal	Dept. Housing
Pathways to Removing Obstacles	1,100,000	Federal	Dept. Housing
Housing Opportunities for Persons with AIDS*	350,000	Federal	Dept. Housing
ARPA - Homelessness Infrastructure	45,000,000	Federal - SFRF	Dept. Housing
ARPA - Targeted Housing Development	26,000,000	Federal - SFRF	Dept. Housing
ARPA - Homelessness Assistance	38,800,004	Federal - SFRF	Dept. Housing
ARPA - Municipal Homeless. Support Initiative	2,200,000	Federal - SFRF	Dept. Housing
ARPA - Municipal Planning	2,300,000	Federal - SFRF	Dept. Housing
ARPA - Statewide Housing Plan	2,000,001	Federal - SFRF	Dept. Housing
ARPA - Predevelopment & Capacity Building	1,499,999	Federal - SFRF	Dept. Housing
ARPA - Preservation of Affordable Units	500,000	Federal - SFRF	Dept. Housing
ARPA - Housing Related Infrastructure	3,000,000	Federal - SFRF	Infrastructure Bank
ARPA - Development of Affordable Housing	100,000,000	Federal - SFRF	RI Housing
ARPA - Site Acquisition	25,000,000	Federal - SFRF	RI Housing
ARPA - Home Repair & Comm. Revitalization	24,500,000	Federal - SFRF	RI Housing
ARPA - Workforce Housing	20,000,000	Federal - SFRF	RI Housing
ARPA - Proactive Housing Development	1,400,000	Federal - SFRF	RI Housing
Housing Resources and Homeless. Account*	19,654,757	Restricted Receipts	Dept. Housing
Housing Production Fund*	3,239,197	Restricted Receipts	RI Housing
2024 Affordable Housing Bonds	120,000,000	GO Bonds	RI Housing & Dept. Housing
Total	\$ 464,312,253		

*Ongoing program; value represents FY 2026 only

The 2021 Assembly created the Deputy Secretary of Housing within the Executive Office of Commerce. It also provided \$29.0 million from State Fiscal Recovery funds for various housing programs. The 2022 Assembly elevated the Deputy Secretary to become Secretary of Housing and provided for the transfer of the Office of Housing and Community Development from the Executive Office of Commerce to the new Department of Housing, effective July 1, 2023. It also authorized \$221.0 million more from State Fiscal Recovery funds, for a total of \$250.0 million. The 2023 Assembly formalized the transfer of the Office and creation of the Department of Housing, providing a total of 38.0 full-time equivalent positions. It also authorized \$71.5 million more from State Fiscal Recovery funds, for a total of \$321.5 million.

The 2024 Assembly reallocated funding between Housing programs and added \$10.0 million from general revenues and \$10.7 million from State Fiscal Recovery funds for homelessness resources. It transferred authority over the Housing Resources and Homelessness account from the Housing Resources Commission to the Department effective December 31, 2024 or after the Department submits a new housing organization plan, whichever comes later. The Department submitted the report on time, but noted within that it was still drafting proposed statutory revisions to implement its recommendations.

The 2024 Assembly also authorized a new \$120.0 million Housing Bond, which was approved by voters in November 2024, allocations from which are shown in the following table.

Approved Housing Bond - November 2024	
Project	New G.O. Bond
Affordable Housing*	\$ 80,000,000
Home Ownership Units	20,000,000
Community Revitalization	10,000,000
Site Acquisition	5,000,000
Housing Related Infrastructure	4,000,000
Municipal Planning	1,000,000
Total	\$ 120,000,000
<i>*Up to \$10,000,000 of which may be used to support public housing development</i>	

The Governor's FY 2025 and FY 2026 recommended budgets retain the same programs but reallocate unspent FY 2024 funds to FY 2025, consistent with the enacted reappropriation authority. The following table shows the distribution of State Fiscal Recovery funds for Housing as allocated by the 2025 Assembly; the Assembly concurred with the Governor's recommendation and projects are duplicated from the table on page one. Further detail on the obligation and disbursement of funds for these programs is available in the ARPA State Fiscal Recovery Fund report also in the Special Reports section of this publication.

2025 Assembly Multi-Year Allocation of State Fiscal Recovery Funds for Housing					
Program	FY 2022 to FY 2023	FY 2024	FY 2025	FY 2026	Total
<i>Rhode Island Housing</i>					
Development of Affordable Housing	\$ 14,740,825	\$ 25,203,299	\$ 60,055,876	\$ -	\$ 100,000,000
Site Acquisition	15,000,000	9,999,100	900	-	25,000,000
Down Payment Assistance	10,000,000	20,000,000	-	-	30,000,000
Workforce Housing	-	3,672,503	16,327,497	-	20,000,000
Affordable Housing Predevelopment	2,500,000	7,500,000	-	-	10,000,000
Home Repair & Community Revitalization	-	6,997,899	17,502,101	-	24,500,000
Proactive Housing Development	-	-	1,400,000	-	1,400,000
<i>Department of Housing</i>					
Predevelopment & Capacity Building	\$ 610,269	\$ 632,905	\$ 256,825	\$ -	\$ 1,499,999
Homelessness Assistance Program	5,557,605	10,146,559	23,095,840	-	38,800,004
Homelessness Infrastructure	3,714,912	23,669,137	17,615,951	-	45,000,000
Statewide Housing Plan	-	38,650	1,961,351	-	2,000,001
Targeted Housing Development	-	-	26,000,000	-	26,000,000
Municipal Homelessness Support Initiative	-	312,535	1,887,465	-	2,200,000
Municipal Planning	-	-	2,300,000	-	2,300,000
Preservation of Affordable Units	-	-	500,000	-	500,000
<i>Infrastructure Bank</i>					
Housing Related Infrastructure	\$ -	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000
Total	\$ 52,123,611	\$ 108,172,587	\$ 171,903,806	\$ -	\$ 332,200,004
Change to 2024 Assembly	\$ -	\$ (154,603,804)	\$ 154,603,806	\$ -	\$ 2

Housing-Related Revenues

The Governor's FY 2026 budget recommendation creates two new sources of revenues: it establishes a new tax equal to the 5.0 percent State Hotel Tax for whole-home short-term rentals and increases the second tier of the real estate conveyance tax from 0.92 percent to 1.25 percent. The recommendation estimates these new revenue sources will generate \$4.4 million in restricted receipts for FY 2026, annualizing to \$8.1 million for FY 2027, and dedicates all funds to the Housing Resources and Homelessness restricted account.

The Assembly provided four new sources of revenues and a one-time transfer, resulting in \$31.6 million in new state, local, and tourism district revenue, annualizing to \$45.8 million in FY 2027.

	FY 2026 Housing Initiatives Change to Current Law	General Fund	Housing Resources & Homelessness	Housing Production Fund	Tourism Districts	Cities & Towns	Initiative Total
Gov.	Real Estate Conveyance Tier 2	\$ -	\$ 2.3	\$ -	\$ -	\$ -	\$ 2.3
	Whole Home	-	2.1	-	-	-	2.1
	Gov. Total	\$ -	\$ 4.4	\$ -	\$ -	\$ -	\$ 4.4
Assembly	Real Estate Conveyance Tier 1	\$ 8.4	\$ 3.1	\$ -	\$ -	\$ 10.7	\$ 22.2
	Real Estate Conveyance Tier 2	-	1.8	0.3	-	-	2.1
	1% Local Hotel Tax Increase	-	-	-	-	2.8	2.8
	One-time Transfer	-	2.5	-	-	-	2.5
	Whole Home	-	1.0	-	0.5	0.5	2.0
	HFC Total	\$ 8.4	\$ 8.4	\$ 0.3	\$ 0.5	\$ 14.0	\$ 31.6

\$ in millions

For FY 2026, state revenue would increase by \$17.0 million, including \$8.4 million for general revenues, \$8.4 million for the Housing Resources and Homelessness restricted account, and \$0.3 million for the

Housing Production Fund. The prior table shows the estimated impact of the Governor’s recommendations and the actions taken by the 2025 Assembly compared to current law. The table below shows the relative tax rates under current law, the Governor’s recommendation, and as enacted by the 2025 Assembly. The sections that follow provide detail on each initiative.

Housing-Related Taxes	Applicability	Current Law	Governor	Assembly
Real Estate Conveyance Tier 1	All	0.46%	0.46%	0.75%
Real Estate Conveyance Tier 2	Residential; Portion >\$800,000	0.46%	0.79%	0.75%
Local Hotel Tax	All	1.00%	1.00%	2.00%
Hotel Tax	Excludes Whole-Home	5.00%	5.00%	5.00%
Whole-Home Short-Term Rental	Only	None	5.00%	5.00%
Non-Owner Occupied Tax	Non-Rental; Portion >\$1.0 million	None	None	0.50%

Real Estate Conveyance Tax. The Real Estate Conveyance Tax includes a first-tier rate of 0.46 percent charged on all transfers and a second-tier rate of 0.46 percent charged on the portion of residential transfers above \$800,000. The Governor recommended increasing the second-tier rate to 0.79 percent, resulting in an effective rate of 1.25 percent, effective October 1, 2025, to generate \$2.3 million for the Housing Resources and Homelessness restricted account in FY 2026.

The 2025 Assembly increased both rates from 0.46 percent to 0.75 percent, for a top-tier effective rate of 1.5 percent, effective October 1, 2025. Revenue from the first tier is allocated according to a statutory formula that includes an allocation to municipalities and the housing resources and homelessness account, essentially unchanged from current law. The second-tier rate would now be split, with 0.50 percent of the 0.75 percent allocated to the Housing Production Fund, up from the current 0.46 percent, and the remaining 0.25 percent to the Housing Resources and Homelessness restricted account. It also provided that the \$800,000 threshold shall be subject to an inflation adjustment beginning January 1, 2026.

The tax is estimated to generate \$13.5 million for FY 2026 across all fund sources, annualizing to \$18.7 million for FY 2027. Compared to the Governor’s recommendation, this adds \$8.4 million for general revenues, \$1.5 million for the Housing Resources and Homelessness account, and \$0.3 million for the Housing Production Fund. Additionally, revenues to municipalities would increase by \$10.7 million for FY 2026 and \$14.7 million for FY 2027.

Local Hotel Tax. The Assembly increased the Local Hotel Tax from 1.0 percent to 2.0 percent, effective January 1, 2026. Consistent with current law, the tax applies to all short-term rentals, including hotels and dwellings rented in part or in their entirety. There is no state budget impact; it is estimated to generate \$2.8 million for cities and towns in FY 2026, annualizing to \$7.6 million in FY 2027.

Whole Home Short-Term Rental Tax. The Assembly concurred with the Governor’s recommendation to establish a new tax on houses, condominiums, or other furnished residential dwellings rented for a short term in their entirety, equal to the 5.0 percent State Hotel Tax, from which these units are currently exempt. However, while the Governor proposed dedicating all revenue to the Housing Resources and Homelessness restricted account, the Assembly provides that 50.0 percent of revenue be distributed to that account and 25.0 percent each to the municipality and tourism district in which the rental occurs. This is estimated to generate \$1.0 million for the account for FY 2026, annualizing to \$2.4 million for FY 2027.

Non-Owner Occupied Tax. The Assembly authorized a new non-owner occupied residential property tax, effective July 1, 2026. The tax does not apply to commercial property or property rented for more than 183 days in a given taxable year. Affected properties will be subject to a 0.5 percent annual tax on the portion of their value exceeding \$1.0 million, with all resulting revenues dedicated to the Low Income Housing

Tax Credit Fund. It also provided that the \$1.0 million threshold shall be subject to an inflation adjustment beginning July 1, 2027. There is no FY 2026 impact; FY 2027 is the first year of collections.

One-Time Housing Resources and Homelessness Transfer. The Assembly provides for the transfer of \$2.5 million from general revenues to the Housing Resources and Homelessness restricted account. FY 2027 will be the first year of full collections for two new dedicated revenue streams. These funds are intended to bridge the gap for FY 2026 while these initiatives are implemented.

Housing Reorganization

The 2022 Assembly required the Secretary of Housing to submit a housing organizational plan by November 1, 2022. The submitted plan lacked required commentary from other state agencies, an assessment of the current structure, and advantages and disadvantages of proposed changes. Proposed changes were not included in the Governor's FY 2024 recommendation or the adopted budget.

The 2024 Assembly required a new version of the report by December 31, 2024, including proposed statutory revisions. The submitted report was on-time and met other statutory requirements, but the Department indicated it was still drafting proposed statutory revisions to implement its recommendations. Subsequent to submission of his recommendation, the Governor requested an amendment to implement the report's recommendations. The Assembly concurred with the amended recommendation.

Executive Office of Housing. The Assembly provides that the Department be reorganized into the Executive Office of Housing, and the Housing Resources Commission into an Advisory Council on Housing and Homelessness without direct programmatic responsibilities. The Housing Resources Coordinating Committee is dissolved and its authority transferred to the new Executive Office, including formal administration of the Housing Production Fund. Transferred authorities include the ability to designate which state or quasi-state agency will administer federal housing programs, expedited permitting for affordable housing, and exemptions from municipal real estate non-utilization taxes.

Advisory Council on Housing and Homelessness. Under current law, the Housing Resources Commission has 28 members: 16 are ex-officio leaders of various state and non-state entities and 12 are appointed by the Governor to represent specified interests, professions, and industries. The Assembly replaced guidance specific to each member with a broad requirement that the Council's 20 Governor-appointed members represent similar interests while removing representatives of state entities and adding tenants, landlords, local officials, and those with a lived experience of homelessness. It also transferred all lead hazard mitigation authorities to the Department of Health.

Interagency Councils. To improve state agency coordination, the Assembly created a new 12-member Interagency Council on Housing Production and Preservation and reactivating a 17-member Interagency Council on Homelessness, which would serve as the ratification committee for the federally mandated Continuum of Care. These councils would consist of state and quasi-state agencies chaired by the Secretary of Housing and intended to coordinate state policy and services, with administrative support provided by the Executive Office of Housing.

RI Housing. The Assembly provided that the Secretary of Housing be made ex-officio chair of the RI Housing board of directors and removed the Director of the Department of Business Regulation. It transferred primary responsibility for determining how to prioritize federal Low-Income Housing Tax Credit awards and renewable energy features from RI Housing to the Executive Office of Housing, effective January 1, 2026. It also repealed a defunct Department of Human Services emergency housing assistance program.

Reporting Requirements. The Assembly created two new reporting requirements. The first is a statewide strategic plan to prevent and address homelessness, due every three years beginning July 1, 2026. The second is a chart showing the number and percentage of low- and moderate-income housing units by municipality, due annually beginning January 1, 2027. The Assembly also transferred all existing monitoring and reporting requirements to the Executive Office, updated terminology, repealed defunct reports, and delayed the housing voucher report from March 1 to April 15.

Prior Structure of State Housing Policy

Since passage of the Housing Resources Act of 1998, three organizations administered the vast majority of state housing programs and funds: the Office of Housing and Community Development, the Housing Resources Commission, and the Rhode Island Housing and Mortgage Finance Corporation, also known as RI Housing. By statute, the Housing Resources Coordinating Committee was intended to oversee and coordinate all three entities, although this did not occur in practice. All originally existed within the Department of Administration but were transferred to the Executive Office of Commerce 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 its role as the state's lead agency for housing initiatives and authorized it to deal in real estate. The 2025 Assembly significantly modified the state housing structure, as discussed previously; the following paragraphs reference the structure prior to reorganization.

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 2023, RI Housing maintained assets totaling \$2.9 billion, although these are largely held in trust for the benefit of bondholders and other third parties and do not represent state resources.

RI Housing Commissioners	
	Director of Administration
Ex-Officio	Director of Business Regulation
	General Treasurer
Appointed	Four members experienced in housing design, development, finance, management, and state and municipal finance

The primary activities of the Corporation involve financing housing development and rehabilitation, single family loan origination, servicing associated loans, and carrying out federal rental programs, such as housing vouchers and contract administration. The Corporation’s single-family and multi-family lending activities are often supported by insurance or guarantees through the federal Departments of Housing and Urban Development, Veterans Administration, Agriculture/Rural Development, Treasury, or government sponsored enterprises.

The 2023 Assembly passed facilitating language for the creation of a new proactive development subsidiary of RI Housing, which was formally established in January 2024.

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 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 Office of Healthy Aging (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 Programs

Housing programs are broken out in the subsequent section into functional categories, including funding and administering agencies according to the 2025 Assembly. Housing bond funds approved by voters in November 2024 continue several existing State Fiscal Recovery Fund programs and are noted in the corresponding items where appropriate.

Housing Production				
Program	FY 2026 Recommended	FY 2026 Enacted	Source	Managing Entity
Low Income Housing Tax Credit Fund*	\$ 4,000,000	\$ 4,000,000	General Revenue	Dept. Housing
Pathways to Removing Obstacles	-	1,100,000	Federal	Dept. Housing & EOHHS
ARPA - Targeted Housing Development	26,000,000	26,000,000	Federal - SFRF	Dept. Housing
ARPA - Development of Affordable Housing	100,000,000	100,000,000	Federal - SFRF	RI Housing
ARPA - Workforce Housing	20,000,000	20,000,000	Federal - SFRF	RI Housing
ARPA - Home Repair & Community Revital.	24,500,000	24,500,000	Federal - SFRF	RI Housing
ARPA - Housing Related Infrastructure	7,000,000	7,000,000	Federal - SFRF & GO Bonds	Dept. Housing & RI Housing
ARPA - Site Acquisition	30,000,000	30,000,000	Federal - SFRF & GO Bonds	RI Housing
Housing Production Fund*	2,958,058	3,239,197	Restricted	RI Housing
Affordable Housing	80,000,000	80,000,000	GO Bonds	RI Housing
Homeownership Units	20,000,000	20,000,000	GO Bonds	RI Housing
Community Revitalization	10,000,000	10,000,000	GO Bonds	RI Housing
Total	\$ 324,458,058	\$ 325,839,197		

*Ongoing program; amounts represent FY 2026 only

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.

- Low Income Housing Tax Credit Fund. The Budget transfers \$4.0 million from general revenues to prefund commitments under the State Low Income Housing Tax Credit. The Budget also dedicates to this fund all future revenues from a new non-owner occupied residential property tax, effective July 1, 2026, of 0.5 percent on the portion of affected properties exceeding \$1.0 million. 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. In prior years, the Assembly has provided \$32.0 million from general revenues to prefund credits against an award maximum of \$120.0 million based on the current June 30, 2028 sunset date. RI Housing and the Department issued a consolidated request for proposals in October, which included up to \$30.0 million of these tax credits.
- Pathways to Removing Obstacles. The Budget includes \$1.1 million from federal grant funds for the Department of Housing and the Executive Office of Health and Human Services to identify and remove barriers to affordable housing production and preservation
- ARPA - Targeted Housing Development. The Budget maintains the authorized amount of \$26.0 million from State Fiscal Recovery funds to allow the Secretary of Housing to target priority housing development projects. Of this amount \$4.0 million supports transit-oriented housing. All funds have been awarded and are programmed for FY 2025.
- ARPA - Development of Affordable Housing. The Budget maintains the authorized amount of \$100.0 million from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments, site acquisition, and predevelopment expenses. Of these funds, \$10.0 million supports a pilot program for low-income public housing vouchers and financing. RI Housing and the Department issued a consolidated request for proposals in October 2024, which included the remaining \$0.3 million of unobligated funds.
- ARPA - Workforce Housing. The Budget maintains the authorized 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. RI Housing and the Department issued a consolidated request for proposals in October 2024, which included the remaining \$1.5 million of unobligated funds.
- ARPA - Home Repair and Community Revitalization. The Budget maintains the authorized 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. For FY 2025, \$17.5 million remains to be spent, and only \$4.5 million remains to be awarded for home repairs.
- ARPA - Housing Related Infrastructure. The Budget includes the FY 2025 enacted amount of \$7.0 million to be transferred to the Infrastructure Bank to support infrastructure necessary for affordable housing development. This includes \$3.0 million from State Fiscal Recovery funds and \$4.0 million from general obligation bond funds approved in November 2024. All State Fiscal Recovery funds were awarded in October 2024.
- ARPA - Site Acquisition. The Budget maintains the authorized amount of \$30.0 million, including \$25.0 million from State Fiscal Recovery funds and \$5.0 million from general obligation bond funds approved in November 2024, to continue a site acquisition program administered by RI Housing which

began during 2020 in response to the coronavirus pandemic. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. For FY 2025, all State Fiscal Recovery funds have been awarded and \$1.5 million remains to be spent.

- **Housing Production Fund.** The Budget includes \$3.2 million from Housing Production Fund restricted receipts for FY 2026, 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 and reallocated a portion to be deposited in a new housing production fund, effective January 1, 2022. This doubled the tax from 0.46 percent to 0.92 percent for the portion of residential property over \$0.8 million. The 2021 Assembly also provided \$25.0 million from general revenues in FY 2022 to capitalize the fund. The Budget adopted by the 2025 Assembly increases both the first and second tier from 0.46 percent to 0.75 percent, effective October 1, 2025, for a top effective rate of 1.5 percent. The second tier rate allocation is now split at 0.50 percent for the Housing Production Fund, up from the current 0.46 percent, and 0.25 percent for the Housing Resources and Homelessness restricted account.

As of December 2024, RI Housing has made awards totaling \$25.0 million, issued a consolidated request for proposals with the Department for \$10.0 million in October, and has an additional \$0.2 million in available funds.

- **Affordable Housing.** The Budget includes \$80.0 million from general obligation bond funds approved in November 2024 for development of affordable housing units, rehabilitation of existing structures, and new construction.
- **Homeownership Units.** The Budget includes \$20.0 million from general obligation bond funds approved in November 2024 for the development of new affordable and middle-income housing units intended for homeownership.
- **Community Revitalization.** The Budget includes \$10.0 million from general obligation bond funds approved in November 2024 to continue RI Housing’s Acquisition and Revitalization Program to finance acquisition and redevelopment of blighted properties in disadvantaged communities.

Housing Preservation. Housing preservation refers to programs designed to retain the existing supply of housing and protect its affordability. This includes support for upgrades, repairs, and maintenance that 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.

Housing Preservation					
Program	FY 2026		Source	Managing Entity	
	Recommended	Enacted			
Livable Home Modification*	\$ 765,304	\$ 515,278	General Revenue	GCD	
Medicaid Home Modifications*	701,062	701,062	Gen. Rev. & Federal	DHS	
ARPA - Preservation of Affordable Units	500,000	500,000	Federal - SFRF	Dept. of Housing	
Total	\$ 1,966,366	\$ 1,716,340			

**Ongoing program; amounts represent FY 2026 only*

- **Livable Home Modification.** The Budget includes \$0.5 million from general revenues for FY 2026 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 2022 Assembly provided a total of \$1.0 million, with \$0.5 million intended to be one-time to address a surge in applications. The FY 2024 budget lowered expenses by only \$250,000. Expenses in recent years have averaged \$0.5 million annually. The grant amount is capped at \$4,500.

- Medicaid Home Modifications. The Budget includes the enacted level of \$0.7 million for FY 2026, including \$0.3 million from general revenues and \$0.4 million from federal Medicaid funds, for home modifications to accommodate individuals with disabilities so they can remain in their homes.
- ARPA - Preservation of Affordable Units. The Budget maintains the authorized amount of \$0.5 million from State Fiscal Recovery funds to preserve affordable housing units at risk of foreclosure and blight. All funds have been awarded to create a revolving loan fund and are programmed for FY 2025.

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.

Supportive Services				
Program	FY 2026 Recommended	FY 2026 Enacted	Source	Managing Entity
Crossroads	\$ 1,910,000	\$ 1,910,000	General Revenue	DHS & DOC
Sojourner House	-	100,000	General Revenue	Dept. Housing
Emergency Housing	6,052,211	6,052,211	Federal	DCYF
Education for Homeless Children & Youth*	541,526	541,526	Federal	Dept. Elem. & Sec. Education
Housing Opportunities for Persons with AIDS*	350,000	350,000	Federal	Dept. Housing
Homelessness Assistance Grants	4,602,278	4,602,278	Federal	Dept. Housing
ARPA - Homelessness Infrastructure	45,000,000	45,000,000	Federal - SFRF	Dept. Housing
ARPA - Homelessness Assistance	38,800,004	38,800,004	Federal - SFRF	Dept. Housing
ARPA - Muni. Homelessness Support Initiative	2,200,000	2,200,000	Federal - SFRF	Dept. Housing
Total	\$ 99,456,019	\$ 99,556,019		

**Ongoing program; amounts represent FY 2026 only*

- Crossroads. The Budget includes the FY 2025 enacted level of \$1.9 million from general revenues awarded directly to Crossroads Rhode Island, the state's largest homelessness services organization. This includes \$1.1 million in the Department of Corrections' budget for sex offender discharge planning and housing assistance and \$0.9 million in the Department of Human Services' budget for homeless services and emergency shelters.
- Sojourner House. The Budget includes \$0.1 million from general revenues to support Sojourner House supportive housing and rapid rehousing programs.
- Emergency Housing. The Budget includes \$6.1 million from federal funds, \$3.1 million more than enacted, for emergency housing for families for situations in which housing is a barrier to reunification. The Family Court has the authority to require the Department to provide housing, most often in the form of a hotel, and this practice appears to have increased in recent years. The Budget assumes the Department of Children, Youth and Families can utilize available Temporary Assistance for Needy Families funds instead of general revenues. The Budget assumes a fund transfer to the Social Services Block Grant funding to ensure expenses qualify and excludes the \$1.8 million of general revenues enacted for this expense.
- Education for Homeless Children and Youth. The Budget includes \$0.5 million from federal funds to support students experiencing homelessness. This is \$1.0 million less than enacted, reflecting the remainder of one-time pandemic funding authorized by the American Rescue Plan Act. Funds are used to identify homeless children, provide wraparound services and assistance that enable them to attend school and participate fully in activities.

- Housing Opportunities for Persons with AIDS. The Budget includes the FY 2025 enacted amount of \$0.4 million from federal funds to administer the federal Housing Opportunities for Persons with AIDS program dedicated to supporting services and housing for low-income people living with HIV and AIDS.
- Homelessness Assistance Grants. The Budget includes \$4.6 million from federal Emergency Shelter Grants and Title XX Shelter Transfer Grants, which is \$1.3 million more than enacted for FY 2025. The Housing Resources Commission typically allocates funding competitively to the private shelter system through the Consolidated Homeless Fund.
- ARPA - Homelessness Infrastructure. The Budget includes the \$45.0 million authorization 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. For FY 2025, \$17.6 million remains to be spent, but as of September 2024, only \$13.5 million remains to be awarded.
- ARPA - Homelessness Assistance. The Budget maintains the \$38.8 million from State Fiscal Recovery funds authorized to provide housing navigation, stabilization, and mental health services for people experiencing homelessness. The 2021 Assembly included a requirement to provide monthly progress reports regarding the achievement of these efforts. The Department submitted its first report in March 2023 and has not submitted one since July 2023. The 2024 Assembly provided \$17.3 million. All funds have been awarded and are programmed for FY 2025; \$15.7 million has been disbursed as of the end of FY 2024.
- ARPA - Municipal Homelessness Support Initiative. The Budget maintains the authorized amount of \$2.2 million from State Fiscal Recovery funds to award grants to municipalities to help pay for community services that support homeless individuals. Municipalities hosting shelters bear a financial burden on municipal services, which this program is intended to offset partially. For FY 2025, \$1.9 million remains to be spent; as of December 2024, only \$0.1 million remains to be obligated.

Flexible. Some programs provide funding that is not limited to a specific purpose but can be put to a variety of uses at the state's discretion through the Housing Resources Commission and Department of Housing.

Flexible				
Program	FY 2026 Recommended	FY 2026 Enacted	Source	Managing Entity
Community Development Block Grants*	\$ 9,345,940	\$ 9,345,940	Federal	Dept. Housing
Housing Resources & Homelessness Account*	14,125,173	19,654,757	Restricted	Dept. Housing
Total	\$ 23,471,113	\$ 29,000,697		

**Ongoing program; amounts represent FY 2026 only*

- Community Development Block Grants. The Budget includes \$9.3 million from federal Community Development Block Grant funds, \$4.9 million less than the FY 2025 enacted budget. Cranston, East Providence, Pawtucket, Providence, Warwick, and Woonsocket are entitlement communities that receive their Community Development Block Grants directly from the U.S. Department of Housing and Urban Development; the state administers the remaining 33 communities' grants.
- Housing Resources and Homelessness Account. The Budget includes \$19.7 million from restricted receipts, \$10.0 million more than enacted for FY 2025, for lead hazard reduction abatement, rental subsidy, and shelter operations. The 2014 Assembly provided a dedicated portion of the Real Estate Conveyance Tax to provide a permanent stream of funding, estimated to yield \$5.7 million for FY 2025 and \$6.1 million for FY 2026. The 2024 Assembly authorized a one-time transfer of \$10.0 million from general revenues. It further authorized that oversight be transferred to the Department provided that the Department submit a state housing organization plan. The Department submitted the report on time, but noted within that it is still drafting proposed statutory revisions.

The Budget includes a number of changes for this account. First, it shifts \$4.0 million from FY 2025 to FY 2026 based on the Department's third quarter report. Second, it transfers \$2.5 million from general revenues. Third, it extends the 5.0 percent state hotel tax to whole-unit short-term rentals and dedicates 50.0 percent of revenue. This results in \$1.0 million for FY 2026 and \$2.4 million for FY 2027. Fourth, it increased both the first and second tier of the real estate conveyance tax from 0.46 percent to 0.75 percent, effective October 1, 2025, for a top effective rate of 1.5 percent. Revenue from the first tier is allocated according to a statutory formula, essentially unchanged from current law. The second tier splits the rate allocation at 0.50 percent for the Housing Production Fund and a new 0.25 percent allocation for the account. The Real Estate Conveyance tax changes result in \$4.9 million for FY 2026 and \$6.8 million for FY 2027.

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 2026 Recommended	FY 2026 Enacted	Source	Managing Entity
ARPA - Statewide Housing Plan	\$ 2,000,001	\$ 2,000,001	Federal - SFRF	Dept. Housing
ARPA - Predevelopment & Capacity Building	1,499,999	1,499,999	Federal - SFRF	Dept. Housing
ARPA - Proactive Housing Development	1,400,000	1,400,000	Federal - SFRF	RI Housing
ARPA - Municipal Planning	3,300,000	3,300,000	Federal - SFRF & GO Bonds	Dept. Housing
Total	\$ 8,200,000	\$ 8,200,000		

- ARPA - Statewide Housing Plan. The Budget maintains the authorized amount of \$2.0 million from State Fiscal Recovery funds to develop a statewide comprehensive housing plan to assess current and future housing needs, consider barriers to home ownership and affordability, and identify services needed for increased investments toward disproportionately impacted individuals and communities. These funds also support municipal planning efforts. All funds have been obligated, and \$38,650 was spent in FY 2024.
- ARPA - Predevelopment and Capacity Building. The Budget maintains the authorized 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 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 2024, all funds have been obligated and \$0.3 million remains unspent.
- ARPA - Proactive Housing Development. The Budget maintains the authorized 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 was formally established in January 2024 and a president was appointed in September, but no funds were spent.
- ARPA - Municipal Planning. The Budget maintains the authorized amount of \$3.3 million to support municipal planning efforts, including \$2.3 million from State Fiscal Recovery funds and \$1.0 million from general obligation bond funds approved in November 2024. Of these funds \$1.3 million is for a municipal fellows program and \$2.0 million is for transit- and zoning-related grants to municipalities. For FY 2025, no funds have been spent, but all funds for municipal fellows have been awarded.

Required Reports

The status as of June 2025 of all programmatic reports related to housing required to be submitted to the General Assembly or individual members, among others, is shown in the following table. The table does not include annual organization-wide financial disclosures and audits, which are all submitted and compliant, nor does it include reports required for programs using State Fiscal Recovery funds nor the Housing Reorganization Plan, discussed previously.

R.I.G.L.	Program	Submitted	Compliant
<i>Department of Housing</i>			
42-167-4	Integrated Housing Report	Yes	Yes
42-167-4	State Housing Reorganization Plan	Yes	Yes
42-167-4	Strategic Plan to End Homelessness	New	New
42-167-4	Muni. Low & Moderate Income Chart	New	New
42-128.3	Housing Incentives Districts	No	No
44-71	Low Income Housing Tax Credit Fund	Yes	Yes
45-24	Accessory Dwelling Units	Yes	Yes
45-24	Fee in Lieu of Public Housing	Yes	Yes
45-53	Comprehensive Permitting	Yes	Yes
45-53	Housing Vouchers	Yes	Yes
45-53	Vacant Schools	Yes	Yes
<i>Rhode Island Housing and Mortgage Finance Corporation</i>			
42-55-22.1	Mortgage Disclosure	Yes	Yes
42-55-22.2	Affirmative Action Fair Housing Policy	Yes	Yes
42-55.1	Housing Trust Fund	Defunct	Defunct
44-53	Development and Preservation Activity	Yes	Yes

Previously, the report included annual requirements to assess the number of Americans with Disabilities Act compliant special needs units and with determining the number of units needed versus produced under status quo conditions. The 2024 Assembly replaced these with a report due every three years, beginning on December 31, 2026, assessing the accessibility of the state housing stock and the number of units required to meet estimated growth.

Integrated Housing Report. The Department is required to submit an April 15 annual report including the total number of housing units, occupancy, change in units, net new units in development since the prior report, units by building occupancy and income type, regional and similar-state comparisons, including fund sources, rental bedrooms, affordability level, permitting statistics, and affordability by municipality. Much of this data must be broken down by municipality and into cost brackets.

The 2024 Assembly made several changes to this report to provide clarity and align more closely with available data, including when federal data becomes available by delaying the due date from December 31 to April 15. It also required municipalities to provide relevant data requested by the Department on or before February 15.

Strategic Plan to End Homelessness. As of July 1, 2026, and every three years thereafter, the Department is required to create a statewide strategic plan to prevent, and address, homelessness. It is required to conduct this work in coordination with the Advisory Council on Housing and Homelessness, the Interagency Council on Homelessness, and the Continuum of Care.

Municipal Low and Moderate Income Chart. As of January 1, 2027, the Department is required to produce an annual chart reflecting the number and percentage of low- and moderate-income housing units in each city and town. Municipalities will have thirty days to suggest modifications and revisions.

Housing Incentives Districts. As of FY 2022, the Department 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 Department 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.

Fee in Lieu of Public Housing. RI Housing and municipalities are required to file a December 31 annual report regarding fees in lieu of housing that developers can pay instead of building affordable housing units required under inclusionary zoning. The fee is calculated annually for each city based on a statutory formula and a minimum of \$40,000 per unit. The report contains the amount collected by municipality, funding for projects using fees, and the number of units created.

Comprehensive Permitting. The 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 an April 15 annual report to be posted on its website for the prior 12 months of information regarding Section 8 Housing Choice Vouchers received and used by public housing authorities. By municipality, the report accounts for all vouchers, leasing potential, administrative costs, and fees collected in lieu of development of low- and moderate-income units.

Vacant Schools. The Department of Housing is required to file an annual December 31 report detailing the number of school buildings that are vacant, and the feasibility or status of redevelopment. The Department of Elementary and Secondary Education and municipalities provide lists of vacant school buildings to be evaluated for conversion into affordable housing. The Department of Housing files all feasibility studies and relevant information such as estimated costs on its website.

Mortgage Disclosures. RI Housing is required to produce a disclosure of all of its mortgage lenders and loans by census tract with reference to age of recipient, state representative districts, and federal support. The report is required to be available to the public with copies at 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 Department estimates that Rhode Island would need to produce between 2,204 and 3,087 units annually to keep up with population growth and housing formation rates; it estimates that 2,480 units were produced in 2024. The number of households that are cost burdened, defined as those spending 30 percent or more of income on housing, has consistently risen over the past few decades and now represents 33 percent of households, including 48 percent of renter households. Detailed information on the quality and status of housing is included in the Department's Integrated Housing Report, due annually on April 15. The following is a non-exhaustive list of sources for credible information on housing in the state:

RI House Commission on Land Use:

<https://www.rilegislature.gov/commissions/laus/SitePages/hmaterials.aspx>

RI House Commission on Housing Affordability:

<https://www.rilegislature.gov/commissions/LMIHA/Pages/hmaterials.aspx>

RI House Landlord/Tenant Commission

<https://www.rilegislature.gov/commissions/lateco/Pages/hmaterials.aspx>

RI House Short Term Rental Commission

<https://www.rilegislature.gov/commissions/STRC/SitePages/hmaterials.aspx>

Division of Statewide Planning:

<https://planning.ri.gov/>

HousingWorksRI:

<https://www.housingworksri.org/Research-Policy/Publications-Reports>

Department of Housing

<https://housing.ri.gov/>

RI Housing:

<https://www.rihousing.com/research-reporting/>

United States Census Bureau:

<https://www.census.gov/topics/housing.html>

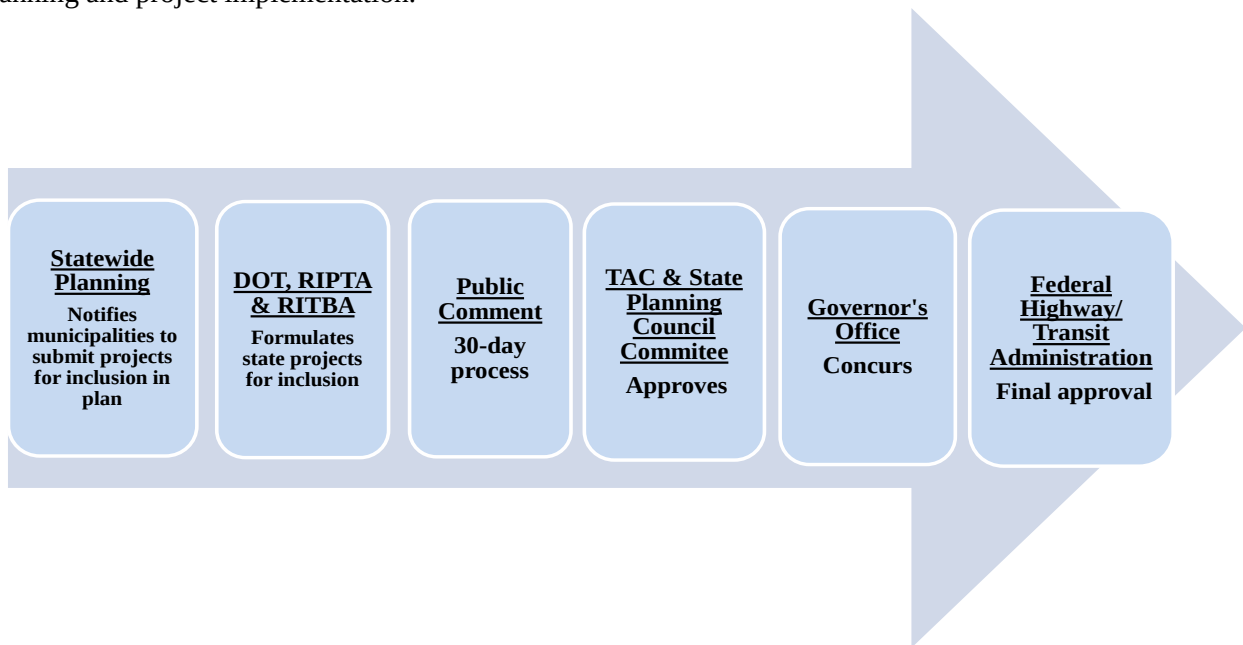
Transportation

Transportation spending, including the state’s highway and transit programs, accounts for 6.2 percent of operating budget expenditures in the FY 2026 enacted budget. Nearly half of the expenditures in the five-year capital plan are for transportation projects, including roads and bridges, rail, and public transportation. Funding comes from federal formula programs, major federal grants as well as user charges and other dedicated state sources. This report 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 State Transportation Improvement Program is a culmination of a public outreach process to all communities, public interest groups, and citizens by the agencies involved in transportation planning and project implementation.



Following the public solicitation process, surface transportation projects are selected for inclusion in the Transportation Improvement Program by a 26-member public body known as the Transportation Advisory Committee using criteria based on five major categories: mobility benefits, cost-effectiveness, economic development impact, environmental impact, and degree of support to local and state goals and plans. Certain types of projects are reviewed by special public committees prior to selection. Once a plan has gone through the Committee process, it is sent to the Governor’s Office for concurrence 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 preservation program is another category of high interest

that allows the state to pursue the most cost-effective pavement treatment for roads throughout the state. The work includes pavement resurfacing, crack sealing, and micro surfacing as appropriate. Roadways included in the pavement management program include community requested projects and those identified in the Department's pavement management program. Inclusion in the Transportation Improvement Program list does not guarantee the project will be implemented as scheduled.

Projects are selected for implementation by the Department of Transportation based on an evaluation using four sources of information: pavement and bridge asset management systems data, public input-priority assigned by communities, input from the Maintenance Division, and staff field review. Final selection considers traffic volumes and the distribution of projects statewide to ensure an equitable geographic distribution. Roadways selected must be eligible for federal funding, 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, including \$54.5 million 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 were 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	16
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 June 23, 2025

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.

Infrastructure Investment and Jobs Act Impact. 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 was approximately \$103 million; the state match for that amount would be \$20.6 million.

The next table shows the Department's annual allocation from MAP 2021, FAST Act and projections from the Infrastructure Investment and Jobs Act.

Federal FY	Federal Act	RI's Allocation	New: Bridge Replacement	New: Electric Charging Stations	Total	Required Additional Match
2015	Moving Ahead for Progress (MAP 21) Fixing America's Surface Transportation (FAST) Act	\$ 211,081,927				
2016		\$ 221,837,373				
2017		\$ 224,957,309				
2018		\$ 230,202,826				
2019		\$ 236,184,138				
2020		\$ 240,920,619				
2021		\$ 239,414,545				
2022	Infrastructure Investment & Jobs Act	\$ 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		\$ 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

Electric Vehicle Charging Infrastructure Program. The Infrastructure Investment and Jobs Act authorized a National Electric Vehicle Infrastructure Formula Program, with the goal of establishing a nationwide network of 500,000 electric vehicle chargers by 2030. The 2022 Assembly concurred with the Governor's proposal to create an Electric Vehicle Charging Infrastructure Program in state law. The state was awarded \$22.9 million for this program, which is matched with \$4.6 million from Rhode Island Capital Plan funds. The program is being administered by the Department of Transportation and the Office of Energy Resources, with consultation from the Department of Environmental Management.

The state submitted its plan for uses of the funds in July 2022 and received federal approval on September 14. It assumed \$8.3 million to construct 7 to 14 stations in the Providence metropolitan area, and annual operating costs of \$0.1 million per station for five years and \$3.8 million to upgrade two existing fast charging stations along I-95 and operating expenses. It also reserved \$2.0 million for Route 146, \$6.6 million for the southern coastal routes to accommodate seasonal rentals, \$0.5 million for data collection and analysis, and \$1.8 million for workforce development, public awareness and other initiatives.

Funds included in the FY 2023 final budget were not expended because of delays with procurement and equipment. Phase I was completed in July 2024; two level three fast chargers were installed each in

Warwick and Hopkinton. Phase II, which will address public and private entities launched in November. In September 2024, the state was awarded another \$15.0 million grant; the \$3.0 million match will be provided by the Department.

The 2022 legislation also required a report to the Governor and the General Assembly, by December 31, 2023, and annually thereafter until all the funds are used. The 2023 report was issued in January 2024 and the 2024 report was issued in March 2025.

In February, the Federal Highway Administration rescinded guidance and funding for the program. Through February 2025, \$2.0 million of the grant funds had been spent.

Bridge Replacement. Another category for new formula funding authorized under the Infrastructure Investment and Jobs Act is Bridge Replacement, Rehabilitation, Preservation, Protection and Construction, for which the act provides a total of \$27 billion over five years. The program is expected to help repair approximately 15,000 highway bridges nationwide. The state's allocation is \$249 million through federal FY 2026.

In November 2021, the Department requested an amendment to the Transportation Improvement Program, which was classified as an "Administrative Adjustment." It essentially adjusted funding for 31 projects in the federal FY 2022 through FY 2025 period, the constrained period without an overall increase in funding; however, a total of \$13.4 million was added in the final year of the plan. The Department proposed a second amendment to the program on February 3, 2022, to incorporate funding it received from the Infrastructure Investment and Jobs Act. The amendment included changes to more than 150 projects and added \$550.1 million over the federal FY 2022 through FY 2025 period and \$197.6 million in the second part of the plan, for a total of \$748.4 million over the ten-year period. Projects were advanced from later years, reflecting the availability of funding. The amendment was available for public comment through February 14 and it was approved on February 17.

As part of his FY 2022 revised budget, the Governor recommended \$100.0 million from general revenues 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. 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.

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.

The Authority has not spent most of its allocation because of project delays. Its FY 2026 through FY 2030 capital budget request reallocates a total of \$22.4 million of these funds to eight other projects. Consistent with the approved plan, the Governor maintains funding for the approved project. Based on further delays, the Assembly shifted \$3.1 million of the funding from FY 2025 to FY 2027.

The following table includes programs and funding for the amended Transportation Improvement Program, which reflects the adoption of 16 amendments through June 23, 2025.

Programs*	FFY 2022	FFY 2023	FFY 2024	FFY 2025	FFY 2022- FFY 2025	FFY 2026- FFY 2031	Total FFY 2022- FFY 2031
Active Transportation	\$ 19.4	\$ 21.9	\$ 43.0	\$ 107.7	\$ 192.0	\$ 209.5	\$ 401.6
Bridge	159.4	173.1	169.1	205.4	707.0	1,177.3	1,884.3
Corridor Projects	1.1	9.1	16.8	28.5	55.4	302.4	357.8
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	73.6	76.0	80.2	83.2	313.1	485.7	798.9
Major Capital Projects	181.1	250.2	282.6	361.1	1,075.0	1,528.6	2,603.5
National Highway Traffic Safety Admin.	9.1	9.1	9.1	9.1	36.3	54.5	90.8
Pavement	98.4	140.4	99.1	102.8	440.7	338.1	778.8
Stormwater	16.8	15.7	13.5	11.4	57.4	93.6	151.0
Study and Development	17.4	15.6	15.4	26.1	74.4	106.5	180.9
Traffic Safety	58.8	32.7	31.5	30.6	153.6	214.4	368.0
Transit	27.4	26.8	27.9	26.7	108.9	189.7	298.6
DOT	\$ 823.6	\$ 933.2	\$ 949.1	\$ 1,152.0	\$ 3,857.8	\$ 5,637.1	\$ 9,494.9
Transit Capital	\$ 11.3	\$ 86.3	\$ 21.2	\$ 38.7	\$ 157.5	\$ 130.1	\$ 287.5
Transit Service	21.7	14.3	17.7	14.3	67.9	91.7	159.6
Transit Support Operations	114.6	138.8	120.1	136.5	510.0	661.6	1,171.6
RIPTA	\$ 147.6	\$ 239.4	\$ 159.0	\$ 189.4	\$ 735.4	\$ 883.4	\$ 1,618.8
Turnpike & Bridge Authority	\$ -	\$ 0.2	\$ 23.0	\$ 58.9	\$ 82.1	\$ 120.1	\$ 202.2
Total	\$ 971.1	\$ 1,172.8	\$ 1,131.1	\$ 1,400.3	\$ 4,675.3	\$ 6,640.6	\$ 11,315.9

\$ in millions

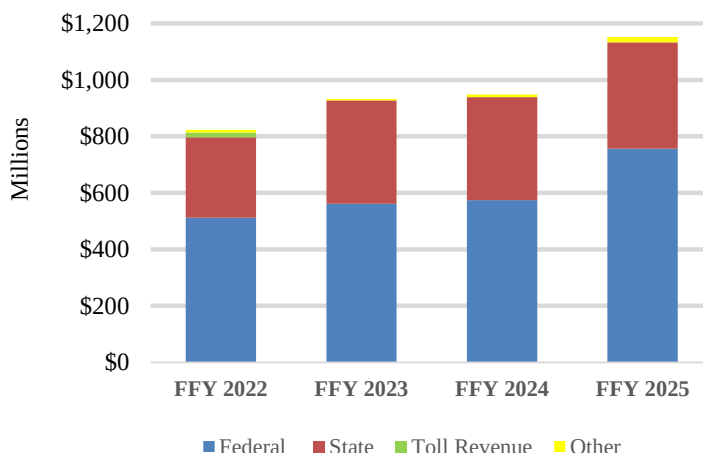
*As of June 23, 2025

Expenses in federal FY 2022 through FY 2025 have increased by \$1,137.4 million from the plan that was originally adopted in September 2021, which predates the passage of the Infrastructure Investment and Jobs Act. 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 rehabilitate the Newport Pell bridge, including deck replacement or rehabilitation, dehumidification to reduce moisture to deter corrosion in wires of the main cables that support it, 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.

For the Department, an additional \$958.0 million has been added, including \$242.8 million for paving, \$189.4 million for bridge projects, and \$135.9 million for active transportation projects. Amendment 14, which was requested on April 25, 2024, added a total of \$454.3 million for the demolition and replacement of the Washington Bridge, \$319.3 million of which will be used in the constrained period. Additional information on the Washington Bridge project is included later in this report. Amendment 15, which was approved on December 11, 2024 removed \$123.1 million from the constrained period and added \$675.3 million in the later years, including \$251.2 million from a federal grant for major rehabilitation and deck replacement of five bridges along Interstate 95 from Cranston to Providence.

The following graph shows the Department's funding sources for the first part of the ten-year period for the amended Transportation Improvement Program.

FFY 2022 - FFY 2025 Sources



Toll Revenue. On September 21, 2022, the U.S. District Court ruled that the tolling program was unconstitutional and ordered the Department to stop collections within 48 hours of the ruling. Collections ceased that same evening. The Department submitted its FY 2023 first quarter report on October 28, 2022, stating that “no active construction projects will be impacted.”

The Governor’s revised and FY 2024 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. The Governor proposed legislation pausing the inflation indexing for two years and recommended \$24.6 million from Rhode Island Capital Plan funds to replace the foregone revenues. He also proposed that the fee for duplicate licenses previously increased and retained as general revenues be transferred to the Highway Maintenance Account. The 2023 Assembly concurred with the fee shift but not the gas tax change. It maintained the gas tax at current law and included \$24.6 million from gas tax proceeds for capital projects, instead of Rhode Island Capital Plan funds.

In October 2022, the state appealed the U.S. District Court’s ruling, and in December 2024, the U.S. Court of Appeals for the First Circuit affirmed the legality of the tolling program with the exception of the daily caps, which are severable from the rest of the statute. The Governor’s capital budget includes a total of \$210.0 million from toll revenues, including \$10.0 million for FY 2026 and \$40.0 million annually, thereafter. Specifics of timing and other potential changes in the toll program are not known. These receipts and usage are not yet incorporated into the Transportation Improvement Program. The Department is in the process of obtaining a condition assessment of the gantry equipment, which will determine what equipment would need to be fixed and or replaced. It is also getting information to determine any of the changes needed to the tolling program. This information was not available as of June 2025.

Transportation Funding Reform

Transportation funding on the state and national levels have been an ongoing issue for 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
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
2016	\$ 4,479,185	2024	\$ 4,348,785

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, 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. The 2014 Assembly proposed legislation that combined many elements discussed during those meetings, including changes to funding sources and transportation governance.

The 2014 Assembly transferred new revenue sources, as well as existing general revenues, into the Highway Maintenance Account for the Department to use for 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 Assembly 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 for operations and maintenance of the new Sakonnet River Bridge and other bridges under the Authority's purview. The Authority maintains ownership of the four bridges it currently operates. The legislation also transferred 5.0 percent of funding from the surcharges enacted in 2011 and motor vehicle fees to the Rhode Island Public Transit Authority to support its operations beginning in FY 2016. This amount was initially projected to be \$2.7 million in FY 2016 and grow with increasing amounts of revenue into the account. The state also reduced the amount of debt service paid 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 would increase in \$10 million increments until FY 2018. The 2014 Assembly shifted debt service expenses from general revenues to funds available in the Highway Maintenance Account, which now contained fees formerly deposited as general revenues. This was part of the plan to align spending on transportation related costs with revenue raised from transportation sources.

The following table shows remaining debt service for the Department, including the recently issued \$140.0 million for the Washington Bridge project. It should be noted that general obligation debt service is included in the Department of Administration's budget and is supported with gas tax proceeds.

Fiscal Year	2016 GARVEE	2020 GARVEE	2024 GARVEE	Federal Funds Debt Service	Outstanding	Outstanding G.O. Debt*	Total Debt Service
					Motor Fuel Revenue Bonds		
2025	42,501,250	19,932,750	4,216,552	66,650,552	4,883,500	31,799,805	103,333,857
2026	42,501,000	19,930,000	6,195,750	68,626,750	4,885,500	31,908,963	105,421,213
2027	42,500,250	19,933,250	6,195,750	68,629,250	1,606,500	26,568,940	96,804,690
2028	42,500,250	19,930,750	6,195,750	68,626,750	-	26,046,003	94,672,753
2029	42,502,000	19,931,250	6,195,750	68,629,000	-	20,419,321	89,048,321
2030	42,501,250	19,933,000	6,195,750	68,630,000	-	20,414,342	89,044,342
2031	42,498,750	19,929,250	6,195,750	68,623,750	-	10,879,010	79,502,760
2032	-	19,928,500	19,170,750	39,099,250	-	11,340,458	50,439,708
2033	-	19,928,750	19,172,000	39,100,750	-	9,171,137	48,271,887
2034	-	19,933,000	19,170,750	39,103,750	-	7,684,474	46,788,224
2035	-	19,929,000	19,175,500	39,104,500	-	6,438,836	45,543,336
2036	-	-	19,174,250	19,174,250	-	5,624,237	24,798,487
2037	-	-	19,170,500	19,170,500	-	5,625,319	24,795,819
2038	-	-	19,172,500	19,172,500	-	5,625,805	24,798,305
2039	-	-	19,173,000	19,173,000	-	5,623,514	24,796,514
2040	-	-	-	-	-	5,626,126	5,626,126
2041	-	-	-	-	-	5,621,765	5,621,765
2042	-	-	-	-	-	3,348,249	3,348,249

*Net of general revenue share for FY 2017 restructuring

Washington Bridge. In 2019, the Department received a \$25.0 million federal discretionary grant toward a \$70.0 million project to rehabilitate the Washington Bridge. The project cost was subsequently increased to \$78 million. The bridge was built in 1969 and carries approximately 90,000 vehicles per day along I-195 between Providence and East Providence. The project includes rehabilitation of the westbound section of the bridge, realigning ramps, and addressing congestion issues. The Department assumed construction starting in 2021 and a prior Transportation Improvement Program included expenses of \$12.5 million for federal FY 2022. On December 11, 2023, the Department closed the westbound section of the bridge due to finding a critical failure of some bridge components. Its quarterly RhodeWorks report, dated January 30, 2024, noted that inspections and analysis of the Washington Bridge must be completed to determine the scope of work that must occur.

The report issued on March 14, 2024 called for a full replacement of the westbound span. The preliminary estimate was \$250 million to \$300 million and demolition and a design/build lasting 30 months. The Department obtained services from two consultants to oversee the bridge project, and helped revise the project cost to \$455.2 million to include a change of scope, contingency and construction incentives. This included \$46.4 million for emergency expenses such as tie rod repairs, bridge inspections, and municipal/State Police reimbursements. It included \$40.5 million for demolition expenses; the request for proposals was issued on April 26 and responses were due by June 21. The Department's timeline assumed the project would be awarded in mid-July, with demolition starting in July/August 2024 and completed by

March 2025. A total of \$3.0 million in incentives would be provided if the project is completed before March. The contractor would also be charged \$12,000 to \$37,500 daily if it exceeds the completion date.

On June 28, the Department awarded a \$45.8 million contract to Aetna Bridge Co. to demolish the westbound span of the bridge, \$15 million more than its budgeted assumption. In October, the Department approved a \$38.4 million change order, bringing the total to \$84.2 million. It should be noted that some expenses from the change order were assumed as part of the replacement component of the bridge. The project cost also assumed \$368.3 million for replacement expenses.

On March 25, 2024, the U.S. Department of Transportation issued a Notice of Funding Opportunity: Multimodal Project Discretionary Grant Opportunity, which offset three distinct funding categories.

The funds would be available for obligation on October 1, 2024 and must be obligated by September 30, 2028. There is no statutory deadline for expenses to be incurred. Generally, discretionary grants are awarded in the fall. On May 6, the Department submitted its application requesting \$221.0 million toward the replacement cost of the project.

On that same day, the Governor requested an amendment, which would authorize issuances of up to \$334.6 million of new debt through GARVEE bonds, and \$40.0 million through Motor Fuel Revenue bonds as partial match for the replacement of the Washington Bridge. Another requested amendment included use of \$20.0 million from repurposed State Fiscal Recovery funds, and the Transportation Improvement Program has \$37.0 million of available federal funds for the project. The amendment did not identify a source for the remaining \$23.6 million. Assuming an interest rate of 5.0 percent, the debt service is estimated at \$18.7 million for the first two years, increasing to \$66.6 million in later years when older debt is defeased to have overall payments be more level.

The 2024 Assembly concurred with the issuance of federal GARVEE bonds; the amount to be issued would be less if federal discretionary grant funds are secured. It provided pay-go funding for the state share, including \$45.0 million from Rhode Island Capital Plan funds, \$35.0 million from State Fiscal Recovery funds, and \$3.6 million from Department of Transportation sources.

In early September, \$140.0 million of the bonds were issued. Later that month, the state was awarded a \$125.4 million MEGA grant and on October 16, it was awarded \$95.6 million from the INFRA grant, for a total of \$221.0 million. Combined with the debt issuance of \$140.0 million to date, the federal amount increases to \$398.0 million, \$26.4 million more than enacted assumptions.

The first request for proposals was issued on April 30 and called for a design/build approach. The proposals were due by July 3 and the Department anticipated the project being awarded by July 31, 2024, with design starting on August 30. Similarly, \$10.0 million of incentives would be provided if the project is done by August 2026. There would a \$30,000 daily charge if the date is exceeded.

In early July, the administration reported that no bids were submitted for the reconstruction component of the project. The Director noted that “there were substantial penalties associated with meeting those schedules during the project. We asked the bidders to assume more risk than normal to hold them to a very high accountability standard.” On July 19, the Department issued a request for information, asking companies to provide feedback. Initially, 11 companies sent feedback, and four companies responded to the second request for proposals. A final request for proposals was issued on January 24, 2025.

The Governor’s recommended budget maintains the approved amount of \$35.0 million from State Fiscal Recovery funds for FY 2025 as a partial state match for the Washington Bridge Project. His budget does not alter the FY 2025 budget assumptions for a total project cost of \$455.2 million, with a state share of \$83.6 million. The contract for the bridge replacement had not been awarded, and as noted, there were

change orders for the demolition component. These will impact the actual project costs. Any additional federal funds would need a state match.

The contract was awarded in early June, with construction starting in July; this brings the total project cost to \$572.1 million or \$116.9 million more than approved. Based on an updated timeline for the project, the Assembly shifted \$20.0 million from Rhode Island Capital Plan funds from FY 2025 to FY 2026. It also provided \$22.0 million in FY 2027 for an updated state match needed, based on the increased costs.

Municipal Roads Grant Program/RhodeRestore. The Governor’s FY 2024 recommended budget included \$20.0 million from State Fiscal Recovery funds for a new Municipal Roads Grant Program, to be administered by the Infrastructure Bank, passed through the Department of Administration. Funds will be made available to cities and towns for the construction and maintenance of roads, sidewalks and bridges. He subsequently requested an amendment, transferring funding and administration of the program to the Department of Transportation. The amended proposal required a match from municipalities, which was not specified. It also allowed the Department to retain any funds that are not obligated by June 30, 2024, for statewide paving projects.

The Assembly concurred with the program transfer; however, it required a municipal match of 67.0 percent. Additionally, \$5.0 million of the funds would be distributed equally and the remaining \$15.0 million will be distributed proportionally based on non-federal lane miles of roads in each community. All funds were obligated and the Department reported expenses of \$3.8 million for FY 2024. The 2024 Assembly provided an additional \$7.0 million for FY 2025 to be distributed equally, for total funding of \$27.0 million.

The Governor recommended making this grant program permanent and included \$6.5 million from gasoline tax proceeds for FY 2026. The recommendation did not specify how the funds will be distributed or if there would be a match requirement. The Assembly maintained the required municipal match of 67.0 percent and required that 25.0 percent of the funds be distributed equally and 75.0 percent be allocated proportionally based on each municipality’s share of municipally maintained road miles, as determined by the most recent data available from the Department. This is consistent with the original distribution methodology.

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, FY 2025 and FY 2026 budgets.

Source	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Federal Highway Admin. Funds	\$ 260,704,559	\$ 263,832,294	\$ 263,832,294	\$ 263,445,732	\$ 263,445,732
Other Federal Funds	214,068,222	262,771,239	262,391,791	211,439,661	211,136,411
Gasoline Tax*	122,815,334	123,193,235	125,754,813	129,880,676	142,897,126
Motor Vehicle Fees	119,070,245	272,002,577	263,014,689	115,149,020	114,037,366
Toll Revenue	-	-	-	10,000,000	10,000,000
Rhode Island Capital Plan Funds	160,216,575	170,823,676	147,875,322	108,973,497	128,973,497
Restricted Receipts	6,116,969	6,165,817	6,165,817	6,066,037	6,066,037
Land Sale Revenue	6,568,333	6,221,435	6,221,435	6,239,422	6,239,422
General Obligation Bonds**	[67,000,000]	-	-	[71,700,000]	[71,700,000]
Total	\$ 889,560,237	\$ 1,105,010,273	\$ 1,075,256,161	\$ 851,194,045	\$ 882,795,591

*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. 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. It 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 2024, \$12.3 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. Use of these funds were flexible, no state match was required. Eligible uses include preventative maintenance, operations, personnel, contractors, debt service payments, and coverage for revenue losses. The Department's portion of the funds was \$54.3 million; all funds have been spent. 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 with the standard 20.0 percent state match requirement. 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 Department's FY 2026 through FY 2030 capital budget request includes \$222.6 million from a source not yet identified to be used from FY 2027 through FY 2030 for the match requirement for federal discretionary grants. It indicated that this amount is intended to include all of its current state match

shortfall, not limited to discretionary grants. Subsequently, the U.S. Court of Appeals for the First Circuit affirmed the legality of the tolling program with the exception of the daily caps, which are severable from the rest of the statute. As noted, the Governor’s capital budget includes a total of \$210.0 million from toll revenues, including \$10.0 million for FY 2026 and \$40.0 million annually, thereafter.

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. As of July 2024, that total was 37 cents. 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, and would increase by one cent to 39 cents for FY 2026, with 38.5 cents of that going towards transportation.

The Governor’s FY 2025 recommended budget proposed 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 Assembly maintained the current law distribution and required that the Authority be reimbursed no later than 15 days after requesting a payment.

The Governor’s FY 2026 recommended budget includes the current law estimate of 39 cents. The Assembly adopted legislation increasing that to 41 cents including the one cent environmental protection fee, and dedicated the additional two cents to the Rhode Island Public Transit Authority. Based on the estimated \$4.359 million per penny yield, \$8.7 million in additional gas tax receipts would be generated for FY 2026. The Assembly adopted legislation requiring that the gas tax adjustment be based on the inflation that occurred in the preceding two years, rather than only one year.

The following table shows how the New England states rank as of July 2024.

<i>As of 7/1/2024</i>	Tax - Cents Per Gallon	
	<i>Gas*</i>	<i>Diesel</i>
<i>Rhode Island</i>	<i>38.0</i>	<i>38.0</i>
Connecticut	25.0	49.2
Maine	30.0	31.2
Massachusetts	24.0	24.0
New Hampshire	23.8	23.8
Vermont	32.6	33.0
New England Average	28.9	33.2
U.S. Average	32.6	34.8

Source: Federation of Tax Administrators

*Prior publications used American Petroleum Institute;
data no longer current*

**Includes 1 cent environmental protection fee*

Motor Vehicle Fees. FY 2014 was the first year of the phased-in vehicle surcharge fees, including a \$10 surcharge on biennial vehicle registrations, a \$5 surcharge on annual vehicle registrations and a \$10 surcharge on operator licenses, purchased on a five-year basis. The following table summarizes the incremental fee increases. They were completed in FY 2016 and remained the same. These fees are transferred to the Department for use as a portion of the state match for federal funds.

In addition to the surcharges, portions of other fees collected by the Division of Motor Vehicles are dedicated to the Department. The 2014 Assembly allocated new revenue sources, as well as transferred existing sources previously deposited into general revenues into the Highway Maintenance Account for costs related to maintenance and repairs of highways, roads and bridges.

The following table shows revenue derived from the surcharges through FY 2024 and projected for FY 2025. As those are flat fees, there has been little change from year to year. The FY 2026 projections contains the impact of a \$10 increase as adopted in the FY 2026 budget.

Fiscal Year	Biennial Registrations	Annual Registrations	Licenses	Total
2014	\$ 3,817,669	\$ 791,140	\$ 1,260,140	\$ 5,868,949
2015	\$ 7,611,636	\$ 1,989,693	\$ 3,098,765	\$ 12,700,094
2016	\$ 10,557,994	\$ 3,905,012	\$ 6,978,578	\$ 21,441,584
2017	\$ 10,653,395	\$ 3,940,297	\$ 4,773,270	\$ 19,366,962
2018	\$ 10,380,521	\$ 3,839,371	\$ 4,957,571	\$ 19,177,463
2019	\$ 10,632,930	\$ 3,932,728	\$ 5,131,315	\$ 19,696,973
2020	\$ 10,249,974	\$ 3,791,086	\$ 5,140,119	\$ 19,181,179
2021	\$ 10,679,944	\$ 3,999,535	\$ 4,684,964	\$ 19,364,443
2022	\$ 10,459,504	\$ 3,868,584	\$ 4,901,874	\$ 19,229,962
2023	\$ 10,898,560	\$ 3,829,224	\$ 5,083,918	\$ 19,811,702
2024	\$ 11,025,546	\$ 3,873,841	\$ 5,285,695	\$ 20,185,082
2025	\$ 10,742,297	\$ 3,909,456	\$ 5,287,634	\$ 19,939,387
2026*	\$ 12,039,110	\$ 4,229,958	\$ 6,114,496	\$ 22,383,564

**Includes \$10 increase in surcharge*

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 2014 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. 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 Authority’s share of the CARES Act federal transit fund allocation was \$91.2 million. The 2023 Assembly concurred with the Governor’s proposal to dedicate the fee for duplicate licenses into the account.

The following table shows the sources and the total including surcharges explained previously.

Source	FY 2025 Enacted	FY 2025 Revised	FY 2025 Final	FY 2026 Recommended*	FY 2026 Enacted
Inspection Sticker Fees	\$ 14,983,420	\$ 13,711,150	\$ 13,522,491	\$ 14,666,721	\$ 12,938,570
Title Fees	10,679,439	10,520,663	11,186,609	11,253,880	10,703,554
Rental Car Surcharge	10,434,853	9,660,355	10,730,579	9,800,138	10,683,141
Good Driving Surcharge	343,905	406,164	442,022	406,164	444,405
License and Registration Transfer	54,784,091	57,159,025	56,437,747	61,142,612	56,907,245
Surcharges	21,277,450	20,139,486	19,939,387	21,543,068	22,383,564
Electric Vehicles	-	-	-	-	3,640,450
Total	\$ 112,503,158	\$ 111,596,843	\$ 112,258,835	\$ 118,812,583	\$ 117,700,929
5.0 Percent for Collection Cost	(5,625,158)	(5,579,842)	(5,612,942)	(5,940,629)	(5,885,046)
Total	\$ 106,878,000	\$ 106,017,001	\$ 106,645,893	\$ 112,871,954	\$ 111,815,883

Does not include carry-forward funds

**Does not reflect receipts from proposed electric vehicle registration fees*

The Governor proposed legislation, establishing an annual registration fees of \$300 for battery electric vehicles and \$150 for plug-in hybrid vehicles. The fees are estimated to generate \$1.7 million in FY 2026, increasing to \$13.9 million in FY 2030. The revenues would be deposited into the Highway Maintenance Account to support transportation expenses; however, the recommended operating or capital budgets do not directly assume use of these new receipts. The proposal would adjust these fees for inflation every two years, following the same method used for the gas tax. Under current law, fees collected for this account are also subject to a 5.0 percent transfer to general revenues; the recommended budget recognizes a \$90,497 impact to FY 2026.

The Assembly adopted legislation establishing an annual registration fee of \$200 for battery electric vehicles, \$100 for plug-in hybrid electric vehicles, and \$50 for hybrid electric vehicles. It also increased the current license and most vehicle registration surcharges from \$30 to \$40. These fee changes would take effect on January 1, 2026, and would generate \$6.7 million for FY 2026, to be deposited into the Highway Maintenance Account, for a total of \$117.7 million in resources. The Assembly also amended the allocation of the Account to increase the Rhode Island Public Transit Authority’s share of the funds from 5.0 percent to 10.0 percent, with the additional \$5.0 million that it currently receives, for a total of \$16.2 million.

The Assembly also required the administrator of the Division of Motor Vehicles, in consultation with the Department, to submit a report of its findings and options for updating fees for electric vehicles, plug-in hybrid electric vehicles, and hybrid electric vehicles to the General Assembly before January 1, 2027.

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 authorized 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 Department contracted with Kapsch TrafficCom to design, build, operate, and maintain the electronic tolling system for ten years. The total cost of the contract was \$68.9 million, including \$41.8 million for construction of the gantries and associated hardware and software, and \$27.1 million over 10 years for operation and maintenance. Through the U.S. District Court’s ruling in September 2022, 12 out of the 13 gantries were collecting tolls; thus, the operation and maintenance clause of the contract was not executed. In March 2024, the Department entered into a settlement with the tolling vendor for outstanding payments for work and claims related expenses of \$5.2 million. The Assembly concurred with the Governor’s requested amendment to include the expenses for FY 2024.

The following table shows toll revenues through the U.S. District Court’s ruling in September 2022.

Fiscal Year	Toll	
	Revenues	Cumulative
2018	\$ 443,804	\$ 443,804
2019	\$ 8,109,772	\$ 8,553,576
2020	\$ 16,699,392	\$ 25,252,968
2021	\$ 34,761,828	\$ 60,014,796
2022	\$ 38,400,508	\$ 98,415,304
2023	\$ 5,349,488	\$ 103,764,792

The approved capital plan provided the Department with additional Rhode Island Capital Plan funds; the Department’s current plan suggests sufficient match through FY 2026. The Department’s FY 2026 capital budget request includes \$222.6 million from a source not yet identified, including \$67.1 million for FY 2027, \$76.0 million for FY 2028, \$50.8 million for FY 2029, and \$28.7 million for FY 2030. This was intended to include all of its state match shortfall, not limited to discretionary grants.

In December 2024, the U.S. Court of Appeals for the First Circuit affirmed the legality of the tolling program with the exception of the daily caps, which are severable from the rest of the statute. The Governor’s capital budget includes a total of \$210.0 million from toll revenues, including \$10.0 million for FY 2026 and \$40.0 million annually, thereafter. Specifics of timing and other potential changes in the toll program are not known. These receipts and usage are not yet incorporated into the Transportation

Improvement Program. The Department is in the process of obtaining a condition assessment of the gantry equipment, which will determine what equipment would need to be fixed and or replaced. It is also getting information to determine any of the changes needed to the tolling program. This information was not available as of June 2025.

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 \$163.1 million from Rhode Island Capital Plan funds has been provided.

Additional IIJA Match	FY 2023	FY 2024	FY 2025	Total
2022 Assembly	\$ 2,945,000	\$ 67,108,800	\$ 5,204,560	\$ 75,258,360
2023 Assembly	-	-	87,795,000	87,795,000
Total	\$ 2,945,000	\$ 67,108,800	\$ 92,999,560	\$ 163,053,360

The 2024 Assembly provided \$45.0 million, including \$20.0 million for FY 2025 and \$25.0 million for FY 2026 from Rhode Island Capital Plan funds for the Washington Bridge project. Based on an updated timeline for the project, the Assembly shifted \$20.0 million from Rhode Island Capital Plan funds from FY 2025 to FY 2026. The contract was awarded in June, with construction starting in July. It also provided \$22.0 million in FY 2027 for an updated state match needed based on the increased costs.

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 2024, the Intermodal Surface Transportation Fund included a restricted receipt account balance of \$1.7 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 2024, the Department had \$15.6 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 2025; and \$4.6 million in FY 2024.

General Obligation Bond Proceeds. The state had utilized general obligation bonds to provide a match annually totaling \$40.0 million for federal funds. The voters approved \$80.0 million in November 2006, 2008, and 2010 to provide \$40.0 million each year, with funding programmed through FY 2014. General obligation bond debt service is paid with gasoline tax revenue and the Motor Fuel Tax Revenue Bonds' debt service is paid by \$0.02 cents of the gasoline tax. Increasing amounts of motor vehicle fees and Rhode Island Capital Plan funds 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, and to ensure sufficient match for existing commitments as well as the potential for additional federal authorizations.

The Governor's capital budget assumes use of the full \$71.7 million in FY 2026 from the 2021 bonds; all but \$4.7 million have been issued.

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.

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>.

The Assembly also adopted legislation in 2024-H 7759, Substitute A, requiring a Washington Bridge snapshot report, to be submitted on the first of every month to the Speaker of the House, Senate President, the Governor, chairpersons of the House and Senate Finance Committees and the House and Senate Oversight Committees. The report must include:

- (1) An updated timeline regarding actions to be undertaken on the Washington Bridge, including, but not limited to, repairs, alterations, or replacement of all or any portion of the bridge*
- (2) A list of consulting firms retained or utilized by the Department in regard to any actions*
- (3) Data on traffic patterns over the bridge for the time period covered by the report*

The snapshot report requirement will expire upon completion of the Washington Bridge project. The first report was submitted on May 31, 2024. They continue to be submitted timely.

Articles of 2025-H 5076, Substitute A, as Amended

Article 1

Section 1. Appropriations. This section of Article 1 contains the appropriations for FY 2026.

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 within the Office of the Governor's budget for unexpected expenses or for 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 2026. The budget includes \$3.4 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 2026. In addition, this section provides that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee, may jointly adjust the authorization. It 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 a determination of need by the Director of Administration. Total staffing is 15,921.8 full-time equivalent positions, 149.0 positions more than the

enacted budget. This includes 544.8 higher education positions supported by third-party funds, 25.0 positions more than the enacted budget.

Section 13. Multi-Year Appropriations. This section makes multi-year appropriations for a number of projects included in the Capital Budget that are funded from Rhode Island Capital Plan funds over FY 2027 through FY 2030. The FY 2026 and multi-year appropriations supersede appropriations made for capital projects in Section 13 of Article 1 of the FY 2025 Appropriations Act.

Section 14. Reappropriation - RICAP. This section provides that any unexpended and unencumbered funds for Rhode Island Capital Plan Fund projects shall be reappropriated to the next year. However, any such reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act. Unexpended funds of less than \$500 can be reappropriated at the discretion of the State Budget Officer.

Section 15. Rhode Island Housing and Mortgage Finance Corporation. This section requires that the Rhode Island Housing and Mortgage Finance Corporation provide an appropriate amount of resources to support the Neighborhood Opportunities Program. The Corporation is also required to provide to the director of the Department of Administration, the Secretary of Housing, and both chairs of the House and Senate Finance Committees a report detailing the amount of funding and information such as the number of housing units provided.

Section 16. Pawtucket Downtown Redevelopment. This section contains the necessary mechanism to allow for taxes collected pursuant to the tax incentive financing statute to be appropriated to the Downtown Pawtucket Redevelopment Economic Activity Fund to finance development projects in the existing economic development district, in accordance with the law passed in 2019. The Budget includes \$2.9 million from restricted receipts for FY 2025 and FY 2026.

Section 17. State Fiscal Recovery Funds. This section clarifies that appropriations of federal funds in Section 1 shall not be construed to mean State Fiscal Recovery and Capital Projects funds enacted as part of the American Rescue Plan Act unless specifically designated as such. It contains a description of each project for which any appropriation is made.

Section 18. Reappropriation - State Fiscal Recovery 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 quarterly to the Speaker of the House and Senate President, with copies to the House and Senate Finance Committee chairpersons, identifying programs at risk of significant underspending or noncompliance with federal or state requirements. The report, at a minimum, must include an assessment of how programs that are at risk can be remedied. It repeats the changes in the revised budget to make the last quarterly report due on January 31, 2025, and establish twice-yearly reporting beginning April 30, 2025, through October 31, 2026. It authorizes the Governor to reclassify program income or unspent funds at-risk of federal forfeiture to other eligible projects if the value of the proposal is less than \$1.0 million and less than 20.0 percent of total program appropriations. Proposals exceeding \$1.0 million or 20.0 percent of program appropriations must be referred to the Assembly to go into effect within 30 days unless rejected by joint action of the House and Senate. This is an expansion of the one-time authority provided in the enacted budget allowing the Governor to propose reallocation of at-risk funds to only the unemployment trust fund in November 2024.

Section 20. Rhode Island Student Loan Authority Transfer. This section requires the transfer of \$2.9 million from the Rhode Island Student Loan Authority to state general revenues by June 30, 2026.

Section 21. Low-Income Housing Tax Credit Transfer. This section requires the transfer of \$4.0 million from state general revenues to the Low-Income Housing Tax Credit Fund by June 30, 2026.

Section 22. Housing Resources and Homelessness Transfer. This section requires the transfer of \$2.5 million from state general revenues to the Housing Resources and Homelessness restricted receipt account by June 30, 2026.

Section 23. Pending Federal Action Strategy. This section respectfully requests the administration to convene an advisory group or groups or similar bodies to assist in the review and analysis of federal tax actions, federal actions related to Medicaid programs, and directs the administration to monitor the status of federal grants and develop options for the Governor and Assembly to consider that address federal funding changes.

Section 24. Effective Date. This section establishes that the article is effective as of July 1, 2025, except as otherwise provided within the article.

Article 2. State Funds

Sections 1 and 2. RI Division of Higher Education Authority. These sections eliminate the Rhode Island Division of Higher Education Assistance as a separate entity, and the activity of awarding the appropriation from the Tuition Savings Program as tuition assistance will be done through a new restricted receipt account in the General Fund. This eliminates the annual financial reporting and audit related to the Division, improving the segregation of duties and controls over funding.

Sections 3 and 8. Municipal Road and Bridge Revolving Fund. These sections expand projects eligible for the Municipal Road and Bridge Revolving Fund to include projects not on the priority list used for allocating these funds if the financial assistance sought is to match other state funding. They also remove the requirement for a city or town to obtain voter approval to authorize any related debt when these funds are serving as that match.

Section 4. Indirect Cost Recovery. This section increases the indirect cost recovery charge applied to restricted receipt accounts from 10.0 percent to 15.0 percent. This aligns the state's indirect cost recovery rate with the newly increased federal rate. The state's rate was last increased in FY 2006 from 7.0 percent to 10.0 percent.

This section also modifies the presentation of exempt accounts under the purview of the Rhode Island Cannabis Control Commission and the Office of Energy Resources to align with the Governor's proposal, showing them as standalone agencies. It adds the Workers' Compensation Administration Fund to the list of restricted receipt accounts exempt from indirect cost recovery charges. It adds the new Tuition Saving Program account created in Section 1 to the list of exempt accounts as well as the Clean Transportation Programs; statutory authorization for that new account is included in Article 3. The budget assumes revenues of \$3.2 million from these changes.

Section 5. State Controller. The 2023 Assembly created a Supplemental Budget Reserve account. It 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. It also required the remaining 50.0 percent be transferred to the Employees' Retirement System. For FY 2024, it produced a \$43.3 million transfer. This section exempts the transfer to the supplemental budget reserve fund for FY 2024 only, and the budget recaptures \$21.6 million of resources for FY 2025.

This section also adds the Office of Risk Management to the Controller's functions. Article 3 removes it from the Division of Capital Asset Management and Maintenance purview.

Section 6. Rhode Island State Psychiatric Hospital. This section creates a restricted receipt account for the Rhode Island State Psychiatric Hospital to receive and spend federal Medicare Part D pharmacy reimbursements. The Budget includes general revenue savings of \$144,000 from billing other sources for pharmacy expenses.

Section 7. Information Technology Funds. This section authorizes the director of the Department of Administration to allocate and charge capitalized costs to agencies, in accordance with statewide cost allocation plan that benefit from projects funded through the Large Systems Initiatives Fund. As part of its budget request, the Department must include an expected billing of any capitalized costs that it intends to charge to agencies in the following fiscal year. The legislation amends the sources of the funds to include interest earned and capitalized amounts charged to agencies. Of the interest accrued, \$14.9 million would be allocated to the Enterprise Resource Planning System, reflecting the increased project cost. It also authorizes the State Controller to transfer any excess interest accrued to the Information Technology Restricted Receipt Account.

Section 9. Dredge Fees. The section increases the minimum dredge fee from \$11.65 to \$35.00 and directs all fees to the Dredge Fund, effective July 1, 2025. Under current law, amounts up to \$11.65 are deposited as general revenues, with any fees above that going to the Dredge Fund. The article also clarifies that the management of disposal options is an eligible use of the fees.

Article 3. Government Reform and Reorganization

Sections 1 and 4. Hemp and Cannabis. These sections change several references to the Department of Business Regulation and its Director to the Cannabis Control Commission and its Chair to effectuate the transfer of cannabis regulatory authority, consistent with legislation passed by the 2022 Assembly. They also clarify the transfer of regulatory authority over industrial hemp and allow the Commission to delegate certain functions to an administrative hearing officer. They also clarify the Commission's authority to temporarily pause approval of new hemp licenses.

Section 2. Local Licensing. This section eliminates municipal authority to issue licenses for karate and jiu-jitsu instruction. Under current law, municipalities can charge up to \$25 for a license and up to \$20 for non-compliance.

Sections 3, 6 through 12, 16, 18, 20, 23, 24, and 27. Office of Internal Audit and Program Integrity. The Office of Internal Audit is authorized to conduct audits of any state department, agency or private entity that receives 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. These sections expand the duties and authority of the Chief of the Office, including granting administrative subpoena powers, with prior approval from the director of the Department of Administration, renaming it Office of Internal Audit and Program Integrity.

The Budget includes \$1.2 million from all sources, including \$0.7 million from general revenues and 6.0 new full-time equivalent positions to enhance efforts to investigate fraud and detect mismanagement of public funds. It also includes savings of \$6.9 million, including \$2.9 million from general revenues, in the Executive Office of Health and Human Services' budget from payment recoveries related to fraud, waste, and abuse in the Medicaid program.

Section 5. Workers' Compensation Judges Pensions. This section is a technical change to include workers' compensation judges that were unintentionally excluded from the changes made by the 2024

Assembly to decrease the threshold from 80 percent to 75 percent for the return of the cost-of-living adjustment.

Section 7. Pending Federal Action Strategy. This section directs the Office of Management and Budget to monitor the status of federal grants and identify any impacts resulting from federal funding rescissions. It also requires a report no later than October 31, 2025, containing recommendations and options to become compliant with federal changes.

Section 13. Public Debt Management Act. This is a technical change from “concurrent” resolution to “joint” resolution regarding the required approval method to align with current practice.

Section 14. Specialized Information Technology Positions. This section creates a designation for specialized information technology positions in state service, to be capped at 15.0 full-time equivalent positions in any fiscal year. It authorizes the personnel administrator to change classifications and pay grades for any new or existing specialized information technology positions, within the Division of Enterprise Technology Strategy and Services in the Department of Administration. This excludes positions that are part of a collective bargaining agreement.

It temporarily authorizes the personnel administrator to implement the pay plans for these positions without conducting a public hearing or obtaining approval from the Governor. It further requires that the job specifications be reviewed annually. It also requires the personnel administrator to submit a report within 30 days to the Governor, the Speaker of the House of Representatives, the Senate President, and the chairpersons of the House and Senate Finance Committees. The authorization granted to the personnel administrator under this section will sunset on December 31, 2026.

Section 15. Procurement Fee. Currently, a fee of 1.0 percent is assessed on master price agreements from vendors. It generated \$1.0 million in FY 2023 and \$2.0 million in FY 2024. This section establishes a uniform 0.33 percent fee to be assessed on all state contracts, effective January 1, 2026. The receipts will continue to be deposited as restricted receipts to support operations of the Division of Purchases, which is primarily supported with general revenues. It also assumes a staggered rollout of the new fee with full implementation by FY 2027. The budget also assumes savings of \$0.5 million from general revenues by shifting some of the division’s current expenses to the currently available restricted receipts.

Section 17. Office of Risk Management. This section removes functions of the Office of Risk Management from the Division of Capital Asset Management and Maintenance. Article 2, Section 5 adds them to the State Controller.

Section 19. State Police Pensions. The 2024 Assembly made changes to the pension plan affecting retirees and active members, including changing the calculation for pension benefits from the highest five consecutive years of compensation to the highest three consecutive years for state employees, teachers, and municipal employees. This section would change the calculation for State Police pension benefits to be based on the highest three consecutive years, rather than five, which would make it consistent with other state employees.

Sections 21 and 22. Office of Energy Resources. The Commissioner of the Office of Energy Resources is required to submit an annual report to the Governor, the Speaker of the House of Representatives, and the Senate President, detailing the effectiveness of energy programs and other requirements. Section 21 changes the reporting date from one that is due by March 1 to June 30. It also removes outdated statutory references and makes technical corrections regarding reporting of the Energy Efficiency Resource Management Council programs. Section 22 includes statutory authority for the Clean Transportation Programs restricted receipts account; Article 2 exempts it from the indirect cost recovery charges.

Sections 25 and 26. Integrated Data System Act. These sections codify many of the recommendations of the 2023 Rhode Island Data Governance Program Plan and the Governor’s 2024 executive order on artificial intelligence and data centers of excellence by establishing the Rhode Island Integrated Data System “DATA RI” as the state’s central repository of inter-agency, longitudinal, linked, and individual data. The stated goal is to connect data across sectors, support research aligned with state priorities, inform policymaking and program evaluation, and enhance the well-being of all Rhode Islanders. It creates a single board to oversee the Rhode Island Longitudinal Data System, the state education and workforce longitudinal data system, and the Ecosystem, the state’s health and human services integrated data system. The board would be co-chaired by the Commissioner of Postsecondary Education and the Secretary of Health and Human Services.

The budget adds \$1.4 million and staff in three entities to support this. It includes \$0.3 million from existing restricted receipts and 2.0 new positions in the Office of Postsecondary Commissioner and \$0.2 million from general revenues for the necessary software to support its data systems. It also adds 2.0 positions and \$0.4 million to be billed to user agencies for the Department of Administration’s Division of Enterprise Technology Strategy and Services and 2.0 positions and \$0.4 million, of which \$0.1 million is from general revenues, for the Executive Office of Health and Human Services.

Article 4. Public Debt Management Act

The Public Corporation Debt Management Act requires that the Assembly approve all new non-general obligation debt authorizations, except in certain circumstances. Article 4 increases the authorization for revenue bonds for two previously approved projects for the University of Rhode Island. Both projects received initial approval in 2019 and were subsequently increased in 2021. The current revisions reflect significant changes in cost and timing, as well as updated interest rate projections. The authorization for the Memorial Union project increases by \$60.4 million, from \$57.6 million to \$118.0 million, and for the Combined Health and Counseling Center by \$4.6 million, from \$29.0 million to \$33.6 million. Total debt service payments, including the additional requested authorization, are expected not to exceed \$350.0 million, supported by student fees and retail lease payments.

Article 4 also includes authorization for \$23.0 million through Certificates of Participation for the construction of confined aquatic dredged material disposal cells. Total debt service is estimated to be \$36.9 million, supported by fees charged to marine operators for depositing dredged materials into these disposal cells and general revenues.

Article 5. Taxes and Fees

Sections 1 and 7. Local Hotel and Whole Home Short-Term Rental Taxes. These sections establish a new tax effective January 1, 2026, on houses, condominiums, or other furnished residential dwellings rented for a short term in their entirety, equal to the 5.0 percent State Hotel Tax, from which these units are currently exempt. Associated revenues would be distributed by formula, with 50.0 percent deposited in the Housing Resources and Homelessness restricted account, and 25.0 percent each for the municipality and tourism district in which the rental occurs. This is estimated to generate \$1.0 million for the restricted account for FY 2026, annualizing to \$2.4 million for FY 2027. These sections also increase the Local Hotel Tax from 1.0 percent to 2.0 percent, effective January 1, 2026. This is estimated to generate \$2.8 million for cities and towns, annualizing to \$7.6 million in FY 2027.

Section 2. Jobs Growth Act. This section sunsets the 2005 Jobs Growth Act for tax years beginning on or after January 1, 2026. The estimated impact on general revenues is about \$1,500, annualizing to \$3,000 in FY 2027.

Section 3. Pending Federal Action Strategy. This section directs the Director of the Department of Revenue to convene an advisory working group to assist in the review and analysis of the impacts of any

adopted federal tax actions. The working group shall develop options for administrative action or consideration by the Governor and General Assembly that may be necessary to address any federal funding changes affecting Rhode Island revenues and report its findings by October 31, 2025.

Sections 4 and 5. Tax Calculations. These sections include changes to the definition of taxable income for individuals and business corporations for tax purposes, ensuring that any pending federal action will not affect the 2025 tax base for calculating current Rhode Island tax liability. They would also allow that for tax year 2025 only, the federal enactment of any legislation that would cause the Internal Revenue Service to change forms, regulations and/or processing, which go into effect during the current tax year or within six months of the beginning of the next tax year, shall be grounds for the promulgation of emergency rules and regulations.

Section 6. Sales Tax on Parking. This section expands the application of the current 7.0 percent sales and use tax to short-term parking of a duration of less than one month, effective October 1, 2025. This is estimated to generate \$1.6 million in FY 2026, with an annualized total of \$3.2 million for FY 2027, once fully implemented with a greater level of compliance.

Sections 8 and 9. Other Tobacco Tax on Nicotine Pouches. These sections update the definition of items subject to the tax on other tobacco products to include nicotine pouches. These small synthetic fiber pouches containing nicotine are designed to be placed between a person's gum and lip, but are not expressly included in the 80.0 percent of wholesale cost tax applied to tobacco or other tobacco products. Other states have similarly extended their taxes on this product, including Maine, Illinois, and Minnesota. This is estimated to generate \$7.5 million, assuming an effective date of October 1, 2025, which would annualize to \$12.0 million for FY 2027.

Section 10. Real Estate Conveyance Tax. This section increases both the first and second tier of the real estate conveyance tax from 0.46 percent to 0.75 percent, effective October 1, 2025, for a top effective rate of 1.5 percent. The first tier applies to all real estate transfers; revenues would be allocated according to a statutory formula, essentially unchanged from current law. The second tier applies to the portion of residential transfers above \$800,000; the rate allocation will now be split, with 0.50 percent of the 0.75 percent allocated to the Housing Production Fund, up from the current 0.46 percent, and the remaining 0.25 percent to the Housing Resources and Homelessness restricted account. It also provides that the \$800,000 threshold shall be subject to an inflation adjustment beginning January 1, 2026. These changes are estimated to generate \$13.5 million for FY 2026 across all state fund sources, annualizing to \$18.7 million for FY 2027. Additionally, municipal collections are estimated to increase by \$10.7 million for FY 2026 and \$14.7 million for FY 2027.

Section 11. Specialized Investment Tax Credit. This section sunsets the Specialized Investment Tax Credit for tax years beginning on or after January 1, 2026. It allows credits for tax years ending on or before December 31, 2025, to be carried forward for seven taxable years, consistent with current law.

Section 12. Motion Picture Tax Credit. This section retroactively adjusts the annual cap for the motion picture and theatrical production tax credits. It increases the calendar year 2022 cap from \$30.0 million to \$35.0 million and decreases the 2023 cap from \$40.0 million to \$35.0 million. This is estimated to result in \$3.2 million in additional redemptions affecting FY 2026 revenue. It also requires production companies to notify the Film and Television Office and the Division of Taxation if they do not expect to complete production within the same calendar year as initially estimated.

Section 13. Elective Deduction for Research and Development Facilities. This section eliminates elective deductions for research and development facilities against entire net income starting January 1, 2026, and allow any deductions for tax years before that to be carried forward. Similarly, tax credits for research and development property would also be phased out for tax years beginning on or after January 1,

2026, with credits from prior tax years eligible for carryforward. Finally, it would expand the carryforward period for the qualified research expense tax credit from 7 to 15 years for tax years beginning on or after January 1, 2026.

The estimated impact on general revenues from the two repeals adds about \$212,000 in FY 2026, annualizing to \$424,000 in FY 2027. The carryforward extension would reduce revenues beginning in FY 2034 by \$0.9 million.

Section 14. Employment Tax Credit. This section sunsets the employment tax credit, also known as the welfare bonus program tax credit, for tax years beginning on or after January 1, 2026. There is no fiscal impact assumed as there were no recipients of the credit for tax years 2019 through 2022.

Section 15. Capital Investment in Small Businesses. This section sunsets the small business capital investment deduction or modification and the small business capital investment wage credit for tax years beginning on January 1, 2026. The Budget assumes \$6,551 in additional revenues from the repeal of the small business capital investment deduction or modification. This would annualize to \$13,102 for FY 2027. There is no fiscal impact assumed for the repeal of the small business capital investment wage credit as there were no recipients of the credit for tax years 2019 through 2022.

Section 16. Financial Institution Data Match System. This section establishes the statutory authority for the Division of Taxation to develop and operate an automated financial institution data match system to collect tax debts from delinquent taxpayers. Financial institutions must provide data on delinquent taxpayers identified at their institution to the Division each quarter. The Budget assumes \$5.3 million in new revenues for FY 2026, growing to \$8.0 million in FY 2027.

Section 17. Work from Home Zoning Exemption. This section adds remote work to the list of permitted uses of residentially zoned property, similar to family daycares. Under current law, municipalities could enforce home occupation permits and associated fees for employees who work remotely under flexible worksite arrangements.

Section 18. Non-Owner Occupied Property Tax. This section establishes a non-owner-occupied residential property tax, effective July 1, 2026. The tax does not apply to commercial property or property rented for more than 183 days in a given taxable year. Affected properties will be subject to a 0.5 percent annual tax on the portion of their value exceeding \$1.0 million, with all resulting revenues dedicated to the Low Income Housing Tax Credit Fund. It also provides that the \$1.0 million threshold shall be subject to an inflation adjustment beginning July 1, 2027.

Article 6. Economic Development

Sections 1 and 2. Holiday Business. These sections eliminate special local licensing requirements for retail sales on holidays except for Christmas and Thanksgiving Day.

Sections 3 and 4. Notice of Cancellation. These sections allow for the notice of cancellation of a buyer's health club or dating service contract to be made by electronic mail to the seller at an electronic mail address specified in the contract.

Section 5. Rebuild Rhode Island Tax Credit. This section amends the maximum project credit allowed under the Rebuild Rhode Island tax credit for certain projects. Current law allows project credits up to \$15.0 million; this section would create an exemption for additional sales and use taxes of up to 30 percent beyond the maximum project credit for housing projects with at least 20 percent affordable housing or workforce development units. This would allow for up to an additional \$4.5 million to be awarded for qualifying projects, which would remain subject to the \$225.0 million program award cap. This section

also increases the threshold for triggering prevailing wage requirements from \$10.0 million to \$25.0 million of hard construction costs for projects receiving a tax credit on or after July 1, 2025. Additionally, this section extends the sunset provision one year to December 31, 2026.

Sections 6 through 9, 12 through 14, and 16. Sunset Extensions. These sections extend the sunset provisions for Tax Increment Financing, Tax Stabilization Incentive, First Wave Closing Fund, I-195 Redevelopment Fund, Wavemaker, Main Street Streetscape, Innovation Initiative, and the Qualified Jobs Tax Credit one year, to December 31, 2026.

Section 10. Small Business Assistance Program Act. This section extends the sunset provision for the Small Business Assistance Program by three years to December 31, 2028.

Section 11. Wavemaker Fellowships. This section expands the eligibility criteria of Wavemaker Fellowship healthcare applicants to allow for those who do not have withholding wages. These include sole proprietors, partners in a healthcare service partnership, and members of a single-member limited liability company, assuming the applicant has completed their application on or after July 1, 2022.

Section 15. Historic Preservation Tax Credit. This section increases the threshold for triggering prevailing wage requirements from \$10.0 million to \$25.0 million of hard construction costs for projects receiving a tax credit on or after July 1, 2025.

Article 7. Education

Sections 1 and 3. Group Home Aid. This article amends group home funding provided to districts in addition to the funding formula. Section 1 removes the enrollment reduction related to group home beds. Section 3 removes Children's Residential and Family Treatment or CRAFT program beds from this category of aid and clarifies the educational and financial responsibility for children in this program. The FY 2026 budget adds \$1.6 million to reflect these adjustments.

Section 2. Charter Schools. This section stabilizes the reduction in local payments to charter schools, mayoral charter schools, and state schools by limiting it to a maximum of 14.0 percent of the per-pupil amount. The minimum holdback is 7.0 percent and unchanged.

Section 2. Reporting. Section 2 also introduces new reporting requirements for the Department of Elementary and Secondary Education to include in its FY 2027 budget submission. It must provide a report that offers an overview of, and recommendations to enhance, the matching process between Department of Human Services program participation data and Department of Elementary and Secondary Education student enrollment records for use in the funding formula. It must also include an estimate of foundation education aid that accounts for Medicaid matching to identify students in poverty within its FY 2027 budget request.

This article also requires the Department to submit a report on the current and recommended processes to ensure that it receives consistent and accurate high-cost special education data from districts.

Article 8. Medical Assistance

Section 1. Hospital License Fee. This section extends the three-tiered system for the community hospitals with FY 2026 payments totaling \$228.5 million based on updated 2023 revenue. This section also extends the hospital license fee for Eleanor Slater Hospital at a 5.25 percent rate based on 2023 revenues, totaling \$4.0 million. Under current law, the license fee is not effective after FY 2025. The Budget assumes total revenues of \$232.5 million from both payments; FY 2025 revenues are \$215.7 million.

Section 2. Medicaid Monthly Reporting. This section expands monthly Medicaid reporting requirements to include separately the expenses reduced by providers billing third party payors first before the Medicaid program, where appropriate, using income verification tools, such as Equifax's The Work Number, recoveries from ABLE accounts, and the Department of Administration's Office of Internal Audit and Program Integrity.

Section 3. Federal Compliance - Prior Authorization. This section makes the necessary changes to comply with the federal requirements that a health insurer or other third parties cannot deny payment for a claim solely based on lack of prior authorization. The entities must also respond to inquiries within 60 business days after receiving written documentation from the Medicaid beneficiary. If prior authorization is required, the health insurer will accept from the state Medicaid program that the service is covered.

Section 4. Nursing Facilities. This section includes an FY 2026 annual rate increase of 2.3 percent and a separate 3.0 percent safe staffing rate adjustment, effective October 1, 2025. The budget adds \$21.3 million, including \$8.8 million from general revenues, to fund these increases. The 3.0 percent increase, which equates to \$12.0 million, must be a 100 percent pass-through to direct care workers. This section also updates the type of direct care worker for whom the current 80 percent pass-through requirement for the annual increase is applicable, to include social workers and nurse aides in training. These positions would also be included in the staff ratios to meet minimum staffing as amended in Article 10.

Section 5. Hospital Payments. This section includes uncompensated care payments to Eleanor Slater for FY 2025 and FY 2026 that do not exceed \$12.9 million. Payments to community hospitals are not to exceed \$14.8 million for FY 2025 and \$1.0 million for FY 2026.

Section 6. Home and Community-Based Services Rates. The section freezes home care rates at the FY 2025 level. These rates are part of the annual inflationary adjustment made in the Office of Health Insurance Commissioner's biennial review. The subsequent rate increase would be part of the FY 2027 budget process. The Budget includes savings of \$10.1 million, including \$4.3 million from general revenues from the amounts assumed in the November Caseload estimate based on the current law, which calls for an increase based on the New England consumer price index for medical care.

Section 7. Medicaid Waiver. This section makes technical changes to align waiver services with current law.

Section 8. Pending Federal Action Strategy. This section directs the Secretary of Health and Human Services to convene an advisory working group to assist in the review and analysis of potential impacts of any adopted federal actions related to Medicaid programs. The working group shall develop options for administrative action or General Assembly consideration that may be needed to address any federal funding changes that impact Rhode Island's Medicaid programs and report its findings no later than October 31, 2025.

Section 9. Human Service Programs Rates and Benefit Analysis. This section requires the Office of the Health Insurance Commissioner to produce a one-time report on primary care reimbursement rates due September 1, 2026. The report will include Medicaid, Medicare, commercial, and alternative contracted payments. This is estimated to cost \$450,000, of which \$400,000 is budgeted for FY 2026.

Section 10. Medicaid Resolution. This section serves as the resolution for Assembly approval for the Executive Office to apply for certain changes to the Medicaid program. This includes the statutory changes already identified for (a) nursing facilities and (b) home and community care services. The remaining subsections includes the authority to seek federal approval to implement the following changes.

c) E-Consults Program. Establish a program to allow communication and care coordination between

primary and specialty care providers, intended to improve patients' and providers' access to specialists without needing a face-to-face visit. The Budget assumes that \$5.4 million in spending for the new benefit would be offset by savings of \$6.0 million from avoiding an in-person visit. The general revenue savings are \$0.1 million.

- d) Long Term Care Behavioral Healthcare. Establish a Medicaid rate for inpatient units in the community hospitals. The budget includes \$7.5 million, of which \$3.2 million is general revenues.
- e) Mobile Response and Stabilization Services. Establish a rate methodology for a Medicaid benefit to be effective by October 1, 2026, with the state plan amendment submitted no later than October 1, 2025. The current pilot program will be converted to a Medicaid benefit and will adhere to the federal model being used.
- f) 340B Program. Allows the Executive Office of Health and Human Services to prohibit discriminatory action related to reimbursement of 340B covered entities and 340B contract pharmacies. There are restrictions and requirements with respect to operationalizing the program, and annually, each 340B covered entity will submit a report to the Speaker of the House, the Senate President, the Governor, and the Auditor General, detailing participation in the program, which will be posted on the Auditor General's website.
- g) Primary Care Rates. Raise primary care rates to 100 percent of Medicare, effective October 1, 2025. The budget includes \$26.4 million, of which \$8.3 million is from general revenues, based on an annual impact of \$35.3 million. This total excludes the \$10.5 million separate allocation for increases to federally qualified health care center rates for a full year.
- h) Medicare Savings Program. Expand to reflect eligibility for the Qualified Medicare Beneficiaries benefit up to 125 percent of poverty and the Qualified Individuals benefit up to 168 percent of poverty; the budget includes \$7.1 million, of which \$0.7 million is from general revenues. The federally funded benefit for Qualified Individuals would be limited to the federal allotment.
- i) Prior Authorization. Establish a three-year pilot program to eliminate prior authorization requirements for any service, treatment, or procedure ordered by a primary care provider in the normal course of treatment. The pilot would exclude pharmacy benefits. This will take effect October 1, 2025, and sunset October 1, 2028. Providers include those in family medicine, geriatrics, internal medicine, obstetrics and gynecology, or pediatrics.

The Executive Office of Health and Human Services will provide an annual report to the Speaker of the House, the Senate President, the Office of the Governor, and the Office of the Health Insurance Commissioner that includes additional recommendations on further simplifying and reducing the administrative burdens of prior authorization. The report will also include data and analysis showing the impact of the pilot program on utilization and patient care.

Article 9. Housing Reorganization

Sections 1, 8, and 15. Lead Hazard Mitigation. These sections transfer responsibility for the lead hazard mitigation program from the Housing Resources Commission to the Department of Health.

Sections 2 and 12. Interagency Council on Homelessness. These sections alter the Interagency Council on Homelessness, reducing its membership from 20 to 17. They add the Continuum of Care and removes its advisory council, the Department of Administration, Housing Resources Commission, and the Providence Veterans Administration Medical Center. They require the Executive Office of Housing to provide administrative support.

Sections 3 and 4. RI Housing Governance. These sections provide that the Secretary of Housing shall be ex-officio chair of the RI Housing board of directors and remove the Director of the Department of Business Regulation. They transfer primary responsibility for determining how to prioritize federal Low-Income Housing Tax Credit awards and renewable energy features from RI Housing to the Executive Office of Housing, effective January 1, 2026. These sections also repeal a defunct Department of Human Services emergency housing assistance program.

Sections 5 and 11. Executive Office of Housing. These sections consolidate statutory language governing the Department of Housing, to be renamed the Executive Office of Housing. They add two new reporting requirements. The first is a statewide strategic plan to prevent and address homelessness, due every three years beginning July 1, 2026. The second is a chart showing the number and percentage of low- and moderate-income housing units by municipality, due annually beginning January 1, 2027. These sections also eliminate a requirement for each award round to include a material award for a municipality with a population of less than 25,000.

Sections 6, 7, 9, 10, and 14. Structural Reorganization. These sections alter the state housing structure to transfer oversight and programmatic authority to the Executive Office of Housing by dissolving the Coordinating Committee and reorganizing the Housing Resources Commission into an Advisory Council on Housing and Homelessness. Transferred authorities include the ability to designate which state or quasi-state agency will administer federal housing programs, expedited permitting for affordable housing, and exemptions from municipal real estate non-utilization taxes. These sections also transfer authority over the Housing Production Fund, which is supported by a dedicated portion of the Real Estate Conveyance Tax.

Under current law, the Commission has 28 members: 16 are ex-officio leaders of various state and non-state entities and 12 are appointed by the Governor to represent specified interests, professions, and industries. These sections replace guidance specific to each member with a broad requirement that the Council's 20 Governor-appointed members represent similar interests while removing representatives of state entities and adding tenants, landlords, local officials, and those with a lived experience of homelessness.

Section 13. Interagency Council on Housing Production and Preservation. This section establishes a new Interagency Council on Housing Production and Preservation. Its membership consists of 12 state agencies and is chaired by the Secretary of Housing, with administrative support provided by the Executive Office of Housing.

Section 16. Fee-in-lieu. If municipalities require affordable units as part of inclusionary zoning, they may allow developers to pay a fee in lieu of constructing affordable units. Funds must be used for affordable housing development in the same community. This section provides that if funds are unallocated after three years, they must be transferred to the Housing Production Fund instead of RI Housing.

Sections 17 and 18. Monitoring and Reporting. These sections transfer the responsibility for overseeing monitoring agents to ensure compliance with affordable housing statutes, including income limits and deed restrictions, from the Housing Resources Commission to the Executive Office of Housing, effective July 1, 2025. They repeal reporting requirements for the monitoring program and a defunct State Housing Appeals Board report. These sections also update the annual housing voucher report to more accurately reflect utilization and delay its submission from March 1 to April 15.

Article 10. Health and Human Services

Section 1. Health Professional Loan Repayment Program. This section codifies current practice of the Health Professional Loan Repayment Program into the general laws to include recruitment and retention of high-quality health professionals working with underserved populations. It shifts program administration

to the Department of Health and removes outdated statutory references to the Higher Education Assistance Authority.

The Health Professional Loan Repayment Program board determines which areas of the state shall be eligible to participate in the loan repayment program each year, based on health professional shortage area designations. It receives and considers all applications for loan repayment made by eligible health professionals. The article increases the board composition from nine to ten members; the Director of the Department of Health serves as the chairperson. It also authorizes the Director to implement legal proceedings against program participants who are in default or have breached their contracts.

Section 2. Nursing Facilities Minimum Staffing. This section changes the state's nursing home minimum staffing requirements to expand the types of direct care workers that count towards meeting the staffing ratios to include social workers and nurse aides in training. The section reduces the hours of daily direct nursing care to 3.58 from 3.81 and excludes the hourly requirement specific to certified nursing assistants, effective January 1, 2026.

It also changes the current penalty structure and waives and forgives any penalties assessed prior to January 1, 2026. The penalty would be three percent of Medicaid reimbursements determined by the most recent financial period. Any funds recovered would be deposited into a restricted receipt account to be used for workforce development and compliance assistance programs. The section requires the Department of Health to issue rules and regulations for implementation and oversight, with a six-month transition to allow facilities to meet the new requirements. This section also requires audits to be conducted by the Executive Office of Health and Human Services and published on its website.

Section 3. Office of Veterans Services Burial Fees. This section allows the Office of Veterans Services to promulgate rules and regulations to charge and collect cremation and casket liner fees for eligible spouses and dependents of qualified veterans. Currently, the fees are not in regulation. The federal government now reimburses the cost of a full casket liner for a veteran's spouse or eligible dependent of a veteran who served until retirement. The state will continue to charge cremation liner fees for all non-military burials and casket burial liners for spouses and eligible dependents of veterans who did not retire from the military.

Section 4. Child Care for Child Care Educators. The section extends the sunset date for the child care for childcare workers pilot program for another three years through July 31, 2028. The FY 2026 budget adds \$2.7 million for the extension.

Section 5. Supplemental Nutrition Assistance Program. The section requires the Department of Human Services, in coordination with the Department of Administration, to submit a plan, as part of its annual budget submission, with initial recommendations to reduce the state's payment error rate so that it is below six percent. As of January 18, 2026, the Department will report monthly on its progress to implement the recommendations. The report will be part of its current reporting requirement to the General Assembly.

Section 6. Child Care Rates. This section establishes a new rate for infants, distinct from the current rate applicable to infants and toddlers, and increases the infant rate by 20 percent. The toddler and preschool rates remain the same. The FY 2026 budget adds \$3.0 million from federal funds to account for the increase.

Section 7. Restricted Receipt Account. This section creates a new restricted receipt account for nursing home penalty collections included in Section 2.

Section 8. Healthcare Services Funding Assessment. The section establishes an assessment, similar to the child and adult immunization program assessments, to generate \$30.0 million annually to support primary care and other critical healthcare programs. The current assessments are based on a per-member-per-month fee applied to all covered lives, including self-insured; this is estimated to be approximately \$4

per month per covered life. The funds would be deposited as general revenues, and the FY 2026 impact is \$15.0 million for half a year.

Article 11. Motor Vehicles and Transportation

Section 1. Division of Motor Vehicles. This section requires the administrator of the Division of Motor Vehicles, in consultation with the Department of Transportation, to submit a report of its findings and options for updating fees imposed in Section 2 for electric vehicles, plug-in hybrid electric vehicles, and hybrid electric vehicles to the General Assembly before January 1, 2027.

This section also increases the technology surcharge fee on Division of Motor Vehicle transactions, excluding vehicle inspections, by \$1.00 to \$3.50, effective July 1, 2025. All technology surcharge fees are deposited into a restricted receipt account managed by the Division for enhancements and ongoing maintenance to its computer system. This is estimated to generate \$1.6 million in restricted receipts in FY 2026 to maintain the Division's information technology system and cost increases that would otherwise require new general revenue support.

Sections 2 and 12. Highway Maintenance Account. Section 2 imposes an annual registration fee of \$200.00 for battery electric vehicles, \$100.00 for plug-in hybrid electric vehicles, and \$50.00 for hybrid electric vehicles. Section 12 increases the current license and most vehicle registration surcharges from \$30.00 to \$40.00. These changes would take effect on January 1, 2026, and would generate \$6.7 million for FY 2026, to be deposited into the Highway Maintenance Account, for a total of \$117.7 million in resources.

This section also amends the allocation of the Account to increase the Rhode Island Public Transit Authority's share of the funds from 5.0 percent to 10.0 percent, with the additional \$5.0 million that it currently receives, for a total of \$16.2 million.

Sections 3 through 7, 9 through 11, and 14. Traffic Tribunal Fees. These sections revise the traffic violation schedule, increasing most fines from \$85 to \$100, effective for offenses committed on or after July 1, 2025. These fees were last adjusted by the 2008 Assembly. This is anticipated to generate \$0.5 million in new general revenues.

Section 8. Motor Fuel Tax. This section increases the motor fuel tax from the current law estimated amount of 38 cents to 40 cents excluding the one cent environmental protection fee and allocates the increased 2 cents to the Rhode Island Public Transit Authority. This increases the Authority's share of the gas tax to 11.75 cents, including its current half cent from the environmental protection fee. Based on the estimated \$4.359 million per penny yield, the additional two cents would generate \$8.7 million for FY 2026.

Currently, the motor fuel tax is indexed to the one-year Consumer Price Index every other year, rounded to the nearest cent. This section requires that the adjustment be based on the inflation that occurred in the preceding two years.

Section 13. Motor Vehicle Excise Tax. This section alters the requirement that municipal reimbursement for the motor vehicle excise tax increase beginning in FY 2026, based on the annual change of sales tax collections, to limit the increase to 2.0 percent. The Governor had proposed repealing that requirement. It also holds communities harmless for any decreases based on rounding values as part of the indexing to the sales tax. The budget contains \$4.7 million to fund the increase.

Article 12. State Leases

This article authorizes long-term lease renewals for the Department of Children, Youth and Families' Providence office and the Emergency Management Agency warehouse in Cranston. The FY 2026 budget

includes \$2.3 million for the Department of Children, Youth and Families' lease and \$0.3 million for the Emergency Management Agency's lease, which will be renewed on February 1, 2026. The annualized cost is expected to be \$0.7 million. Legislative approval is required for lease agreements for terms of five years or longer and exceeding \$500,000 in value.

Article 13. Revised Appropriations

Section 1. Appropriations. This section contains the revised 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. 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 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 also limits appointments for state employees supported through non-state funds to the availability of those fund sources. Consistent with the enacted level, it includes total staffing of 15,772.8 full-time equivalent positions, including 519.8 higher education positions supported by third-party funds.

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. 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.

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 to report quarterly. Those reports must identify programs at risk of significant underspending or noncompliance with federal or state requirements and include an assessment of how programs at risk can be remedied. Changes to this section make the last quarterly report due on January 31, 2025, and establish twice-yearly reporting beginning April 30, 2025, through October 31, 2026. This section authorizes the Governor to reclassify program income or unspent funds at-risk of federal forfeiture to other eligible projects if the value of the proposal is less than \$1.0 million and less than 20.0 percent of total program appropriations. Proposals exceeding \$1.0 million or 20.0 percent of program appropriations must be referred to the Assembly to go into effect within 30 days unless rejected by joint action of the House and Senate. This is an expansion of the one-time authority provided in the enacted budget allowing the Governor to propose reallocation of at-risk funds to only the unemployment trust fund in November 2024.

Section 7. Underground Storage Tank Trust Fund Transfer. This section requires the transfer of \$3.0 million from the Underground Storage Tank Trust Fund to state general revenues by June 30, 2025.

Section 8. RI Student Loan Authority Transfer. This section requires the transfer of \$2.7 million from the Rhode Island Student Loan Authority to state general revenues by June 30, 2025.

Section 9. Infrastructure Bank Transfer. This section requires the transfer of \$2.0 million from the Infrastructure Bank to state general revenues by June 30, 2025.

Section 10. Marijuana Trust Fund Transfer. This section requires the transfer of \$0.6 million from the Marijuana Trust Fund to state general revenues by June 30, 2025.

Section 11. Low-Income Housing Tax Credit Transfer. This section requires the transfer of \$4.0 million from state general revenues to the Low-Income Housing Tax Credit Fund by June 30, 2025.

Section 12. Large Systems Initiatives Fund. The 2023 Assembly adopted legislation establishing 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 Large Systems Initiatives Fund is supported from direct appropriations. The FY 2024 budget transferred \$115.0 million from the current Information Technology restricted receipt account for eight approved projects, including no more than \$50.0 million for the Enterprise Resource Planning System, which was then estimated to cost \$68.7 million. This section updates the Enterprise Resource Planning System project cost to \$84.5 million, with no more than \$55.1 million being supported from the Fund.

Section 13. Effective Date. This section provides that the article shall take effect upon passage.

Article 14. Effective Date

Article 14 provides that the act shall take effect on July 1, 2025, except where a provision within an article specifies a retroactive or prospective effective date.

Section VII

Summary Tables

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General Revenues

	FY 2024	FY 2025	FY 2026	FY 2026	FY 2026
	Audited	Final	Governor	Consensus	Enacted
Personal Income Tax	\$ 1,819,193,007	\$ 1,950,600,000	\$ 1,991,509,788	\$ 1,999,200,000	\$ 2,000,882,929
General Business Taxes					
Business Corporations	367,504,982	345,600,000	357,352,261	351,000,000	350,360,028
Public Utilities Gross	75,169,736	115,000,000	106,900,000	112,500,000	112,500,000
Financial Institutions	47,678,060	12,300,000	25,300,000	21,200,000	21,200,000
Insurance Companies	180,418,052	175,900,000	171,878,580	180,900,000	180,217,698
Bank Deposits	5,519,620	5,000,000	5,900,000	5,200,000	5,200,000
Health Care Provider	40,684,166	44,400,000	46,534,250	46,900,000	47,170,185
Digital Advertising	-	-	9,464,191	-	-
Sales and Use Taxes					
Sales and Use	1,635,427,555	1,682,000,000	1,761,698,205	1,723,300,000	1,726,581,707
Motor Vehicle	14,201	-	-	-	-
Cigarettes	119,314,097	117,600,000	114,774,688	111,600,000	119,100,000
Alcohol	20,788,520	21,900,000	21,200,000	21,900,000	21,900,000
Other Taxes					
Inheritance and Gift	49,842,008	80,500,000	62,700,000	83,600,000	83,600,000
Racing and Athletics	664,568	700,000	700,000	700,000	700,000
Realty Transfer	15,731,668	16,700,000	18,200,000	17,400,000	25,764,646
Total Taxes	\$ 4,377,950,240	\$ 4,568,200,000	\$ 4,694,111,963	\$ 4,675,400,000	\$ 4,695,177,193
Departmental Receipts	552,303,254	555,904,000	560,282,052	317,000,000	574,268,879
Other Miscellaneous	38,439,513	35,471,831	26,490,497	24,100,000	27,337,022
Lottery	426,419,555	431,100,000	432,700,000	441,000,000	441,000,000
Unclaimed Property	23,591,279	33,600,000	20,500,000	28,800,000	28,800,000
Total General Revenues	\$ 5,418,703,841	\$ 5,624,275,831	\$ 5,734,084,512	\$ 5,486,300,000	\$ 5,766,583,094

General Revenue Budget Surplus Statement

	FY 2024	FY 2025	FY 2026
Opening Surplus			
Free Surplus	\$ 412,262,973	\$ 326,355,037	\$ 230,213,058
Reappropriated Surplus	45,152,130	34,569,423	-
Adjustment to Opening Surplus	6,530,494	-	-
Adjustment to Fund Balance	23,811,475	-	-
Subtotal	\$ 487,757,072	\$ 360,924,460	\$ 230,213,058
Revenues			
Actual/Enacted/Estimated	\$ 5,418,703,841	\$ 5,489,117,361	\$ 5,467,100,000
Governor	-	78,082,639	266,984,512
Assembly	-	57,075,831	32,498,582
Revenues	\$ 5,418,703,841	\$ 5,624,275,831	\$ 5,766,583,094
Cash Stabilization Fund	(175,124,919)	(178,518,926)	(179,903,885)
Total Available Resources	\$ 5,731,335,994	\$ 5,806,681,365	\$ 5,816,892,267
Expenditures			
Actual/Enacted/Estimated	\$ 5,236,111,578	\$ 5,594,861,257	\$ 5,743,054,676
Reappropriations	-	34,569,423	-
Governor	-	(18,760,160)	-
Assembly	-	(13,072,447)	66,308,445
Total Expenditures	\$ 5,236,111,578	\$ 5,597,598,073	\$ 5,809,363,121
Total Surplus	\$ 495,224,416	\$ 209,083,292	\$ 7,529,146
Transfers	(91,000,000)	42,779,744	(6,500,000)
Excess Revenue to SRDF/Retirement	(43,299,956)	(21,649,978)	-
Reappropriations	(34,569,423)	-	-
Free Surplus	\$ 326,355,037	\$ 230,213,058	\$ 1,029,146
<i>Operating Surplus/(Deficit)</i>	<i>52,619,474</i>	<i>(117,271,745)</i>	<i>(222,683,912)</i>
Budget Stabilization and Cash Reserve	\$ 291,548,341	\$ 297,531,543	\$ 299,839,808
Percent of Revenues	5.4%	5.3%	5.2%

Expenditures from All Funds

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
General Government				
Administration	\$ 554,103,575	\$ 628,359,132	\$ 497,720,203	\$ 430,628,941
Office of Energy Resources	-	68,374,151	76,770,481	76,312,027
Business Regulation	44,120,539	40,812,969	35,093,954	39,094,954
Cannabis Control Commission	-	-	7,556,626	7,303,563
Executive Office of Commerce	70,777,163	189,471,202	56,157,824	58,832,824
Housing	58,335,416	213,635,726	42,898,733	45,079,456
Labor and Training	594,071,262	627,476,761	637,017,683	632,267,683
Revenue	834,605,599	860,607,926	863,687,605	873,248,086
Legislature	55,789,931	66,737,273	61,424,920	61,424,920
Lieutenant Governor	1,447,015	1,370,103	1,519,219	1,519,219
Secretary of State	15,372,795	15,727,053	14,541,522	15,291,522
General Treasurer	23,886,874	24,589,119	25,974,916	25,974,916
Board of Elections	5,682,615	5,726,638	4,474,931	4,474,931
Rhode Island Ethics Commission	2,234,502	2,415,211	2,419,632	2,419,632
Governor's Office	8,471,265	8,973,819	9,334,918	9,334,918
Human Rights	2,505,726	2,769,857	2,772,687	2,772,687
Public Utilities Commission	14,607,520	15,042,977	15,508,274	15,508,274
Subtotal - General Government	\$ 2,286,011,797	\$ 2,772,089,917	\$ 2,354,874,128	\$ 2,301,488,553
Human Services				
Health and Human Services	\$ 4,017,751,873	\$ 3,914,212,815	\$ 4,202,101,690	\$ 4,226,436,784
Children, Youth and Families	399,055,263	416,292,563	397,200,530	394,390,394
Health	356,254,973	381,872,187	292,114,774	295,526,774
Human Services	814,741,554	853,438,400	829,181,867	837,388,626
BHDDH	672,361,552	714,187,682	704,194,613	716,698,599
Child Advocate	1,891,426	1,763,740	2,264,613	2,264,613
Deaf and Hard of Hearing	914,184	804,509	929,154	929,154
Commission on Disabilities	1,936,931	2,820,433	2,056,042	1,806,042
Mental Health Advocate	981,608	730,673	1,117,164	1,117,164
Subtotal - Human Services	\$ 6,265,889,364	\$ 6,286,123,002	\$ 6,431,160,447	\$ 6,476,558,150
Education				
Elementary and Secondary	\$ 2,003,162,178	\$ 2,010,811,631	\$ 1,981,184,129	\$ 2,009,450,142
Higher Education	1,470,837,483	1,531,187,263	1,594,114,571	1,597,894,736
Arts Council	3,976,337	4,084,272	4,242,454	4,242,454
Atomic Energy	1,593,911	1,654,687	1,714,495	1,714,495
Historical Preservation	3,727,660	3,840,840	3,465,631	3,448,631
Subtotal - Education	\$ 3,483,297,569	\$ 3,551,578,693	\$ 3,584,721,280	\$ 3,616,750,458

Expenditures from All Funds

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Public Safety				
Attorney General	\$ 46,456,627	\$ 50,178,621	\$ 51,639,418	\$ 52,487,807
Corrections	328,179,090	322,939,591	322,550,695	366,351,458
Judicial	147,968,237	158,909,579	159,224,433	159,224,433
Military Staff	101,622,845	102,309,746	37,396,058	41,647,731
Emergency Management	36,520,428	45,430,586	43,657,584	43,657,584
Public Safety	211,138,205	223,940,776	191,287,889	197,868,181
Public Defender	16,670,594	17,261,971	18,263,714	18,263,714
Subtotal-Public Safety	\$ 888,556,026	\$ 920,970,870	\$ 824,019,791	\$ 879,500,908
Natural Resources				
Environmental Management	\$ 143,732,584	\$ 150,341,063	\$ 160,424,187	\$ 164,424,187
CRMC	6,176,963	11,226,436	9,660,746	14,860,746
Subtotal-Natural Resources	\$ 149,909,547	\$ 161,567,499	\$ 170,084,933	\$ 179,284,933
Transportation				
Transportation	\$ 889,560,237	\$ 1,075,256,161	\$ 851,194,045	\$ 882,795,591
Subtotal-Transportation	\$ 889,560,237	\$ 1,075,256,161	\$ 851,194,045	\$ 882,795,591
Total	\$ 13,963,224,540	\$ 14,767,586,142	\$ 14,216,054,624	\$ 14,336,378,593

Expenditures from General Revenues

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
General Government				
Administration	\$ 255,026,334	\$ 223,182,559	\$ 262,776,439	\$ 249,311,650
Office of Energy Resources	-	500,000	-	-
Business Regulation	24,091,628	24,496,492	25,593,781	25,769,781
Cannabis Control Commission	-	-	-	-
Executive Office of Commerce	40,380,983	40,431,623	31,857,824	33,532,824
Housing	9,840,596	5,167,713	10,719,465	6,464,465
Labor and Training	17,790,653	20,198,193	20,379,242	18,179,242
Revenue	400,471,730	402,288,592	403,892,388	413,452,869
Legislature	53,358,280	64,146,864	58,734,623	58,734,623
Lieutenant Governor	1,447,015	1,370,103	1,519,219	1,519,219
Secretary of State	12,462,241	12,807,184	12,111,732	12,861,732
General Treasurer	4,915,333	5,100,717	4,600,223	4,600,223
Board of Elections	5,682,615	5,726,638	4,474,931	4,474,931
Rhode Island Ethics Commission	2,234,502	2,415,211	2,419,632	2,419,632
Governor's Office	8,471,265	8,973,819	9,334,918	9,334,918
Human Rights	2,055,616	2,221,997	2,249,158	2,249,158
Public Utilities Commission	-	-	-	-
Subtotal - General Government	\$ 838,228,791	\$ 819,027,705	\$ 850,663,575	\$ 842,905,267
Human Services				
Health and Human Services	\$ 1,416,418,232	\$ 1,388,921,238	\$ 1,469,676,177	\$ 1,490,421,244
Children, Youth and Families	261,358,200	261,352,456	262,985,058	262,775,058
Health	40,053,947	38,533,357	38,075,075	40,825,075
Human Services	142,790,800	142,053,994	135,580,989	136,022,692
BHDDH	305,694,995	320,841,750	316,304,980	318,778,838
Child Advocate	1,891,426	1,763,740	2,264,613	2,264,613
Deaf and Hard of Hearing	782,651	662,680	786,233	786,233
Commission on Disabilities	1,530,392	2,331,664	1,610,527	1,386,032
Mental Health Advocate	981,608	730,673	1,117,164	1,117,164
Subtotal - Human Services	\$ 2,171,502,251	\$ 2,157,191,552	\$ 2,228,400,816	\$ 2,254,376,949
Education				
Elementary and Secondary	\$ 1,588,830,390	\$ 1,597,274,317	\$ 1,643,071,869	\$ 1,659,208,810
Higher Education	314,514,386	315,128,906	329,066,351	327,246,516
Arts Council	2,395,211	2,412,492	2,414,685	2,414,685
Atomic Energy	1,180,419	1,231,639	1,278,282	1,278,282
Historical Preservation	1,898,100	1,622,211	1,986,751	1,969,751
Subtotal - Education	\$ 1,908,818,506	\$ 1,917,669,565	\$ 1,977,817,938	\$ 1,992,118,044

Expenditures from General Revenues

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Public Safety				
Attorney General	\$ 35,103,418	\$ 36,677,279	\$ 38,244,427	\$ 38,244,427
Corrections	293,746,087	303,521,067	296,697,754	324,014,603
Judicial	124,336,261	132,962,235	133,516,539	133,516,539
Military Staff	3,276,320	3,195,718	3,424,058	3,424,058
Emergency Management	7,007,474	7,062,596	7,457,256	7,457,256
Public Safety	135,410,334	143,141,583	126,568,454	132,842,119
Public Defender	16,585,559	17,176,936	18,178,679	18,178,679
Subtotal-Public Safety	\$ 615,465,453	\$ 643,737,414	\$ 624,087,167	\$ 657,677,681
Natural Resources				
Environmental Management	\$ 57,238,872	\$ 56,014,410	\$ 58,380,368	\$ 58,380,368
CRMC	3,607,384	3,957,427	3,704,812	3,904,812
Subtotal-Natural Resources	\$ 60,846,256	\$ 59,971,837	\$ 62,085,180	\$ 62,285,180
Transportation				
Transportation	\$ -	\$ -	\$ -	\$ -
Subtotal-Transportation	\$ -	\$ -	\$ -	\$ -
Total	\$ 5,594,861,257	\$ 5,597,598,073	\$ 5,743,054,676	\$ 5,809,363,121

Expenditures from Federal Grants

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
General Government				
Administration	\$ 78,720,050	\$ 151,473,170	\$ 48,547,422	\$ 47,598,341
Office of Energy Resources	-	35,438,362	31,842,712	31,554,214
Business Regulation	749,043	859,546	586,088	786,088
Cannabis Control Commission	-	-	-	-
Executive Office of Commerce	22,000,000	141,286,070	20,000,000	20,000,000
Housing	35,830,670	190,310,070	15,096,037	15,596,037
Labor and Training	42,711,594	58,967,295	41,996,527	41,996,527
Revenue	805,667	728,092	493,061	493,061
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	2,001,207	2,001,207	2,000,000	2,000,000
General Treasurer	763,030	786,809	833,127	833,127
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	450,110	547,860	523,529	523,529
Public Utilities Commission	711,984	726,117	753,555	753,555
Subtotal - General Government	\$ 184,743,355	\$ 583,124,598	\$ 162,672,058	\$ 162,134,479
Human Services				
Health and Human Services	\$ 2,543,855,296	\$ 2,468,135,086	\$ 2,708,539,855	\$ 2,709,529,994
Children, Youth and Families	121,743,506	124,493,928	117,430,501	118,620,365
Health	205,109,529	244,370,137	152,861,675	152,861,675
Human Services	659,709,433	695,533,766	682,192,831	689,957,887
BHDDH	353,159,441	368,465,135	376,934,950	385,365,078
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	340,000	421,579	340,067	340,067
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 3,883,917,205	\$ 3,901,419,631	\$ 4,038,299,879	\$ 4,056,675,066
Education				
Elementary and Secondary	\$ 318,458,763	\$ 355,923,854	\$ 256,479,925	\$ 256,918,301
Higher Education	5,982,632	17,801,726	5,642,208	5,642,208
Arts Council	996,126	1,011,780	1,022,711	1,022,711
Atomic Energy	-	-	-	-
Historical Preservation	1,267,431	1,613,889	822,451	822,451
Subtotal - Education	\$ 326,704,952	\$ 376,351,249	\$ 263,967,295	\$ 264,405,671

Expenditures from Federal Grants

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Public Safety				
Attorney General	\$ 3,265,105	\$ 3,967,174	\$ 3,568,559	\$ 3,568,559
Corrections	1,819,835	3,381,753	1,758,102	1,758,102
Judicial	4,417,956	6,136,960	6,294,895	6,294,895
Military Staff	86,857,534	85,921,172	28,982,412	28,982,412
Emergency Management	28,880,583	35,315,706	34,906,616	34,906,616
Public Safety	32,744,693	36,737,879	26,747,999	27,053,323
Public Defender	85,035	85,035	85,035	85,035
Subtotal-Public Safety	\$ 158,070,741	\$ 171,545,679	\$ 102,343,618	\$ 102,648,942
Natural Resources				
Environmental Management	\$ 36,020,076	\$ 47,071,238	\$ 44,708,519	\$ 44,708,519
CRMC	2,319,579	6,919,009	3,331,166	3,331,166
Subtotal-Natural Resources	\$ 38,339,655	\$ 53,990,247	\$ 48,039,685	\$ 48,039,685
Transportation				
Transportation	\$ 474,772,781	\$ 526,224,085	\$ 474,885,393	\$ 474,582,143
Subtotal-Transportation	\$ 474,772,781	\$ 526,224,085	\$ 474,885,393	\$ 474,582,143
Total	\$ 5,066,548,689	\$ 5,612,655,489	\$ 5,090,207,928	\$ 5,108,485,986

Expenditures from Restricted Receipts

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
General Government				
Administration	\$ 49,989,447	\$ 34,337,796	\$ 24,323,516	\$ 24,124,275
Office of Energy Resources	-	26,431,400	39,258,984	39,089,028
Business Regulation	12,156,568	12,906,525	5,486,102	5,486,102
Cannabis Control Commission	-	-	7,556,626	7,303,563
Executive Office of Commerce	-	-	-	-
Housing	12,664,150	18,157,943	17,083,231	23,018,954
Labor and Training	31,962,084	38,577,324	37,961,768	35,411,768
Revenue	9,481,272	9,535,239	11,084,929	11,084,929
Legislature	2,431,651	2,590,409	2,690,297	2,690,297
Lieutenant Governor	-	-	-	-
Secretary of State	409,347	418,662	429,790	429,790
General Treasurer	17,607,485	18,092,687	19,906,235	19,906,235
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	13,895,536	14,316,860	14,754,719	14,754,719
Subtotal - General Government	\$ 150,597,540	\$ 175,364,845	\$ 180,536,197	\$ 183,299,660
Human Services				
Health and Human Services	\$ 57,478,345	\$ 57,156,491	\$ 23,885,658	\$ 26,485,546
Children, Youth and Families	703,557	1,477,948	1,534,971	1,744,971
Health	108,069,735	90,964,570	92,414,141	93,076,141
Human Services	6,243,767	9,900,575	6,010,641	6,010,641
BHDDH	12,907,116	24,070,361	10,454,683	12,054,683
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	131,533	141,829	142,921	142,921
Commission on Disabilities	66,539	67,190	105,448	79,943
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 185,600,592	\$ 183,778,964	\$ 134,548,463	\$ 139,594,846
Education				
Elementary and Secondary	\$ 53,019,127	\$ 49,467,500	\$ 50,456,858	\$ 50,745,881
Higher Education	8,669,141	8,891,195	9,336,631	12,736,631
Arts Council	-	-	115,058	115,058
Atomic Energy	25,036	25,036	25,036	25,036
Historical Preservation	419,300	419,300	511,827	511,827
Subtotal - Education	\$ 62,132,604	\$ 58,803,031	\$ 60,445,410	\$ 64,134,433

Expenditures from Restricted Receipts

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Public Safety				
Attorney General	\$ 7,938,104	\$ 9,269,168	\$ 7,301,432	\$ 8,149,821
Corrections	1,386,843	1,981,387	1,303,091	1,303,091
Judicial	14,839,020	15,037,352	15,787,999	15,787,999
Military Staff	55,000	66,000	66,000	66,000
Emergency Management	412,371	419,898	428,308	428,308
Public Safety	12,509,218	13,245,878	14,313,880	14,313,880
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 37,140,556	\$ 40,019,683	\$ 39,200,710	\$ 40,049,099
Natural Resources				
Environmental Management	\$ 21,304,790	\$ 27,261,032	\$ 24,775,624	\$ 24,775,624
CRMC	250,000	250,000	624,768	624,768
Subtotal-Natural Resources	\$ 21,554,790	\$ 27,511,032	\$ 25,400,392	\$ 25,400,392
Transportation				
Transportation	\$ 6,116,969	\$ 6,165,817	\$ 6,066,037	\$ 6,066,037
Subtotal-Transportation	\$ 6,116,969	\$ 6,165,817	\$ 6,066,037	\$ 6,066,037
Total	\$ 463,143,051	\$ 491,643,372	\$ 446,197,209	\$ 458,544,467

Expenditures from Other Funds

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
General Government				
Administration	\$ 170,367,744	\$ 219,365,607	\$ 162,072,826	\$ 109,594,675
Office of Energy Resources	-	6,004,389	5,668,785	5,668,785
Business Regulation	7,123,300	2,550,406	3,427,983	7,052,983
Cannabis Control Commission	-	-	-	-
Executive Office of Commerce	8,396,180	7,753,509	4,300,000	5,300,000
Housing	-	-	-	-
Labor and Training	501,606,931	509,733,949	536,680,146	536,680,146
Revenue	423,846,930	448,056,003	448,217,227	448,217,227
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	500,000	500,000	-	-
General Treasurer	601,026	608,906	635,331	635,331
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	-	-	-	-
Subtotal - General Government	\$ 1,112,442,111	\$ 1,194,572,769	\$ 1,161,002,298	\$ 1,113,149,147
Human Services				
Health and Human Services	\$ -	\$ -	\$ -	\$ -
Children, Youth and Families	15,250,000	28,968,231	15,250,000	11,250,000
Health	3,021,762	8,004,123	8,763,883	8,763,883
Human Services	5,997,554	5,950,065	5,397,406	5,397,406
BHDDH	600,000	810,436	500,000	500,000
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	-	-	-	-
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 24,869,316	\$ 43,732,855	\$ 29,911,289	\$ 25,911,289
Education				
Elementary and Secondary	\$ 42,853,898	\$ 8,145,960	\$ 31,175,477	\$ 42,577,150
Higher Education	1,141,671,324	1,189,365,436	1,250,069,381	1,252,269,381
Arts Council	585,000	660,000	690,000	690,000
Atomic Energy	388,456	398,012	411,177	411,177
Historical Preservation	142,829	185,440	144,602	144,602
Subtotal - Education	\$ 1,185,641,507	\$ 1,198,754,848	\$ 1,282,490,637	\$ 1,296,092,310

Expenditures from Other Funds

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Public Safety				
Attorney General	\$ 150,000	\$ 265,000	\$ 2,525,000	\$ 2,525,000
Corrections	31,226,325	14,055,384	22,791,748	39,275,662
Judicial	4,375,000	4,773,032	3,625,000	3,625,000
Military Staff	11,433,991	13,126,856	4,923,588	9,175,261
Emergency Management	220,000	2,632,386	865,404	865,404
Public Safety	30,473,960	30,815,436	23,657,556	23,658,859
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 77,879,276	\$ 65,668,094	\$ 58,388,296	\$ 79,125,186
Natural Resources				
Environmental Management	\$ 29,168,846	\$ 19,994,383	\$ 32,559,676	\$ 36,559,676
CRMC	-	100,000	2,000,000	7,000,000
Subtotal-Natural Resources	\$ 29,168,846	\$ 20,094,383	\$ 34,559,676	\$ 43,559,676
Transportation				
Transportation	\$ 408,670,487	\$ 542,866,259	\$ 370,242,615	\$ 402,147,411
Subtotal-Transportation	\$ 408,670,487	\$ 542,866,259	\$ 370,242,615	\$ 402,147,411
Total	\$ 2,838,671,543	\$ 3,065,689,208	\$ 2,936,594,811	\$ 2,959,985,019

Full-Time Equivalent Positions

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
General Government				
Administration	683.6	667.6	669.6	684.6
Office of Energy Resources	-	16.0	20.0	17.0
Business Regulation	181.0	181.0	155.0	155.0
Cannabis Control Commission	-	-	28.0	26.0
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	599.5	599.5	604.5	605.5
Legislature	298.5	298.5	298.5	298.5
Lieutenant Governor	8.0	8.0	8.0	8.0
Secretary of State	62.0	62.0	62.0	62.0
General Treasurer	91.0	91.0	92.0	92.0
Board of Elections	13.0	13.0	13.0	13.0
Rhode Island Ethics Commission	12.0	12.0	12.0	12.0
Governor's Office	45.0	45.0	45.0	45.0
Human Rights	15.0	15.0	15.0	15.0
Public Utilities Commission	57.0	57.0	57.0	57.0
Subtotal - General Government	2,570.3	2,570.3	2,584.3	2,595.3
Human Services				
Health and Human Services	233.0	233.0	243.0	243.0
Children, Youth and Families	714.5	714.5	713.5	713.5
Health	572.6	572.6	572.6	572.6
Human Services	1,079.0	1,079.0	1,079.0	1,079.0
BHDDH	1,221.4	1,221.4	1,223.4	1,223.4
Child Advocate	13.0	13.0	13.0	13.0
Deaf and Hard of Hearing	4.0	4.0	4.0	4.0
Commission on Disabilities	5.0	5.0	5.0	5.0
Mental Health Advocate	6.0	6.0	6.0	6.0
Subtotal - Human Services	3,848.5	3,848.5	3,859.5	3,859.5
Education				
Elementary and Secondary	340.1	340.1	342.1	342.1
Higher Education	4,415.3	4,415.3	4,417.3	4,517.3
Arts Council	10.0	10.0	10.0	10.0
Atomic Energy	8.6	8.6	8.6	8.6
Historical Preservation	15.6	15.6	15.6	15.6
Subtotal - Education	4,789.6	4,789.6	4,793.6	4,893.6

Full-Time Equivalent Positions

	FY 2025 Enacted	FY 2025 Final	FY 2026 Recommended	FY 2026 Enacted
Public Safety				
Attorney General	264.1	264.1	264.1	268.1
Corrections	1,461.0	1,461.0	1,461.0	1,461.0
Judicial	745.3	745.3	749.3	749.3
Military Staff	93.0	93.0	93.0	93.0
Emergency Management	38.0	38.0	38.0	38.0
Public Safety	633.0	633.0	634.0	634.0
Public Defender	104.0	104.0	104.0	104.0
Subtotal-Public Safety	3,338.4	3,338.4	3,343.4	3,347.4
Natural Resources				
Environmental Management	439.0	439.0	439.0	439.0
CRMC	32.0	32.0	32.0	32.0
Subtotal-Natural Resources	471.0	471.0	471.0	471.0
Transportation				
Transportation	755.0	755.0	755.0	755.0
Subtotal-Transportation	755.0	755.0	755.0	755.0
Total Positions	15,772.8	15,772.8	15,806.8	15,921.8

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