



SENATE FISCAL OFFICE  
REPORT

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**GOVERNOR'S FY2023 AND  
FY2022 SUPPLEMENTAL BUDGETS**

**2022-H-7123 AND 2022-H-7122**

**FIRST LOOK**

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JANUARY 24, 2022

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## Overview

The Governor's FY2023 Budget recommendation totals \$4,731.3 million in general revenue; \$180.5 million greater than the FY2022 Budget as Enacted. The recommendation includes \$12,825.0 million in all funds; a decrease of \$295.8 million from the FY2022 Budget as Enacted. The bulk of the reduction is attributable to the inclusion of the federal CARES Act COVID-19 stimulus funding appearing in FY2022.

<b>Expenditures by Source</b>	<b>FY2021 Final</b>	<b>FY2022 Enacted</b>	<b>FY2022 Governor</b>	<b>Change to Enacted</b>	<b>FY2023 Governor</b>	<b>Change to Enacted</b>
General Revenue	\$4,078.6	\$4,550.8	\$4,998.9	\$448.1	\$4,731.3	\$180.5
Federal Funds	6,603.3	5,862.7	6,051.1	188.4	5,311.0	(551.7)
Restricted Receipts	237.5	372.7	448.0	75.3	432.2	59.5
Other Funds	2,067.5	2,334.6	2,264.6	(70.0)	2,350.4	15.8
<b>Total</b>	<b>\$12,986.9</b>	<b>\$13,120.8</b>	<b>\$13,762.6</b>	<b>\$641.8</b>	<b>\$12,825.0</b>	<b>(\$295.8)</b>

### Expenditures by Function

General Government	\$4,147.0	\$2,755.7	\$3,237.4	\$481.7	\$2,566.3	(\$189.3)
Human Services	4,789.2	5,213.3	5,800.3	587.0	5,437.3	224.0
Education	2,773.8	3,627.3	3,061.0	(566.3)	3,214.0	(413.3)
Public Safety	599.2	643.3	704.1	60.8	692.0	48.8
Natural Resources	89.0	113.4	148.8	35.4	131.0	17.6
Transportation	588.7	767.9	811.1	43.2	784.4	16.5
<b>Total</b>	<b>\$12,986.9</b>	<b>\$13,120.8</b>	<b>\$13,762.6</b>	<b>\$641.8</b>	<b>\$12,825.0</b>	<b>(\$295.8)</b>

**FTE Authorization**                      **15,124.7**      **15,313.2**      **15,320.5**                      **7.3**      **15,416.5**                      **103.3**

*\$ in millions. Totals may vary due to rounding.*

The Governor submitted two budget bills this year: the FY2023 proposal and a distinct FY2022 Supplemental Budget. The Governor's proposal for the current year (FY2022) increases the estimated year-end surplus from \$571,537, to \$135.5 million. The increased surplus is primarily driven by a shift of general revenue costs to federal FEMA funding based on recent guidance that allows for 100.0 percent cost reimbursement for eligible COVID response costs; an increase in Federal Medicaid Assistance Percentage (FMAP) match rates for Medicaid costs; and, increased anticipated general revenue collections. This surplus is carried forward to help close the FY2023 deficit.

The FY2023 Budget includes several one-time sources of funding. It includes an estimated \$618.4 million in projected FY2022 surplus funds that would carry forward into FY2023; \$112.3 million in American Rescue Plan Act (ARPA) Capital Projects Funds; and, allocates and outlines the Governor's plan for spending the \$1.13 billion ARPA State Fiscal Recovery Funds.

### ARPA CAPITAL PROJECTS FUND

The Governor's budget allocates the \$112.3 million in ARPA Capital Projects Funds for three projects:

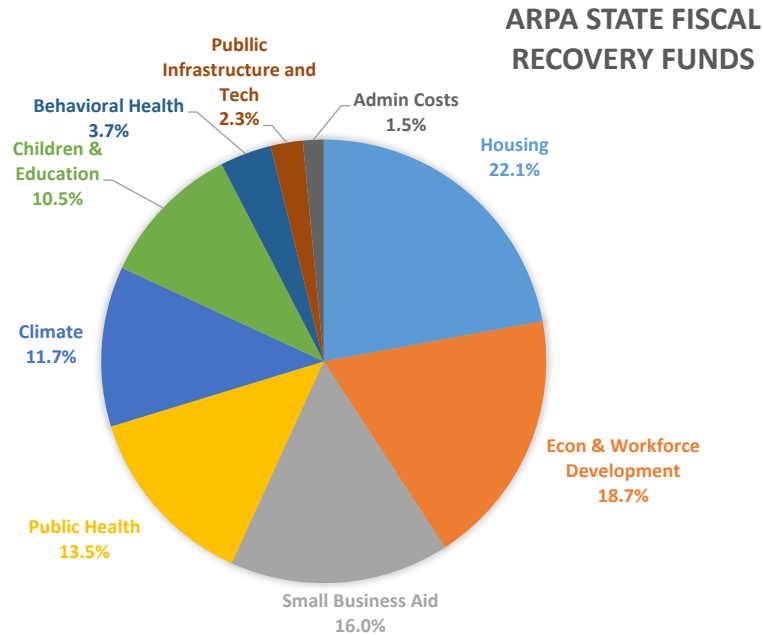
- **Municipal Matching Grants:** The program would provide matching funds for cities and towns to renovate or build community wellness centers.
- **RIC Student Services Center:** RIC would build a Student Services Center on campus.
- **Last-Mile Broadband:** Funds would be used as the state match for federal Infrastructure Investment and Jobs Act funds for broadband infrastructure last-mile projects.

<b>ARPA Capital Projects Fund</b>	<b>Amount</b>
Municipal Matching Grant Program	\$46.7
RIC Student Services Center	35.0
Last-Mile Broadband Grants	25.0
Administrative Costs	5.6
<b>Total</b>	<b>\$112.3</b>

*\$ in millions*

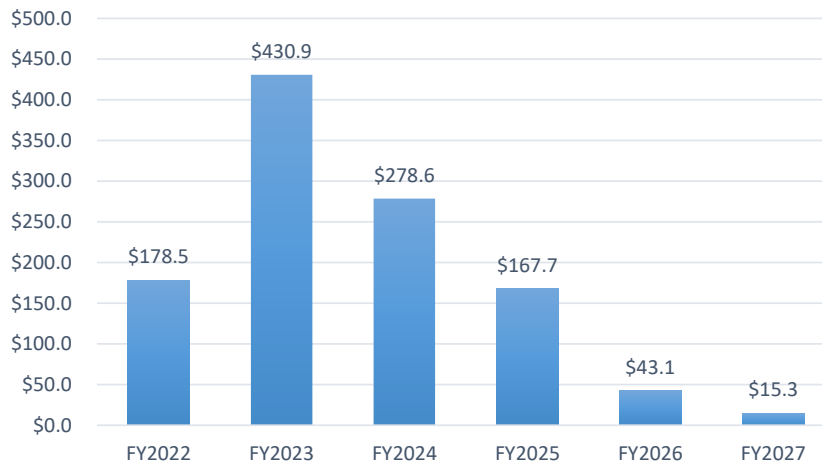
### ARPA STATE FISCAL RECOVERY FUNDS

The Governor’s proposals appropriate ARPA State Fiscal Recovery Funds (SFRF) in both FY2022 and FY2023, and outline a spending plan for the full \$1.13 billion between FY2022 and FY2027. The single largest component of the Governor’s SFRF spending plan is housing, with \$250.0 million proposed, or 22.1 percent of the total funding. The following chart outlines the major SFRF funding buckets. Further details on the proposals are in the agency budget sections.



The Governor proposes allocating SFRF over six years. Under ARPA, SFRF must be allocated by the end of CY2024 and spent by the end of CY2026 (FY2027). The Governor proposes to use the majority of the funds in FY2022 and FY2023. The multi-year spending plan is presented in detail in the Summary Tables section at the end of this report.

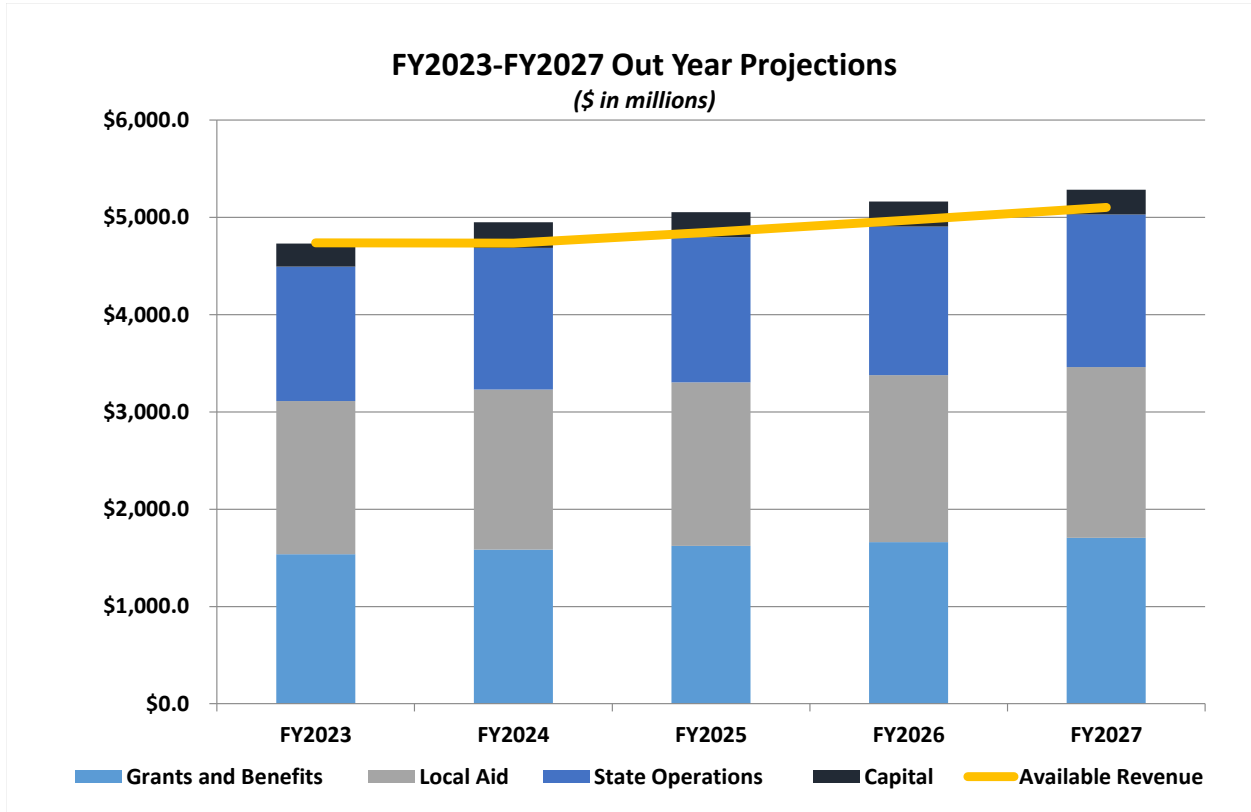
### SFRF Spending Plan (\$ in millions)



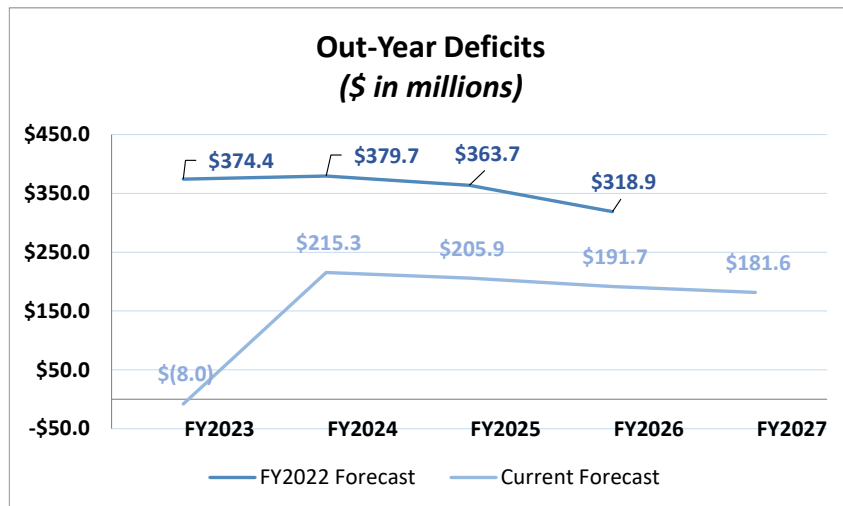
Totals vary due to rounding

**FIVE-YEAR FORECAST**

The Budget projects out-year deficits increasing from \$215.3 million in FY2024 to \$181.6 million in FY2027 (3.6 percent of spending). Projected average annual revenue growth of 1.9 percent, coupled with a projected average annual increase in expenditures of 2.8 percent, creates the State's projected deficit. Actual out-year performance could vary significantly if growth rates used for both revenue and expenditure forecasts are inaccurate. Drivers of the forecast include Medicaid and education inflation and increasing motor vehicle excise tax payments.



Out-year deficit projections decreased significantly from what was forecast one year ago. Projections last year had a less positive outlook for revenue recovery. Federal interventions buoyed state revenue collections and job growth outpaced projections.

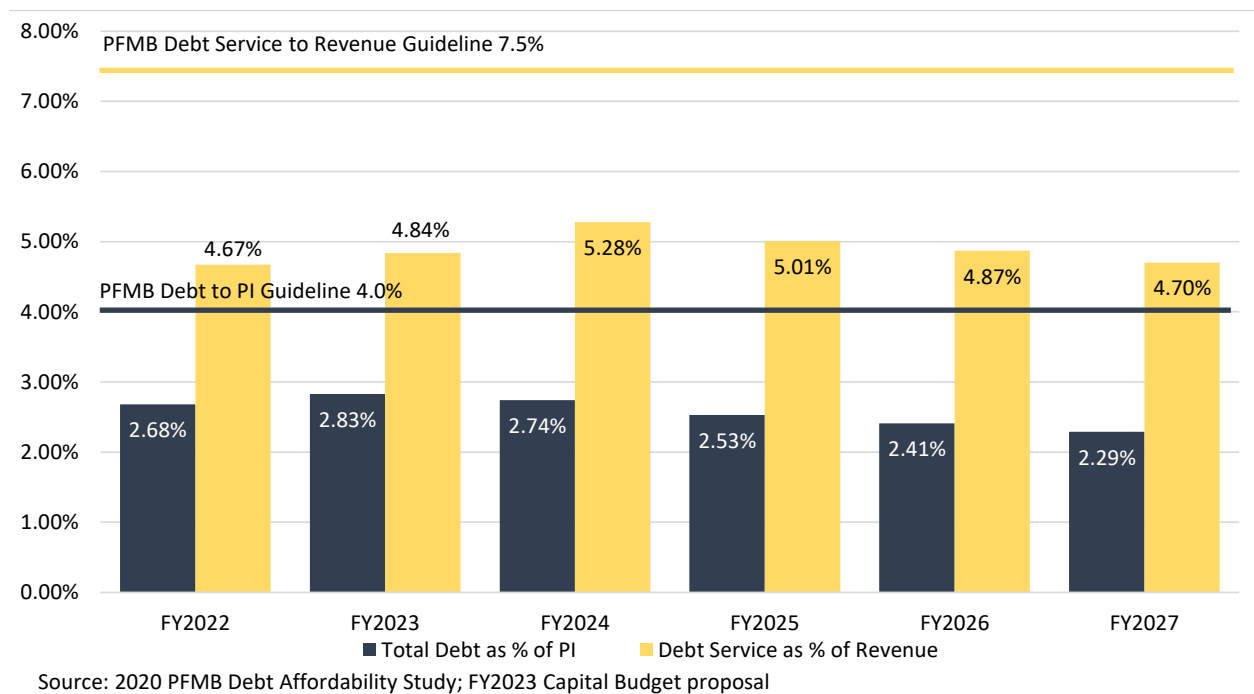


**TAX-SUPPORTED DEBT**

The Public Finance Management Board (PFMB) provides advice and assistance to all state departments, authorities, agencies, boards, commissions, and public and quasi-public corporations having authority to issue revenue or general obligation bonds or notes.

The PFMB issues guidelines to monitor state debt: tax-supported debt should not exceed 4.0 percent of total personal income for Rhode Islanders, and debt service on tax-supported debt should not exceed 7.5 percent of state general revenue. Over the next five years, the State is projected to remain below the PMFB guidelines as it relates to debt as a percent of personal income (PI); additionally, it is anticipated to remain below the PMFB debt service as a percent of general revenue threshold of 7.5 percent.

The following chart shows current and projected debt service metrics from FY2022 through FY2027. It is probable that these figures will change as projects and issuance timelines are adjusted.



**RAINY DAY FUND**

In 1990, the Budget Reserve and Cash Stabilization Account, or Rainy Day Fund, was created to establish a fiscal cushion for the State when actual revenues received are less than State expenditures (deficit). The account is funded by limiting annual State general revenue appropriations to a percentage (currently 97.0 percent) of available revenues. Excess funds are deposited into the Rainy Day Fund. The spending limitation, Rainy Day Fund, and the disposition of excess funds are governed by provisions in the RI Constitution and General Laws.

RIGL 35-3-20 institutes a cap on the balance of the Rainy Day Fund, which gradually increased between FY2007 and FY2013. Since FY2013, the balance of the Fund has been capped at 5.0 percent of general revenues. When the limit is reached, excess funds are transferred to the Rhode Island Capital Plan (RICAP) fund for capital improvement projects.

FY2020 closed with \$90.7 million in the Rainy Day Fund. In FY2020, the State used \$120.0 million from the fund to balance the budget. Rhode Island General Law requires that the repayment be made to the Rhode



Island Capital Plan fund in the following fiscal year. The FY2021 Supplemental Budget included a \$120.0 million repayment to the RICAP fund.

The Governor's proposal projects a rainy day fund balance of \$253.3 million at the end of FY2022, declining to \$244.3 million in FY2023. The decline is due to the reduction in opening surplus revenue which is included in the 5.0 percent balance calculation.

### GENERAL REVENUE SURPLUS STATEMENT

	FY2020 Audited	FY2021 Prelim. Audit	FY2022 Enacted	FY2022 Governor	FY2023 Governor
<b>Opening Surplus</b>					
Free Surplus	\$30,502,912	\$156,188,375	\$281,411,255	\$374,956,654	\$135,509,903
Adjustment to Opening Surplus		\$93,176,701		\$212,685,030	
Reappropriated Surplus	10,296,451	5,336,653		8,446,365	
<b>Subtotal</b>	<b>\$40,799,363</b>	<b>\$254,701,729</b>	<b>\$281,411,255</b>	<b>\$596,088,049</b>	<b>\$135,509,903</b>
<b>Total Revenues</b>					
	<b>\$4,183,713,406</b>	<b>4,431,578,564</b>	<b>\$4,410,736,347</b>	<b>\$4,690,263,000</b>	<b>\$4,750,363,927</b>
To Cash Stabilization Fund	(126,426,490)	(137,238,234)	(140,764,428)	(151,956,590)	(146,576,215)
From Cash Stabilization Fund					
<b>Total Available Resources</b>	<b>\$4,098,086,279</b>	<b>4,549,042,059</b>	<b>\$4,551,383,174</b>	<b>\$5,134,394,459</b>	<b>\$4,739,297,615</b>
<b>Total Expenditures</b>					
	<b>3,936,561,251</b>	<b>4,078,639,040</b>	<b>4,550,811,637</b>	<b>4,998,884,556</b>	<b>4,731,312,148</b>
<b>Total Surplus</b>	<b>161,525,028</b>	<b>470,403,019</b>	<b>571,537</b>	<b>135,509,903</b>	<b>7,985,467</b>
<b>Free Surplus</b>	<b>\$156,188,375</b>	<b>\$374,956,654</b>	<b>\$571,537</b>	<b>\$135,509,903</b>	<b>\$7,985,467</b>
<i>Operating Surplus/(Deficit)</i>		<i>221,037,943</i>	<i>(280,839,718)</i>	<i>(452,131,781)</i>	<i>(127,524,436)</i>
<b>Rainy Day Fund</b>	<b>\$90,710,816</b>	<b>\$228,305,616</b>	<b>\$234,607,380</b>	<b>\$253,260,983</b>	<b>\$244,293,692</b>



## Revenue Changes

The Governor's FY2023 Budget increases general revenue collections by an estimated \$167.2 million above the November 2021 revenue estimate. New revenue initiatives include reauthorizing the State's hospital license fee, reducing the penalty interest for delinquent payment of taxes, reducing the corporate minimum tax, phasing in the exemption of military pensions from the income tax, fee changes within various Department of Environmental Management (DEM programs, and tax and licensing revenue associated with a new adult-use marijuana program.

<b>Governor's Recommended Revenue Initiatives</b>	<b>FY2023</b>
EOHHS Revenue Initiatives	\$170.6
Miscellaneous Revenue Initiatives	(4.2)
DEM Fee Changes	0.6
Adult-Use and Medical Marijuana Programs Revenue Impacts	0.1
DBR Assessment Changes	0.1
<b>Total</b>	<b>\$167.2</b>

*\$ in millions*

### **EOHHS Revenue Initiatives**

**\$170.6 million**

The Budget includes a net \$170.6 million increase related to revenue changes associated with the following EOHHS initiatives:

- **Hospital License Fee:** Article 12 reauthorizes the collection of the hospital license fee in FY2023. The article includes a fee of 3.607 percent of patient revenues for hospitals located in Washington County and 5.725 percent of patient revenues for all other non-psychiatric community hospitals, including the State-run Eleanor Slater Hospital. These rates are consistent with the fee structure used in the FY2022 Budget as Enacted. The Governor's Budget includes \$170.2 million in new revenues that were not included in the November 2021 adopted revenue estimate.
- **Medicaid Revenue Changes:** The Budget increases revenue collections by \$313,600 to reflect the impact of a number Medicaid expenditure changes which affect collections from the 2.0 percent insurance premium tax and 5.5 percent nursing home tax. These initiatives are described in the FY2023 Expenditures section of this report.

<b>Medicaid Revenue Changes</b>	
Nursing Homes Alternative Rate Adjustment	\$171,307
Postpartum Coverage Extension	103,500
Cover All Kids Initiative	31,584
Meals on Wheels	7,209
<b>Total</b>	<b>\$313,600</b>

### **Miscellaneous Revenue Initiatives**

**(\$4.2 million)**

The Budget includes \$4.2 million reduction in revenue related several initiatives primarily associated with the Governor's small business assistance proposals included in Article 8.

**Miscellaneous Revenue Initiatives**

Penalty Interest Rate Reduction	(\$2,485,363)
Reduction of Corp. Min	(812,138)
Military Pension Income Tax Phase-Out	(735,663)
Exemption for Trade-In Value of Motorcycles	(145,087)
New Cottage Food License	12,610
<b>Total</b>	<b>(\$4,165,641)</b>

- **Penalty Interest Rate Reduction:** Article 8 reduces the penalty interest rate for the delinquent payment of non-trust fund taxes from 18.0 percent to 12.0 percent. The change is estimated to reduce general revenue by \$2.5 million in FY2023, based on a July 1, 2022, start date.
- **Minimum Corporate Tax Reduction:** Article 8 reduces the minimum corporate tax by \$25, from \$400 to \$375 annually. This is estimated to reduce general revenues by \$812,138 in FY2023, based on a July 1, 2022, start date.
- **Military Pension Income Tax Phase-Out:** Article 6 phases-out the inclusion of military service pension income for purposes of State personal income taxation. It is estimated to reduce general revenue by \$735,663 in FY2023, based on a July 1, 2022, start date. When fully phased-in, the proposal is estimated to reduce revenues by \$5.8 million annually.
- **Sales Tax Exemption – Motorcycle Trade-in:** Article 8 exempts the trade-in value of a motorcycle from the sales tax when a subsequent motorcycle is purchased. The change is estimated to reduce general revenue by \$145,087 in FY2023, based on a July 1, 2022, start date.
- **Cottage Food Manufacture:** Article 8 establishes a statutory and regulatory framework authorizing and supporting preparation and retail sale of certain baked food goods from a residential or leased commercial kitchen. The framework includes registration requirements with the Department of Health (DOH) along with a new \$65 annual registration fee. The Budget includes \$177,730 to support 2.0 DOH FTE positions to support the new framework. Fees are estimated to generate \$12,610 annually.

**DEM Fee Changes**

**\$574,212**

The Budget includes \$574,212 in additional revenue related to proposed increases to fees related to several Department of Environmental Management (DEM) programs.

**Adult Use and Medical Marijuana Programs Revenue Impacts**

**\$127,926**

The Budget includes \$127,926 in net new revenue attributable to the implementation of an adult-use marijuana market under Article 11, based on an anticipated retail sales start date in May 2023. FY2023 revenues are artificially depressed because the proposal shifts more of what would be collected as general revenues to the restricted accounts for state departments operating the program. This is reflective of higher start-up costs in the first year. Beginning in FY2024, revenues would transfer at the normal proposed statutory rates.

**Adult-Use and Medical Marijuana Programs Revenue Impacts**

Reduced Surplus Revenue Transfer - Medical	(\$700,000)
Cannabis Licensing Fees - Adult-Use	418,881
Reduction of Fees re: Expungement - Adult-Use	(362,048)
Cultivator Excise Tax - Adult-Use	329,858
Retail Excise Tax - Adult-Use	259,550
Sales Tax - Adult-Use	181,685
<b>Total</b>	<b>\$127,926</b>

**DBR Assessment Changes****\$67,000**

The Budget includes \$67,000 in additional revenue from proposed fee increases at the Department of Business Regulation (DBR).

<b>DBR Assessment Changes</b>	
Insurance Examination Assessment	\$42,000
Banking Examination Assessment	25,000
<b>Total</b>	<b>\$67,000</b>

- **Assessment Increases:** When insurance companies and banks undergo statutorily required examinations by the DBR, they are billed at rate of 150.0 percent of the salary and benefits and 100.0 percent of the travel expenses of the examining personnel. The Budget includes increased personnel spending in FY2023 to upgrade and retain 4.0 existing Examiner FTE positions. Assessment revenue is increased by \$42,000 from insurance exams and \$25,000 from bank exams, reflecting the increased personnel expenses.

**FY2022 SUPPLEMENTAL CHANGES**

The Budget includes a \$6.0 million increase in revenues above the November 2021 revenue estimate. The primary initiatives impacting the FY2022 revenue totals include bond proceeds and increased assessments on insurance and bank exams.

<b>Governor's Recommended Supplemental Revenue Changes</b>	<b>FY2023</b>
Bond Refunding Shift	\$5.9
DBR Assessments	0.1
<b>Total</b>	<b>\$6.0</b>

*\$ in millions*

**Proceeds from Series 2022-1 GO Refunding Bonds****\$5.9 million**

The Budget includes an additional \$5.9 million in revenue from the proceeds from the Series 2022-1 general obligation bond forward refunding. The State and Morgan Stanley, the State's underwriter entered into an agreement that granted Morgan Stanley the right to refund a series of 2012 bonds in July of 2022 in exchange for a \$6.1 million upfront payment in FY2021. The payment is offset by \$197,042 in transaction costs for a net revenue increase of \$5.9 million. These proceeds were projected to be received in FY2021 and have been moved to the current year.

**DBR Assessment Changes****\$63,000**

The Budget includes \$63,000 in additional revenue from proposed fee increases at the Department of Business Regulation (DBR).

<b>DBR Assessment Changes</b>	
Insurance Examination Assessment	\$40,000
Banking Examination Assessment	23,000
<b>Total</b>	<b>\$63,000</b>

- **Assessment Increases:** When insurance companies and banks undergo statutorily required examinations by the DBR, they are billed at rate of 150.0 percent of the salary and benefits and 100.0 percent of the travel expenses of the examining personnel. The Budget includes increased personnel spending in FY2022 to upgrade and retain 4.0 existing Examiner FTE positions. Assessment revenue is increased by \$40,000 from insurance exams and \$23,000 from bank exams, reflecting the increased personnel expenses.



## Expenditure Changes by Agency

### Statewide COLA

The Governor and the Department of Administration announced a tentative agreement between the State and the state employee bargaining units for a proposed 4-year contract that provides a cost-of-living adjustment (COLA) of 2.5 percent retroactive to June 2020, 2.5 percent retroactive to June 2021, 2.5 percent in July 2022, and 2.5 percent in July 2023. The current agreement is projected to increase general revenue expenditures by \$199.8 million (\$323.9 million all funds) over the contract period. This includes a \$1,500 bonus payment to most union employees that is appropriated within each agency in FY2023 and in the FY2022 Revised Budget.

State Employees - COLA Adjustment	Fiscal Year	General				General		
		Impact	Revenue	All funds	GR Bonus	AF Bonus	Revenue	All funds
Year 1 Retroactive Pay Raise 2.5%	FY2022		\$18.7	\$27.5	\$0.0	\$0.0	\$18.7	\$27.5
Year 2 Pay Raise 2.5%	FY2022		15.2	30.6	4.5	8.9	\$38.4	\$67.0
Year 3 Pay Raise 2.5%	FY2023		14.8	25.8	4.6	9.0	\$53.3	\$92.9
Year 4 Pay Raise 2.5%	FY2024		16.4	28.3	-	-	\$65.1	\$112.2
<b>Total</b>							<b>\$175.5</b>	<b>\$299.6</b>

State Colleges - COLA Adjustment	Fiscal Year	General				General		
		Impact	Revenue	All funds	GR Bonus	AF Bonus	Revenue	All funds
Year 1 Retroactive Pay Raise 2.5%	FY2022		\$2.0	\$2.0	\$0.0	\$0.0	\$2.0	\$2.0
Year 2 Pay Raise 2.5%	FY2022		2.2	2.2	1.7	1.7	\$5.9	\$5.9
Year 3 Pay Raise 2.5%	FY2023		2.1	2.1	1.7	1.7	\$8.0	\$8.0
Year 4 Pay Raise 2.5%	FY2024		2.1	2.1	-	-	\$8.4	\$8.4
<b>Total</b>							<b>\$24.3</b>	<b>\$24.3</b>

\$ in millions

**Administration:** The Budget includes \$224.6 million in general revenue expenditures (\$675.0 million all funds) for the Department in FY2023, increasing general revenue expenditures by \$28.6 million (\$79.8 million all funds).

- **Statewide COLA Adjustment:** The Governor and the Department of Administration announced a tentative agreement between the State and the state employee bargaining units for a proposed 4-year contract that provides cost-of-living adjustments. The current agreement is projected to increase general revenue expenditures by \$1.7 million including the \$1,500 bonus payment to most union employees within the Department of Administration.
- **FEMA Contingency Reserve:** The Budget includes \$15.0 million in general revenue for a contingency reserve in the event that the federal FEMA reimbursements differ from the State estimation and assumptions. The intent of the reserve fund is to absorb potential discrepancies between state claims and what FEMA ultimately reimburses.
- **Statewide Workforce Classification Study:** The Budget includes \$2.0 million in general revenue to fund a workforce, efficiency, classification, and compensation study to ensure that the State can attract and retain skilled personnel.
- **Energy Resources:** The Budget allocates \$6.0 million in restricted receipts from the Energy Efficiency Fund to the Executive Climate Change Council Projects including energy efficiency, renewables, clean transportation, clean heating, energy storage, and other climate change projects.
- **Transition Costs:** The Budget adds \$350,000 in general revenue for transitions costs associated with the 2022 General Election.

- **RICAP Projects:** The Budget adds \$11.1 million for infrastructure improvements at the Pastore Campus, \$4.7 million for renovations to structures at the Zambarano Campus, and \$1.2 million for the proposed new Long-Term Acute Care Hospital on the Zambarano Campus.
- **New FTE positions:** The Budget adds 10.0 FTE positions to the department, including 7.0 FTE positions to the Pandemic Recovery Office to support the administration of the federal stimulus funds from the American Rescue Plan Act of 2021 and from the State Fiscal Recovery Funds (SFRF). The Budget also adds 3.0 FTE positions within the Office of Energy Resources to support the Executive Climate Change Coordinating Council. All 10.0 FTE positions will be funded by restricted receipts.
- **SFRF and ARPA Funds:** The Budget includes \$250.4 million in federal SFRF and ARPA funds for pandemic and recovery items and activities. This includes \$17.7 million to the Rhode Island Convention Center for renovations to the facility.

<b>SFRF and ARPA Response</b>	<b>FY2022 Enacted</b>	<b>FY2023 Governor</b>	<b>Change</b>
ARP CPF: Administration	\$0	\$2,807,250	\$2,807,250
ARP CPF: Municipal and Higher Ed Matching Grant Program	-	23,360,095	23,360,095
ARP CPF: RIC Student Services Center	-	5,000,000	5,000,000
ARP DIRECT: Institute of Museum and Library Services - States	2,230,333	-	(2,230,333)
ARP ERA: Emergency Rental Assistance	114,000,000	38,000,000	(76,000,000)
ARP HAF: Homeowner Assistance Fund	25,000,000	25,000,000	-
ARP SFRF: Aid to the Convention Center	-	17,700,000	17,700,000
ARP SFRF: Auto-Enrollment Program HSRI	-	339,079	339,079
ARP SFRF: COVID-19 Ongoing Response	-	75,000,000	75,000,000
ARP SFRF: Eligibility Extension Compliance (HSRI)	-	125,618	125,618
ARP SFRF: ERP Implementation Support	-	2,200,000	2,200,000
ARP SFRF: Nonprofit Assistance / Food Insecurity	-	10,000,000	10,000,000
ARP SFRF: OER Electric Heat Pumps	-	4,900,500	4,900,500
CAA21: Emergency Rental Assistance	120,000,000	45,998,500	(74,001,500)
FEMA: Government Readiness WKS: COVID Administrative Assistance	226,372	-	(226,372)
FEMA: Government Readiness WKS: Emergency Ad Hoc Spending	738,410	-	(738,410)
FEMA: HHS Readiness WKS: Surge - AHS-1	2,100,703	-	(2,100,703)
FEMA: Supplies WKS: PPE Warehousing	1,805,127	-	(1,805,127)
Relief Fund: Government Readiness WKS: Emergency Ad Hoc Spending	1,524,775	-	(1,524,775)
<b>Total</b>	<b>\$267,625,720</b>	<b>\$250,431,042</b>	<b>(\$17,194,678)</b>

- **COVID-19 Ongoing Response:** The Budget includes \$75.0 million in SFRF to continue COVID-19 mitigation activities and to address public health impacts. These funds will be administered by the Director of the Department in consultation with the Director of Health and the Secretary of Health and Human Services.
- **Emergency Rental Assistance:** The Budget includes \$84.0 million from the Consolidated Appropriations Act of 2021 (CAA21) to continue supporting the State's COVID-19 emergency rental assistance program administered in partnership with RI Housing.
- **Homeowner Assistance Fund:** The Budget includes \$25.0 million from ARPA to assist homeowners who are experiencing financial hardship. The funds are used to prevent mortgage delinquencies, foreclosures, and loss of utilities.
- **Municipal and Higher Education Matching Grant Program:** The Budget includes \$23.4 million from the ARPA Capital Projects Fund to provide a matching grants program to municipalities to renovate or construct a community wellness center that meets the requirements identified by the United State Department of Treasury. The Budget proposes additional out-year funding of \$23.4 million in FY2024.
- **Aid to the Convention Center:** The Budget includes \$17.7 million in SFRF to support the operations and to finance renovations to the facility that was used during the COVID-19 emergency. The Budget proposes additional out-year funding of \$21.0 million from FY2024 to FY2026.



- **Nonprofit Assistance:** The Budget includes \$10.0 million in SFRF to support nonprofit organizations addressing the needs for housing, food security, and behavioral health issues made worse by the pandemic.
- **RIC Student Services Center:** The Budget includes \$5.0 million from the ARPA Capital Projects Fund to support the development of a centralized center at Rhode Island College where RIC students can perform essential tasks. The Budget proposes additional out-year funding of \$30.0 million from FY2024 to FY2025.
- **OER Electric Heat Pump Program:** The Budget includes \$4.9 million in SFRF to support a grant program within the Office of Energy Resources to assist homeowners and small business owners to purchase and install high-efficiency electric heat pumps. The Budget proposes additional out-year funding of \$29.3 million from FY2024 to FY2026.
- **CPF Administration:** The Budget includes \$2.8 million from the ARPA Capital Projects Fund to administer the federal Capital Projects Fund. The Budget proposes additional out-year funding of \$2.8 million in FY2024.
- **ERP Implementation Support:** The Budget includes \$2.2 million in SFRF for operating, software, and personnel expenses to support the implementation of the Enterprise Resources Planning System.
- **Auto Enrollment Program:** The Budget includes \$339,079 in SFRF to support a program that automatically enrolls qualified individuals transitioning off Medicaid coverage at the end of the pandemic public health emergency into qualified health plans to avoid lapses in coverage.
- **Eligibility Extension Compliance:** The Budget includes \$125,618 in SFRF to maintain RIBridges eligibility functions within HealthResource RI during the continuing pandemic health emergency.

**Department of Business Regulation:** The Budget includes \$22.9 million from general revenues (\$38.5 million all funds) for the Department of Business Regulation in FY2023. This represents a general revenue increase of \$3.7 million when compared to the FY2022 Budget as Enacted, and is attributable to the following changes:

- **E-Permitting:** The Budget adds \$1.2 million in general revenue to expand the State's e-permitting system to standardize the submission and approval process for building permits and plans.
- **Statewide Adjustments:** The Budget adds \$1.1 million in general revenue to reflect the most recent State employee contract negotiations. The negotiations included a 2.5 percent cost of living adjustment for each year of the four-year contract in addition to a \$1,500 bonus for certain eligible union employees.
- **Bomb Squad Equipment:** The Budget adds \$920,700 in general revenue for safety equipment for the State's Bomb Squad which is required to maintain FBI accreditation.
- **Adult-Use Marijuana:** The Budget increases restricted receipts by \$3.6 million for the licensing and regulation of the proposed adult-use marijuana market, including \$2.1 million in operating costs and \$1.5 million for personnel. The Office of Cannabis Regulation would license cultivators, manufacturers, retail entities, employees, and other ancillaries to operate the market.
- **State Fiscal Recovery Funds:** The Budget adds \$2.0 million in State Fiscal Recovery Funds within DBR for the following initiatives:
  - **Blockchain Digital:** \$1.5 million to support the development of blockchain technology to improve information technology security and streamline professional licensing credentialing for the State.
  - **Health Spending Accountability and Transparency:** \$500,000 for the Health Spending Accountability and Transparency Program. The goal of the project is to increase access to

affordable, high-quality health insurance coverage. The project's Steering Committee, with members representing hospitals, insurers, physician groups, advocates, and researchers set a voluntary target of 3.2 percent in total healthcare cost growth.

**Labor and Training:** The Governor's Budget increases general revenue expenditures by \$990,550 (all funds decrease by \$410.8 million) relative to the FY2022 Enacted level. The major changes include the following:

- **Unemployment Insurance:** The Budget decreases federal funds by \$319.7 million related to Unemployment Insurance. The FY2022 Budget as Enacted included \$381.4 million in federal CARES Act, FEMA Lost Wages, and COVID-19 Pandemic Unemployment Assistance funding. The additional funding was used to address the increase in unemployment insurance claims the Department was receiving as a result of the COVID-19 pandemic. The FY2023 Budget includes \$87.7 million in federal funds to continue to support Unemployment Insurance, including \$30.0 million in federal State Fiscal Recovery Funds (SFRF).
- **Real Jobs Rhode Island:** The Governor includes an additional \$10.0 million in federal State Fiscal Recovery Funds (SFRF) to continue growing the Real Jobs Rhode Island (RJRI) program.

**Department of Revenue:** The Budget provides \$300.4 million in general revenue for the Department of Revenue (DOR) in FY2023, a net \$32.5 million increase above the FY2022 enacted level. Major budget initiatives include:

#### **State Aid**

- **Motor Vehicle Excise Tax Reimbursement:** The General Assembly enacted legislation in 2017 to phase out the motor vehicle excise tax by 2024. Municipalities are reimbursed annually for lost revenue. For FY2023, the Budget includes \$166.6 million in total general revenue reimbursement funding for cities and towns, consistent with the current law. This is \$26.9 million above the FY2022 enacted level.
- **Distressed Communities Relief Fund:** The Governor recommends level funding the Distressed Community Relief Fund in FY2023 at \$12.4 million in general revenue.
- **Payment in Lieu of Taxes (PILOT):** The Governor also level funds the State PILOT program in FY2023 at \$46.1 million in general revenue. Current law requires reimbursement at 27.0 percent of forgone tax revenue, but allows for a ratable reduction if the appropriation is less than this amount. The Governor's recommendation for FY2023 represents a rate of 25.7 percent.

#### **Taxation**

- **Taxpayer Steward:** Article 8 establishes a new dedicated position within Taxation to assist taxpayers, coordinate the resolution of complaints and problems, and provide recommendations for changes that improve taxpayer education, reduce errors, and improve compliance. The Budget includes \$104,323 in general revenue personnel expenditures and 1.0 new FTE position to support this function in FY2023.
- **Adult-Use Marijuana Program:** Article 11 establishes a comprehensive new State Adult-Use Marijuana program that include various new tax provisions. The Budget provides \$424,552 in new restricted receipt funds to support the personnel costs of 4.0 new FTE positions that will oversee compliance.

**SFRF-Taxation Modernization:** The Budget provides \$750,000 in federal State Fiscal Recovery Funds within Taxation to support upgrades to the State Tax Administration and Revenue (STAARS) information technology system. Total planned SFRF funding for this project is \$2.3 million Between FY2023 and FY2024.

**Secretary of State:** The Budget adds \$1.1 million in general revenue to support operating costs associated with the 2022 General Election.

**General Treasurer:** The Budget adds 1.0 Retirement Aide within the state retirement administration and \$78,365 in restricted receipts to support the new position.

**Board of Elections:** The Budget adds \$755,093 in general revenue reflecting personnel, purchased services, and operating expenditures for voter operating supplies and expenses required in the upcoming general election and \$2.7 million for the Campaign Matching Public Funds program.

**Executive Office of Commerce:** The Governor recommends \$241.9 million from all fund sources to support the economic development and housing programming within the Executive Office of Commerce (EOC) and the Rhode Island Commerce Corporation (Commerce RI), representing a net increase of \$79.2 million over the FY2022 enacted level. This includes \$38.1 million in general revenue and \$222.2 million in federal funding (\$142.6 million more than enacted level). Major initiatives include:

#### ***Incentives***

- **Rebuild RI:** The Governor includes \$13.5 million in general revenue to assist economic development projects through the Rebuild RI program. Rebuild RI uses both tax credit and sales tax exemption incentives to promote investment in real estate development for commercial and/or residential use across the State. Under current law, the total amount of tax credits and sales tax exemptions that may be issued is \$210.0 million. The Governor recommends raising the cap to \$225.0 million and extending the program's authorization by 12 months, through December 31, 2023.
- **Wavemaker:** The Budget provides \$2.4 million to help retain talented graduates through the Wavemaker Fellowship program. This includes \$1.6 million to fund an additional cohort of 200 STEM/Design fellows. It also includes \$800,000 to support a new cohort of 100 healthcare practitioner fellows. Article 9 expands the program to include healthcare practitioners and creates two discreet funds within the program, one designated to support healthcare practitioner fellows and the other for the traditional STEM/design fellows. The article amends the program's statutory framework to reflect the new dual category structure.
- **Air Service Development Fund:** The Budget includes \$2.3 million in general revenues for the Air Service Development Fund in FY2023. The Fund supports agreements with airlines and cargo carriers and provides incentives encouraging expanded air service to Rhode Island T.F. Green International Airport.
- **Small Business Development Fund:** Article 9 of the Budget modifies the Small Business Development Fund (SBDF) program, a financing mechanism designed to incentivize investment in small businesses. The article expands the type of eligible entities that may apply to the program to include community-based and/or local lenders, establishes a selection process for reviewing and approving applications, expands the types of taxes the tax credits can apply towards, and permits the credits to be sold or transferred.
- **Reauthorization of Incentives:** Article 9 also extends the sunset provisions on economic development incentive programs from December 31, 2022, to December 31, 2023.

#### ***Personnel and Operating***

- **EOC:** The Budget increases the number of authorized full-time equivalent positions within the Executive Office of Commerce, from 16.0 FTEs to 21.0 FTEs, and includes \$709,476 in general revenue within the Office of Housing and Community Development program to support the related personnel costs. The Governor recommends these 5.0 new FTE positions to augment the agency's capacity to support the expanded affordable housing programming made possible through American Rescue Plan Act funds.
- **RI Commerce Corporation:** The Budget provides an additional \$288,213 in general revenue within the Rhode Island Commerce Corporation's base allocation to fund additional personnel and operating costs

including increased health insurance, COLA increases, and renewal costs for the lease at 555 Valley Street in Providence.

- **I-195 Park Maintenance Operations:** The Budget includes an additional \$200,000 in pass-through funding to the I-195 Commission to support ongoing maintenance of the Providence Innovation District Park.

#### **American Rescue Plan Act (ARPA) State Fiscal Relief Funds (SFRF)/Capital Projects Funds (CPF)**

The Budget includes \$185.4 million in federal American Rescue Plan Act spending within the Executive Office of Commerce for FY2023. This includes \$170.0 million in State Fiscal Relief Funds and \$15.4 million in Capital Projects Funds. The Governor recommends these funds be programmed across several categories including affordable housing, economic development initiatives, small business assistance, infrastructure, and broadband expansion. The Governor also recommends a plan to spend a total of \$579.0 million of SFRF and CPF between FY2022 and FY2027.

ARPA State Fiscal Relief Funds and Capital Project Funds							
Category	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Affordable Housing	\$29.0	\$82.0	\$83.0	\$53.5	\$2.5	-	\$250.0
Economic Development	-	20.0	55.0	29.0	1.0	-	105.0
Small Business Assistance	45.0	50.0	6.0	2.5	-	-	103.5
Infrastructure / Climate	-	18.0	42.4	27.0	7.6	-	95.0
Broadband	0.5	15.4	5.2	4.4	-	-	25.5
<b>Total</b>	<b>\$74.5</b>	<b>\$185.4</b>	<b>\$191.5</b>	<b>\$116.4</b>	<b>\$11.1</b>	<b>-</b>	<b>\$579.0</b>

*\$ in millions*

- **Affordable Housing (SFRF):** The Governor recommends \$82.0 million in SFRF funds in FY2023 for affordable housing/homelessness initiatives and a total of \$250.0 million over the six-year period from FY2022 to FY2027. The recommendation includes programming as summarized below.

Initiative	SFRF - Affordable Housing						Total
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	
Development of Affordable Housing	\$15.0	\$20.0	\$30.0	\$25.0	-	-	\$90.0
Down Payment Assistance in Hard Hit Neighborhoods	-	15.0	20.0	15.0	-	-	50.0
Site Acquisition	12.0	3.0	5.0	5.0	-	-	25.0
Community Revitalization	-	15.0	10.0	-	-	-	25.0
Housing Stability	1.5	7.0	7.0	6.0	-	-	21.5
Workforce Housing	-	12.0	8.0	-	-	-	20.0
Affordable Housing Predevelopment Program	-	2.5	2.5	2.5	2.5	-	10.0
Homelessness Infrastructure	-	5.0	-	-	-	-	5.0
Statewide Housing Plan	-	2.0	-	-	-	-	2.0
OHCD Predevelopment and Capacity Building	0.5	0.5	0.5	-	-	-	1.5
<b>Total</b>	<b>\$29.0</b>	<b>\$82.0</b>	<b>\$83.0</b>	<b>\$53.5</b>	<b>\$2.5</b>	<b>\$0.0</b>	<b>\$250.0</b>

*\$ in millions*

- **Development of Affordable Housing:** The Governor recommends \$20.0 million in SFRF funds in FY2023, and \$90.0 million over the six-year period from FY2022 to FY2027, for additional investments in the development of affordable housing units. The funding will be administered by RIHousing
- **Down Payment Assistance in Hard Hit Neighborhoods:** The Governor recommends \$15.0 million in SFRF funds in FY2023, and \$50.0 million over the six-year period from FY2022 to FY2027, to fund a program that provides up to \$17,500 in down payment assistance to eligible first-time homebuyers to promote homeownership.
- **Site Acquisition:** The Governor recommends \$3.0 million in SFRF funds in FY2023, and \$25.0 million over the six-year period from FY2022 to FY2027, to be used to acquire properties for redevelopment as affordable and supportive housing. Funds are to be administered by RIHousing.

- **Community Revitalization:** The Governor recommends \$15.0 million in SFRF funds in FY2023, and \$25.0 million over the six-year period from FY2022 to FY2027, to support and expand an RI Housing program that finances the acquisition and redevelopment of blighted properties and also supports critical home repairs within the certain communities.
- **Housing Stability:** The Governor recommends \$7.0 million in SFRF funds in FY2023, and \$21.50 million over the six-year period from FY2022 to FY2027, to support a housing navigation, behavioral health, and stabilization services that address homelessness. The funding will support extremely low-income housing units and services for people transitioning from homelessness to housing, including folks transitioning out of prison.
- **Workforce Housing:** The Governor recommends \$15.0 million in SFRF funds in FY2023, and \$20.0 million over the six-year period from FY2022 to FY2027, to support the increase the housing supply affordable to families earning up to 120 percent of area median income.
- **Affordable Housing Predevelopment Program:** The Governor recommends \$2.5 million in SFRF funds in FY2023, and \$10.0 million over the six-year period from FY2022 to FY2027, to support the predevelopment activity necessary to build a pipeline of affordability housing projects and improve the capacity of affordable housing developers to expand production.
- **Homelessness Infrastructure:** The Governor recommends \$5.0 million in SFRF funds in FY2023, and \$5.0 million over the six-year period from FY2022 to FY2027, to support programming that addresses homelessness, including the acquisition/construction of temporary or permanent shelter-based and/or housing-based solutions, wrap-around services and implementation costs.
- **Statewide Housing Plan:** The Governor recommends \$2.0 million in SFRF funds in FY2023, and \$2.0 million over the six-year period from FY2022 to FY2027 for the development of a statewide comprehensive housing plan. The plan is to assess current and future housing needs, consider barriers to home ownership and affordability, and identify the services needed for increased investment toward disproportionately impacted individuals and communities. Funds will also be used to support municipal planning efforts to identify and cultivate viable sites and housing projects.
- **OHCD Predevelopment and Capacity Building:** The Governor recommends \$500,000 in SFRF funds in FY2023, and \$500,000 over the six-year period from FY2022 to FY2027, to support staffing capacity to administer proposed affordable housing projects. Funding will support research and data analysis, stakeholder engagement, and the expansion of services for people experiencing homelessness.
- **Economic Development (SFRF):** The Governor recommends \$20.0 million in SFRF funds in FY2023 for economic development initiatives and a total of \$105.0 million over the six-year period from FY2022 to FY2027. The recommendation includes programming as summarized below.

Initiative	SFRF - Economic Development						Total
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	
Blue Economy Investments	-	\$10.0	\$40.0	\$20.0	-	-	\$70.0
Bioscience Investments	-	5.0	15.0	9.0	1.0	-	30.0
Main Streets Revitalization	-	5.0	-	-	-	-	5.0
<b>Total</b>	-	<b>\$20.0</b>	<b>\$55.0</b>	<b>\$29.0</b>	<b>\$1.0</b>	-	<b>\$105.0</b>

*\$ in millions*

- **Blue Economy Investments Program:** The Governor recommends \$10.0 million in SFRF funds in FY2023, and \$70.0 million over the six-year period from FY2022 to FY2027, to support a program to invest in the State’s “blue economy” industries. These include such areas of focus as ports and shipping, defense, marine trades, ocean-related technology, ocean-based renewables, aquaculture and fisheries, and tourism and recreation.

- Bioscience Investments Program:** The Governor recommends \$5.0 million in SFRF funds in FY2023, and \$30.0 million over the six-year period from FY2022 to FY2027, to support investment in the State’s life science industries. These include, but such areas of focus as the build-out of shared wet lab space for startup and early-stage businesses, a competitive life sciences site acquisition and facility investments program, and supports for small businesses seeking to connect within the sector.
- Main Streets Revitalization Program:** The Governor recommends \$5.0 million in SFRF funds in FY2023, and \$5.0 million over the six-year period from FY2022 to FY2027, to support investments in main street improvements such as signage, lighting, façade and sidewalk improvements in municipal commercial districts. It is recommended that funding also support technical assistance to municipalities and non-profit partners in developing and executing main street improvement projects.
- Small Business Assistance (SFRF):** The Governor recommends \$50.0 million in SFRF funds in FY2023 for small business assistance and a total of \$103.0 million over the six-year period from FY2022 to FY2027. The recommendation includes programming as summarized below.

Initiative	SFRF Small Business Assistance						Total
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	
Small Business Financial and Technical Assistance	\$32.0	\$13.0	-	-	-	-	\$45.0
Aid to Tourism, Hospitality, and Events Industries	13.0	15.5	-	-	-	-	28.5
SBA Loan Interest Subsidy	-	20.0	-	-	-	-	20.0
Minority Business Accelerator	-	1.5	6.0	2.5	-	-	10.0
<b>Total</b>	<b>\$45.0</b>	<b>\$50.0</b>	<b>\$6.0</b>	<b>\$2.5</b>	<b>-</b>	<b>-</b>	<b>\$103.5</b>

*\$ in millions*

- Small Business Financial and Technical Assistance Program:** The Governor recommends \$13.0 million in SFRF funds in FY2023, and \$28.5 million over the six-year period from FY2022 to FY2027, to support investments in financial and technical assistance to small businesses. The program includes direct payments to businesses negatively impacted by the pandemic, technical assistance for long-term business capacity building, capital improvements for public health upgrades and outdoor programming, and administration expenses.
- Aid to Tourism, Hospitality, and Events Industries:** The Governor recommends \$15.5 million in SFRF funds in FY2023, and \$28.5 million over the six-year period from FY2022 to FY2027, to support tourism, hospitality, events and other industries disproportionately impacted by the pandemic. The program includes direct payments to businesses negatively impacted by the pandemic, outdoor and public space capital improvements and event programming, tourism marketing in coordination with state tourism regions and the Airport Corporation, and implementation costs.
- SBA Loan Interest Subsidy:** The Governor recommends \$20.0 million in SFRF funds in FY2023, and \$20.0 million over the six-year period from FY2022 to FY2027, for assistance to small businesses with COVID-related impacts as well as such expenses as real estate costs, short- and long-term working capital, refinancing debt, and the purchase of furniture, fixtures, and supplies. This program will also seek to leverage other private and public resources, such as the SBA 7(a) loan 8 program, to maximize its reach and effectiveness
- Minority Business Accelerator Program:** The Governor recommends \$1.5 million in SFRF funds in FY2023, and \$10.0 million over the six-year period from FY2022 to FY2027, to support investment in additional resources that enhance growth of minority-owned businesses. The funding is to support a range of programming, such as financial and technical assistance, entrepreneurship training, space for programming and co-working, and assistance accessing low-interest loans.

- **Infrastructure/Climate (SFRF):** The Governor recommends \$18.0 million in SFRF funds in FY2023 for infrastructure and climate related initiatives and a total of \$95.0 million over the six-year period from FY2022 to FY2027. The recommendation includes programming as summarized below.

Initiative	SFRF - Infrastructure / Climate						Total
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	
Port of Davisville	-	\$6.0	\$19.4	\$27.0	\$7.6	-	\$60.0
South Quay Marine Terminal	-	12.0	23.0	-	-	-	35.0
<b>Total</b>	-	<b>\$18.0</b>	<b>\$42.4</b>	<b>\$27.0</b>	<b>\$7.6</b>	-	<b>\$95.0</b>

*\$ in millions*

- **Port of Davisville Improvements:** The Governor recommends \$6.0 million in SFRF funds in FY2023, and \$60.0 million over the six-year period from FY2022 to FY2027, to expand the development of port infrastructure and services at the Port of Davisville in Quonset.
- **South Quay Marine Terminal Program:** The Governor recommends \$12.0 million in SFRF funds in FY2023, and \$35.0 million over the six-year period from FY2022 to FY2027, to support development of an intermodal hub for shipping designed to support the offshore wind industry in East Providence. It will include elements such as design activities and the development of the waterfront portion of the terminal into a marine-industrial facility.
- **Broadband (SFRF and CPF):** The Governor recommends \$15.4 million in SFRF funds in FY2023 for broadband infrastructure and a total of \$25.5 million in combined SFRF and CPF over the six-year period from FY2022 to FY2027. The recommendation includes programming as summarized below.

Initiative	SFRF/CPF - Broadband						Total
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	
Broadband (CPF)	-	\$15.4	\$5.2	\$4.4	-	-	\$25.0
Statewide Broadband Planning and Mapping (SFRF)	0.5	-	-	-	-	-	0.5
<b>Total</b>	<b>\$0.5</b>	<b>\$15.4</b>	<b>\$5.2</b>	<b>\$4.4</b>	-	-	<b>\$25.5</b>

*\$ in millions*

- **Broadband (CPF):** The Governor recommends \$15.4 million in Capital Projects Funds in FY2023, and \$25.0 million over the six-year period from FY2022 to FY2027, to support investments in projects that provide high-speed, reliable internet to all Rhode Islanders.
- **Statewide Broadband Planning and Mapping Program (SFRF):** The Governor recommends \$500,000 in SFRF funds in FY2022 to develop a statewide broadband strategic plan, support related staffing, and conduct mapping of future state broadband investment.

**Executive Office of Health and Human Services:** The Budget includes \$1,163.2 million from general revenues (\$3,285.3 million all funds) for the Executive Office of Health and Human Services in FY2023. This represents a general revenue increase of \$63.0 million when compared to the FY2022 Budget as Enacted, and is attributable to the following changes:

#### **Central Management**

- **MMIS Maintenance and Operations Contract:** The Budget adds \$1.4 million in general revenues (\$2.3 million all funds) for contracted services for maintenance and operations of the State's Medicaid Management Information System (MMIS). The MMIS processes claims for Medicaid services and tracks Medicaid expenditures on a monthly basis.
- **Statewide Adjustments:** The Budget adds \$1.0 million in general revenue to reflect the most recent State employee contract negotiations. The negotiations included a 2.5 percent cost of living adjustment for each year of the four-year contract in addition to a \$1,500 bonus for certain eligible union employees.
- **Modern Modular MMIS System:** The Budget adds \$576,303 in general revenue (\$5.2 million all funds) for the assessment of the current MMIS, and the planning and implementation of a modern modular

system as required by CMS. The initiative includes the personnel costs of 1.0 FTE tasked with managing the implementation of the new system. The project would be 90.0 percent funded by federal Medicaid dollars.

- **1115 Waiver Renewal:** The Budget adds \$250,000 in general revenue (\$500,000 all funds) for consultants to support the completion of the State’s 1115 Waiver renewal, which the Secretary of EOHHS to approve experimental, pilot, or demonstration projects that seek to promote the objectives of the Medicaid program. The Centers for Medicare and Medicaid Services (CMS) require the State to renew the federal waiver every five years.
- **Shift Contractors to FTE Positions:** The Budget reduces general revenues by \$68,270 (\$141,613 all funds) to reflect a shift of contracted staff to 8.0 FTE positions to reduce the State’s reliance on temporary staff and contract agreements.
- **Opioid Stewardship Fund:** The Budget adds \$2.3 million in restricted receipts from the Opioid Stewardship Fund. The FY2020 Budget established the Opioid Stewardship Fund, funded by registration fees paid by licensed manufacturers, distributors, and wholesalers of opioids to support opioid addiction treatment, recovery, prevention, education services, and other related programs. Article 3 transfers the Opioid Stewardship Fund from the Department of Health to the Executive Office of Health and Human Services (EOHHS). EOHHS would be responsible for the administration of the Fund and the Budget transfers 1.0 FTE and associated funding from DOH to EOHHS to reflect the change.
- **Adult-Use Marijuana:** The Budget adds \$1.4 million in restricted receipts to meet the community health needs as a result of the proposed adult-use marijuana market. Of this, \$333,333 is allocated to support a data system assessing the public health impacts of legalization.
- **State Fiscal Recovery Funds:** The Budget adds \$43.0 million in State Fiscal Recovery Funds within EOHHS for the following initiatives:
  - **Certified Community Behavioral Health Clinics:** \$28.1 million for Certified Community Behavioral Health Clinics (CCBHCs). CCBHCs provide behavioral health supports, medical screening and monitoring, and social services to vulnerable populations in response to a rise in mental health needs during the pandemic.
  - **Pediatric Health Care Recovery:** \$7.5 million for a relief program for pediatric providers due to a decline in visitation and enrollment caused by the pandemic. The incentive program will promote developmental and psychological behavioral screenings.
  - **Early Intervention:** \$5.5 million for the Early Intervention program to provide relief to providers with incentive bonuses for meeting referral targets and reducing staff turnover. Providers are facing workforce shortages and financial solvency concerns, resulting in a waitlist for services.
  - **9-8-8 Hotline:** \$1.9 million to create the 9-8-8 Hotline to provide access to crisis behavioral health services.
  - **RIBridges:** \$56,722 for the maintenance of RIBridges eligibility functionalities during the extension of the federal public health emergency.

#### **Medical Assistance**

- **Caseload Estimating Conference:** The Budget recommends an additional \$116.1 million in general revenue (\$66.5 million all funds) to reflect changes adopted by the November 2021 Caseload Estimating Conference. This is primarily related to the assumed restoration of the standard federal match rate, which was enhanced by 6.2 percentage points during FY2022 due to the COVID-19 pandemic. All Medicaid initiatives are applied against this estimate, rather than the Enacted Budget.



- **Perry Sullivan:** The Budget reduces general revenues by \$17.7 million (\$38.6 million all funds) to reflect changes proposed in Article 12 that allow for investments that are equal or greater already being made from the enhanced HCBS to be made in lieu of the Perry Sullivan provision. Rhode Island General Laws require the State to include an additional appropriation for Medicaid HCBS equivalent to the reduction in nursing home days, if any, over the prior two completed fiscal years, multiplied by the average per diem assumed in the subsequent fiscal year. The statutory purpose is to ensure that savings, resulting from a reduction in nursing home utilization, are allocated for the express purpose of promoting and strengthening community-based alternatives.
- **Postpartum Expansion:** The Budget adds \$4.3 million in general revenue (\$6.6 million all funds) to expand Medicaid coverage for postpartum individuals from 60 days to 12 months postpartum as proposed in Article 12 of the Budget. Of this, \$792,000 in general revenue (\$1.4 million all funds) is allocated for technology and implementation expenditures. The coverage would apply to individuals who do not qualify for Medicaid under other eligibility categories or do not qualify due to immigration status. Currently, postpartum individuals who are eligible for Medicaid during pregnancy lose coverage at 60 days postpartum. This initiative would extend that to 12 months, effective October 1, 2022.
- **Cover All Kids:** The Budget adds \$1.9 million in general revenue to extend Medicaid coverage to children who would otherwise be eligible if not for their immigration status. The funding includes \$660,000 for technology and implementation. The program would not be eligible for federal matching dollars.
- **Nursing Home Rate Increase:** The Budget adds \$1.4 million in general revenue (\$3.1 million all funds) to increase the nursing home inflationary rate increase from 1.9 percent to 3.0 percent in FY2023.
- **Meals on Wheels:** The Budget adds \$165,129 in general revenue (\$360,466 all funds) for increased funding for the Meals on Wheels program. Article 12 of the Budget permits EOHHS to seek CMS approval to provide cultural and therapeutic meals, and to increase the rate paid for Meals on Wheels services to account for rising costs of food and delivery. The article also ties the rates to the Consumer Price Index to account for future inflation.
- **HCBS Enhanced FMAP:** The Budget adds \$25.8 million in restricted receipts (\$47.6 million all funds) to enhance and expand Home and Community Based Services (HCBS). The American Rescue Plan Act (ARPA) provided the State with a 10.0 percent enhanced FMAP reimbursement on eligible HCBS activities. The funding received through the enhanced FMAP will be used to leverage additional federal dollars through additional reinvestments in HCBS.

**Children, Youth, and Families:** The Governor includes \$200.4 million from general revenues (\$295.5 million all funds) for the Department of Children, Youth, and Families in FY2023. This represents a general revenue increase of \$7.1 million compared to the FY2022 Budget as Enacted. Major changes include:

- **Psychiatric Residential Treatment Facility:** The Governor provides \$6.0 million in SFRF in FY2023 to support “at least one” psychiatric residential treatment facility for female youth with complex mental and behavioral health needs that are currently being treated out-of-State, in a hospital, or at the Rhode Island Training School. The Administration has currently identified two potential sites for at least one and potentially more facilities.
- **Council on Accreditation:** Since 2019 the General Assembly has required the Department to seek accreditation from the national Council on Accreditation (COA) in order to ascertain how its operations compare to national standards and identify areas for improvement. The FY2022 Budget as Enacted authorized and funded 91.0 FTE positions that were identified as needed in the COA report on the agency. The Governor’s budget continues to fund the positions in FY2023. As of November 15, 2021, the Department had hired 43.0 FTE positions with the remainder planned for hire in the second and third quarters of FY2022.

- **Caseload Increase:** The Budget adds \$483,514 from general revenues (\$3.5 million all funds) compared to the FY2022 Enacted Budget to adjust for the Department’s current service assistance and grants needs. The increase is attributable to caseload increases and a reduction in the federal medical assistance percentage (FMAP) in FY2023 as the enhanced rate is expected to expire.
- **Statewide COLA:** The Governor recommends personnel increases totaling \$5.7 million in general revenue, reflective of a 2.5 percent cost-of-living adjustment (COLA) along with an incentive payment of \$1,500 to eligible union employees due to the most recent State employee contract negotiations. The FY2023 COLA is third of four annual COLAs in the four-year contract.
- **DCYF Provider Workforce Stabilization:** The Governor does not include funding to continue to provide premium pay for child welfare staff at private, community-based providers that contract with the Department of Children, Youth, and Families. Under the program included in FY2022, workers making less than \$75,000 per year are eligible for a monthly bonus totaling approximately \$695 per worker per month. The proposal was included in 2021-H-6494 Sub A that was signed into law on January 4, 2022, however the Governor does not propose to extend the program into FY2023.
- **Foster Home Lead Abatement and Fire Safety:** The Governor recommends ARPA SFRF funding of \$1.5 million in FY2023 and \$375,000 in FY2024 to provide financial assistance to foster families for lead remediation and fire suppression upgrades.

**Health:** The Budget includes \$32.8 million in general revenue expenditures (\$373.0 million all funds) for the Department in FY2023, increasing general revenue expenditures by \$1.7 million (\$97.9 million all funds).

- **Statewide COLA Adjustment:** The Governor and the Department of Administration announced a tentative agreement between the State and the state employee bargaining units for a proposed 4-year contract that provides cost-of-living adjustments. The current agreement is projected to increase general revenue expenditures by \$1.8 million including the \$1,500 bonus payment to most union employees within the Department of Health.
- **Cottage Food Manufacturers:** The Budget includes \$114,048 in general revenue for 2.0 FTE positions to oversee and support the cottage food manufacturer program, a licensing program that would allow individuals to sell certain baked goods for retail sale.
- **Adult-Use Marijuana:** The Budget includes \$371,407 in restricted receipts for personnel and operating expenses to support the regulation of legalized adult-use marijuana.
- **Opioid Stewardship Fund:** The FY2020 Budget established the Opioid Stewardship Fund, a restricted receipt account within the Department of Health. The Budget includes \$1.2 million in restricted receipts from the Fund to finance costs associated with the Prescription Drug Monitoring Program, the Harm Reduction and Syringe Services Access Program, and the Budget adds \$1.0 million to increase the State’s naloxone supply. The Governor proposes to transfer the administration of the Opioid Stewardship Fund and 1.0 FTE position from the Department of Health to the Executive Office of Health and Human Services.
- **Hospital Conversion Monitoring:** The Budget contains language under Article 2 establishing a Hospital Conversion Monitoring restricted receipt account within the Department of Health to fund monitoring activities associated with hospital conversions. Account revenues are financed by the proposed acquiring entity. The Budget adds a 1.0 Planning and Program Specialist position and a 1.0 Nursing Care Evaluator position.
- **COVID-19 Response:** The Budget includes \$162.2 million in federal funds reflecting a decrease of \$79.8 million for the Department’s COVID-19 Response. This includes \$147.9 million in reimbursements from the Federal Emergency Management Agency (FEMA) and \$162.2 million in other federal grants.

The funding supports COVID-19 testing, vaccination efforts, data analysis, contact tracing, communications, COVID-19 related personnel costs, and technical development.

**Human Services:** The Governor's Budget increases general revenue expenditures by \$4.0 million (all funds increase by \$140.1 million) relative to the FY2022 Enacted level. The major changes include the following:

- **Child Care Assistance Program (CCAP) Reimbursement Rates:** The Budget includes an additional \$4.7 million in federal American Rescue Plan Act (ARPA) funds to permanently increase reimbursement rates for licensed child care providers.
- **Statewide Adjustments:** The Budget includes an additional \$4.5 million in general revenue related to statewide personnel adjustments. These include a 2.5 percent Cost of Living Adjustment (COLA), and an extra \$1,500 payment to eligible union employees.
- **Child Care for Families in Higher Education:** The Governor includes \$2.7 million in American Rescue Plan Act (ARPA) Child Care Development Block Grant (CCDF) funds to support increasing the income limit for eligible families from 180.0 percent to 200.0 percent of the Federal Poverty Level (FPL). This program benefits parents enrolled at a Rhode Island institution of higher education or in a qualified training program relating to employment, and who need childcare assistance in order to attend.

Article 13 of the Governor's Budget, also removes the sunset provision, which would have ended this expansion on June 30, 2022. An additional \$375,000 in TANF Block Grant funds are included to continue funding this program.

- **Child Care Assistance Program (CCAP) Enrollment vs. Attendance:** The Budget includes \$1.5 million in American Rescue Plan Act (ARPA) Child Care Development Block Grant (CCDF) funds to continue reimbursing child care providers based on enrollment rather than attendance. This policy began during the COVID-19 pandemic.
- **Community Service Grants:** The Budget includes an additional \$1.4 million in general revenue to support expansions to existing community service grants. This includes an additional \$730,000 for programs administered by the Office of Health Aging, an additional \$100,000 for the Coalition Against Domestic Violence, \$100,000 for the Boys and Girls Club, \$275,000 for the RI Community Food Bank, and an additional \$50,000 to the Institute for the Study and Practice of Nonviolence, the Community Action Fund, and the Refugee Dream Center.
- **RI Works:** The Budget includes additional TANF funds to support changes to the RI Works program. This includes \$150,000 to increase the monthly earned income disregard from \$170 to \$300, and \$100,000 to expand the resource limit for RI Works families from \$1,000 to \$5,000.

**Department of Behavioral Healthcare, Developmental Disabilities and Hospitals:** The Budget includes \$305.7 million from general revenues (\$596.5 million all funds) for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) in FY2023. This represents a general revenue increase of \$33.7 million when compared to the FY2022 Budget as Enacted, and is attributable to the following changes:

- **ESH Medicaid Billing:** The Budget includes a net general revenue decrease of \$29.9 million to account for adjusted Medicaid billing at the Eleanor Slater Hospital (ESH). This includes adjustments to the federal match rate, which was enhanced by 6.2 percentage points during FY2022 due to the COVID-19 pandemic, offset by a shift to federal dollars to reflect the State's ability to resume billing Medicaid for patient care.
- **Consent Decree Action Plan:** The Budget adds \$21.2 million in general revenue (\$44.0 million all funds) for several initiatives related to the Consent Decree including a Direct Support Professional (DSP) Wage increase, a transformation fund, and a technology fund. On October 20, 2021, the State agreed to an action plan to ensure compliance with the Consent Decree by the end of FY2024. The

action plan requires the State to increase the reimbursement rate to support an increase wage Direct Support Professionals wages to \$18.00 an hour in FY2023. To support the action plan, the Consent Decree funding includes \$16.0 million in general revenue (\$35.0 million all funds) for DSP wage increases, \$4.7 million in general revenue (\$8.0 million all funds) for the transformation fund, and \$458,100 in general revenue (\$1.0 million all funds) for the technology fund.

- **Caseload Estimating Conference:** The Budget recommends an additional \$15.9 million in general revenue (\$11.4 million all funds) to reflect changes adopted by the November 2021 Caseload Estimating Conference. This is primarily related to the assumed restoration of the standard federal match rate, which was enhanced by 6.2 percentage points during FY2022 due to the COVID-19 pandemic.
- **Statewide Adjustments:** The Budget adds \$1.8 million in general revenue to reflect the most recent State employee contract negotiations. The negotiations included a 2.5 percent cost of living adjustment for each year of the four-year contract in addition to a \$1,500 bonus for certain eligible union employees.
- **Rhode Island Psychiatric Hospital:** The Budget includes a net general revenue increase of \$797,082 to create the State of Rhode Island Psychiatric Hospital. The Hospital is funded through \$29.7 million in existing costs currently within the Eleanor Slater System and an additional \$797,082 for 5.0 FTE positions. Due to federal Medicaid billing requirements, the Eleanor Slater Hospital (ESH) cannot bill Medicaid when ESH has more than 50.0 percent psychiatric patients. The proposed hospital would be funded by state-only funds and will operate under a separate license. The separate license resolves the patient mix issues and would allow the State to resume billing Medicaid for services rendered at ESH.
- **Outpatient Clinic:** The Budget includes an all funds shift of \$730,519 to open and maintain an outpatient clinic for individuals who require clinical treatment at a lower level of care to ensure access to a continuum of care.
- **RICLAS:** The Budget adds \$695,585 in general revenue within the Rhode Island Community Living and Supports (RICLAS), the state-operated developmental disability service provider, to reflect the assumed restoration of the standard federal match rate, which was enhanced by 6.2 percentage points during FY2022 due to the COVID-19 pandemic.
- **Project Management Office:** The Budget adds \$253,308 in general revenue (\$379,963 all funds) to fund 4.0 FTE positions that will support the Department with any capital, operating, and administrative projects.
- **Opioid Stewardship Fund:** The Budget includes \$2.0 million in restricted receipts from the Opioid Stewardship Fund, \$330,000 less than the FY2022 Budget as Enacted. The FY2020 Budget established the Opioid Stewardship Fund, funded by registration fees paid by licensed manufacturers, distributors, and wholesalers of opioids to support opioid addiction treatment, recovery, prevention, education services, and other related programs. Funding within BHDDH will support the Recovery Friendly Workplace and Recovery Housing programs, the Behavioral Health Online Database, and increase access to medicated assisted treatment.
- **Adult-Use Marijuana:** The Budget adds \$381,679 in restricted receipts to meet the substance abuse prevention and treatment needs related to the legalization of adult-use marijuana.
- **State Fiscal Recovery Funds:** The Budget adds \$1.0 million in federal State Fiscal Recovery Funds within BHDDH for pandemic recovery. The funding includes \$550,000 for Crisis Intervention Training and \$454,500 for emergency staffing at the Eleanor Slater Hospital.

**Commission on Disabilities:** The Budget includes \$485,743 in general revenue, essentially level funding the Livable Home Modification Grant Program and to allow unexpended or unencumbered balances to be reappropriated to the ensuing fiscal year.

**Office of the Child Advocate:** The Governor includes \$1.2 million from general revenues, an increase of \$116,711 relative to the FY2022 Enacted Budget. This is primarily related to personnel expenditures and reflects adjusted salary and benefit rates for negotiated state employee contracts.

**Mental Health Advocate:** The Budget includes \$738,882 in general revenue expenditures (\$973,329 all funds) for the Office of the Mental Health Advocate in FY2023, increasing general revenue expenditures by \$58,692 as compared to the FY2022 Budget as Enacted.

- **Statewide Adjustments:** The Budget adds \$40,814 in general revenue to reflect the most recent State employee contract negotiations. The negotiations included a 2.5 percent cost of living adjustment for each year of the four-year contract in addition to a \$1,500 bonus for certain eligible union employees.
- **Mental Health Court:** The Budget adds 2.0 FTE positions, funded by \$234,447 in federal State Fiscal Recovery Funds, for the proposed Mental Health Court. The court would work to divert individuals with mental illness from the criminal justice system and address the needs of defendants with mental illness.

**Elementary and Secondary Education:** The Governor increases funding in the Department by \$41.8 million in general revenue and provides 2.0 new FTE positions. The major changes include the following:

- **Education Aid Funding Formula:** The Budget includes an increase of \$22.0 million in education aid, relative to the FY2022 Budget as Enacted. This includes \$49.7 million in Pandemic Hold Harmless Funds to ensure districts do not experience a reduction in education aid, and \$842,582 to correct for a property tax data error in FY2022, partially offset by a \$27.5 million reduction in funding formula aid based on current law and a Group Home reduction of \$662,927 to reflect updated bed counts.
- **School Housing Aid:** The Budget provides an increase in school housing aid of \$8.5 million (\$88.5 million total).
- **Teacher Retirement:** Teacher retirement increases by \$6.9 million (\$130.9 million total).
- **Statewide Adjustments:** The Budget includes \$2.5 million for a 2.5 percent cost-of-living adjustment (COLA) and an extra-payment for \$1,500 to eligible union employees as required by the recent contract negotiations.
- **Central Falls:** The Budget provides an increase of \$1.0 million in education aid.
- **FTE Funding:** The Budget provides \$280,622 to fund 2.0 new positions. The positions include a Transformation Specialist to support persistently low-performing schools, and a Multilingual Learner Specialist to increase the Department's capacity to implement model practices for teaching Multilingual Learners.
- **Municipal Learning Centers (State Fiscal Recovery Funds):** The Budget provides \$5.0 million in federal State Fiscal Recovery Funds in FY2023 (\$15.0 million total) to support the creation of centers, operated by municipalities, providing free or fee-for-service programs such as tutoring, art and music classes, early education opportunities, and nonprofit services. The programs, while operating year-round, will focus on out-of-school time and vacations. The goal is for each city or town to operate at least one program.

**Higher Education:** The Governor increases funding over the FY2022 Budget as Enacted by \$3.7 million in general revenue for Public Higher Education and provides 4.0 new FTE positions, including 1.0 FTE position at the Northern Rhode Island Education Center, which is funded from restricted receipts, and 3.0 FTE positions at Office of the Postsecondary Commissioner for an American Rescue Plan Act State Fiscal

Recovery Funds (SFRF) proposal. An additional 2.0 FTE positions, and \$198,114 in general revenue, are provided to the Crime Lab; however, the positions are added without increasing the FTE cap at the University of Rhode Island. Changes in funding include the following:

- **Office of Postsecondary Commissioner:** The decrease of \$8.8 million is primarily due to the return of \$9.6 million Last Dollar (Promise I) Scholarship funding to federal and other funds, instead of the one-time general revenue support provided in FY2022.
- **University of Rhode Island:** The Budget provides an increase of \$6.4 million, including \$2.1 million in institutional support.
- **Rhode Island College:** The Budget provides an increase of \$3.1 million, including \$1.5 million in institutional support.
- **Community College of Rhode Island:** The Budget provides an increase of \$3.0 million, including \$1.3 million in institutional support.
- **Higher Education Academies (State Fiscal Recovery Funds):** The Budget includes \$6.5 million in federal SFRF funds in FY2023 (\$22.5 million total) for Higher Education Academies for supports such as targeted coaching and wrap around services for those 16 and older to continue their education. The Office of the Postsecondary Commissioner (OPC) will implement three academies serving 1,000 students annually. The fall academy will focus on rising seniors and recent graduates; the summer academy on a seamless transition to postsecondary education or workforce training; and, the spring academy on college readiness coursework and support for summer course enrollment.

**Rhode Island Council on the Arts:** The Budget increases funding over the FY2022 Budget as Enacted by \$85,437 in general revenue primarily due to recent position reclassifications.

**Attorney General:** The Governor's Budget increases general revenue expenditures by \$2.5 million (\$4.7 million all funds) relative to the FY2022 Enacted level. The major changes include the following:

- **Statewide Adjustments:** The Budget includes an additional \$1.9 million in general revenue related to statewide personnel adjustments. These include a 2.5 percent Cost of Living Adjustment (COLA), and an extra \$1,500 payment to eligible union employees.
- **Personnel, Contract, and Operating Expenses:** The Budget includes an additional \$666,774 in general revenue to support existing personnel needs, the cost of expert witnesses to support and testify in complex litigation, and costs for IT and computer software data security.
- **Adult-Use Marijuana:** The Budget includes \$380,000 in restricted receipts for the contract and operating costs for automatic expungement of marijuana related convictions.

**Corrections:** The Governor's Budget decreases general revenue expenditures by \$2.0 million (all funds increase by \$4.7 million) relative to the FY2022 Enacted level. The major changes include the following:

- **Statewide Adjustments:** The Budget includes an additional \$4.2 million in general revenue related to statewide personnel adjustments. These include a 2.5 percent Cost of Living Adjustment (COLA), and an extra \$1,500 payment to eligible union employees. This increase is partially offset by overtime savings.
- **Radio System and Wi-Fi Upgrades:** The Budget includes \$5.8 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Fund (SFRF) resources to support upgrades through the Adult Correction Institutional (ACI) system. This includes \$3.1 million to install and upgrade Wi-Fi throughout the ACI and \$2.7 million to upgrade radio communications.

**Judiciary:** The Budget increases funding over the FY2022 Budget as Enacted by \$7.4 million in general revenue primarily due to statewide adjustments. The Budget also includes 3.0 percent in turnover savings (\$2.7 million).

- **Mental Health Court Pilot (State Fiscal Recovery Funds):** An increase of 7.0 FTE positions and \$952,482 in federal SFRF is provided in FY2023 (\$2.9 million total) for a new Mental Health Court, supported with American Rescue Plan Act State Fiscal Recovery Funds, to address the needs of defendants with mental illness and divert them from the criminal justice system.
- **Adult-Use Marijuana:** \$340,000 in restricted receipts is provided for personnel and contract costs associated with the automatic expungement of marijuana related convictions.

**Military Staff:** The Budget adds 1.0 Project Manager FTE position. The position was previously filled by a federally-funded contractor.

**Emergency Management:** The Budget adds \$940,446 in general revenue to provide the required state matching funds for Emergency Management Performance Grant from ARPA.

- **COVID Response:** The Supplemental Budget includes \$6.9 million in federal funds awarded through the federal Coronavirus Aid, Relief, and Economic Security Act (CARES) for pandemic response and recovery activities. This reflects an increase of \$2.3 million from the FY2022 Budget as Enacted.

COVID -19 Response	FY2022	FY2023	Change
	Enacted	Governor	
EMPG 2020- Emergency Management Preparedness Grant	\$3,340,870	\$1,693,211	(\$1,647,659)
EMPG 2021 Emergency Management Preparedness Grant	-	4,450,393	4,450,393
FEMA: COVID-Related Expenses	781,900	13,519	(768,381)
FEMA: Supplies WKS: RIEMA	118,876	118,876	-
NPSG 2021 Non Profit Security Grant	-	273,137	273,137
NSGP- 2020 Nonprofit Security Grant	328,918	323,461	(5,457)
<b>Total</b>	<b>\$4,570,564</b>	<b>\$6,872,597</b>	<b>\$2,302,033</b>

**Department of Public Safety:** The Governor recommends \$113.4 million in general revenue to support the operations of the Department of Public Safety (DPS), a net \$7.2 million reduction from the FY2022 enacted level. Major FY2023 budget initiatives include:

- **Training Academy:** The Budget provides \$120,000 in general revenue to support recruitment efforts for the next planned State Police Training Academy. Recruitment is planned to begin in the 2nd and 3rd quarters of FY2023. The 40.0 person class would begin in FY2024 and be hired in April 2024.
- **Adult-Use Marijuana:** The Governor recommends \$1.1 million in restricted receipts to support public safety initiatives related to the legalization of adult-use marijuana.
- **Body-Worn Camera Program:** The Budget includes \$336,166 in FY2023 general revenue to support personnel and operating costs associated with the new statewide body-worn camera program that was established in the FY2022 Budget as Enacted. The funds will be used to support 2.6 FTE administrators and other operating and training costs.
- **SFRF Survivors of Domestic Violence:** The Governor recommends \$1.0 million of federal State Fiscal Relief Funds to support the State's Survivors of Domestic Violence program in FY2023. Total planned SFRF funds for the program are \$4.5 million over the next two years.

**Department of Environmental Management:** The Governor increases general revenue funding over the FY2022 Budget as Enacted by \$5.4 million and all funds by \$15.7 million, while providing 9.0 new FTE positions. Changes in funding include the following:

- **Statewide Adjustments:** The Budget includes \$3.0 million for a 2.5 percent cost-of-living adjustment (COLA) and an extra-payment for \$1,500 to eligible union employees as required by the recent contract negotiations.
- **Bureau of Environmental Protection:** An increase of 6.0 FTE positions is provided to improve permitting efficiency. The positions include 3.0 FTE Environmental Engineers, 1.0 Environmental Scientist, 1.0 FTE Air Quality Specialist, and 1.0 FTE Limnologist. The Budget includes new performance-driven fees and increases to existing fees to help support these new positions.
- **Bureau of Natural Resources:** An additional 2.0 FTE positions are provided and will be substantially supported by federal funds. The positions include 1.0 FTE Administrative Officer to provide increased customer service for commercial fishing, party and charter boats, recreational fishing, and seafood processors, and 1.0 FTE District Resources Manager to support maintenance efforts at 27 Wildlife Management Areas encompassing over 61,000 acres and more than 133 freshwater and marine boat ramps and fishing sites.
- **Parks and Recreational Seasonal Staff:** The Budget increases general funding for the Division of Parks and Recreation by \$269,125 in general revenue to increase wages for seasonal employees in an effort to better attract and retain staff.
- **Local Agriculture and Seafood Act (LASA) Grant:** The Budget includes an increase of \$150,000 in general revenue (\$250,000 total) to support the Local Agriculture and Seafood Act (LASA) grant program. The LASA grant program was established to support the growth, development, and marketing of local food and seafood within Rhode Island.
- **Port of Galilee Rehabilitation (State Fiscal Recovery Funds):** The Budget includes \$6.0 million federal SFRF in FY2023 (\$46.0 million total) for rehabilitation and replacement of the North Bulkhead, replacement of docks, upgrades to the Coastal Resources Maintenance Building, and other improvements to ensure the port remains an economic driver in the State.
- **Permit and Licensing IT Investments (State Fiscal Recovery Funds):** The Budget includes \$2.8 million federal SFRF in FY2023 (\$5.8 million total) to replace the information technology used to support permit and licensure transactions, e-transactions, workflow management, and other business functions.

**Coastal Resources Management Council:** The Governor increases general revenue funding over the FY2022 Budget as Enacted by a total of \$367,742. This includes \$124,769 for 1.0 FTE Coastal Policy Analyst position to expand capacity to evaluate the increasing number of wind farms and to better address public access and rights of way. It also includes \$206,481 in statewide adjustments for a 2.5 percent cost-of-living adjustment (COLA) and an extra-payment for \$1,500 to eligible union employees as required by the recent contract negotiations.

**Transportation:** The Governor recommends \$784.4 million in total funding for the Department of Transportation (DOT). This includes \$453.8 million in federal funds, \$253.7 million in other funds, \$71.0 million from the Rhode Island Capital Plan funds, and \$5.9 million in restricted receipts. All funds increase by \$16.5 million relative to the FY2022 Enacted level. This includes a \$2.7 million increase in federal funds, an \$11.0 million increase in other funds, and a \$3.4 million increase in restricted receipts. These increases are partially offset by a \$576,180 decrease in RICAP funds.

- **Federal Funds:** The Budget includes \$453.8 million in federal funds. This includes \$27.0 million in federal relief funds from the Consolidated Appropriations Act (CAA), the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and the American Rescue Plan Act (ARPA). The Budget also includes \$225.6 million to support ongoing federal highway projects. \$16.5 million in federal funds will be used to support National Highway Traffic Safety Administration programs the Department currently administers. The remaining \$185.0 million will be used for ongoing road and bridge maintenance projects, and debt service costs.



- **Toll Revenue:** The Governor's Budget includes \$33.6 million in toll revenues to be used to support bridge construction and maintenance.
- **State Match Funds:** The Budget includes \$17.9 million in Highway Maintenance Account other funds for additional state match to support the influx of federal funds the state has received from Congress.



## State Aid and Education Aid

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### STATE AID

#### *State Aid to Cities and Towns*

**Distressed Communities Relief Fund:** The Governor recommends level funding the Distressed Community Relief Fund in FY2023 at \$12.4 million in general revenue.

**Payment in Lieu of Taxes (PILOT):** The Governor also level funds the State PILOT program in FY2023 at \$46.1 million in general revenue. Current law requires reimbursement at 27.0 percent of forgone tax revenue, but allows for a ratable reduction if the appropriation is less than this amount. The Governor's recommendation for FY2023 represents a rate of 25.7 percent.

**Motor Vehicle Excise Tax Reimbursement:** The General Assembly enacted legislation in 2017 to phase out the motor vehicle excise tax by 2024. Municipalities are reimbursed annually for lost revenue. For FY2023, the Budget includes \$166.6 million in total general revenue reimbursement funding for cities and towns, consistent with the current law.

**Library Grant-in-Aid:** The Governor recommends \$8.8 million in State Aid to Libraries for both FY2023 and the revised FY2022 Budgets.

**Library Construction Aid:** The Governor recommends \$2.1 million in FY2023 to reimburse communities for up to 50.0 percent of eligible costs of approved library construction projects.

**Public Service Corporation Tax:** The FY2023 Budget provides \$12.6 million to be distributed to municipalities on July 31, 2022. This estimate is subject to change upon the receipt of final (December 2021) data in the spring of 2022.

**Meals & Beverage Tax:** The 1.0 percent tax on gross receipts from the sale of food and beverages is estimated to generate \$31.8 million in FY2022 and \$33.5 million in FY2023 for distribution to cities and towns.

**Hotel Tax:** A 1.0 percent local hotel tax and 25.0 percent of the local share of the State 5.0 percent tax is expected to generate \$11.2 million in FY2022 and \$11.8 million in FY2023 for distribution to cities and towns.

**Airport Impact Aid:** The Budget level funds state aid to communities that host airports at \$1.0 million in FY2023. The funding is provided annually through Article 1 of the Budget and flows through the Rhode Island Commerce Corporation.

**Property Revaluation Reimbursement:** The Governor includes \$414,947 in FY2023 to reimburse municipalities for a portion of the cost of conducting statistical property revaluations. This is \$1.0 million less than the FY2022 enacted and revised levels, reflecting less revaluation activity in FY2023.

## EDUCATION AID

### **Formula and Categorical Aid**

When the education funding formula was passed, categorical funds were identified that would not be distributed through the formula, but according to other methodology. The Governor includes an additional \$25.2 million in education aid, including a net increase of \$23.0 million to fully the funding formula, hold districts harmless relative to the FY2022 funding formula distribution, and correct for a property tax data error that occurred in FY2022.

**Funding Formula:** The Budget includes a decrease of \$27.5 million in education aid formula distribution relative to the FY2022 Budget as Enacted, bringing total formula aid funding to \$1,009.7 million.

**Pandemic Hold Harmless Fund:** The Budget includes \$49.7 million to ensure districts do not experience a reduction in funding formula aid relative to FY2022.

**FY2022 Property Tax Data Adjustment:** Subsequent to the passage of the FY2022 Budget, the Division of Municipal Finance became aware of errors in the property tax data used to calculate education aid. Since RIGL 16-7-20(e)(1)-(2) provides that errors are to be corrected in the subsequent fiscal year, the Budget includes \$842,582 in FY2023 to realign the aid payments to the affected LEAs.

Categorical	FY2023 Governor's Education Aid	
	Change from Enacted	Total Funding
Formula Formula	(\$27.5)	\$1,009.7
Pandemic Hold Harmless Fund	49.7	49.7
FY2022 Property Tax Data Adjustment	0.8	0.8
Central Falls Stabilization	1.0	10.1
Density Aid	1.0	1.0
Transportation	-	7.7
Early Childhood	-	14.9
High-Cost Special Education	-	4.5
Career & Tech. Schools	-	4.5
Davies Stabilization	0.9	6.1
English Learners	-	5.0
Met School Stabilization	-	1.1
Regionalization Bonus	-	-
School Resource Officer Support	-	-
Group Home Aid	(0.7)	2.3
<b>Total</b>	<b>\$25.2</b>	<b>\$1,117.4</b>

*\$ in millions*

**Central Falls Stabilization:** Central Falls schools are currently 100.0 percent state funded. The State provides both the local and state contributions, as determined by the education funding formula. For FY2022, Central Falls' Stabilization funding is increase by \$1.0 million (\$10.1 million total).

**Transportation:** This category provides funding for transporting students to out-of-district, non-public schools for districts that participate in the statewide transportation system, and for 50.0 percent of the local costs associated with transporting students within regional school districts. The Governor recommends level funding this category at \$7.7 million in FY2023.

**Early Childhood Education:** This category provides funding for early childhood education programs. The Governor funds this category at \$14.9 million in FY2023, level with the FY2022 Budget as Enacted.

**High-Cost Special Education:** The aid category provides funding to districts for high-cost special education students. The Governor level funds this category at \$4.5 million.

**Career and Technical Education:** This category provides a state grant program to help districts with certain start-up and maintenance expenditures for career and technical education programs. The Governor level funds this category at \$4.5 million.

**Davies Stabilization:** Article 11 of the FY2017 Budget as Enacted established a stabilization fund to provide additional support to Davies for costs associated with a stand-alone high school offering both academic and career and technical coursework. The Budget provides an additional \$872,594 (\$6.1 million total) in FY2023.

**English Learners:** Article 11 of the FY2017 Budget as Enacted established a category of aid that provides a 10.0 percentage point increase in the per-pupil core instruction amount for English learners. The Budget level funds this category at \$5.0 million.

**School Choice Density Aid:** Article 11 of the FY2017 Budget as Enacted established a category of state aid for districts where 5.0 percent or more of the average daily membership attend charter schools, open enrollment schools, Davies, or the Met School. This category is phased out in FY2020; however, Article 10 of the FY2022 Budget as Enacted reestablished density aid for districts. The intent is to provide one \$500 payment for each new resident student enrolled in a charter or state school. For FY2022, the aid was calculated based on the number of new students attending a public school of choice since FY2019. FY2019 is the last year density aid was provided. In subsequent fiscal years, the \$500 is paid for each new charter or state school student relative to the previous year. The FY2023 Budget level funds this category at \$1.0 million; however, the Governor's recommended education aid table only distribute \$642,000.

**Met Stabilization:** Article 11 of the FY2017 Budget as Enacted established a stabilization fund to provide additional support to the Met School for costs associated with a stand-alone high school offering both academic and career and technical coursework. This fund is level funded at \$1.1 million.

**Regionalization Bonus:** This category provides a bonus to regional districts and for those that regionalize in the future. In the first year, the bonus is 2.0 percent of the State's share of the total foundation aid. In the second year the bonus is 1.0 percent of the State's share, and in the third year the bonus phases out. The Governor provides no funding in FY2023, as no new regional districts have been formed.

**Group Homes:** The Governor's FY2023 Budget includes \$2.3 million to fund group home beds, \$662,927 less than the FY2022 Budget as Enacted. This decrease is based on shifts in bed counts and the statute requiring that the average daily membership of a district be decreased by the number of group home beds used in the group home calculation.

**School Resource Officer Support:** The Budget does not include any funding for this category, since FY2021 was the final year of funding.

#### ***Other Aid to Local Education Agencies (LEAs)***

In addition to the funding formula and categorical aid, the Budget includes the following aid to Local Education Agencies (LEAs).

**Telecommunications Education Access Fund (E-Rate):** The Governor recommends \$400,000 in general revenue for the Telecommunication Education Access Fund (E-Rate), consistent with the FY2022 Budget as Enacted. The purpose of the Rhode Island Telecommunications Education Access Fund (RITEAF or E-rate) is to fund a basic level of internet access for all qualified schools (kindergarten through grade 12) and libraries in the State.

**Textbook Reimbursement:** The Governor level funds the state Textbook Reimbursement Program (\$240,000) relative to the enacted budget. Currently, the State provides reimbursement to school districts for the cost of furnishing textbooks in the fields of English/language arts and history/social studies to resident students in grades K-12 attending non-public schools.

**School Breakfast Program:** The Governor fully funds the State's share of administrative costs for the school breakfast program (\$270,000). These administrative costs include hiring servers needed to effectively run the program and encourage participation.

**School Housing Aid:** The Governor fully funds the school housing aid program, based on updated project completion projections, at \$88.5 million. The Governor recommends a \$250.0 million general obligation bond question for the construction, renovation, and rehabilitation of the State's public schools be placed on the November 2022 ballot for voter approval. Of the total, \$200.0 million will provide direct funding for school construction and renovation projects. The remaining \$50.0 million will fund the School Building

Authority (SBA) Fund to address high-priority projects including upgrades to lighting, heating, and ventilation systems to create facility equity among Rhode Island students.

**Teacher Retirement:** The Governor recommends \$130.9 million for the State's share of teacher retirement, an increase of \$6.9 million over the enacted budget.

## FY2022 Supplemental

**Administration:** The Budget includes \$644.4 million in general revenue expenditures (\$1,153.1 million all funds) for the Department in FY2022, increasing general revenue expenditures by \$448.4 million and increasing all fund expenditures by \$557.9 million.

- **RICAP Transfer:** The Budget includes a one-time transfer of \$338.0 million in general revenue from the FY2021 surplus to the Rhode Island Capital Plan fund for key capital improvement projects including, a new Long-Term Acute Care Hospital at the Zambarano Campus, water and steam heat infrastructure improvements at the Pastore Campus, state-run group homes, and the State House.
- **Advance Payment of Pension Deferrals:** The Budget includes a one-time transfer of \$61.8 million in general revenue from the FY2021 surplus to the State Retirement Fund to repay the 1991 and 1992 deferral of the State's employer pension contributions for state employees and teachers. The deferral was made during the State Budget crisis triggered by the collapse of the Rhode Island Share and Depositors' Indemnity Corporation (RISDIC). As of June 30, 2021, the actuarial determined value of the deferral is \$61.8 million with actuarial required contribution costs of \$6.0 million in FY2023 and \$6.2 million in FY2024.
- **Statewide COLA Adjustment:** The Governor and the Department of Administration announced a tentative agreement between the State and the state employee bargaining units for a proposed 4-year contract that provides cost-of-living adjustments. The current agreement is projected to increase general revenue expenditures by \$1.8 million including the \$1,500 bonus payment to most union employees within the Department of Administration.
- **COVID-19 Response:** The Budget includes \$363.5 million in federal SFRF and ARPA funds for pandemic and recovery items and activities.

<b>SFRF and ARPA Response</b>	<b>FY2022 Enacted</b>	<b>2022 Gov. Revised</b>	<b>Change</b>
ARP DIRECT: Institute of Museum and Library Services - States	\$2,230,333	\$2,230,333	\$0
ARP ERA: Emergency Rental Assistance	114,000,000	114,000,000	-
ARP HAF: Homeowner Assistance Fund	25,000,000	25,000,000	-
ARP SFRF: Aid to the Convention Center	-	8,370,000	8,370,000
ARP SFRF: Auto-Enrollment Program HSRI	-	502,526	502,526
ARP SFRF: COVID-19 Ongoing Response	-	50,000,000	50,000,000
ARP SFRF: Eligibility Extension Compliance (HSRI)	-	92,176	92,176
CAA21: Emergency Rental Assistance	120,000,000	149,000,000	29,000,000
CARES Act: LSTA COVID	-	4,896	4,896
FEMA: Government Readiness WKS: COVID Administrative Assistance	226,372	226,372	-
FEMA: Government Readiness WKS: Emergency Ad Hoc Spending	738,410	738,410	-
FEMA: HHS Readiness WKS: Surge - AHS-1	2,100,703	7,909,628	5,808,925
FEMA: Pandemic Recovery Office	-	29,868	29,868
FEMA: Q & I WKS: Temporary Housing-1	-	722,655	722,655
FEMA: Supplies WKS: PPE Warehousing	1,805,127	1,805,127	-
Relief Fund: Child Care/Education Readiness WKS: K-12 Reopening	-	2,160,001	2,160,001
Relief Fund: COVID-Related Expenses - Central Management	-	21,489	21,489
Relief Fund: COVID-Related Expenses - OMB	-	9,507	9,507
Relief Fund: Government Readiness WKS: Emergency Ad Hoc Spending	1,524,775	742,277	(782,498)
Relief Fund: HHS Readiness WKS: Surge - AHS-1	-	(36,430)	(36,430)
Relief Fund: Pandemic Recovery Office	-	(1)	(1)
<b>Total</b>	<b>\$267,625,720</b>	<b>\$363,528,834</b>	<b>\$95,903,114</b>

- **Emergency Rental Assistance:** The Budget includes \$263.0 million from the federal Consolidated Appropriations Act of 2021 (CAA21), an increase of \$29.0 million from the FY2022 Budget as Enacted, to continue supporting the State’s COVID-19 emergency rental assistance program administered in partnership with RI Housing.
- **COVID-19 Ongoing Response:** The Budget includes \$50.0 million in SFRF to continue COVID-19 mitigation activities and to address public health impacts. These funds will be administered by the Director of the Department in consultation with the Director of Health and the Secretary of Health and Human Services.
- **Homeowner Assistance Fund:** The Budget includes \$25.0 million in ARPA funds to assist homeowners who are experiencing financial hardship. The funds are used to prevent mortgage delinquencies, foreclosures, and loss of utilities.
- **Aid to the Convention Center:** The Budget includes \$8.4 million in SFRF to support the operations and to finance renovations to the facility that was used during the COVID-19 emergency. The Budget proposes additional out-year funding of \$38.6 million from FY2023 to FY2026.
- **Surge Hospital Operations and Deconstruction:** The Budget includes \$7.9 million from FEMA COVID-19 Response Readiness funds, an increase of \$5.8 million from the FY2022 Budget as Enacted for projected expenses for surge hospital operations.
- **Auto Enrollment Program:** The Budget includes \$502,526 in SFRF to support a program that automatically enrolls qualified individuals transitioning off Medicaid coverage at the end of the pandemic public health emergency into qualified health plans to avoid lapses in coverage.

**Department of Business Regulation:** The Budget includes \$20.8 million from general revenues (\$28.0 million all funds) for the Department of Business Regulation in the FY2022 Revised Budget. This represents a general revenue increase of \$1.6 million when compared to the FY2022 Budget as Enacted, and is attributable to the following changes:

- **Contractor’s Registration and Licensing Board:** The Budget adds \$375,000 in general revenue to resolve an anticipated restricted receipt deficit within the Contractor’s Registration and Licensing Board. A new rate structure enacted in FY2022 will ensure that the account is in balance beginning in FY2023.
- **Statewide Adjustments:** The Budget adds \$1.2 million in general revenue to reflect the most recent State employee contract negotiations. The negotiations included a 2.5 percent cost of living adjustment for each year of the four-year contract in addition to a \$1,500 bonus for certain eligible union employees. The FY2022 Budget includes retroactive payments for years one and two (FY2021 and FY2022) of the contract.

**Public Utilities Commission:** The Budget adds \$750,000 in restricted receipts to cover the financial services and legal costs for the Commission’s review of National Grid’s request to sell the Narragansett Electric Company to PPL, Corp., based in the State of Pennsylvania.

**Department of Revenue:** The Budget includes an additional \$1.8 million in operating costs within the Division of Taxation in FY2022 related to an adjustment to an existing contract within the Tax Compliance Program.

**Executive Office of Commerce:** The FY2022 Revised Budget includes \$74.5 million in federal American Rescue Plan Act spending within the Executive Office of Commerce for FY2022. The Governor recommends these funds be programmed across several categories including affordable housing, small business assistance, and broadband expansion. The Governor also recommends a plan to spend a total of \$579.0 million of SFRF between FY2022 and FY2027.



## ARPA State Fiscal Relief Funds and Capital Project Funds

Category	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Affordable Housing	\$29.0	\$82.0	\$83.0	\$53.5	\$2.5	-	\$250.0
Economic Development	-	20.0	55.0	29.0	1.0	-	105.0
Small Business Assistance	45.0	50.0	6.0	2.5	-	-	103.5
Infrastructure / Climate	-	18.0	42.4	27.0	7.6	-	95.0
Broadband	0.5	15.4	5.2	4.4	-	-	25.5
<b>Total</b>	<b>\$74.5</b>	<b>\$185.4</b>	<b>\$191.5</b>	<b>\$116.4</b>	<b>\$11.1</b>	<b>-</b>	<b>\$579.0</b>

*\$ in millions*

- **Affordable Housing (SFRF):** The Governor recommends \$29.0 million in new SFRF funds in FY2022 for affordable housing/homelessness initiatives and a total of \$250.0 million over the six-year period from FY2022 to FY2027. The recommendation includes programming as summarized below.

Initiative	SFRF - Affordable Housing						Total
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	
Development of Affordable Housing	\$15.0	\$20.0	\$30.0	\$25.0	-	-	\$90.0
Down Payment Assistance in Hard Hit Neighborhoods	-	15.0	20.0	15.0	-	-	50.0
Site Acquisition	12.0	3.0	5.0	5.0	-	-	25.0
Community Revitalization	-	15.0	10.0	-	-	-	25.0
Housing Stability	1.5	7.0	7.0	6.0	-	-	21.5
Workforce Housing	-	12.0	8.0	-	-	-	20.0
Affordable Housing Predevelopment Program	-	2.5	2.5	2.5	2.5	-	10.0
Homelessness Infrastructure	-	5.0	-	-	-	-	5.0
Statewide Housing Plan	-	2.0	-	-	-	-	2.0
OHCD Predevelopment and Capacity Building	0.5	0.5	0.5	-	-	-	1.5
<b>Total</b>	<b>\$29.0</b>	<b>\$82.0</b>	<b>\$83.0</b>	<b>\$53.5</b>	<b>\$2.5</b>	<b>\$0.0</b>	<b>\$250.0</b>

*\$ in millions*

- **Development of Affordable Housing:** The Governor recommends \$15.0 million in SFRF funds in FY2022, and \$90.0 million over the six-year period from FY2022 to FY2027, for additional investments in the development of affordable housing units. The funding will be administered by RIHousing
- **Site Acquisition:** The Governor recommends \$12.0 million in SFRF funds in FY2022, and \$25.0 million over the six-year period from FY2022 to FY2027, to be used to acquire properties for redevelopment as affordable and supportive housing. Funds are to be administered by RIHousing.
- **Housing Stability:** The Governor recommends \$1.5 million in SFRF funds in FY2022, and \$21.5 million over the six-year period from FY2022 to FY2027, to support a housing navigation, behavioral health, and stabilization services that address homelessness. The funding will support extremely low-income housing units and services for people transitioning from homelessness to housing, including folks transitioning out of prison.
- **OHCD Predevelopment and Capacity Building:** The Governor recommends \$500,000 in SFRF funds in FY2022, and \$1.5 million over the six-year period from FY2022 to FY2027, to support staffing capacity to administer proposed affordable housing projects. Funding will support research and data analysis, stakeholder engagement, and the expansion of services for people experiencing homelessness.
- **Small Business Assistance (SFRF):** The Governor recommends \$45.0 million in SFRF funds in FY2022 for small business assistance and a total of \$103.0 million over the six-year period from FY2022 to FY2027. The recommendation includes programming as summarized below.

SFRF Small Business Assistance							
Initiative	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Small Business Financial and Technical Assistance	\$32.0	\$13.0	-	-	-	-	\$45.0
Aid to Tourism, Hospitality, and Events Industries	13.0	15.5	-	-	-	-	28.5
SBA Loan Interest Subsidy	-	20.0	-	-	-	-	20.0
Minority Business Accelerator	-	1.5	6.0	2.5	-	-	10.0
<b>Total</b>	<b>\$45.0</b>	<b>\$50.0</b>	<b>\$6.0</b>	<b>\$2.5</b>	<b>-</b>	<b>-</b>	<b>\$103.5</b>

\$ in millions

- Small Business Financial and Technical Assistance Program:** The Governor recommends \$32.0 million in SFRF funds in FY2022, and \$45.0 million over the six-year period from FY2022 to FY2027, to support investments in financial and technical assistance to small businesses. The program includes direct payments to businesses negatively impacted by the pandemic, technical assistance for long-term business capacity building, capital improvements for public health upgrades and outdoor programming, and administration expenses.
- Aid to Tourism, Hospitality, and Events Industries:** The Governor recommends \$13.0 million in SFRF funds in FY2022, and \$28.5 million over the six-year period from FY2022 to FY2027, to support tourism, hospitality, events and other industries disproportionately impacted by the pandemic. The program includes direct payments to businesses negatively impacted by the pandemic, outdoor and public space capital improvements and event programming, tourism marketing in coordination with state tourism regions and the Airport Corporation, and implementation costs.
- Broadband:** The Governor recommends \$500,000 SFRF funds in FY2022 to develop a statewide broadband strategic plan, support related staffing, and conduct mapping of future state broadband investment.

SFRF/CPF - Broadband							
Initiative	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Broadband (CPF)	-	\$15.4	\$5.2	\$4.4	-	-	\$25.0
Statewide Broadband Planning and Mapping (SFRF)	0.5	-	-	-	-	-	0.5
<b>Total</b>	<b>\$0.5</b>	<b>\$15.4</b>	<b>\$5.2</b>	<b>\$4.4</b>	<b>-</b>	<b>-</b>	<b>\$25.5</b>

\$ in millions

**Executive Office of Health and Human Services:** The Budget includes \$1,023.9 million from general revenues (\$3,426.6 million all funds) for the Executive Office of Health and Human Services in the FY2022 Revised Budget. This represents a general revenue decrease of \$76.3 million when compared to the FY2022 Budget as Enacted, and is attributable to the following changes:

- FMAP Reserve:** The Budget reduces general revenue by \$39.0 million to remove funding that was included as a contingency in case the public health emergency (PHE) ended earlier than anticipated. Since the PHE was extended, the contingency fund is no longer necessary.
- Caseload Estimating Conference:** The Budget reduces general revenue expenditures by \$37.3 million in general revenue (a net all funds increase of \$58.7 million) to reflect changes adopted by the November 2021 Caseload Estimating Conference. The decrease is primarily the result of the extension of the PHE for an additional quarter, which provides a 6.2 percent increase in federal matching dollars.
- Statewide Adjustments:** The Budget adds \$966,205 in general revenue to reflect the most recent State employee contract negotiations. The negotiations included a 2.5 percent cost of living adjustment for each year of the four-year contract in addition to a \$1,500 bonus for certain eligible union employees. The FY2022 Budget includes retroactive payments for years one and two (FY2021 and FY2022) of the contract.
- State Fiscal Recovery Funds:** The Budget adds \$13.0 million in State Fiscal Recovery Funds within EOHHHS for the following initiatives:

- **Pediatric Health Care Recovery:** \$7.5 million for a relief program for pediatric providers due to a decline in visitation and enrollment caused by the pandemic. The incentive program will promote developmental and psychological behavioral screenings.
- **Early Intervention:** \$5.5 million for the Early Intervention program to provide relief to providers with incentive bonuses for meeting referral targets and reducing staff turnover. Providers are facing workforce shortages and financial solvency concerns, resulting in a waitlist for services.
- **RIBridges:** \$10,094 for the maintenance of RIBridges eligibility functionalities during the extension of the federal public health emergency.

**Department of Children, Youth, and Families:** The Governor proposes \$195.7 million in general revenue funding (\$291.1 million all funds) for the Department of Children, Youth, and Families in FY2022, increasing general revenue expenditures by \$2.4 million and all funds expenditures by \$14.6 million compared to the Enacted Budget. Major changes include:

- **DCYF Provider Workforce Stabilization:** The FY2022 Supplemental Budget includes \$12.5 million in State Fiscal Recovery Funds (SFRF) to provide premium pay for child welfare staff at private, community-based providers that contract with the Department of Children, Youth, and Families. Workers making less than \$75,000 per year are eligible for a monthly bonus totaling approximately \$695 per worker per month. The proposal was included in 2021-H-6494 Sub A that was signed into law on January 4, 2022.
- **Statewide COLA:** The Governor recommends personnel increases totaling \$5.3 million in general revenue, reflective of a 2.5 percent cost-of-living adjustment (COLA) in FY2022, back-pay for a 2.5 percent COLA for FY2021, along with an incentive payment of \$1,500 to eligible union employees due to the most recent State employee contract negotiations.

**Health:** The Budget includes \$33.2 million in general revenue expenditures (\$591.2 million all funds) for the Department in FY2022, increasing general revenue expenditures by \$2.2 million (\$120.4 million all funds).

- **COVID-19 Response:** The Budget includes \$120,722 in general revenue and \$345.6 million in federal funds for the Department's COVID-19 Response. This reflects an increase of \$120,722 in general revenue and \$103.5 million in federal funds. This includes \$219.1 million in reimbursements from the Federal Emergency Management Agency (FEMA) and \$126.5 million in other federal grants. The funding supports COVID-19 testing, vaccination efforts, data analysis, contact tracing, communications, COVID-19 related personnel costs, and technical development.
- **Statewide COLA Adjustment:** The Governor and the Department of Administration announced a tentative agreement between the State and the state employee bargaining units for a proposed 4-year contract that provides cost-of-living adjustments. The current agreement is projected to increase general revenue expenditures by \$2.0 million including the \$1,500 bonus payment to most union employees within the Department of Administration.
- **Medical Examiner's Office:** The Budget adds \$467,374 in general revenue for forensic pathology contractors in the Medical Examiner's Office.

**Department of Human Services:** The Budget includes an additional \$705,000 in general revenue to support community service grants. This includes an additional \$530,000 for elderly nutrition programs and an additional \$175,000 for the RI Community Food Bank.

**Department of Behavioral Healthcare, Developmental Disabilities and Hospitals:** The Budget includes \$279.2 million from general revenues (\$550.3 million all funds) for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) in the FY2022 Revised Budget. This

represents a general revenue increase of \$7.2 million when compared to the FY2022 Budget as Enacted, and is attributable to the following changes:

- **ESH Medicaid Billing:** The Budget includes a net general revenue decrease of \$17.7 million to account for adjusted Medicaid billing at the Eleanor Slater Hospital (ESH). This includes adjustments to the federal match rate, which was enhanced by 6.2 percentage points during FY2022 due to the COVID-19 pandemic, offset by a shift to federal dollars to reflect the State's ability to resume billing Medicaid for patient care.
- **Developmental Disability Organizations receivables:** The Budget adds \$12.6 million in general revenue to absolve loans made to Developmental Disability Organizations for start-up costs when the State shifted to deinstitutionalization and closed the Ladd School.
- **Statewide Adjustments:** The Budget adds \$7.0 million in general revenue to reflect the most recent State employee contract negotiations. The negotiations included a 2.5 percent cost of living adjustment for each year of the four-year contract in addition to a \$1,500 bonus for certain eligible union employees. The FY2022 Budget includes retroactive payments for years one and two (FY2021 and FY2022) of the contract.
- **Caseload Estimating Conference:** The Budget reduces general revenue expenditures by \$4.6 million in general revenue (\$722,767 all funds) to reflect changes adopted by the November 2021 Caseload Estimating Conference. The decrease is primarily the result of the extension of the PHE for an additional quarter, which provides a 6.2 percent increase in federal matching dollars.
- **RICLAS:** The Budget includes \$1.1 million in general revenue savings within the Rhode Island Community Living and Supports (RICLAS), the state-operated developmental disability service provider, to reflect the extension of the standard federal match rate, which was increased by 6.2 percentage points due to the COVID-19 pandemic.
- **DD Technology Fund:** The Budget adds \$406,700 in general revenue (\$1.0 million all funds) for the Developmental Disability Technology fund, pursuant to the federal Consent Decree action plan to ensure compliance with the Consent Decree by the close of FY2024. The Fund supports technology acquisition for individuals within the DD system.

**Commission on Disabilities:** The Budget includes \$547,324 in general revenue reflecting a \$39,474 increase to fund the Livable Home Modification Grant Program and to allow unexpended or unencumbered balances to be reappropriated to FY2023.

**Corrections:** The Budget includes \$1.9 million in general revenue to support the Correctional Industries program. The program requires a one-time increase in order to pay back the general funds as a result of a long standing practice of using interfund loans to accommodate operating losses.

The Budget also includes an additional \$3.2 million in general revenue to restore savings associated with closing housing modules. As a result of the COVID-19 pandemic the Department was not able to close any modules.

**Emergency Management:** The Supplemental Budget includes \$8.2 million in federal funds awarded through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act for pandemic response and recovery activities. This reflects an increase of \$3.4 million from the FY2022 Budget as Enacted.

<b>COVID -19 Response</b>	<b>FY2022 Enacted</b>	<b>2022 Governor Revised</b>	<b>Change</b>
EMPG 2020- Emergency Management Preparedness Grant	\$3,340,870	\$2,951,207	<i>(\$389,663)</i>
EMPG 2021 Emergency Management Preparedness Grant	-	3,342,539	<i>3,342,539</i>
FEMA: COVID-Related Expenses	781,900	662,201	<i>(119,699)</i>
FEMA: Supplies WKS: RIEMA	118,876	582,682	<i>463,806</i>
NPSG 2021 Non Profit Security Grant	-	273,082	<i>273,082</i>
NSGP- 2020 Nonprofit Security Grant	328,918	323,461	<i>(5,457)</i>
Relief Fund: COVID-Related Expenses	15	19,385	<i>19,370</i>
Relief Fund: Supplies WKS: RIEMA	-	86,450	<i>86,450</i>
<b>Total</b>	<b>\$4,570,579</b>	<b>\$8,241,007</b>	<b>\$3,670,428</b>

**Department of Public Safety:** Body-Worn Camera Program: The Budget includes \$148,070 to support in funding personnel and operating costs associated with the new statewide body-worn camera program that was established in the FY2022 Budget as Enacted. The funds will be used to support 2.6 FTE administrators and other operating and training costs.

**Department of Environmental Management:** The Budget includes an increase of \$21.9 million in general revenue from FY2022 surplus funds for transfer to the Rhode Island Infrastructure Bank (RIIB) to provide the state match for the Clean Water State Revolving Funds and the Drinking Water State Revolving Fund through FY2025.

**Transportation:** The Budget increases federal funds by \$19.2 million, increases other funds by \$21.4 million, and increases restricted receipts by \$2.1 million. The Budget includes an additional \$14.8 million in federal Consolidated Appropriations Act (CAA) funding for highway improvement projects. The increase in other funds is related to additional appropriations for state match as well as increased gas tax projections.



## Articles

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### FY2023

#### **Article 1: Relating to Making Appropriations in Support of FY2023**

This article makes appropriations for general revenues, federal, restricted, and other funds, and authorizes FTE levels for each agency and department. Article 1 also makes the following changes:

- Sets the airport impact aid formula at \$1.0 million.
- Authorizes 15,416.5 FTE positions reflecting a net increase of 103.3 FTE positions as compared to the authorized level set in the FY2022 Budget as Enacted.
- Details Community Service Objective (CSO) grant funding recipients and amounts.
- Requires that all unexpended or unencumbered balances relating to the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island, be reappropriated to FY2024. In addition, the Office of the Postsecondary Commissioner shall provide \$7.7 million be allocated to the Rhode Island Promise Scholarship program, and \$147,000 to support the State's membership in the New England Board of Higher Education.
- Caps the amount the Judiciary may charge five state agencies (Public Defender's Office, Office of the Attorney General, Department of Corrections, DCYF, and Department of Public Safety) for public courthouse occupancy costs at \$1.3 million. It requires the Judiciary to provide \$230,000 to the Rhode Island Coalition Against Domestic Violence for domestic abuse court advocacy and requires \$90,000 be provided to the Rhode Island Legal Services to provide housing and eviction defense to indigent individuals.
- Requires that Rhode Island Housing and Mortgage Finance Corporation continue to provide resources to support the Neighborhood Opportunities Program; an amount, however, is not designated. The Article requires a report be provided to the Director of Administration, chair of the Housing Resources Commission, State Budget Officer, and the chairs of the House and Senate Finance Committees on the number of housing units produced and funding.
- Clarifies that the federal funds do not include federal funds or assistance appropriated, authorized, allocated, or apportioned to the State from the State Fiscal Recovery Fund and Capital Projects Fund pursuant to the American Rescue Plan Act of 2021. Article 1 authorizes amounts from the State Fiscal Recovery Fund, not otherwise appropriated, to be expended during the fiscal years ending June 30, 2024, June 30, 2025, June 30, 2026, and June 30, 2027.
- Includes the appropriation mechanism necessary for incremental tax revenues collected from State economic activity taxes generated in Pawtucket's Downtown Redevelopment district to be made available to the City. Legislation enacted in 2019 established several geographical districts within downtown Pawtucket that would constitute the City of Pawtucket's Downtown Redevelopment project. Any incremental tax revenues generated in these districts related to new economic development are to be made available to the City once an agreement is made between City and the State. This agreement was entered into in December 2020. Since the passage of the legislation, CommerceRI has been certifying these revenues and the Division of Taxation has segregated them into their own account. The language makes the formal appropriation in the Budget to disburse the funds to the City of Pawtucket.

#### **Article 2: Relating to State Funds**

This article adjusts or establishes new restricted receipt accounts as follows:

- Authorizes the Budget Officer to establish the Hospital Conversion Monitoring restricted receipt account within the Department of Health to fund monitoring activities associated with hospital conversions.
- Requires the Public Utilities Commission to increase the annual remittance received from the telecommunications surcharge paid to the Commission on the Deaf and Hard of Hearing from \$80,000 to \$100,000 for the operation of the emergency and public communications access program.
- Exempts eleven restricted receipt accounts from the 10.0 percent indirect cost recovery charge provisions. The proposed exemptions would apply to the following accounts: Adult-Use Marijuana Program accounts within the departments of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH), Human Services, Business Regulation, Health, Revenue, the Executive Office of Health and Human Services (EOHHS), and Public Safety; the Automatic Expungement accounts within the Office of the Attorney General and Judiciary; the Adult-Use Marijuana Program Licensing account, the Rhode Island Statewide Opioid Abatement account; the Home and Community Based Services Support account; and the Home and Community Based Services Admin Support account within the EOHHS.
- Establishes three new restricted receipt accounts within EOHHS: an account to receive and distribute funds from opioid settlements, and two accounts for the Home and Community Based Services to house enhanced funding provided by the American Rescue Plan Act of 2021. The new accounts would have a retroactive effective date of July 1, 2021.

### ***Article 3: Relating to Government Reform and Reorganization***

Article 3 makes several changes to the organization of state government. Specifically the article:

- **Licensing and Regulation:** Makes several changes to Department of Business Regulation (DBR) licenses and regulations by eliminating a \$1 duplicate license fee for caterer liquor licenses; eliminating notary requirements for interpreters for the deaf; allowing municipalities to regulate establishments with three or more billiard tables; and requiring fees set by the Department to be paid for non-amateur mixed martial arts exhibitions. The article also allows DBR to levy administrative penalties of up to \$1,000 for constable violations.
- **Opioid Stewardship:** Transfers the Opioid Stewardship Fund from the Department of Health to the Executive Office of Health and Human Services (EOHHS). The FY2020 Budget established the Opioid Stewardship Fund, funded by registration fees paid by licensed manufacturers, distributors, and wholesalers of opioids. EOHHS would be responsible for the administration of the Fund and the Budget transfers 1.0 FTE from DOH to EOHHS to reflect the change.
- **DCYF Director Salary:** Allows the Governor to set the salary of a Director of the Department of Children, Youth, and Families in 2022. The FY2022 Budget as Enacted contained the same language for CY2021; however, no hire was made for the position in the calendar year.
- **Paint Recycling:** Limits the permitted cash reserve of the paint recycling program to 50.0 percent of the prior-year expenses. A third-party organization is responsible for operating the paint recycling program and can set recycling fees to fund operating expenses and a cash reserve. In recent years, the organization has charged recycling fees in excess of what is necessary to fund the program and have a reasonable cash reserve.
- **Mattress Recycling:** Shifts determination of the reasonableness of a proposed uniform mattress stewardship fee from an independent auditor to the Rhode Island Resource Recovery Corporation (Corporation). The fee is used to cover the statewide mattress recycling program. The proposed fee will still be reviewed by an independent auditor; however, the auditor's evaluation will be filed with Corporation and the Executive Director of the Corporation will provide written notice to the Mattress



Recycling Council (Council) as to whether the fee is reasonable. Approval of the fee by the Corporation will still be required.

**Article 4: Relating to Debt Management Act Joint Resolutions**

This article amends existing debt authorizations and proposes new authorizations for revenue that do not require voter approval, also known as a Kushner Resolution. The authorizations provided include the following:

- **University of Rhode Island – Facility Service Sector Upgrade (\$13.0 million revenue bonds):** The article approves financing up to \$13.0 million to enhance and reorganize the facilities within the service sector. The project involves the design and construction of facilities within the service sector for more efficient and effective operations. The service sector includes facility operations, capital projects, central receiving, postal services, lands and grounds, a vehicle service station, materials storage, and other offices under the Facilities Group. The debt service payments will be funded from University revenues. Total debt service on the bond is not expected to exceed \$1.2 million annually and \$23.0 million in the aggregate, assuming an average interest rate of 6.0 percent over 30 years.
- **University of Rhode Island – Utility Infrastructure Upgrade Phase II (\$15.5 million revenue bonds):** The article approves financing up to \$15.5 million for phase II of the utility infrastructure upgrade project. The project involves the replacement of components and reconfiguration for each of the systems to ensure necessary steam, water, sanitary, and electrical support for the University's campuses. The debt service payments will be funded from University revenues. Total debt service on the bond is not expected to exceed \$1.4 million annually and \$27.0 million in the aggregate, assuming an average interest rate of 6.0 percent over 30 years.

**Article 5: Relating to Capital Development Program**

- This article submits a total of \$350.0 million in ballot referenda to Rhode Island voters for their approval. Proposed as three questions on the November ballot, the following projects are included:
- **Question 1: Higher Education Facilities (\$62.0 million):** Provides funds for capital improvements to higher education facilities.
  - **University of Rhode Island Narragansett Bay Campus (\$50.0 million):** For repairs and construction on the Bay Campus in support of education and research for the marine disciplines.
  - **Community College of Rhode Island (CCRI) Renovation and Modernization (\$12.0 million):** For restoration and enhancements of academic, student support spaces, and other infrastructure on the four campuses of CCRI. Projects will modernize and renovate facilities, address repairs, improve safety and energy efficiency, and replace outdated technology and equipment used for teaching and learning.
- **Question 2: Rhode Island School Buildings (\$250.0 million):** Provides funds for the construction, renovation, and rehabilitation of the State's public schools. Of the total, \$200.0 million will provide direct funding for school construction and renovation projects. The remaining \$50.0 million will fund the School Building Authority (SBA) Fund to address high-priority projects including upgrades to lighting, heating, and ventilation systems to create facility equity among Rhode Island students.

*Analyst Note: The article does not contain the limitation found in the FY2019 bond limiting the annual issuance to not more than \$100.0 million in bonds.*

- **Question 3: Green Economy Bonds (\$38.0 million):** Provides funds for environmental and recreational purposes.

- **Municipal Resiliency (\$16.0 million):** Provides matching grants to support 75.0 percent of project costs for projects restoring and/or improving resiliency of infrastructure, vulnerable coastal habitats, and for restoring river and stream floodplains.
- **Small Business Energy Loan Program (\$5.0 million):** Provides grants to remove impediments to clean energy project implementation as well as zero interest and below market rate loans for clean energy projects.
- **Narragansett Bay and Watershed Restoration (\$3.0 million):** Funds projects to restore and protect water quality and enhance the environmental sustainability of Narragansett Bay and the State's watersheds.
- **Forest Restoration (\$3.0 million):** Funds projects to maintain forest and wildlife habitat and infrastructure on state properties.
- **Brownfields Remediation and Economic Development (\$4.0 million):** Provides matching grants up to 80.0 percent of project costs to public, private, and/or nonprofit entities for brownfield remediation.
- **State Land Acquisition Program (\$3.0 million):** Enables the State to acquire fee-simple interest or conservation easements to open space, farmland, watershed, and recreation lands.
- **Local Land Acquisition Matching Grant Program (\$2.0 million):** Provides up to 50.0 percent matching grants to municipalities, local land trusts, and nonprofit entities to acquire fee-simple interest, development rights, or conservation easements on open space and urban parklands.
- **Local Recreation Development Matching Grant Program (\$2.0 million):** Provides matching grants, for up to 80.0 percent of project costs, to municipalities for the acquisition, development, or rehabilitation of local recreational facilities.

#### **Article 6: Relating to Taxation**

Article 6 phases-out the inclusion of military service pension income for purposes of State personal income taxation. Specifically, the article allows for modification to the federal adjusted gross income (used as a basis when determining income for RI State income tax purposes) by a phased percentage over a five-year period. The phase-out is outlined in the following table. It is estimated to reduce general revenue by \$735,663 in FY2023. When fully phased-in, the proposal is estimated to reduce revenues by \$5.8 million annually.

<b>Tax Year</b>	<b>Deduction</b>	<b>Fiscal Year Impact</b>
2023	20.0%	2023/2024
2024	40.0%	2024/2025
2025	60.0%	2025/2026
2026	80.0%	2026/2027
2027	100.0%	2027/2028

#### **Article 7: Relating to Energy and the Environment**

This amends various sections of general law for the Executive Climate Change Council and State Energy Efficiency Program. It establishes a dedicated funding source, establishes program scope and reporting requirements for the Electric Vehicle Charging Investment Program, and amends the Coastal Resources Management Council statute pertaining to hearing officers. The article:

- Establishes a dedicated funding source to allocate \$6.0 million in restricted receipts from the Energy Efficiency Fund to the Executive Climate Change Council for projects including energy efficiency, renewables, clean transportation, clean heating, energy storage, and other climate change projects.

- Establishes the Electric Vehicle Charging Investment Program within the Office of Energy Resources (OER) at the Department of Administration for the purpose of developing electric vehicle charging infrastructure. The program will use federal funds from the Infrastructure Investment and Jobs Act (IIJA) that require a state match. The article requires the OER to provide an annual report to the Governor and General Assembly until the federal funds are exhausted.
- Allows hearing officers for the Coastal Resources Management Council (CRMC) to be appointed on a part-time basis, instead of only on a full-time basis, and prohibits a hearing officer from participating in any case in which they are an interested party. The article eliminates the prohibition against a hearing officer practicing law, or being a partner or associate of person practicing law.

**Article 8: Relating to Small Business**

Article 8 establishes or makes changes to various tax policies that primarily impact small businesses in Rhode Island, including:

- **Taxpayer Steward:** Establishes a new dedicated position within Taxation to assist taxpayers, coordinate the resolution of complaints and problems, and provide recommendations for changes that improve taxpayer education, reduce errors, and improve compliance.
- **Minimum Corporate Tax Reduction:** Reduces the minimum corporate tax by \$25, from \$400 to \$375 annually. This is estimated to reduce general revenues by \$812,138 in FY2023.
- **Tangible Tax Changes:** Enables all municipalities and fire districts to provide exemptions to tangible property taxes. It also provides a tangible tax rate cap to prevent a jurisdiction from increasing the tangible tax rate at the same time exemptions are provided.
- **Penalty Interest Rate Reduction:** Reduces the penalty interest rate for the delinquent payment of non-trust fund taxes from 18.0 percent to 12.0 percent. Trust fund taxes are considered those that are collected on behalf of the State by an entity, but are owed by a taxpayer other than the entity (e.g. the state sales tax is collected and remitted by a business but is paid by the purchasing customer). Non-trust fund taxes are owned and remitted directly by the taxpayer to Taxation. The change is estimated to reduce general revenue by \$2.5 million in FY2023.
- **Alcoholic Beverage Take-out:** Permanently authorizes the sale of alcoholic beverages for take-out by restaurants and brewpubs by eliminating the existing statutory sunset of March 1, 2022.
- **Sales Tax Exemption – Motorcycle Trade-in:** Exempts the trade-in value of a motorcycle from the sales tax when a subsequent motorcycle is purchased. The change is estimated to reduce general revenue by \$145,087 in FY2023.
- **Cottage Food Manufacture:** Establishes a statutory and regulatory framework authorizing and supporting preparation and retail sale of certain baked food goods from a residential or leased commercial kitchen. The framework includes registration requirements with the Department of Health (DOH) along with a new \$65 annual registration fee. The Budget includes \$177,730 to support 2.0 DOH FTE positions to support the new framework. Fees are estimated to generate \$12,610 annually.
- **Small Business Development Fund Changes:** Modifies the Small Business Development Fund (SBDF) program administered by the Rhode Island Commerce Corporation. The program is a financing mechanism designed to incentivize investment in small businesses. Qualifying firms are authorized to create an official fund to be capitalized by private investors in exchange for investment returns, including delayed, at-risk state tax credits. Article 8 modifies the program by:
  - Expanding the type of eligible entities that may apply to the program to include community-based and/or local lenders.
  - Establishing a selection process for reviewing and approving applications.

- Providing CommerceRI the discretion to determine the level of tax credits to be awarded.
- Expanding the types of taxes the tax credits can apply towards and permits the credits to be sold or transferred.

### ***Article 9: Relating to Economic Development***

Article 9 reauthorizes State economic development incentives, expands the program cap limit on the Rebuild RI program, and expands the Stay Invested in RI Wavemaker Fellowship program to specifically include healthcare professionals. It also establishes an administrative framework for broadband infrastructure investment within the Executive Office of Commerce.

- **Reauthorization of Economic Development Incentive Programs:** Extends the sunset provisions on economic development incentive programs from December 31, 2022, to December 31, 2023.
- **Rebuild RI Tax Credit Program Changes:** Raises the combined credit and sales tax exemption cap from 210.0 million to \$225.0 million. Rebuild RI uses both tax credit and sales tax exemption incentives to promote investment in real estate development for commercial and/or residential use across the State. Under current law, the total amount of tax credits and sales tax exemptions that may be issued is \$210.0 million.
- **Wavemaker Fellowship Program:** Expands the Wavemaker Fellowship Program to explicitly include healthcare practitioners. The article creates two discreet funds within the program, one designated to support healthcare practitioner fellows and the other for the traditional STEM/design fellows. The article amends the program’s statutory framework to reflect the new dual category structure. The Budget includes \$1.6 million, level with the FY2022 enacted appropriation, to fund an additional cohort of 200 STEM/Design fellows. It also includes \$800,000 for the healthcare practitioner fund to support the first cohort of 100 fellows in FY2023.
- **Broadband and Digital Equity Initiatives:** Establishes a new statewide Broadband Infrastructure Investment program administered by the Executive Office of Commerce. It also establishes a broadband advisory committee, with no more than 13 members, appointed by the Governor. One member shall be appointed in “consultation” with the Speaker of the House and one shall be appointed in “consultation” with the President of the Senate. Consultation is not further defined. The committee is charged with advising the EOC on broadband implementation and planning. The Budget includes \$15.4 million in federal ARPA capital project funds in FY2023 for grants supporting last mile broadband development.

### ***Article 10: Relating to Education***

This article enables the proposal to hold local education agencies (LEAs) harmless from an education aid reduction based on the equalized weighted assessed valuation adjustment required under current law. The article also requires the use of \$200.0 million in general obligation bond funds to be offered to LEAs on pay-as-you-go basis, not as reimbursement of debt service, and requires the transfer of \$50.0 million in bond funds to the School Building Authority (SBA) to help create facility equity, should the bond be approved by voters in November 2022.

### ***Article 11: Relating to Marijuana***

This article proposes the legalization of adult-use marijuana. The proposed changes are estimated to generate \$827,926 in net revenue in FY2023. In FY2024, the anticipated revenues increase to \$16.9 million. The article makes the following changes:

- Permits individuals aged twenty-one or older to use, obtain, purchase, transport up to one ounce of marijuana. The article exempts employers from accommodating the use, transfer, or possession of marijuana and permits disciplinary action against employees for marijuana use. The article also permits landlords to prohibit the transfer or consumption of marijuana on their property.

- Establishes a timeline for no-fee automatic expungement of marijuana convictions that would no longer be criminal offenses. Expungements would begin upon passage and must be completed by January 1, 2026.
- Allocates 25.0 percent of all adult-use marijuana revenues to state expenses related to the regulatory, public health, and public safety costs associated with the legalization of adult-use marijuana; 15.0 percent directed to municipalities; and 60.0 percent to the general fund. To fund the initial start-up costs of the market, the state expenses are increased to 74.0 percent in FY2022 with no impact on the municipality allocation.
- Establishes a total effective tax rate of approximately 20.0 percent, including a cultivator excise tax, a retail excise tax, and the standard sales tax in the State.
- Authorizes the Office of Cannabis Regulation (OCR) within the Department of Business Regulation (DBR) to establish and open an application process for licensed retailers of adult-use marijuana and approve up to twenty-five licenses per year for three years via a lottery system. A minimum of five or 20.0 percent, whichever is greater, of approved licenses, must be awarded to minority business enterprises. The article allows currently licensed medical marijuana compassion centers to apply for a hybrid license, so long as the licensee can demonstrate that a hybrid license will not have adverse impacts on the medical marijuana market.
- Establishes the Cannabis Reinvestment Taskforce, tasked with making recommendations for the long-term investment of revenues raised from legalization.
- Requires OCR to conduct a disparity study examining the extent of minority-owned business participation and a market demand study on the adult-use market. The article also requires OCR to complete a medical marijuana parity study to examine if the adult-use market has had any adverse impacts on the medical marijuana market.
- Permits municipalities to prohibit some or all marijuana licenses through a voter referendum, which must be completed by November 8, 2022, and ordinances must be adopted by April 1, 2023.

**Article 12: Relating to Medical Assistance**

This article modifies the financing and delivery of the Medicaid program and establishes the legal authority for the Executive Office of Health and Human Services (EOHHS) to amend the section 1115 demonstration waiver and Medicaid State Plan in order to implement proposed budget initiatives. Specifically, the article:

- **Fingerprinting and Background Checks:** The article allows the State to send National Fingerprint Background Checks to the FBI for high-risk providers and personal care attendants to ensure the safety of Medicaid beneficiaries receiving services at home. Providers are deemed high risk if they pose an increased risk of fraud, waste, and/or abuse, including newly enrolled providers and providers with a history of overpayment. The change would bring the State into federal compliance with CMS background check requirements.
- **Hospital License Fee:** The article reauthorizes the collection of the hospital license fee in FY2023. The article includes a fee of 3.607 percent of patient revenues for hospitals located in Washington County and 5.725 percent of patient revenues for all other non-psychiatric community hospitals, including the State-run Eleanor Slater Hospital. These rates are consistent with the fee structure used in the FY2022 Budget as Enacted. The Budget includes \$170.2 million in new revenues that were not included in the November 2021 adopted revenue estimate.
- **Uncompensated Care:** The article authorizes the disbursement of Disproportionate Share Hospital (DSH) payments for uncompensated care to community hospitals, excluding the State-run Eleanor Slater Hospital, in federal fiscal years (FFY) 2022 and 2023. These payments will be made in State fiscal years (SFY) 2022 and 2023, respectively. Article 12 limits the aggregate amount of the payments to \$142.5 million, including \$56.6 million in general revenue in SFY2022 and \$142.5 million in

SFY2023, including \$64.3 million in general revenue. Both payments are the maximum allowed under federal law.

- **Nursing Facilities Rates:** The article authorizes an additional 1.1 percent rate increase to nursing facilities, effective October 1, 2022, for a total inflationary increase of 3.0 percent. The Budget includes \$1.4 million in general revenues (\$3.1 million all funds) to reflect the increase.
- **Perry Sullivan:** The article allows for investments that are equal or greater already being made from the enhanced Home and Community Based Services to be made in lieu of the Perry Sullivan provision. Rhode Island General Laws require the State to include an additional appropriation for Medicaid HCBS equivalent to the reduction in nursing home days, if any, over the prior two completed fiscal years, multiplied by the average per diem assumed in the subsequent fiscal year. The statutory purpose is to ensure that savings, resulting from a reduction in nursing home utilization, are allocated for the express purpose of promoting and strengthening community-based alternatives. The Budget reduces general revenues by \$17.7 million (\$38.6 million all funds) to reflect the one-time exemption.
- **Medicaid Coverage for Pregnant Individuals:** The article expands Medicaid coverage for pregnant individuals from 60 days to 12 months postpartum. The coverage would apply to individuals who do not qualify for Medicaid under other eligibility categories or do not qualify due to immigration status. The Budget includes \$4.3 million in general revenue (\$6.6 million all funds) to reflect the expanded eligibility.
- **Cover All Kids:** The article extends Medicaid coverage to children who would otherwise be eligible if not for their immigration status. The Budget includes \$1.9 million in general revenue for the state-only funded initiative.
- **Meals on Wheels:** The article authorizes EOHHS to seek CMS approval to provide cultural and therapeutic meals, and to increase the rate paid for Meals on Wheels services to account for rising costs of food and delivery. The article also ties the rates to the Consumer Price Index to account for future inflation. The Budget includes \$165,129 in general revenue (\$360,466 all funds) for the rate increase and expanded services.
- **Healthsource RI Auto Enrollment:** The article authorizes EOHHS to enter into a memorandum of understanding (MOU) with the state health insurance marketplace (Healthsource RI) to establish a program to automatically enroll individuals. The public health emergency (PHE) has paused redeterminations, keeping individuals covered by Medicaid when they may otherwise have lost eligibility. Upon expiration of the PHE, individuals who lose Medicaid coverage would automatically be enrolled into one of Healthsource RI's qualified health plans if they lack employer coverage. The Budget includes \$339,079 in federal funds to pay for the first month of premiums.

### ***Article 13: Relating to Human Services***

This article makes changes to the Department of Human Service's Rhode Island Works (RI Works) and Child Care Assistance Programs. Changes include:

- **RI Works:** This Article amends RIGL 40-5.2-10, the income section of the RI Works program, to increase the resource limit for eligible participants from \$1,000 to \$5,000. The Article also increases the RI Works monthly earned income disregard from \$170 to \$300. The Budget includes \$100,000 and \$150,000, respectively, in TANF Block Grant funding to support these changes.
- **Child Care Assistance:** Amends RIGL 40-5.2-20, Childcare Assistance, to increase the income limit for eligible families from 180.0 percent to 200.0 percent of the Federal Poverty Level (FPL). This program benefits parents enrolled at a Rhode Island institution of higher education or in a qualified training program relating to employment, and who need childcare assistance in order to attend. The Budget includes \$2.7 million in American Rescue Plan Act (ARPA) Child Care Development Block Grant (CCDF) funds to support the income limit increase.

The Article also removes the sunset provision, which would have ended this expansion on June 30, 2022. An additional \$375,000 in TANF Block Grant funds are included to continue funding this program.

- **Child Care Rates:** Amends RIGL 40-6.2-1.1 to increase child care reimbursement rates for licensed child care centers. The base rate will be set at the 40<sup>th</sup> percentile of the 2021 weekly market rate for infant/toddler, preschool, and school aged child care. Previously, the base rate was set at the 25<sup>th</sup> percentile of the 2018 weekly market rate. The maximum reimbursement rates for infant/toddler, preschool, and school aged care for licensed child care centers will continue be paid on a tiered rate based on the quality rating the provider has achieved within the State's Quality Rating system. The Budget includes \$4.7 million in American Rescue Plan Act (ARPA) Child Care Development Block Grant (CCDF) funds to fund the increased child care reimbursement rates.

Minimum base reimbursement rates for licensed family child care providers caring for infants/toddlers and preschool aged children will continue to be determined through a collective bargaining agreement. Like licensed child care centers, the maximum reimbursement rates for infant/toddler and preschool care paid to licensed family child care providers will be implemented in a tiered rate based on the quality rating the provider has achieved within the State's Quality Rating system.

*Analyst Note: On May 27, 2020, Governor Raimondo issued Executive Order 20-39 which allowed child care centers who reopened during the pandemic to be reimbursed at a higher rate. For child care providers that were below the 5<sup>th</sup> tier, as determined by the State's Quality Rating system, they are now reimbursed at the 5<sup>th</sup> tier level. For providers who were at the 5<sup>th</sup> tier, they are now reimbursed at the 90<sup>th</sup> percentile. This executive order was extended until December 2021. Beginning in January 2022, child care centers are reimbursed based on rates set in RIGL 40-6.2-1.1.*

#### **Article 14: Relating to Lease Agreements for Leased Office and Operating Space**

This article seeks General Assembly approval to authorize or renew various leases. These include:

- **Executive Office of Commerce:** The article authorizes the Executive Office of Commerce (EOC) to renew a lease agreement with Foundry ALCO Members, LLC for a five-year period. The EOC currently holds a lease agreement with Foundry ALCO Members, LLC for a 2,983 square foot space located at 555 Valley Street in Providence. The EOC uses this space as its primary office space and headquarters. Annual base rent for the property in FY2022 is \$108,690. The article provides that the annual base rent for a five-year lease term in the lease agreement shall not exceed \$110,000.
- **Department of Corrections:** The Department of Corrections (DOC) currently leases 5,086 square feet of office space at 49 Pavilion Avenue in Providence. This lease expires on January 31, 2023. This article authorizes the DOC to advertise a Request for Proposals seeking approximately 5,000 square feet of office space in Providence, allowing them to relocate from their current office space. The article provides the aggregate rent for a ten-year lease term to be \$1.1 million, with an annual rent not to exceed \$110,000.
- **Department of Human Services:** The article authorizes the Department of Human Services (DHS) to advertise a Request for Proposals seeking approximately 7,500 square feet of office space in Providence, allowing them to consolidate their Providence offices and customer facing space. The article provides the aggregate rent for a ten-year lease term to be \$1.7 million, with an annual rent not to exceed \$165,000.
- **University of Rhode Island (URI) – Communicative Disorders Program Lease Renewal:** The article renews the lease with the Independence Square Foundation for 4,300 square feet of space located in Building II at 25 West Independence Way on the Kingston Campus of URI. The renewal will commence on February 1, 2023, and terminate on January 31, 2034. The lease payments will not exceed \$758,692 plus the proportionate share of building operating expenses, over the term of the renewal. The students and faculty associated with the Communicative Disorders Program have

benefited from the quality, accessible, and well-maintained facilities for the duration of the lease executed on May 24, 2002, and terminating on January 31, 2023.

- **University of Rhode Island (URI) –Physical Therapy Program Lease Renewal:** The article renews the lease with the Independence Square Foundation for 16,400 square feet of space located in Building II at 25 West Independence Way on the Kingston Campus of URI. The renewal will commence on March 1, 2023, and terminate on January 31, 2034. The lease payments will not exceed \$2,871,695 plus the proportionate share of building operating expenses, over the term of the renewal. The students and faculty associated with the Physical Therapy Program have benefited from the quality, accessible, and well-maintained facilities for the duration of the lease executed on February 1, 2014, and terminating on February 28, 2023.

***Article 15: Relating to Effective Date***

This article provides that the Act would take effect on July 1, 2022, except as otherwise provided therein.



**FY2022 SUPPLEMENTAL*****Article 1: Relating to Making Revised Appropriations in Support of FY2022***

This article makes appropriations for general revenues, federal, restricted, and other funds, and authorizes FTE levels for each agency and department. Article 1 also makes the following changes:

- Sets the airport impact aid formula at \$1.0 million.
- Authorizes 15,320.5 FTE positions reflecting an increase of 7.3 FTE positions as compared to the authorized level set in the FY2022 Budget as Enacted.
- Details Community Service Objective (CSO) grant funding recipients and amounts.
- Requires that all unexpended or unencumbered balances relating to the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island, be reappropriated to FY2023. In addition, the Office of the Postsecondary Commissioner shall provide \$6.0 million be allocated to the Rhode Island Promise Scholarship program, \$9.6 million shall be allocated to the Last Dollar Scholarship program, and \$147,000 to support the State's membership in the New England Board of Higher Education.
- Caps the amount the Judiciary may charge five state agencies (Public Defender's Office, Office of the Attorney General, Department of Corrections, DCYF, and Department of Public Safety) for public courthouse occupancy costs at \$1.4 million. It requires Judiciary to provide \$230,000 to the Rhode Island Coalition Against Domestic Violence for domestic abuse court advocacy and requires \$90,000 be provided to the Rhode Island Legal Services to provide housing and eviction defense to indigent individuals.
- Requires that all unexpended or unencumbered balances relating to the State Fiscal Recovery Fund and Capital Projects Fund be reappropriated to FY2023 and made available for the same purposes.



## Summary Tables

### GENERAL REVENUE BUDGET SURPLUS

	FY2020 Audited	FY2021 Prelim. Audit	FY2022 Enacted	FY2022 Governor	FY2023 Governor
<b>Opening Surplus</b>					
Free Surplus	\$30,502,912	\$156,188,375	\$281,411,255	\$374,956,654	\$135,509,903
Adjustment to Opening Surplus		\$93,176,701		\$212,685,030	
Reappropriated Surplus	10,296,451	5,336,653		8,446,365	
<b>Subtotal</b>	<b>\$40,799,363</b>	<b>\$254,701,729</b>	<b>\$281,411,255</b>	<b>\$596,088,049</b>	<b>\$135,509,903</b>
<b>Total Revenues</b>					
<b>Total Revenues</b>	<b>\$4,183,713,406</b>	<b>4,431,578,564</b>	<b>\$4,410,736,347</b>	<b>\$4,690,263,000</b>	<b>\$4,750,363,927</b>
To Cash Stabilization Fund	(126,426,490)	(137,238,234)	(140,764,428)	(151,956,590)	(146,576,215)
From Cash Stabilization Fund					
<b>Total Available Resources</b>	<b>\$4,098,086,279</b>	<b>4,549,042,059</b>	<b>\$4,551,383,174</b>	<b>\$5,134,394,459</b>	<b>\$4,739,297,615</b>
<b>Total Expenditures</b>					
<b>Total Expenditures</b>	<b>3,936,561,251</b>	<b>4,078,639,040</b>	<b>4,550,811,637</b>	<b>4,998,884,556</b>	<b>4,731,312,148</b>
<b>Total Surplus</b>	<b>161,525,028</b>	<b>470,403,019</b>	<b>571,537</b>	<b>135,509,903</b>	<b>7,985,467</b>
<b>Free Surplus</b>	<b>\$156,188,375</b>	<b>\$374,956,654</b>	<b>\$571,537</b>	<b>\$135,509,903</b>	<b>\$7,985,467</b>
<i>Operating Surplus/(Deficit)</i>		<i>221,037,943</i>	<i>(280,839,718)</i>	<i>(452,131,781)</i>	<i>(127,524,436)</i>
Rainy Day Fund	\$90,710,816	\$228,305,616	\$234,607,380	\$253,260,983	\$244,293,692

## ALL FUNDS EXPENDITURES

General Government	FY2021 Final	FY2022 Enacted	FY2022 Governor	Change from		FY2023 Governor	Change from Enacted
				Enacted	FY2023 Governor		
Administration	\$717,465,965	\$595,170,045	\$1,153,108,332	\$557,938,287	\$674,988,778	\$79,818,733	
Business Regulation	24,669,731	26,133,043	27,964,105	1,831,062	38,501,342	12,368,299	
Executive Office of Commerce	113,501,219	192,734,874	256,684,216	63,949,342	271,935,471	79,200,597	
Labor and Training	2,621,118,914	968,748,965	890,956,694	(77,792,271)	557,968,915	(410,780,050)	
Revenue	572,274,026	839,568,490	763,920,391	(75,648,099)	876,904,002	37,335,512	
Legislature	41,091,351	46,627,087	53,916,145	7,289,058	50,462,193	3,835,106	
Lieutenant Governor	1,003,176	1,199,161	1,263,354	64,193	1,353,568	154,407	
Secretary of State	15,705,191	12,057,219	12,917,417	860,198	14,063,777	2,006,558	
General Treasurer	17,490,563	47,819,863	48,954,051	1,134,188	49,400,452	1,580,589	
Board of Elections	3,368,250	2,671,768	2,783,896	112,128	6,126,861	3,455,093	
Ethics Commission	1,832,317	1,867,351	1,969,646	102,295	2,029,145	161,794	
Office of the Governor	6,488,869	6,703,626	7,160,726	457,100	7,152,280	448,654	
Commission for Human Rights	1,756,263	1,908,999	1,985,429	76,430	2,041,315	132,316	
Public Utilities Commission	9,203,400	12,466,346	13,777,479	1,311,133	13,419,765	953,419	
<b>Total</b>	<b>\$4,146,969,235</b>	<b>\$2,755,676,837</b>	<b>\$3,237,361,881</b>	<b>\$481,685,044</b>	<b>\$2,566,347,864</b>	<b>(\$189,328,973)</b>	
<b>Health and Human Services</b>							
Office of Health and Human Services	\$2,858,538,551	\$3,195,762,458	\$3,426,633,244	\$230,870,786	\$3,285,316,761	\$89,554,303	
Children, Youth, and Families	246,826,715	276,478,466	291,050,746	14,572,280	295,470,910	18,992,444	
Health	471,503,375	470,845,303	591,236,756	120,391,453	372,988,689	(97,856,614)	
Human Services	764,833,043	742,313,985	936,892,269	194,578,284	882,471,321	140,157,336	
BHDDH	443,844,959	523,599,253	550,254,356	26,655,103	596,462,607	72,863,354	
Commission on Disabilities	1,266,566	1,530,481	1,567,206	36,725	1,604,382	73,901	
Deaf & Hard of Hearing	755,075	818,664	780,085	(38,579)	816,876	(1,788)	
Office of the Child Advocate	991,174	1,243,526	1,166,531	(76,995)	1,160,468	(83,058)	
Office of the Mental Health Advocate	635,517	680,190	721,334	41,144	973,329	293,139	
<b>Total</b>	<b>\$4,789,194,975</b>	<b>\$5,213,272,326</b>	<b>\$5,800,302,527</b>	<b>\$587,030,201</b>	<b>\$5,437,265,343</b>	<b>\$223,993,017</b>	
<b>Education</b>							
Elementary and Secondary Education	\$1,598,353,592	\$2,246,027,483	\$1,780,014,314	(\$466,013,169)	\$1,896,274,154	(\$349,753,329)	
Public Higher Education	1,168,041,243	1,371,416,880	1,271,584,411	(99,832,469)	1,309,209,443	(62,207,437)	
Council on the Arts	3,963,908	5,261,293	4,598,297	(662,996)	4,058,765	(1,202,528)	
Atomic Energy Commission	1,351,296	1,959,573	2,012,416	52,843	1,536,396	(423,177)	
Historical Preservation	2,079,839	2,662,345	2,786,148	123,803	2,912,736	250,391	
<b>Total</b>	<b>\$2,773,789,878</b>	<b>\$3,627,327,574</b>	<b>\$3,060,995,586</b>	<b>(\$566,331,988)</b>	<b>\$3,213,991,494</b>	<b>(\$413,336,080)</b>	
<b>Public Safety</b>							
Attorney General	\$33,389,793	\$35,798,361	\$38,708,814	\$2,910,453	\$40,503,027	\$4,704,666	
Corrections	247,308,161	245,921,150	261,545,866	15,624,716	250,656,965	4,735,815	
Judiciary	115,918,944	130,425,354	137,846,505	7,421,151	140,314,039	9,888,685	
Military Staff	22,726,458	41,224,771	47,682,785	6,458,014	46,997,278	5,772,507	
Emergency Management Agency	41,275,682	22,534,686	37,019,045	14,484,359	37,111,828	14,577,142	
Public Safety	126,315,297	153,862,337	166,993,536	13,131,199	161,809,686	7,947,349	
Public Defender	12,301,420	13,507,264	14,312,702	805,438	14,634,150	1,126,886	
<b>Total</b>	<b>\$599,235,755</b>	<b>\$643,273,923</b>	<b>\$704,109,253</b>	<b>\$60,835,330</b>	<b>\$692,026,973</b>	<b>\$48,753,050</b>	
<b>Natural Resources</b>							
Environmental Management	\$84,669,020	\$107,920,372	\$142,602,476	\$34,682,104	\$123,577,644	\$15,657,272	
Coastal Resources Management	4,354,930	5,460,276	6,155,198	694,922	7,407,579	1,947,303	
<b>Total</b>	<b>\$89,023,950</b>	<b>\$113,380,648</b>	<b>\$148,757,674</b>	<b>\$35,377,026</b>	<b>\$130,985,223</b>	<b>\$17,604,575</b>	
<b>Transportation</b>							
Transportation	588,687,688	767,880,998	811,087,770	43,206,772	784,398,131	16,517,133	
<b>Grand Total</b>	<b>\$12,986,901,481</b>	<b>\$13,120,812,306</b>	<b>\$13,762,614,691</b>	<b>\$641,802,385</b>	<b>\$12,825,015,028</b>	<b>(\$295,797,278)</b>	

## GENERAL REVENUE EXPENDITURES

General Government	FY2021 Final	FY2022 Enacted	FY2022 Governor	Change from		
				Enacted	FY2023 Governor	
Administration	\$350,166,995	\$196,032,533	\$644,429,102	\$448,396,569	\$224,631,464	\$28,598,931
Business Regulation	15,221,382	19,239,606	20,790,554	1,550,948	22,949,009	3,709,403
Executive Office of Commerce	59,658,803	98,845,603	98,520,166	(325,437)	38,133,622	(60,711,981)
Labor and Training	12,667,537	15,366,720	16,633,876	1,267,156	16,357,270	990,550
Revenue	122,575,064	267,868,120	260,144,822	(7,723,298)	300,382,840	32,514,720
Legislature	38,496,943	44,844,662	52,014,528	7,169,866	48,542,952	3,698,290
Lieutenant Governor	1,002,552	1,199,161	1,263,354	64,193	1,353,568	154,407
Secretary of State	12,264,121	9,775,071	10,264,710	489,639	11,727,015	1,951,944
General Treasurer	3,437,550	3,228,310	3,413,127	184,817	3,558,632	330,322
Board of Elections	3,368,250	2,671,768	2,783,896	112,128	6,126,861	3,455,093
Ethics Commission	1,832,317	1,867,351	1,969,646	102,295	2,029,145	161,794
Office of the Governor	6,477,754	6,703,626	7,135,886	432,260	7,152,280	448,654
Commission for Human Rights	1,347,293	1,486,581	1,580,108	93,527	1,632,904	146,323
Public Utilities Commission	-	-	-	-	-	-
<b>Total</b>	<b>\$628,516,561</b>	<b>\$669,129,112</b>	<b>\$1,120,943,775</b>	<b>\$451,814,663</b>	<b>\$684,577,562</b>	<b>\$15,448,450</b>
<b>Health and Human Services</b>						
Office of Health and Human Services	\$909,547,935	\$1,100,190,655	\$1,023,899,791	(\$76,290,864)	\$1,163,179,267	\$62,988,612
Children, Youth, and Families	166,024,592	193,284,942	195,690,266	2,405,324	200,369,523	7,084,581
Health	207,495,587	31,030,190	33,225,823	2,195,633	32,752,820	1,722,630
Human Services	99,159,088	123,896,295	125,717,323	1,821,028	127,939,433	4,043,138
BHDDH	189,777,370	271,942,823	279,157,219	7,214,396	305,683,880	33,741,057
Governor's Commission on Disabilities	834,302	1,090,710	1,118,123	27,413	1,141,489	50,779
Governor's Commission on the Deaf	575,032	655,862	699,765	43,903	716,876	61,014
Office of the Child Advocate	937,682	1,036,219	1,104,557	68,338	1,152,930	116,711
Office of the Mental Health Advocate	635,517	680,190	721,334	41,144	738,882	58,692
<b>Total</b>	<b>\$1,574,987,105</b>	<b>\$1,723,807,886</b>	<b>\$1,661,334,201</b>	<b>(\$62,473,685)</b>	<b>\$1,833,675,100</b>	<b>\$109,867,214</b>
<b>Education</b>						
Elementary and Secondary Education	\$1,280,130,112	\$1,330,848,245	\$1,333,374,881	\$2,526,636	\$1,372,667,896	\$41,819,651
Public Higher Education	238,027,137	259,968,593	266,524,498	6,555,905	263,669,406	3,700,813
Council on the Arts	2,002,290	2,048,651	2,112,307	63,656	2,134,088	85,437
Atomic Energy Commission	1,004,580	1,076,170	1,139,351	63,181	1,146,763	70,593
Historical Preservation & Heritage Comm.	1,382,361	1,390,704	1,462,059	71,355	1,572,452	181,748
<b>Total</b>	<b>\$1,522,546,480</b>	<b>\$1,595,332,363</b>	<b>\$1,604,613,096</b>	<b>\$9,280,733</b>	<b>\$1,641,190,605</b>	<b>\$45,858,242</b>
<b>Public Safety</b>						
Attorney General	\$28,341,623	\$29,820,364	\$32,022,145	\$2,201,781	\$32,301,963	\$2,481,599
Corrections	108,846,160	236,349,944	248,193,611	11,843,667	234,393,527	(1,956,417)
Judiciary	99,677,787	107,908,680	114,094,038	6,185,358	115,267,766	7,359,086
Military Staff	2,730,654	2,723,714	2,965,991	242,277	3,145,133	421,419
Emergency Management Agency	12,648,865	2,710,290	2,798,313	88,023	4,038,154	1,327,864
Public Safety	43,129,422	120,604,312	123,920,921	3,316,609	113,379,333	(7,224,979)
Public Defender	12,163,523	13,431,599	14,217,650	786,051	14,568,485	1,136,886
<b>Total</b>	<b>\$307,538,034</b>	<b>\$513,548,903</b>	<b>\$538,212,669</b>	<b>\$24,663,766</b>	<b>\$517,094,361</b>	<b>\$3,545,458</b>
<b>Natural Resources</b>						
Environmental Management	\$42,594,254	\$46,183,840	\$70,791,943	\$24,608,103	\$51,597,245	\$5,413,405
Coastal Resources Management Council	2,456,606	2,809,533	2,988,872	179,339	3,177,275	367,742
<b>Total</b>	<b>\$45,050,860</b>	<b>\$48,993,373</b>	<b>\$73,780,815</b>	<b>\$24,787,442</b>	<b>\$54,774,520</b>	<b>\$5,781,147</b>
<b>Transportation</b>						
Transportation	\$0	-	-	-	-	-
<b>Grand Total</b>	<b>\$4,078,639,040</b>	<b>\$4,550,811,637</b>	<b>\$4,998,884,556</b>	<b>\$448,072,919</b>	<b>\$4,731,312,148</b>	<b>\$180,500,511</b>

## PERSONNEL

	FY2021	FY2022	FY2022	Change	FY2023	Change
	Actual	Enacted	Governor	from	Governor	from
				Enacted		Enacted
<b>General Government</b>						
Administration	647.7	650.7	650.7	-	660.7	10.0
Business Regulation	161.0	162.0	162.0	-	176.0	14.0
Executive Office of Commerce	14.0	16.0	16.0	-	21.0	5.0
Labor and Training	425.7	462.7	461.7	(1.0)	461.7	(1.0)
Revenue	602.5	570.5	570.5	-	575.5	5.0
Legislature	298.5	298.5	298.5	-	298.5	-
Lieutenant Governor	8.0	8.0	8.0	-	8.0	-
Secretary of State	59.0	59.0	59.0	-	59.0	-
General Treasurer	89.0	89.0	89.0	-	90.0	1.0
Board of Elections	13.0	13.0	13.0	-	13.0	-
Ethics Commission	12.0	12.0	12.0	-	12.0	-
Office of the Governor	45.0	45.0	45.0	-	45.0	-
Commission for Human Rights	14.5	14.0	14.0	-	14.0	-
Public Utilities Commission	52.0	54.0	54.0	-	54.0	-
<b>Total</b>	<b>2,441.9</b>	<b>2,454.4</b>	<b>2,453.4</b>	<b>(1.0)</b>	<b>2,488.4</b>	<b>34.0</b>
<b>Human Services</b>						
Office of Health and Human Services	192.0	190.0	190.0	-	200.0	10.0
Children, Youth, and Families	617.5	702.5	702.5	-	702.5	-
Health	513.6	530.6	530.4	(0.2)	535.4	4.8
Human Services	1,038.1	1,047.1	1,047.0	(0.1)	1,047.0	(0.1)
BHDDH	1,188.4	1,190.4	1,190.4	-	1,201.4	11.0
Office of the Child Advocate	10.0	10.0	10.0	-	10.0	-
Governor's Commission on the Deaf	4.0	4.0	4.0	-	4.0	-
Governor's Commission on Disabilities	4.0	4.0	4.0	-	4.0	-
Office of the Mental Health Advocate	4.0	4.0	4.0	-	6.0	2.0
<b>Total</b>	<b>3,571.6</b>	<b>3,682.6</b>	<b>3,682.3</b>	<b>(0.3)</b>	<b>3,710.3</b>	<b>27.7</b>
<b>Education</b>						
Elementary and Secondary Education	325.1	326.1	326.1	-	328.1	2.0
Public Higher Education	3,860.5	3,862.5	3,862.5	-	3,866.5	4.0
Council on the Arts	8.6	9.6	9.6	-	9.6	-
Atomic Energy Commission	8.6	8.6	8.6	-	8.6	-
Historical Preservation and Heritage Commission	15.6	15.6	15.6	-	15.6	-
<b>Total</b>	<b>4,218.4</b>	<b>4,222.4</b>	<b>4,222.4</b>	<b>-</b>	<b>4,228.4</b>	<b>6.0</b>
<b>Public Safety</b>						
Attorney General	239.1	247.1	247.1	-	249.1	2.0
Corrections	1,411.0	1,424.0	1,424.0	-	1,427.0	3.0
Judiciary	726.3	726.3	726.3	-	733.3	7.0
Military Staff	92.0	92.0	92.0	-	93.0	1.0
Emergency Management	32.0	33.0	33.0	-	33.0	-
Public Safety	593.6	622.6	631.2	8.6	635.2	12.6
Public Defender	96.0	99.0	99.0	-	99.0	-
<b>Total</b>	<b>3,190.0</b>	<b>3,244.0</b>	<b>3,252.6</b>	<b>8.6</b>	<b>3,269.6</b>	<b>25.6</b>
<b>Natural Resources</b>						
Environmental Management	394.0	401.0	401.0	-	410.0	9.0
Coastal Resources Management Council	30.0	30.0	30.0	-	31.0	1.0
<b>Total</b>	<b>424.0</b>	<b>431.0</b>	<b>431.0</b>	<b>-</b>	<b>441.0</b>	<b>10.0</b>
<b>Transportation</b>						
Transportation	755.0	755.0	755.0	-	755.0	-
<b>Higher Education Sponsored Research</b>						
Office of Higher Education	1.0	1.0	1.0	-	1.0	-
CCRI	89.0	89.0	89.0	-	89.0	-
RIC	76.0	76.0	76.0	-	76.0	-
URI	357.8	357.8	357.8	-	357.8	-
<b>Total</b>	<b>523.8</b>	<b>523.8</b>	<b>523.8</b>	<b>-</b>	<b>523.8</b>	<b>-</b>
<b>Grand Total</b>	<b>15,124.7</b>	<b>15,313.2</b>	<b>15,320.5</b>	<b>7.3</b>	<b>15,416.5</b>	<b>103.3</b>

## MUNICIPAL AID: DIRECT AID

## FY2023 Direct Municipal Aid to Cities and Towns

Municipality	FY2022 Enacted	Payment in Lieu of Taxes	Distressed			Governor's FY2023	Change from FY2022 Enacted
			Communities Relief Fund	Motor Vehicle Excise Tax	Library Grant-in-Aid		
Barrington	\$3,948,759	\$17,255	-	\$4,442,492	\$293,430	\$4,753,177	\$696,867
Bristol	2,992,820	1,340,127	-	1,605,156	197,714	3,142,997	(142,117)
Burrillville	3,489,385	100,149	-	3,870,050	180,942	4,151,141	429,825
Central Falls	1,785,089	-	235,462	1,739,467	32,808	2,007,737	222,648
Charlestown	570,399	-	-	516,068	57,653	573,721	3,322
Coventry	3,338,356	-	-	3,237,936	200,907	3,438,843	100,487
Cranston	22,869,637	4,761,971	1,342,778	17,439,442	699,781	24,243,972	1,374,335
Cumberland	3,382,494	-	-	3,258,801	302,252	3,561,053	148,715
East Greenwich	1,718,994	736,665	-	912,981	121,281	1,770,927	2,743
East Providence	6,307,364	268,367	-	6,755,542	459,406	7,483,315	1,121,960
Exeter	1,234,275	-	-	1,564,804	51,312	1,616,116	351,940
Foster	1,062,224	-	-	1,250,448	35,329	1,285,777	223,553
Glocester	1,287,169	-	-	1,478,368	85,356	1,563,724	276,555
Hopkinton	933,552	-	-	960,602	37,727	998,329	64,777
Jamestown	292,136	-	-	158,502	115,315	273,817	(18,319)
Johnston	6,628,400	-	-	7,941,051	118,037	8,059,088	1,430,688
Lincoln	2,612,923	-	-	3,652,032	209,822	3,861,854	1,248,931
Little Compton	142,504	-	-	103,638	39,139	142,777	273
Middletown	921,413	-	-	919,620	150,605	1,070,225	103,807
Narragansett	613,241	-	-	537,544	89,530	627,074	13,833
Newport	2,689,322	1,607,219	-	848,630	435,366	2,891,215	201,893
New Shoreham	186,389	-	-	96,719	87,097	183,816	(65,898)
North Kingstown	2,317,743	1,093	-	2,748,554	309,217	3,058,864	741,121
North Providence	7,887,025	-	1,075,446	7,867,397	215,681	9,158,524	1,271,499
North Smithfield	2,742,782	-	-	3,292,438	85,342	3,377,780	634,998
Pawtucket	14,187,255	2,912	1,651,225	13,679,656	345,066	15,678,859	1,491,604
Portsmouth	1,196,871	-	-	1,300,336	118,348	1,418,684	221,813
Providence	66,911,152	34,041,052	6,171,331	29,201,972	1,357,842	70,772,197	3,214,599
Richmond	783,056	-	-	854,261	28,138	882,399	99,343
Scituate	684,074	-	-	964,460	116,307	1,080,767	396,693
Smithfield	5,058,736	866,869	-	5,126,090	325,807	6,318,766	1,260,030
South Kingstown	2,110,827	206,559	-	1,816,922	234,588	2,258,069	147,242
Tiverton	654,324	-	-	470,683	130,938	601,621	(352,324)
Warren	1,171,806	-	-	1,375,292	68,651	1,443,943	272,137
Warwick	15,283,208	1,502,042	-	17,895,813	658,109	20,055,964	4,772,756
Westerly	3,445,481	187,778	-	3,992,668	368,242	4,548,688	849,440
West Greenwich	703,470	-	-	665,198	50,392	715,590	12,120
West Warwick	4,133,868	-	1,063,602	3,927,673	182,145	5,173,420	1,039,552
Woonsocket	8,479,087	449,445	844,614	7,915,029	202,788	9,411,876	932,789
SRL <sup>1</sup>	701,052	-	-	-	701,052	701,052	-
ILG <sup>2</sup>	62,609	-	-	-	62,609	62,609	-
Fire Districts	171,125	-	-	210,266	-	210,266	39,141
<b>Total</b>	<b>\$207,692,396</b>	<b>\$46,089,504</b>	<b>\$12,384,458</b>	<b>\$166,594,596</b>	<b>\$9,562,072</b>	<b>\$234,630,633</b>	<b>\$24,835,371</b>

<sup>1</sup> SRL: Statewide Reference Library Resources Grant<sup>2</sup> ILG: Grant-in-Aid to Institutional Libraries

Total Library Construction Aid FY2023 is \$1.9 million

## MUNICIPAL AID: INDIRECT AID

## FY2023 - Indirect Municipal Aid to Cities and Towns

Municipality	FY2022	Public Service		Meals and	Airport	Governor's	Change from
	Enacted	Corp. Tax	Hotel Tax	Beverage Tax	Impact Fees <sup>1</sup>	FY2023	FY2022 Enacted
Barrington	\$373,105	\$192,114	\$3,177	\$209,372	-	404,663	\$31,558
Bristol	769,969	263,739	79,822	578,357	-	921,918	151,949
Burrillville	400,418	197,557	100	244,515	-	442,172	41,754
Central Falls	362,378	231,392	102	168,323	-	399,817	37,439
Charlestown	327,368	92,883	71,738	206,167	-	370,788	43,420
Coventry	922,728	412,395	95,369	552,207	-	1,059,971	137,243
Cranston	2,900,036	967,705	34,264	2,386,323	-	3,388,292	488,256
Cumberland	921,720	415,003	445	622,715	-	1,038,163	116,443
East Greenwich	863,149	155,790	2,468	862,738	-	1,020,996	157,847
East Providence	1,640,185	565,505	95,853	1,278,106	-	1,939,464	299,279
Exeter	189,761	79,366	318	137,118	-	216,802	27,041
Foster	75,942	56,130	6,154	23,488	-	85,772	9,830
Glocester	200,244	120,775	4,256	95,575	-	220,606	20,362
Hopkinton	150,601	96,432	2,983	62,572	-	161,987	11,386
Jamestown	184,035	65,431	47,270	98,739	-	211,440	27,405
Johnston	1,030,772	349,035	19,002	856,674	-	1,224,711	193,939
Lincoln	1,159,470	258,808	113,535	908,267	25,000	1,305,610	146,140
Little Compton	123,387	41,553	40,816	69,652	-	152,021	28,634
Middletown	1,763,128	190,768	1,323,366	938,204	42,340	2,494,678	731,550
Narragansett	1,088,761	184,599	378,077	812,296	-	1,374,972	286,211
Newport	4,581,254	293,727	3,699,760	2,871,529	-	6,865,016	2,283,762
New Shoreham	957,827	10,909	889,953	464,236	31,017	1,396,115	438,288
North Kingstown	1,047,532	312,449	148,126	732,265	64,987	1,257,827	210,295
North Providence	776,856	387,825	2,086	507,955	-	897,866	121,010
North Smithfield	462,236	147,834	5,108	388,589	-	541,531	79,295
Pawtucket	1,815,464	855,635	98,875	1,163,046	-	2,117,556	302,092
Portsmouth	488,570	206,787	23,587	333,700	-	564,074	75,504
Providence	9,312,032	2,137,706	1,295,018	6,767,163	-	10,199,887	887,855
Richmond	241,659	91,144	20,737	179,970	-	291,851	50,192
Scituate	195,342	126,647	11,618	79,384	-	217,649	22,307
Smithfield	1,217,151	258,355	186,303	999,381	25,000	1,469,039	251,888
South Kingstown	1,419,088	365,054	229,823	1,108,968	-	1,703,845	284,757
Tiverton	456,780	187,862	7,134	339,276	-	534,272	77,492
Warren	441,385	124,908	1,187	393,119	-	519,214	77,829
Warwick	5,590,211	964,596	1,000,497	3,610,776	780,829	6,356,698	766,487
Westerly	1,786,536	268,491	1,544,274	1,123,782	40,863	2,977,410	1,190,874
West Greenwich	292,017	74,125	145,729	152,616	-	372,470	80,453
West Warwick	832,471	344,712	158,257	487,336	-	990,305	157,834
Woonsocket	1,089,525	495,479	63,318	695,964	-	1,254,761	165,236
<b>Total</b>	<b>\$48,451,093</b>	<b>\$12,591,223</b>	<b>\$11,850,506</b>	<b>\$33,510,462</b>	<b>\$1,010,036</b>	<b>\$58,962,229</b>	<b>\$10,511,136</b>

<sup>1</sup> Airport Impact Aid distributions are Senate Fiscal Office Estimates and are based on May 2020 landing data. Final distribution levels will be adjusted based on updated CY2021 data.



EDUCATION AID

Districts	FY2022 Enacted (includes group home and categoricals)		FY2023		Adjustment for FY2022 Property Tax		High-cost			Total Change	FY2023 Education Aid
	Formula Change	Hold Harmless	Data	Density Aid	Transportation	Special Education	Group Home	English Learners			
Barrington	\$8,232,393	\$1,853,240	\$0	\$0	\$0	\$39,481	(\$68,729)	\$0	(\$302)	\$1,823,690	\$10,056,083
Burrillville	13,994,930	(1,635,127)	1,635,127	-	(23,500)	5,803	86,699	(75,207)	(567)	(6,771)	13,988,158
Charlestown	1,291,375	(121,387)	121,387	-	-	-	-	-	(75)	(75)	1,291,300
Coventry	24,191,220	(533,190)	533,190	-	-	7,448	(1,990)	(2,299)	(261)	2,899	24,194,118
Cranston	69,876,885	(4,263,659)	4,263,659	-	-	(115,863)	(30,446)	-	6,873	(139,436)	69,737,449
Cumberland	20,556,190	68,326	-	748,963	12,000	(3,273)	(4,218)	-	(910)	820,888	21,377,077
East Greenwich	4,542,049	878,666	-	-	-	48,162	(46,153)	-	252	880,926	5,422,975
East Providence	36,956,354	(2,885,563)	2,885,563	-	-	(3,651)	(138,213)	(33,850)	(2,555)	(178,269)	36,778,085
Foster	1,106,412	(69,798)	69,798	3,290	-	(16,074)	(10,033)	-	-	(22,817)	1,083,595
Glocester	2,481,208	(119,935)	119,935	-	-	(11,701)	(21,453)	-	-	(33,154)	2,448,054
Hopkinton	5,590,838	(226,216)	226,216	-	-	-	-	-	182	182	5,591,020
Jamestown	339,230	(71,766)	71,766	-	-	-	41,043	-	(20)	41,023	380,253
Johnston	19,970,937	(1,724,248)	1,724,248	-	-	(57,255)	83,817	-	(3,843)	22,719	19,993,656
Lincoln	16,231,922	(480,948)	480,948	-	5,500	-	(85,916)	797	(1,375)	(80,994)	16,150,928
Little Compton	432,020	(104,776)	104,776	-	-	-	-	-	-	-	432,020
Middletown	8,185,474	(1,379,327)	1,379,327	-	-	-	(11,674)	-	(1,825)	(13,498)	8,171,976
Narragansett	2,196,991	(861,280)	861,280	-	-	-	(10,534)	-	(184)	(10,718)	2,186,273
Newport	15,005,285	(1,881,371)	1,881,371	-	-	-	(29,189)	3,747	(13,370)	(38,812)	14,966,473
New Shoreham	237,000	(137,201)	137,201	-	-	-	(3,957)	-	(489)	(4,445)	232,555
North Kingstown	11,302,964	(1,492,163)	1,492,163	-	-	-	(25,956)	-	(1,216)	(27,172)	11,275,792
North Providence	27,298,295	(636,749)	636,749	-	(14,500)	(31,364)	195,516	(2,370)	392	147,674	27,445,969
North Smithfield	6,372,462	186,079	-	-	-	2,708	28,044	(96,893)	1,743	121,682	6,494,144
Pawtucket	96,013,908	(625,752)	625,752	-	(74,500)	29,998	(74,334)	(17,103)	21,138	(114,801)	95,899,108
Portsmouth	3,800,557	(1,083,168)	1,083,168	-	-	17,886	(29,485)	(136,099)	(120)	(147,818)	3,652,739
Providence	277,047,845	(18,899,401)	18,899,401	-	(187,000)	147,788	316,273	(153,906)	(145,490)	(22,335)	277,025,510
Richmond	5,150,039	42,590	-	-	-	-	-	-	385	42,975	5,193,014
Scituate	2,535,612	31,637	-	-	-	(2,622)	(18,167)	-	-	10,848	2,546,460
Smithfield	7,085,404	629,038	-	-	-	(54,975)	(29,596)	(105,752)	256	438,970	7,524,374
South Kingstown	4,969,167	(830,443)	830,443	-	-	(55,552)	29,216	2,173	(1,031)	(25,194)	4,943,973
Tiverton	6,896,308	(952,952)	952,952	-	-	-	88,801	-	(254)	88,546	6,984,854
Warwick	40,271,672	(1,666,012)	1,666,012	-	-	417	(54,607)	(1,506)	1,429	(54,267)	40,217,405
Westerly	8,083,720	(1,366,663)	1,366,663	-	-	-	(80,683)	-	(142)	(80,825)	8,002,895
West Warwick	30,945,716	(315,478)	315,478	-	-	(9,248)	(20,533)	-	3,015	(26,766)	30,918,951
Woonsocket	70,423,976	(1,567,811)	1,567,811	-	(49,000)	31,300	32,922	(34,510)	(173)	(19,460)	70,404,516
Bristol-Warren <sup>1</sup>	13,130,077	(1,244,811)	1,244,811	-	-	59,033	(58,414)	(43)	(50)	526	13,130,603
Exeter-West Greenwich <sup>2</sup>	5,468,643	(27,717)	27,717	-	-	93,139	11,870	(10,106)	(126)	94,777	5,563,420
Charlho	1,847,044	-	-	-	-	18,068	(50,069)	-	-	(32,001)	1,815,043
Foster-Glocester <sup>2</sup>	5,763,334	(122,937)	122,937	5,233	-	(108,564)	(64,690)	-	(22)	(168,043)	5,595,291
Central Falls	49,422,397	(1,348,583)	1,348,583	-	(37,500)	(31,087)	45,761	-	(18,745)	(41,571)	49,380,826
<b>District Total</b>	<b>\$925,247,852</b>	<b>(\$44,986,859)</b>	<b>\$48,676,435</b>	<b>\$757,486</b>	<b>(\$368,500)</b>	<b>(\$0)</b>	<b>(\$9,074)</b>	<b>(\$662,927)</b>	<b>(\$157,478)</b>	<b>\$3,249,084</b>	<b>\$928,496,935</b>
Charter School Total	124,745,401	17,157,783	925,642	81,896	-	-	9,080	-	148,733	18,323,134	143,068,526
Davies	15,180,645	233,755	-	2,988	-	-	-	-	1,230	237,973	15,418,618
Met School	9,358,555	137,291	-	-	-	-	-	-	6,895	144,186	9,502,741
Urban Collaborative	1,636,988	(71,820)	71,820	212	-	-	-	-	620	832	1,637,820
<b>Total</b>	<b>\$1,076,169,441</b>	<b>(\$27,529,850)</b>	<b>\$49,673,897</b>	<b>\$842,582</b>	<b>(\$368,500)</b>	<b>(\$0)</b>	<b>(\$0)</b>	<b>(\$662,927)</b>	<b>\$0</b>	<b>\$21,955,208</b>	<b>\$1,098,124,640</b>

<sup>1</sup> Based on March 2021 enrollment, will be updated based on March 2022 data.

<sup>2</sup> Calculations based on component district data as required by the Superior Court decision in Town of Warren v. Bristol Warren Regional School District, et. al.  
Source: Rhode Island Department of Education

## COMMUNITY SERVICE OBJECTIVE GRANTS

Agency	Grant Recipient	FY2022 Enacted	FY2022 GOV REC	Change	FY2023 GOV REC	Change
<b>Administration</b>	City Year - Whole School Whole Child Program	\$130,000	\$130,000	\$0	\$130,000	\$0
<b>Executive Office of Commerce</b>	Polaris Manufacturing Technical Assistance Program	350,000	350,000	-	350,000	-
	International Trade and Export Programming	476,200	476,200	-	476,200	-
	Minority Entrepreneurship	140,000	140,000	-	140,000	-
	East Providence Waterfront Commission	50,000	50,000	-	50,000	-
		<b>\$1,016,200</b>	<b>\$1,016,200</b>	<b>\$0</b>	<b>\$1,016,200</b>	<b>\$0</b>
<b>Secretary of State</b>	Rhode Island Historical Society	125,000	125,000	-	125,000	-
	Newport Historical Society	18,000	18,000	-	18,000	-
		<b>\$143,000</b>	<b>\$143,000</b>	<b>\$0</b>	<b>\$143,000</b>	<b>\$0</b>
<b>Human Services - Office of Health Aging</b>	Diocese of Providence - Elder Services	325,000	325,000	-	325,000	-
	Alliance for Long Term Care Ombudsman Services	40,000	40,000	-	40,000	-
	Elderly Housing Security	85,000	85,000	-	85,000	-
	Meals on Wheels	530,000	530,000	-	530,000	-
	Senior Center Support	800,000	800,000	-	1,000,000	200,000
	Elderly Nutrition	50,000	580,000	530,000	580,000	530,000
		<b>\$1,830,000</b>	<b>\$2,360,000</b>	<b>\$530,000</b>	<b>\$2,560,000</b>	<b>\$730,000</b>
<b>Human Services</b>	Coalition Against Domestic Violence	300,000	300,000	-	400,000	100,000
	Project Reach - Boys and Girls Club	250,000	250,000	-	350,000	100,000
	Day One	217,000	217,000	-	267,000	50,000
	RI Community Food Bank	175,000	350,000	175,000	450,000	275,000
	Crossroads Rhode Island	500,000	500,000	-	500,000	-
	Institute for the Study and Practice of Nonviolence	200,000	200,000	-	250,000	50,000
	Veterans' Organizations	200,000	200,000	-	200,000	-
	Community Action Fund	600,000	600,000	-	600,000	-
	Higher Ground International	-	-	-	50,000	50,000
	Refugee Dream Center	-	-	-	50,000	50,000
		<b>\$2,442,000</b>	<b>\$2,617,000</b>	<b>\$175,000</b>	<b>3,117,000</b>	<b>\$675,000</b>
<b>Education</b>	Hasbro Children's Hospital - Hospital School	90,000	90,000	-	90,000	-
	Child Opportunity Zones	395,000	395,000	-	395,000	-
		<b>\$485,000</b>	<b>\$485,000</b>	<b>\$0</b>	<b>\$485,000</b>	<b>\$0</b>
<b>Office of Postsecondary Commissioner</b>	Rhode Island College Crusade	355,000	355,000	-	355,000	-
	Best Buddies Rhode Island	75,000	75,000	-	75,000	-
		<b>\$430,000</b>	<b>\$430,000</b>	<b>\$0</b>	<b>\$430,000</b>	<b>\$0</b>
<b>University of Rhode Island</b>	Small Business Development Center	350,000	700,000	350,000	700,000	350,000
	Special Olympics Rhode Island	50,000	50,000	-	50,000	-
		<b>\$400,000</b>	<b>\$750,000</b>	<b>\$350,000</b>	<b>\$750,000</b>	<b>\$350,000</b>
<b>Arts Council</b>	WaterFire Providence	375,000	375,000	-	375,000	-
<b>Historical Preservation</b>	Fort Adam's Trust	30,000	30,000	-	30,000	-
<b>Corrections</b>	Crossroads	1,050,000	1,050,000	-	1,050,000	-
<b>Judicial</b>	Rhode Island Coalition Against Domestic Violence	230,000	230,000	-	230,000	-
	Rhode Island Legal Services	90,000	90,000	-	90,000	-
		<b>\$320,000</b>	<b>\$320,000</b>	<b>\$0</b>	<b>\$320,000</b>	<b>\$0</b>
<b>Environmental Management</b>	Conservation Districts	50,000	50,000	-	50,000	-
		<b>\$50,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$0</b>
	<b>Grand Total</b>	<b>\$8,701,200</b>	<b>\$9,756,200</b>	<b>\$1,055,000</b>	<b>\$10,456,200</b>	<b>\$1,755,000</b>

STATE FISCAL RECOVERY FUNDS

Governor's Proposed State Fiscal Recovery Fund Plan

Department	Initiative	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Administration	Auto-Enrollment Program HSRI	\$502,526	\$339,079	-	-	-	-	\$841,605
Administration	Aid to the Convention Center	8,370,000	17,700,000	13,425,000	5,540,000	2,000,000	-	47,035,000
Administration	OER Electric Heat Pumps	-	4,900,500	10,233,000	10,665,000	8,377,000	2,824,500	37,000,000
Administration	Eligibility Extension Compliance (HSRI)	92,176	125,618	-	-	-	-	217,794
Administration	COVID-19 Ongoing Response	50,000,000	75,000,000	25,052,439	-	-	-	150,052,439
Administration	Nonprofit Assistance / Food Insecurity	-	10,000,000	-	-	-	-	10,000,000
Administration	Enterprise Resource Planning (ERP)	-	2,200,000	-	-	-	-	2,200,000
Administration	Reserve/Contingency	-	-	-	-	-	-	-
Attorney General	Mental Health Court Pilot Program	-	204,005	210,179	220,687	-	-	634,871
BHDDH	Crisis Intervention Trainings	-	550,000	550,000	550,000	550,000	-	2,200,000
BHDDH	Emergency Staffing ESH	-	194,557	-	-	-	-	194,557
BHDDH	Emergency Staffing ESH Zambrano	-	167,775	-	-	-	-	167,775
BHDDH	Emergency Staffing ESH State Psychiatric Hospital	-	92,168	-	-	-	-	92,168
Business Regulation	Blockchain Digital Identity	-	1,500,000	1,000,000	-	-	-	2,500,000
Business Regulation	OHIC Health Spending Accountability and Transparency Program	-	500,000	-	-	-	-	500,000
Commerce	Development of Affordable Housing	15,000,000	20,000,000	30,000,000	25,000,000	-	-	90,000,000
Commerce	Housing Stability	1,500,000	7,000,000	7,000,000	6,000,000	-	-	21,500,000
Commerce	Site Acquisition	12,000,000	3,000,000	5,000,000	5,000,000	-	-	25,000,000
Commerce	OHCD Predevelopment and Capacity Building	500,000	500,000	500,000	-	-	-	1,500,000
Commerce	Small Business Financial and Technical Assistance	32,000,000	13,000,000	-	-	-	-	45,000,000
Commerce	Aid to Tourism, Hospitality, and Events Industries	13,000,000	15,500,000	-	-	-	-	28,500,000
Commerce	Statewide Broadband Planning and Mapping	500,000	-	-	-	-	-	500,000
Commerce	Minority Business Accelerator	-	1,500,000	6,000,000	2,500,000	-	-	10,000,000
Commerce	Down Payment Assistance in Hard Hit Neighborhoods	-	15,000,000	20,000,000	15,000,000	-	-	50,000,000
Commerce	Workforce Housing	-	12,000,000	8,000,000	-	-	-	20,000,000
Commerce	Affordable Housing Predevelopment Program	-	2,500,000	2,500,000	2,500,000	2,500,000	-	10,000,000
Commerce	Community Revitalization	-	15,000,000	10,000,000	-	-	-	25,000,000
Commerce	Port of Davisville	-	6,000,000	19,360,000	27,000,000	7,640,000	-	60,000,000
Commerce	Statewide Housing Plan	-	2,000,000	-	-	-	-	2,000,000
Commerce	South Quay Marine Terminal	-	12,000,000	23,000,000	-	-	-	35,000,000
Commerce	Homelessness Infrastructure	-	5,000,000	-	-	-	-	5,000,000
Commerce	Blue Economy Investments	-	10,000,000	40,000,000	20,000,000	-	-	70,000,000
Commerce	Bioscience Investments	-	5,000,000	15,000,000	9,000,000	1,000,000	-	30,000,000
Commerce	SBA Loan Interest Subsidy	-	20,000,000	-	-	-	-	20,000,000
Commerce	Main Streets Revitalization	-	5,000,000	-	-	-	-	5,000,000
Corrections	Wi-Fi and Tech at the ACI	-	3,100,000	100,000	50,000	50,000	25,000	3,325,000
Corrections	Radio System	-	2,700,000	-	-	-	-	2,700,000
DCYF	DCYF Provider Workforce Stabilization	12,500,000	-	-	-	-	-	12,500,000
DCYF	Psychiatric Residential Treatment Facility	-	6,000,000	-	-	-	-	6,000,000
DCYF	Lead Abatement & Fire Safety Upgrades in Foster Homes	-	1,500,000	375,000	-	-	-	1,875,000
Elementary and Secondary Education	Municipal Learning Centers	-	5,000,000	5,000,000	5,000,000	-	-	15,000,000
Environmental Management	Galilee Port Rehabilitation	-	6,000,000	4,000,000	10,000,000	16,000,000	10,000,000	46,000,000
Environmental Management	Permit and Licensing IT Investments	-	2,825,000	2,000,000	500,000	500,000	-	5,825,000
EOHHS	Pediatric Health Care Recovery	7,500,000	7,500,000	-	-	-	-	15,000,000
EOHHS	Early Intervention Recovery	5,500,000	5,500,000	-	-	-	-	11,000,000
EOHHS	Eligibility Extension Compliance (EOHHS)	10,094	56,722	-	-	-	-	66,816
EOHHS	Certified Community Behavioral Health Clinics	-	28,100,000	-	-	-	-	28,100,000
EOHHS	9-8-8 Hotline	-	1,875,000	-	-	-	-	1,875,000
Human Services	Child Care Investment: Retention Bonuses	18,700,000	18,700,000	-	-	-	-	37,400,000
Human Services	Child Care Investment: Workforce Registry and Quality Improvements	-	950,000	550,000	500,000	-	-	2,000,000
Human Services	Child Care Investment: Increasing Supply of Family Providers	300,000	300,000	-	-	-	-	600,000
Human Services	RIbridges Mobile Access and Childcare Tracking	-	2,400,000	2,400,000	1,900,000	-	-	6,700,000
Human Services	Child Care Investment: Enhanced TEACH Program	-	1,333,000	667,000	-	-	-	2,000,000
Human Services	Eligibility Extension Compliance (DHS)	527,915	36,182	-	-	-	-	564,097
Human Services	Emergency Staffing RIVH	-	95,500	-	-	-	-	95,500
Judiciary	Mental Health Court Pilot Program	-	107,900	108,732	114,169	-	-	330,801
Judiciary	Mental Health Court Pilot Program	-	844,582	826,969	868,317	-	-	2,539,868
Labor and Training	Unemployment Insurance Trust Fund Contribution	-	30,000,000	-	-	-	-	30,000,000
Labor and Training	Enhanced Real Jobs	-	10,000,000	15,000,000	15,000,000	-	-	40,000,000
Mental Health Advocate	Mental Health Court Pilot Program	-	234,447	232,880	244,523	-	-	711,850
Public Higher Education	Higher Education Academies OPC	-	6,504,000	4,500,000	4,500,000	4,500,000	2,496,000	22,500,000
Public Safety	Support for Survivors of Domestic Violence	-	1,000,000	3,500,000	-	-	-	4,500,000
Revenue	Tax Modernization/STAARS Cloud Migration and Other IT	-	750,000	1,500,000	-	-	-	2,250,000
Transportation	RIPTA - Pawtucket/Central Falls Bus Hub Passenger Facility	-	4,000,000	1,000,000	-	-	-	5,000,000
Transportation	Administration	-	16,965,916	-	-	-	-	16,965,916
<b>Totals</b>		<b>\$178,502,711</b>	<b>\$447,851,951</b>	<b>\$278,591,198</b>	<b>\$167,652,697</b>	<b>\$43,117,000</b>	<b>\$15,345,500</b>	<b>\$1,131,061,057</b>

## Senate Fiscal Office

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### **Stephen H. Whitney**

*Senate Fiscal Advisor*

Children, Youth, and Families  
Child Advocate

### **Robert C. Bromley**

*Senior Legislative Fiscal Analyst*

Administration  
Board of Elections  
Commission on Disabilities  
Convention Center Authority  
Ethics Commission  
General Treasurer  
Governor  
Health  
Human Rights Commission  
I-195 Redevelopment Commission  
Lieutenant Governor  
Military Staff  
Public Defender  
Public Utilities Commission  
Quonset Development Corporation  
RI Emergency Management Agency  
Secretary of State

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Arts Council  
Atomic Energy Commission  
Coastal Resources Management Council  
Elementary and Secondary Education  
Environmental Management  
Health & Educational Building Corporation  
Higher Education  
Judiciary  
Narragansett Bay Commission  
Resource Recovery Corporation  
RI Infrastructure Bank  
Student Loan Authority  
Revenue  
RI Commerce Corporation  
RIHMFC (RI Housing)

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Behavioral Healthcare, Developmental  
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Business Regulation  
Commission on Deaf and Hard of Hearing  
Executive Office of Health and Human Services  
HealthSource RI  
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Legislature  
Public Safety  
Revenue  
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Attorney General  
Corrections  
Historic Preservation and Heritage Commission  
Human Services  
Labor and Training  
RI Airport Corporation  
RI Public Transit Authority  
RI Turnpike & Bridge Authority  
Transportation