



OFFICE OF MANAGEMENT & BUDGET

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MEMORANDUM

To: The Honorable Marvin L. Abney, Chairman, House Finance Committee
The Honorable Louis P. DiPalma, Chairman, Senate Finance Committee

From: Joseph Codega Jr., Budget Officer *John M. Codega Jr.*

Date: May 22, 2025

Subject: Amendments to FY 2025 Revised Appropriations Act (25-H-5075)

Governor's Budget Amendment #24

The Governor requests that several amendments be made to Article 1 of the FY 2025 Revised Appropriations Act. The amendments include changes to the appropriation amounts in Article 1, Relating to Making Revised Appropriations in Support of FY 2025.

The amendments proposed reflect a variety of technical revisions to recommended appropriations, most notably for updated expenditure estimates adopted by the May 2025 Caseload Estimating Conference, the redistribution and re-estimation of centralized appropriations from the Department of Administration to the Departments of Public Safety, Corrections, and Elementary and Secondary Education for newly ratified collective bargaining agreements, and the recognition of certain adjustments outlined in the Budget Office's Third Quarter Report released on May 15, 2025.

If you have any questions regarding these amendments, please feel free to call me or my staff at 222-6300.

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Jonathan Womer, Director of Administration
Brian Daniels, Director, Office of Management and Budget

ARTICLE 1, RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2025

SECTION 1, REVISED APPROPRIATIONS IN SUPPORT OF FY 2025

Department of Administration

Increase General Revenue for Torts Court Awards in the General Program, Page 4, Line 7, by \$100,000 from \$1,350,000 to \$1,450,000. This amendment ensures that there will be sufficient funding for pending tort settlements that are likely to be resolved by the end of the fiscal year (25-DOA2).

Decrease General Revenue for Contract Reserve in the Statewide Personnel and Operations Program, Page 7, Line 1, by \$11,234,778 from \$11,234,778 to \$0. This amendment addresses the funding that was held in reserve in the Department of Administration to accommodate cost-of-living adjustments for personnel in unions in the Department of Corrections, the Department of Public Safety, and the Department of Elementary and Secondary Education that had not ratified new contracts at the time the Governor submitted his recommended Budgets. Through this amendment and corresponding amendments in DOC, DPS, and RIDE the funding is removed from DOA and dispersed to the agencies (25-DOA1).

Decrease Federal Funds for Contract Reserve in the Statewide Personnel and Operations Program, Page 7, Line 2, by \$567,862 from \$567,862 to \$0. This amendment addresses the funding that was held in reserve in the Department of Administration to accommodate cost-of-living adjustments for personnel in unions in the Department of Corrections, the Department of Public Safety, and the Department of Elementary and Secondary Education that had not ratified new contracts at the time the Governor submitted his recommended Budgets. Through this amendment and corresponding amendments in DOC, DPS, and RIDE the funding is removed from DOA and dispersed to the agencies (25-DOA1).

Decrease Restricted Receipts for Contract Reserve in the Statewide Personnel and Operations Program, Page 7, Line 3, by \$132,476 from \$132,476 to \$0. This amendment addresses the funding that was held in reserve in the Department of Administration to accommodate cost-of-living adjustments for personnel in unions in the Department of Corrections, the Department of Public Safety, and the Department of Elementary and Secondary Education that had not ratified new contracts at the time the Governor submitted his recommended Budgets. Through this amendment and corresponding amendments in DOC, DPS, and RIDE the funding is removed from DOA and dispersed to the agencies (25-DOA1).

Decrease Other Funds for Contract Reserve in the Statewide Personnel and Operations Program, Page 7, Line 4, by \$217,471 from \$217,471 to \$0. This amendment addresses the funding that was held in reserve in the Department of Administration to accommodate cost-of-living adjustments for personnel in unions in the Department of Corrections, the Department of Public Safety, and the Department of Elementary and Secondary Education that had not ratified new contracts at the time the Governor submitted his recommended Budgets. Through this amendment and corresponding amendments in DOC, DPS, and RIDE the funding is removed from DOA and dispersed to the agencies (25-DOA1).

Department of Housing

Increase General Revenues in the Central Management Program, Page 10, Line 26, by \$321,573 from \$9,167,713 to \$9,489,286. This adjustment reflects \$260,611 in increased personnel projections (25-HOUSING1) as well as increased spending of \$60,962 on operating expenditures that are primarily attributed to legal costs, as reflected in the Third Quarter Report (25-HOUSING2).

Increase Restricted Receipts in the Central Management Program, Page 11, Line 10, by \$9,541,942 from \$12,664,150 to \$22,206,092. This adjustment reflects a shift in expenditures reflected in the Department's Q3 report, showing a planned transfer of funds from the Department to Rhode Island Housing before the close of the fiscal year (25-HOUSING3).

Rhode Island Commission for Human Rights

Increase General Revenues, Page 15, Line 19 by \$78,195 from \$2,143,802 to \$2,221,997. This amendment accounts for a payroll adjustment made in Pay Periods 21 and 22 that provides retroactive pay for the affected employees. The payroll adjustment accounts for a miscalculation of step increases stemming from the 2023 paygrade increases the Rhode Island Commission for Human Rights obtained after a public hearing (25-RICHR-1).

Executive Office of Health and Human Services

Decrease General Revenue in the Central Management Program, Page 15, Line 28, by \$943,641 from \$57,130,819 to \$56,187,178. This amendment consists of two separate adjustments, 1) reflects contract savings totaling \$862,635 resulting from implementation delays for the income verification software initiative (25-EOHHS3), and 2) shifts funding of \$81,006 from FY 2025 to FY 2026 for application enhancement work of the RIBridges systems that were delayed due to the reprioritization of resources in the wake of the cybersecurity breach (25-EOHHS4).

Decrease Federal Funds in the Central Management Program, Page 15, Line 34, by \$5,189,733 from \$217,089,832 to \$211,900,099. This amendment consists of three separate adjustments, 1) an increase of \$145,215 to finance a new Infrastructure for School Based Services federal award (25-EOHHS2), 2) a decrease of \$2,587,906 for contract savings resulting from implementation delays for the income verification software initiative (25-EOHHS3), 3) shifts funding of \$2,747,042 from FY 2025 to FY 2026 for application enhancement work of the RIBridges systems that were delayed due to the reprioritization of resources in the wake of the cybersecurity breach (25-EOHHS4).

Decrease General Revenue in the Managed Care Program, Page 16, Line 17, by \$5,935,084 from \$450,282,658 to \$444,347,574. This adjustment aligns the level of financing within this category of Medical Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-EOHHS1).

Decrease General Revenue in the Hospitals Program, Page 16, Line 18, by \$1,686,534 from \$126,388,883 to \$124,702,349. This adjustment aligns the level of financing within this

category of Medical Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-EOHHS1).

Increase General Revenue in the Nursing Facilities Program, Page 16 Line 19, by \$1,760,400 from \$185,282,100 to \$187,042,500. This adjustment aligns the level of financing within this category of Medical Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-EOHHS1).

Increase General Revenue in the Home and Community Based Services Program, Page 16 Line 20, by \$8,846,010 from \$100,562,850 to \$109,408,860. This adjustment aligns the level of financing within this category of Medical Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-EOHHS1).

Increase General Revenue in the Other Services Program, Page 16 Line 21, by \$11,735,515 from \$140,761,094 to \$152,496,609. This adjustment aligns the level of financing within this category of Medical Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-EOHHS1).

Increase General Revenue in the Pharmacy Program, Page 16 Line 22, by \$652,080 from \$93,049,569 to \$93,701,649. This adjustment aligns the level of financing within this category of Medical Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-EOHHS1).

Decrease General Revenue in the Rhody Health Program, Page 16 Line 23, by \$9,401,307 from \$237,475,038 to \$228,073,731. This adjustment aligns the level of financing within this category of Medical Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-EOHHS1).

Decrease Federal Funds in the Managed Care Program, Page 16, Line 25, by \$14,964,915 from \$608,217,341 to \$593,252,426. This adjustment aligns the level of financing within this category of Medical Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-EOHHS1).

Decrease Federal Funds in the Hospitals Program, Page 16, Line 26, by \$2,813,465 from \$252,649,988 to \$249,836,523. This adjustment aligns the level of financing within this category of Medical Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-EOHHS1).

Increase Federal Funds in the Nursing Facilities Program, Page 16 Line 27, by \$2,239,600 from \$235,717,900 to \$237,957,500. This adjustment aligns the level of financing within this category of Medical Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-EOHHS1).

Increase Federal Funds in the Home and Community Based Services Program, Page 16 Line 28, by \$11,253,990 from \$127,937,150 to \$139,191,140. This adjustment aligns the level of financing within this category of Medical Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-EOHHS1).

Increase Federal Funds in the Other Services Program, Page 16 Line 29, by \$26,160,857 from \$725,627,534 to \$751,788,391. This adjustment aligns the level of financing within

this category of Medical Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-EOHHS1).

Increase Federal Funds in the Pharmacy Program, Page 16 Line 30, by \$447,920 from \$750,431 to \$1,198,351. This adjustment aligns the level of financing within this category of Medical Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-EOHHS1).

Decrease Federal Funds in the Rhody Health Program, Page 16 Line 31, by \$13,695,066 from \$309,421,335 to \$295,726,269. This adjustment aligns the level of financing within this category of Medical Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-EOHHS1).

Department of Health

Decrease Restricted Receipts in the Central Management program, Page 18, Line 18, by \$662,000 from \$19,488,715 to \$18,826,715. This adjustment shifts indirect cost recovery funds from FY 2025 to FY 2026 originally earmarked for construction costs of the new Department of Health Laboratory building to instead support operational costs of the new lab in FY 2026 (25-DOH1).

Department of Human Services

Decrease General Revenues in the Individual and Family Support program, Page 21, Line 2, by \$787,044 from \$48,148,213 to \$47,361,169. This amendment shifts funding from FY 2025 to FY 2026 for application enhancement work of the RIBridges systems that were delayed due to the reprioritization of resources in the wake of the cybersecurity breach (25-DHS3).

Decrease Federal Funds in the Individual and Family Support program, Page 21, Line 4, by \$545,789 from \$148,672,929 to \$148,127,140. This amendment shifts funding from FY 2025 to FY 2026 for application enhancement work of the RIBridges systems that were delayed due to the reprioritization of resources in the wake of the cybersecurity breach (25-DHS3).

Decrease General Revenues in the Health Care Eligibility program, Page 21, Line 26, by \$69,252 from \$9,753,205 to \$9,683,953. This amendment shifts funding from FY 2025 to FY 2026 for application enhancement work of the RIBridges systems that were delayed due to the reprioritization of resources in the wake of the cybersecurity breach (25-DHS3).

Increase General Revenues in the Supplemental Security Income Program, Page 21, Line 30, by \$26,973 from \$16,646,807 to \$16,673,780. This adjustment aligns the level of financing within this category of Cash Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-DHS1).

Decrease Federal Funds in the Rhode Island Works Program, Page 21, Line 33, by \$2,377,773 from \$97,017,243 to \$94,639,470. This adjustment aligns the level of financing within this category of Cash Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-DHS1).

Decrease General Revenues in Other Programs, Page 22, Line 3, by \$14,750 from \$1,899,170 to \$1,884,420. This adjustment aligns the level of financing within this category of Cash Assistance expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-DHS1).

Increase Federal Funds in Other Programs, Page 22, Line 6, by \$5,365,855 from \$372,819,147 to \$378,185,002. This adjustment updates the level of expected payments for the Summer Electronic Benefit Transfer program in FY 2025 (25-DHS2).

Behavioral Healthcare, Developmental Disabilities and Hospitals

Increase General Revenue in the Services for the Developmentally Disabled Program, Page 23, Line 5, by \$3,203,057 from \$215,784,726 to \$218,987,783. This adjustment aligns the level of financing within this category of Private Community Developmentally Disabled Services expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-BHDDH1).

Increase Federal Funds in the Services for the Developmentally Disabled Program, Page 23, Line 19, by \$3,777,120 from \$269,852,064 to \$273,629,184. This adjustment aligns the level of financing within this category of Private Community Developmentally Disabled Services expenditure with caseloads as adopted by the May 2025 Caseload Estimating Conference (25-BHDDH1).

Elementary and Secondary Education

Increase General Revenues in the Administration of the Comprehensive Education Strategy Program, Page 25, Line 18, by \$697,078 from \$39,162,707 to \$39,859,785. This amendment addresses the funding that was held in reserve in the Department of Administration to accommodate cost-of-living adjustments for personnel in unions in the Department of Corrections, the Department of Public Safety, and the Department of Elementary and Secondary Education that had not ratified new contracts at the time the Governor submitted his recommended Budgets. Through this amendment and corresponding amendments in DOC, DPS, and RIDE the funding is removed from DOA and dispersed to the agencies (25-RIDE1).

Increase Federal Funds in the Administration of the Comprehensive Education Strategy Program, Page 25, Line 30, by \$205,353 from \$294,160,601 to \$294,365,954. This amendment addresses the funding that was held in reserve in the Department of Administration to accommodate cost-of-living adjustments for personnel in unions in the Department of Corrections, the Department of Public Safety, and the Department of Elementary and Secondary Education that had not ratified new contracts at the time the Governor submitted his recommended Budgets. Through this amendment and corresponding amendments in DOC, DPS, and RIDE the funding is removed from DOA and dispersed to the agencies (25-RIDE1).

Increase Restricted Receipts in the Administration of the Comprehensive Education Strategy Program, Page 26 Line 4, by \$73,976 from \$2,203,850 to \$2,277,826. This amendment addresses the funding that was held in reserve in the Department of Administration to

accommodate cost-of-living adjustments for personnel in unions in the Department of Corrections, the Department of Public Safety, and the Department of Elementary and Secondary Education that had not ratified new contracts at the time the Governor submitted his recommended Budgets. Through this amendment and corresponding amendments in DOC, DPS, and RIDE the funding is removed from DOA and dispersed to the agencies (25-RIDE1).

Increase General Revenues in the Teacher's Retirement Program, Page 27, Line 22, by \$1,074,349 from \$138,298,470 to \$139,372,819. This adjustment aligns program spending to amounts reported in the Third Quarter Report, using an updated methodology from the Department to estimate remaining payments based on expenditure trends from prior years (25-RIDE2).

Office of the Postsecondary Commissioner

Decrease General Revenue, Page 27, Line 27, by \$742,154 from \$30,781,353 to \$30,039,199. This amendment decreases funding for the RI Promise Scholarship to match the updated estimate in a May 13 report produced by the Community College of Rhode Island and decreases funding for the Hope Scholarship to match the updated estimate in a May 10 report produced by Rhode Island College (25-OPC1) and (25-OPC2).

Page 27, Line 30, strike ~~\$7,384,665~~ and replace with \$6,864,864 to reflect the above change to the RI Promise Scholarship (25-OPC1).

Page 27, Line 33, strike ~~\$3,574,101~~ and replace with \$3,351,748 to reflect the above change to the Hope Scholarship (25-OPC2).

Department of Corrections

Increase General Revenue in the Central Management Program. Page 32, Line 13, by \$148,970 from \$ 24,507,665 to \$ 24,656,635. This adjustment reflects incremental costs associated with a newly ratified collective bargaining agreement including a 5 percent Cost-of-Living Adjustment (COLA) effective July 1, 2024, as well as other contractual provisions (25-DOC1).

Increase General Revenue in the Custody and Security Program. Page 32, line 27, by \$7,347,230 from \$164,211,094 to \$171,558,324. This adjustment reflects incremental costs associated with a newly ratified collective bargaining agreement including a 5 percent Cost-of-Living Adjustment (COLA) effective July 1, 2024, as well as other contractual provisions (25-DOC1).

Increase General Revenue in the Institutional Support Program. Page 32, Line 34, by \$240,162 from \$33,885,105 to \$34,125,267. This adjustment reflects incremental costs associated with a newly ratified collective bargaining agreement including a 5 percent Cost-of-Living Adjustment (COLA) effective July 1, 2024, as well as other contractual provisions (25-DOC1).

Increase General Revenue in the Institutional Based Rehab and Population Management. Page 33, Line 7, by \$ 169,058 from \$14,316,655 to \$ 14,485,713. This adjustment reflects incremental costs associated with a newly ratified collective bargaining agreement including

a 5 percent Cost-of-Living Adjustment (COLA) effective July 1, 2024, as well as other contractual provisions (25-DOC1).

Increase General Revenue in the Healthcare Services Program, Page 33, Line 22, by \$675,669 from \$35,247,598 to \$35,923,267. This adjustment reflects incremental costs associated with a newly ratified collective bargaining agreement including a 5 percent Cost-of-Living Adjustment (COLA) effective July 1, 2024, as well as other contractual provisions (25-DOC1).

Increase General Revenue in the Community Corrections Program, Page 33, Line 26, by \$110,989 from \$21,962,545 to \$22,073,534. This adjustment reflects incremental costs associated with a newly ratified collective bargaining agreement including a 5 percent Cost-of-Living Adjustment (COLA) effective July 1, 2024, as well as other contractual provisions (25-DOC1).

Department of Public Safety

Decrease General Revenue in the Security Services Program, Page 36, Line 5, by \$775,240 from \$30,908,206 to \$30,132,966. This downward adjustment reflects the surplus reported in the Third Quarter Report within the Division of Sheriffs due to longstanding vacancies and turnover (25-DPS2).

Increase General Revenue in the State Police Program, Page 36, Line 11, by \$5,947,433 from \$93,658,916 to \$99,606,349. This adjustment reflects ratified State Troopers' Cost-of-Living Adjustments (COLAs) of five percent and four percent, effective November 1, 2023, and November 1, 2024, respectively, combined with a uniform stipend increase (25-DPS1).

Increase Federal Funds in the State Police Program, Page 36, Line 12, by \$290,000 from \$10,090,707 to \$10,380,707. This adjustment reflects federal funds that will partially support the State Troopers' ratified Cost-of-Living Adjustments (COLAs) of five percent and four percent, effective November 1, 2023, and November 1, 2024, respectively (25-DPS1).

Summary of Governor's Article 1 Amendments to FY 2025 Revised Appropriations Act (25-H-5075)

	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total	Amendment Code (25-AGENCY#)
FY 2025 Revised Expenditures (Original Governor's Recommend)	5,610,670,520	5,660,375,717	490,989,070	3,171,146,177	14,933,181,484	
March 17, 2025 Amendments	28,703	(4,120,586)	(705,042)	55,477	(4,741,448)	
March 18, 2025 Amendments	-	-	-	220,862	220,862	
April 18, 2025 Amendments	-	-	-	(5,070,252)	(5,070,252)	
April 25, 2025 Amendments	(4,275,958)	805,728	(1,856,214)	-	(5,326,444)	
Department of Administration						
<i>Dispersal of Contract Reserve to Agencies</i>	(11,234,778)	(567,862)	(132,476)	(217,471)	(12,152,587)	25-DOA1
<i>Torts Court Awards</i>	100,000				100,000	25-DOA2
Department of Housing						
<i>Q3 Personnel Adjustment</i>	260,611				260,611	25-HOUSING1
<i>Q3 Operating Adjustment</i>	60,962				60,962	25-HOUSING2
<i>Housing Production Fund Transfer</i>			9,541,942		9,541,942	25-HOUSING3
Rhode Island Commission for Human Rights						
<i>Retroactive Payroll Adjustment</i>	78,195				78,195	25-RICHR-1
Executive Office of Health and Human Services						
<i>Reconcile to May 2025 CEC Adopted Estimates: Medical Assistance</i>	5,971,080	8,628,921			14,600,001	25-EOHHS1
<i>New Federal Award: Infrastructure for School Based Services</i>	-	145,215			145,215	25-EOHHS2
<i>The Work Number Contract Cost Update</i>	(862,635)	(2,587,906)			(3,450,541)	25-EOHHS3
<i>RI Bridges System Enhancement Work Shift</i>	(81,006)	(2,747,042)			(2,828,048)	25-EOHHS4
Department of Health						
<i>State Health Laboratory Operating Costs</i>			(662,000)		(662,000)	25-DOH1
Department of Human Services						
<i>Reconcile to May 2025 CEC Adopted Estimates: Cash Assistance</i>	12,223	(2,377,773)			(2,365,550)	25-DHS1
<i>Summer Electronic Benefit Transfer Adjustment</i>		5,365,855			5,365,855	25-DHS2
<i>RI Bridges System Enhancement Work Shift</i>	(856,296)	(545,789)			(1,402,085)	25-DHS3
Department of Behavioral Healthcare, Developmental Disabilities and Hospitals						
<i>Reconcile to May 2025 CEC Adopted Estimates: Medical Assistance</i>	3,203,057	3,777,120			6,980,177	25-BHDDH1
Elementary and Secondary Education						
<i>FY 2025 Revised COLAs</i>	697,078	205,353	73,976		976,407	25-RIDE1
<i>Teacher Retirement Update</i>	1,074,349				1,074,349	25-RIDE2
Office of the Postsecondary Commissioner						
<i>RI Promise Scholarship</i>	(519,801)				(519,801)	25-OPC1
<i>Hope Scholarship</i>	(222,353)				(222,353)	25-OPC2
Department of Corrections						
<i>New Collective Bargaining Agreement Increases</i>	8,692,078				8,692,078	25-DOC-1
Department of Public Safety						
<i>New Collective Bargaining Agreement Increases (Including FY 2024 Retroactivity to Nov 1, 2023)</i>	5,947,433	290,000			6,237,433	25-DPS1
<i>Q3 Division of Sheriffs Turnover</i>	(775,240)				(775,240)	25-DPS2
Total	11,544,957	9,586,092	8,821,442	(217,471)	29,735,020	
Grand Total	5,617,968,222	5,666,646,951	497,249,256	3,166,134,793	14,947,999,222	