



SENATE FISCAL OFFICE
REPORT

FY2024 BUDGET: CHANGES TO THE GOVERNOR

**2023-H-5200 SUBSTITUTE A
AS PASSED BY THE HOUSE FINANCE COMMITTEE**

JUNE 6, 2023

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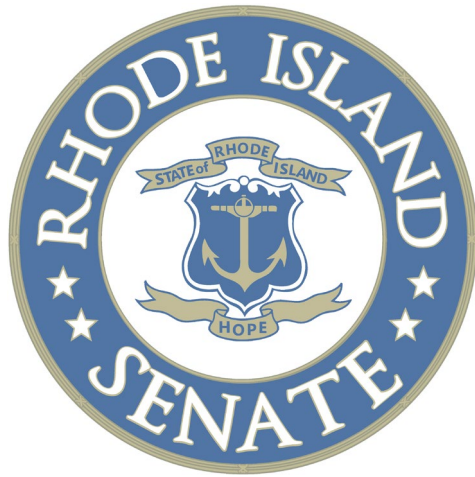
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EXECUTIVE SUMMARY

Executive Summary

The Budget represents the \$14.0 billion spending plan for the State for the fiscal year ending June 30, 2024, (FY2024). Also included is the revised spending plan for the current fiscal year ending June 30, 2023, (FY2023). The Budget Reserve and Cash Stabilization Account (Rainy Day Fund) would be fully-funded. The following document summarizes key budget initiatives and changes.

Expenditures by Source	FY2023 Enacted	FY2023 Governor	FY2023 Supp.	Change to Governor	FY2024 Governor	FY2024 Budget	Change to Governor
General Revenue	\$5,042.2	\$5,266.6	\$5,174.2	(\$92.4)	\$5,302.8	\$5,424.7	\$121.9
Federal Funds	5,708.4	5,951.3	5,825.9	(125.4)	5,526.0	5,635.8	109.8
Restricted Receipts	453.5	470.1	475.9	5.9	386.8	389.1	2.3
Other Funds	2,398.4	2,450.0	2,378.8	(71.1)	2,535.4	2,550.6	15.1
Total	\$13,602.5	\$14,138.0	\$13,854.9	(\$283.0)	\$13,751.1	\$14,000.2	\$249.1
FTE Authorization	15,455.5	15,463.5	15,463.5	-	15,591.5	15,636.9	45.4

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

GENERAL REVENUE SURPLUS STATEMENT

	FY2022 Audited	FY2023 Enacted	FY2023 Supplemental	FY2024 Budget
Opening Surplus				
Free Surplus	\$374,425,433	\$10,345,571	\$209,649,745	\$368,706,714
Adjustment to Opening Surplus	155,277,927	278,859,677	37,664,293	
Adjustment to Fund Balance			243,669,100	5,055,846
Reappropriated Surplus	8,446,365	-	19,442,046	
Subtotal	\$538,149,725	\$289,205,248	\$510,425,184	\$373,762,560
Revenues				
Enacted/Actual/Estimated	5,204,244,069	4,690,263,000	4,901,451,905	4,892,968,406
Governor			309,799,723	382,466,893
Assembly			(12,051,628)	839,989
Total Revenues	5,204,244,069	\$4,901,451,905	5,199,200,000	5,276,275,288
To Cash Stabilization Fund	(167,360,085)	(147,353,924)	(162,265,492)	(169,349,460)
Total Available Resources	\$5,575,033,709	\$5,043,303,229	5,547,359,692	\$5,480,688,388
Expenditures				
Actual/Enacted/Current Svcs.	5,239,941,918	5,042,159,928	5,042,159,928	5,064,100,172
Governor			224,410,565	238,678,553
Assembly			(92,361,959)	121,940,180
Total Expenditures	5,239,941,918	5,042,159,928	5,174,208,534	5,424,718,905
Total Surplus	335,091,791	1,143,301	373,151,158	55,969,483
Transfer to Fleet/HTC	(106,000,000)		(4,444,444)	
Transfer to Supp. State Budget reserve				(55,000,000)
Reappropriations	(19,442,046)			
Free Surplus	\$209,649,745	\$1,143,301	368,706,714	\$969,483
Rainy Day Fund	\$278,933,475	\$245,589,874	\$270,442,487	\$282,249,100

REVENUE CHANGES:

- **Suspension of the Public Service Corporations Tax:** Provides a rebate on the collection of the public service corporations tax (PSCT) on gross receipts of electric and gas utilities for the period of December 2023 through March 2024. Public utilities would continue to collect and remit taxes but will be required to provide a credit to commercial and residential customers for the stated period, effectively reducing their bills during that time. The initiative is estimated to save customers \$35.6 million.
- **Earned Income Tax Credit Increase:** Increases the State's earned income tax credit (EITC) from 15.0 percent of the federal credit amount to 16.0 percent, beginning in Tax Year 2024.
- **Scholarship Organization Tax Credit Cap Increase:** Increases the program cap on the State's contribution to scholarship organizations tax credit from \$1.5 million annually to \$1.6 million.

GENERAL GOVERNMENT:

- **ARPA CPF: Municipal and Higher Education Matching Grant:** Repurposes \$35.0 million in ARPA Capital Project Funds originally for the planned construction of a Student Services Center at Rhode Island College, to the ARPA CPF Municipal and Higher Ed Matching Grant Program. This results in a total appropriation of \$58.4 million in FY2024.
- **ARPA SFRF – Municipal Public Safety Fund:** Includes a total of \$11.0 million in federal ARPA SFRF for a new initiative to provide matching support to cities and towns to make significant public safety facilities infrastructure improvements including new construction.
- **Comprehensive Child Welfare Information System:** Adds \$8.0 million in general revenue for additional funding of the Comprehensive Child Welfare Information System (CCWIS) information technology project.
- **HealthSource RI:** Adds \$1.3 million in general revenue to reflect a funding shift from FY2023 to FY2024. This accounts for the timing of expenditures related to the Consolidated Appropriations Act of 2023, and specifically the delay in unwinding of the public health emergency and redetermination schedule from a start of January 1, 2023, to a start of April 1, 2023.
- **National Electric Vehicle Infrastructure Formula Program:** The Budget adds \$4.0 million in other funds reflecting an operating transfer for federal funds awards to the State under the National Electric Vehicle Infrastructure Formula Program (NEVI Formula), to provide funding to States to strategically deploy electric vehicle (EV) charging infrastructure and to establish an interconnected network to facilitate data collection, access, and reliability.
- **Special Election Costs:** Includes \$220,000 in the Secretary of State and \$309,563 in the Board of Elections in general revenues to cover the projected special election costs for the 1st Congressional District.
- **Microgrid Tariff Development:** Adds \$100,000 for the Public Utilities Commission to hire additional expert personnel to manage the process and to develop a microgrid services tariff.

ECONOMIC DEVELOPMENT:

- **Rhode Island Life Science Hub:** Establishes a new quasi-public corporate entity of the State for the purposes of coordinating state investment and strategy around the life sciences economic sector. Called the Rhode Island Life Sciences Hub (Hub), the entity will be the central body and coordinating organization of life science initiatives in the Rhode Island. Includes \$45.0 million in federal State Fiscal Recovery Funds for the Hub.
- **Rebuild RI Program Changes:** Increases the total amount of tax credits and sales tax exemptions that may be issued from \$210.0 million to \$225.0 million.

- **First Wave Closing Fund:** Provides \$10.0 million in general revenue for the First Wave Closing Fund to support economic development by providing last dollar “gap financing” for certain types of projects.
- **Wavemaker Fellowship Program Expansion:** Expands the Wavemaker Fellowship program to include teachers and provides \$4.0 million in funding.
- **Innovation Initiative:** Modifies the Innovation Initiative incentive program by increasing the maximum voucher awards from \$50,000 to \$75,000 and provides \$1.0 million for the program.
- **Main Streets Revitalization Program:** Includes \$1.0 million in SFRF funds to support investments in main street improvements.
- **Minority Business Accelerator Program:** Provides \$4.0 million support investment in additional resources that enhance growth of minority-owned businesses.
- **Port of Davisville Improvements:** Provides \$59.0 million in FY2024 to expand the development of port infrastructure and services at the Port of Davisville in Quonset.
- **South Quay Marine Terminal:** Provides \$35.0 million to support the development of a port facility to support the offshore wind industry in East Providence. Funding is contingent upon matching funds being acquired by February 1, 2024.
- **Broadband:** Includes \$9.6 million in FY2024 to support investments in projects that provide high-speed, reliable internet to all Rhode Islanders.

HOUSING:

- **Low-Income Housing Tax Credit Program:** Creates new \$30.0 million/year tax credit program intended to increase the development of affordable housing in the State.
- **Housing Organization:** Expands the powers and authority of the Secretary and Department of Housing and establishes a new affordable housing development subsidiary within RIHousing.
- **Targeted Housing Development Program:** Includes \$31.0 million in federal SFRF funds in FY2024 for a new Targeted Housing Development program. The program will support the development of develop housing in targeted areas and/or priority projects, including permanent supportive housing, housing dedicated to vulnerable Rhode Islanders, transit-oriented housing, and other priorities.
- **Housing Related Infrastructure:** Includes \$4.3 million in federal SFRF funds in FY2024 for a new Housing-Related Infrastructure initiative. These funds are to be allocated to the Rhode Island infrastructure bank as established in RIGL 46-12.2 or another entity designated by the Secretary of Housing to support physical infrastructure that is necessary to produce additional housing.
- **Municipal Homelessness Support Initiative:** Includes \$2.5 million in federal SFRF funding to support new municipal homelessness support program. The new program provides grants to for community services that would help emergency shelters improve outcomes in local communities.
- **Municipal Planning:** Provides \$2.3 million in SFRF funding for a new program supporting municipalities around affordable housing planning and implementation.
- **Proactive Housing Development:** Includes \$1.4 million in federal SFRF funds in FY2024 for a new initiative that supports proactive development activities, including staffing, that are conducted by the enhanced subsidiary of the Rhode Island housing and mortgage finance corporation established under Article 6 of the Budget.
- **Preservation of Affordable Housing:** Includes \$500,000 in federal SFRF funds for a new program supporting the preservation of existing structures for affordable housing, particularly for properties at risk of foreclosure or blight.

- **Development of Affordable Housing:** Includes \$55.0 million in SFRF funds for additional investments in the development of affordable housing units.
- **Down Payment Assistance:** Includes \$20.0 million in SFRF funds in to fund a program that provides down payment assistance to eligible first-time homebuyers.
- **Site Acquisition:** Includes \$10.0 million in SFRF funds to be used to acquire properties for redevelopment as affordable and supportive housing. Funds are to be administered by RIHousing.
- **Community Revitalization:** Includes \$10.0 million in SFRF funds to support the acquisition and redevelopment of blighted properties and also supports critical home repairs within the certain communities.
- **Housing Stability:** Includes \$13.0 million in SFRF funds to support stabilization services that address homelessness.
- **Workforce Housing:** Includes \$8.0 million in SFRF funds to support the increase the housing supply affordable to families earning up to 120 percent of area median income.
- **Affordable Housing Predevelopment Program:** Includes \$7.5 million in SFRF funds 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:** Includes \$30.0 million in SFRF funds in FY2024 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.

EDUCATION:

- **Education Aid:** Adds \$18.3 million to support the changes in education aid provided in Article 8, including lowering the threshold for the reimbursement of high-cost special education costs, increasing and fully funding the weight for English learners from 10.0 percent to 15.0 percent, providing additional support for districts experiencing enrollment loss or a significant change in their state share ratio, and correcting an unintended consequence of the quadratic mean share ratio calculation.
- **School for the Deaf:** Provides 1.0 new FTE speech language pathologist at the RI School for the Deaf.
- **RIDE - Special Education - IEP Facilitation:** Provides 3.0 new FTE positions and professional development to facilitate Individualized Education Programs (IEPs).
- **School Construction:** Removes the cap limiting the increase in a district's state share to one half for projects submitted for reimbursement after July 1, 2023, thereby allowing lower share ratio communities to reach the 20-percentage point cap.
- **URI – Operating Support:** Provides and additional \$6.0 million in general revenue toward operating expenses that exceed other available resources.
- **CCRI – Healthcare Workforce:** Adds \$547,295 in general revenue to fund 4.0 FTE positions, within the College's current staffing authorization, to provide support services and stipends for nursing assistant students, as well as marketing and advertising to recruit and train certified nursing assistants, licensed practical nurses, and registered nurses.
- **RIC - Cybersecurity Center:** Utilizes ARPA SFRF funds to support a new cybersecurity center at Rhode Island College.
- **URI – PFAS Water Treatment:** Appropriates \$20.0 million in ARPA SFRF funds to support permanent water filtration systems to reduce PFAS contamination.

- **Higher Education Opportunities for Teachers of Color:** Restores \$200,000 to support continuing education for teachers of color.
- **RIC - Hope Scholarship Pilot:** Provides \$4.0 million in general revenue to establish the Hope Scholarship Pilot program beginning with the high school graduating class of 2023 and students enrolled in Rhode Island College (RIC) as of July 1, 2021, who have attained junior status as of July 1, 2023. Increases funds to support the Hope Scholarship Pilot Program through FY2026.
- **Rhode Island Vision Education and Services Program:** Provides \$1.8 million to support blind or visually impaired students attending Rhode Island College, as well as support their families in obtaining services to aid their families and educational staff.

LOCAL/MUNICIPAL ISSUES AND AID:

- **Tangible Tax Exemption Initiative:** Provides \$28.0 million in general revenue for a new state aid program that reimburses municipalities for revenue forgone as a result of a new statewide tangible property tax exemption on the first \$50,000 of property value.
- **PILOT at Full Amount:** Fully funds Payment-in-Lieu of Taxes (PILOT) state aid.
- **Library Aid:** Provides \$11.5 million to fully fund the State's Grant-in-Aid for libraries.

HEALTH AND HUMAN SERVICES:

- **Developmental Disabilities Rate Remodel:** Adds \$20.9 million in general revenues (\$47.3 million all funds) for increased funding needed the Developmental Disabilities rate remodel as required by the Consent Decree Action Plan.
- **Eat Well, Be Well:** Reappropriates \$10.0 million to the SNAP retail incentive Pilot known as *Eat Well, Be Well*.
- **Provider Workforce Stabilization Extension (ARPA SFRF):** Increases federal funds by \$7.9 million for DCYF to continue wage stabilization payments in FY2024.
- **Child Care Retention Bonuses:** Includes \$15.0 million in ARPA SFRF to continue child care worker retention bonuses.
- **RI Community Food Bank:** Increases funding for the RI Community Food Bank by \$3.1 million in all funds.
- **Advanced and Basic Life Support Ambulance Rates:** Includes an additional \$2.3 million in general revenue and \$2.8 million in federal funds to more than double the Medicaid rates paid for advanced and basic life support ambulance services.
- **Home Modification Program:** Adds \$250,000 to the RI Home Modification Program to fund home improvements that allow people to stay in their homes longer and avoid costly nursing home stays.
- **Weatherization:** Appropriates \$2.1 million for energy and weatherization programs.
- **Ticket to Work Program:** Includes \$548,125 in general revenue (\$1.2 million all funds) to expand the Ticket to Work program for eligible social security disability beneficiaries.
- **Office of Healthy Aging:** Appropriates a total of \$463,401 in general revenue for elder abuse prevention and elderly services.
- **Children's Cabinet Early Childhood Programs:** Includes \$220,000 for coordination and administration of an early childhood program in EOHHS.
- **Personal Needs Allowance:** Increases personal needs allowance from \$50 to \$75.

- **Office of the Medical Examiner:** Increases funds for 1.0 new FTE to assist in DNA database audit.
- **Office of the Child Advocate:** Increases general revenues by \$19,171 to upgrade a vacant position in the Office to a new position focusing on support and oversight for educational outcomes for children in state care.

PUBLIC SAFETY:

- **15.0 New FTE Positions for Office of the Attorney General:** Authorizes 15.0 new FTE positions, supported by \$1.9 million in restricted receipts for the Office of the Attorney General.
- **RIBCO Contract Adjustment:** Adjusts general revenue to account for the newly ratified Rhode Island Brotherhood of Correctional Officers (RIBCO) contract. The FY2023 Budget reduces general revenue by \$7.8 million and FY2024 will increase it by \$9.8 million.
- **1.0 New FTE Position in Special Services Unit:** Authorizes 1.0 new FTE position for the Department of Corrections' Special Services Unit to monitor earned time awards for inmates. The position is supported by \$137,023 in general revenue.
- **4.0 New FTE Positions for Temporary Restraining Order Office:** Establishes the Temporary Restraining Order Office within the Judicial Department and authorizes 4.0 new FTE positions. The positions will be funded with \$399,454 in general revenue and will assist individuals seeking temporary restraining orders. The Office, as part of the Family Court, will have hours consistent with when the Court operates.
- **2.0 New FTE Attorney Caseload Reduction Initiative:** Authorizes 2.0 new FTE positions for the Office of the Public Defender to reduce the well-documented attorney caseload crisis. The new positions will be supported by \$253,574 of general revenue.

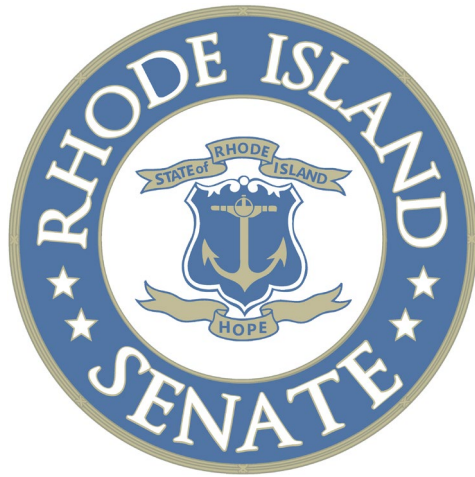
ENVIRONMENT:

- **Farmland Preservation and Conservation:** Provides \$2.5 million in general revenue to re-capitalize farmland acquisition fund for the purchase and protection of farmland in danger of converting to non-agricultural use.
- **Marine Mammal Rescue:** Includes \$150,000 in general revenue and \$350,000 in federal funds (\$500,000 total) to support the rescue and rehabilitation of marine mammals found stranded in Rhode Island waters.
- **100 Acre Pond Invasive Weed Management:** Provides \$100,000 in general revenue funding to address invasive weeds in Hundred Acre Pond in South Kingstown.
- **Conservation Districts:** Provides an additional \$50,000 (\$100,000 total) to line-item grant award for the Conservation Districts.
- **EC4:** Funds the Executive Climate Change Council (EC4) with Regional Greenhouse Gas Initiative auction proceeds.

TRANSPORTATION/TRANSIT:

- **Municipal Roads Grant Program:** Establishes a grant program administered by the Department of Transportation for municipalities to improve their roads and sidewalks. Participating municipalities will contribute 67.0 percent of improvement costs with the State matching the remaining 33.0 percent. The program is funded with \$20.0 million in ARPA SFRF.

- **RITBA Safety Barriers Study:** Increases ARPA funding by \$750,000 to expand the scope of RITBA's Safety Barriers Study. The additional funds will allow the Authority to study adding suicide barriers to all four large bridges.
- **RIPTA R-Line Pilot:** Increases ARPA funding by \$750,000 to support RIPTA's R-Line Free Fare Pilot program, which began on September 1, 2022 and concludes on September 1, 2023.



FY2024 BUDGET

FY2024 Revenue Changes

FY2024

The Budget includes a net \$839,989 increase in general revenue as compared to the Governor's proposed FY2024 Budget.

Public Service Corporations Tax Changes **(\$35.6 million)**

The Budget shifts the Governor's proposed suspension of the Public Service Corporation Tax from FY2023 to FY2024. Article 4 of the Budget provides a rebate on the collection of the public service corporations tax (PSCT) on gross receipts of electric and gas utilities for the period of December 2023 through March 2024. Public utilities would continue to collect and remit taxes but will be required to provide a credit to commercial and residential customers for the stated period, effectively reducing their bills during that time. The changes to the PSCT included in Article are estimated to result in a \$35.6 million revenue reduction in FY2024 only.

Eliminate Proposed Sales Tax Rate Reduction **\$25.4 million**

The Budget restores \$25.4 million in general revenue by eliminating the Governor's proposed reduction in the sales tax rate from 7.00 percent to 6.85 percent.

May 2023 REC **\$12.2 million**

The May 2023 Revenue Estimating Conference (REC) reduced its personal income tax revenue estimate from November by \$92.7 million. Business and sales taxes were revised upwards by \$13.5 million and \$31.9 million, respectively, from November. These adjustments, along with other offsets and increases in other revenue sources (lottery, excise taxes, etc.), net the overall \$12.2 million increase above the Governor's proposal.

Hospital License Fee Changes **(\$4.8 million)**

The Budget assumes \$4.8 million less in departmental receipt collections than the Governor's Budget, reflecting changes to the fee that hospitals must pay to operate in Rhode Island. The fee must be reauthorized by the General Assembly each year and is determined by applying a statutorily-prescribed percentage to a hospital's income that is derived from patient services. The Governor's Budget assumed \$217.2 million in new revenues in FY2024, based on a 6.0 percent fee assessed on an estimated patient revenue base. The Budget assumes a rate of 5.78 percent.

Eliminate Proposed Trade-In Value Exemption for Trucks **\$3.8 million**

The Budget restores \$3.8 million in general revenue in FY2024 by eliminating the Governor's proposed exemption of the trade-in value of a truck with a gross weight of 14,000 lbs. or less from the State sales and use tax when a subsequent vehicle is purchased.

Earned Income Tax Credit Increase **(\$1.1 million)**

The Budget includes a \$1.1 million in reduction in revenue as compared to the Governor's recommendation for FY2024 by providing for 1.0 percent increase in the earned income tax credit. Article 4 of the Budget increases the State's earned income tax credit (EITC) from 15.0 percent of the federal credit amount to 16.0 percent, beginning in Tax Year 2024. The credit is refundable for low- and moderate-income working individuals whereby the credit can go beyond reducing an individual's tax liability to zero to producing a credit that is greater than the amount of tax owed, thus representing a cash payment to the filer. It is designed to work in tandem with other cash transfer programs to encourage employment among low-income families.

As income rises, cash benefits decrease and the EITC transfer increases as an offset, and in essence, replaces cash benefits and thus encourages employment.

Under current law, the EITC was claimed by an average of 82,905 taxpayers for the Tax Years 2018-2020 (most recent Rhode Island Tax Expenditure Report). The Office of Revenue Analysis estimates that the changes in this section will result in \$1.1 million loss of revenue in FY2024 and grows to \$2.3 million in FY2025.

Eliminate Proposed Reduction to the Corporate Minimum Tax ***\$1.1 million***

The Budget restores \$1.1 million in general revenue by eliminating the Governor’s proposed reduction in the minimum business corporations tax from \$400 to \$375.

Contributions to Scholarship Organization Tax Credit Changes ***\$100,000***

The Budget increases the program cap on the State’s contribution to scholarship organizations tax credit from \$1.5 million annually to \$1.6 million. The credit is offered to businesses that contribute to scholarship organizations for non-public K-12 schools in Rhode Island. Contributors may claim a 75.0 percent credit for donations for a one-year contribution, and up to 90.0 percent in cases where the contribution is made in two consecutive fiscal years. The credits are capped at \$100,000 per business, per fiscal year, and under current law, \$1.5 million statewide in any given fiscal year. The Division of Taxation issues tax credit certificates to qualifying companies. The credit may be used towards personal income and business taxes. The increase would result in a \$100,000 loss in FY2024.

Eliminate Proposed Food Donation Tax Credit ***\$17,790***

The Budget restores \$17,790 in general revenue in FY2024 as compared to the Governor’s recommendation by eliminating the proposal to create a food donation tax credit. The credit would have been equal to 15.0 percent of the value of Rhode Island-produced food donated by food producers to qualified food banks in the State.

Fund Balance Adjustments ***[\$5.1 million]***

The Budget includes a \$5.1 million fund balance adjustment in FY2024 in accordance with federally-required accounting rules, to address the timing and accounting of Federal Emergency Management (FEMA) reimbursements for COVID-19 related emergency expenses. The FY2023 Revised Budget includes general revenue to cover such expenses until FEMA reviews and approves them. The Office of Management and Budget has refined the list of expected reimbursable expenses above the amount budgeted in FY2023.

FY2024 Expenditure Changes by Agency

STATEWIDE

UNAP Contract Adjustment

\$2.8 million

The Budget includes a statewide general revenue increase of \$2.8 million in general revenue for increased costs associated with the United Nurses and Allied Professionals (UNAP) contract signed in December 2022. UNAP is the union that represents nurses employed in multiple state agencies. Some of the provisions provided in the contract include a salary increase for employees with eight or more years of services, as well as an increase in the education bonus for members with a BA in a nursing related field from \$750 to \$1,500 and those with a Master of Science degree from \$2,000 to \$3,000. The contract also provides an annual clothing allowance of \$500 and increases the shift differential pay from \$0.70 per hour to \$2.50 per hour. In addition, the number of steps in each pay grade increases from 14 steps to 19, with step increases provided after 15, 20, 25, 30, and 40 years of services. The following table shows the increased cost in each agency.

United Nurses & Allied Professionals Labor Contract - signed December 2022 (GBA 5.19.2023)

Department	FY2023				FY2024			
	General Revenue	Federal Funds	Restricted Receipts	Total	General Revenue	Federal Funds	Restricted Receipts	Total
EOHHS	\$33,847	\$33,844	\$0	\$67,691	\$74,703	\$74,698	\$0	\$149,401
DCYF	28,572	-	-	28,572	57,169	-	-	57,169
DOH	93,546	93,544	10,841	197,931	185,951	185,958	21,247	393,156
DHS	359,424	162,831	-	522,255	711,271	331,963	-	1,043,234
BHDDH	761,100	521,850	-	1,282,950	1,497,698	1,193,391	-	2,691,089
URI	93,063	-	-	93,063	182,030	-	-	182,030
RIC	28,375	-	-	28,375	56,347	-	-	56,347
CCRI	17,202	-	-	17,202	34,266	-	-	34,266
Total	\$1,415,129	\$812,069	\$10,841	\$2,238,039	\$2,799,435	\$1,786,010	\$21,247	\$4,606,692

DEPARTMENT OF ADMINISTRATION

RIKidsBridge Transfer Large Systems Initiative Fund

(\$22.0 million)

The Governor's Budget Amendment dated May 19, 2023, eliminates the \$22.0 million general revenue transfer to the Large Systems Initiative Fund (LSIF) that was to be allocated to transition the RIKidsBridge Child Support Case Management System within the Department of Health, from a legacy mainframe application to a web-based platform.

Comprehensive Child Welfare Information System

\$8.0 million

The Governor's Budget Amendment dated May 19, 2023, adds \$8.0 million in general revenue for additional funding of the Comprehensive Child Welfare Information System (CCWIS) information technology project.

The Rhode Island child welfare system is state-administered to deliver child welfare services to children and families. The Department of Children, Youth & Families (DCYF) offers a variety of services to children and families, including child protection services, family-based assessments, family support services, independent living services for older youth, foster care, children's behavioral health, and youth development (Rhode Island Training School and juvenile probation). Services are provided in local offices across the state.

DCYF is committed to acquiring a CCWIS solution that will meet federally prescribed requirements of Administration for Children & Families (ACF), conform to State and DCYF enterprise architecture standards, and align with the State's child welfare program practice requirements with following measurable objectives: integrated solution, flexible design (industry standards), maintenance, and support with financial benefit, bi-directional data exchanges and eliminate redundant efforts in documentation and allow mobile access.

HealthSourceRI

\$1.3 million

The Governor's Budget Amendment dated April 17, 2023, increases general revenue by \$1.3 million to reflect a funding shift from FY2023 to FY2024. This accounts for the timing of expenditures related to the Consolidated Appropriations Act of 2023, and specifically the delay in unwinding of the public health emergency and redetermination schedule from a start of January 1, 2023, to a start of April 1, 2023. There is a corresponding increase of \$36,040 in restricted receipts.

Library Construction Aid

(\$209,237)

The Governor's Budget Amendment dated March 8, 2023, removes \$209,237 in general revenue for Library Construction Aid based on a change to the Town of Jamestown project reimbursement that will not occur FY2024, and will instead occur in FY2025. Jamestown's target completion was changed in November/December since the town is unable to complete the project this year to qualify for reimbursement in FY2024.

Federal Lobbying Services

(\$180,000)

The Budget removes \$180,000 in general revenue for a federal lobbying services contract. The Department of Administration (DOA), requested proposals in February 2023, from qualified firms or lobbyists to provide contracted lobbying and advisory services to represent the State before Federal policymakers. The selected vendor would work with the Department, the Governor's Office, and other agencies, to advocate for State government interests to Federal agencies and the Congressional delegation, as well as to provide State policymakers with updates on Federal funding opportunities, legislation, regulatory requirements and other relevant information.

ARPA SFRF: COVID-19 Ongoing Response (federal funds)

\$41.8 million

The Budget adds federal funding from the American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) for COVID-19 Ongoing Response activities, reflecting the shift \$41.8 million of unspent funds from FY2023, to continue COVID-19 mitigation activities and to address public health impacts, such as Covid-19 testing, vaccine campaign, case investigation, contact tracing efforts; and, for public health emergency response supports such as data and reporting; and communications.

ARPA CPF: Municipal and Higher Education Matching Grant (federal funds)

\$35.0 million

The Budget repurposes \$35.0 million in ARPA Capital Project Funds originally for the planned construction of a Student Services Center at Rhode Island College, to the ARPA CPF Municipal and Higher Ed Matching Grant Program. This program provides ARPA Capital Project Fund (CPF) federal funds as matching funds with municipal federal funds, to renovate or construct a community wellness center that meets the U. S. Treasury's guidance for workforce development, education, and health maintenance. This results in a total appropriation of \$58.4 million in FY2024.

ARPA CPF: RIC Student Services Center (federal funds)

(\$30.0 million)

The Budget removes \$30.0 million in ARPA Capital Project Funds for the planned construction of a Student Services Center at Rhode Island College, that would have consolidated student services into one location that currently exist in various locations around the campus. The State received notice from the federal government that the planned project is not an approved allocation for ARPA Capital Project Fund use. The total project cost is \$35.0 million and the planned appropriations was \$5.0 million in FY2023 and \$30.0 million in FY2024. There is a corresponding decrease of \$5.0 million in the FY2023 Revised Budget.

ARPA SFRF: Homeowner Assistance Program (federal funds) (\$25.0 million)

The Governor's Budget Amendment dated March 8, 2023, eliminates \$25.0 million in ARPA SFRF federal funds in FY2024 as the amount is projected to be fully expended during FY2023.

Rent and Utilities Assistance Overstatement (federal funds) (\$30.0 million)

The Budget reduces federal funds by \$30.0 million for rent and utility assistance. The State received \$352.0 million from two federal authorizations to provide rent and utility assistance. However, a total of \$245.6 million has been spent leaving a balance of \$106.4 million. The Budget includes appropriations of \$84.0 million in FY2023 and FY2024, exceeding the amount by \$61.6 million. The Budget reduces the amount by \$30.0 million in FY2024 to provide an amount closer to the available appropriation.

Shift Muni Grant Program to RIDOT (federal funds) (\$20.0 million)

The Budget shifts \$20.0 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds for a new Municipal Roads Grant Program to the Department of Transportation to be made available to municipalities to complete road, sidewalk, and bridge projects.

ARPA SFRF: Municipal Public Safety Fund (federal funds) \$11.0 million

The Budget includes \$11.0 million in federal funding from the American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) for a new initiative to provide matching support to cities and towns to make significant public safety facilities infrastructure improvements including new construction. Funding priority shall be based on project readiness and limited to those for which the total costs exceed \$1.0 million. Matching funds to any municipality will be limited to \$5.0 million for projects that serve a regional purpose and \$1.0 million for others.

ARPA SFRF: Woonsocket Public Safety Facility (federal funds) (\$7.0 million)

The Budget removes \$7.0 million in federal funding from the American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) for a new initiative, to build a public safety facility for the City of Woonsocket, that consolidates fire, police, and emergency management services into one centrally located 86,000 sq. ft. two-story structure.

Executive Climate Change Coordinating Council (restricted receipts) (\$3.0 million)

The Budget does not include \$3.0 million in restricted receipts derived from the gas and electric demand-side management gas and electric funds, to the Office of Energy Resources (OER) for the Executive Climate Change Coordinating Council to use for climate change initiatives. Instead the Regional Greenhouse Gas Initiative (RGGI), through its carbon auction allowance proceeds will provide from proceeds in excess of \$4.5 million, but limited to \$1.5 million per year, to the Office of Energy Resources (OER) for the purpose of funding Executive Climate Change Coordinating Council's (EC4) climate change related initiatives.

VW Settlement Adjustment (restricted receipts) (\$169,608)

The Governor's Budget Amendment dated February 14, 2023, decreases restricted receipts by \$169,608 to correct a budget increase occurring in the Volkswagen Settlement Account.

National Electric Vehicle Infrastructure Formula Program (other funds) \$4.0 million

Pursuant to the Governor's Budget Amendments dated March 8, 2023, the Budget adds \$4.0 million in other funds reflecting an operating transfer for federal funds awards to the State under the National Electric Vehicle Infrastructure Formula Program (NEVI Formula), to provide funding to States to strategically deploy electric vehicle (EV) charging infrastructure and to establish an interconnected network to facilitate data collection, access, and reliability.

According to the Budget Office, this is a technical adjustment to recognize a subaward between the Department of Administration and the Department of Transportation, that will be drawn from the Intermodal surface Transportation Fund, but listed as an operating expense under the Office of Energy Resources.

Rhode Island Capital Fund (RICAP) Changes (other funds)**(\$19.8 million)**

The Budget includes a net decrease of \$19.8 million in RICAP funds based on current expenditures and projections on the following various projects:

- **Land Use Planning – Town of Exeter:** Pursuant to the Governor’s Budget Amendments dated May 5, 2023, the Budget adds \$250,000 for land use planning involving the 500-acre site of the former Ladd School in the Town of Exeter. The State proposes to build an adolescent female residential treatment facility. However, because state projects are subject to local land use processes (following a State Supreme Court case), the Department of Administration contacted The Town of Exeter to see if the town would allow an exemption for this one facility. The Town is generally supportive of the facility and recognized the importance of moving quickly on it. The Town also expressed interest in working with the State on a master land use plan for the entire ~500-acre Ladd campus. The proposal carves out a narrow land use exemption for the facility, and the amendment commits \$250,000 for the State to do a master land use plan in collaboration with the Town of Exeter.
- **560 Jefferson Boulevard:** The amendment adds \$150,000 in RICAP funds reflecting updated project estimates for asset protection work on the facility. The structure houses the Office of the Post-Secondary Commissioner, the Office of Veteran Affairs, and programs under the Department of Business Regulation.
- **IT Operations Center:** The Budget adds \$2.0 million in RICAP funds to continue to upgrade the data center facility at 50 Service Avenue in Warwick. The building has been renovated and is occupied by the Division of Enterprise Technology Strategy Service and the State Treasurer. The planned projects at the facility include HVAC upgrades, roof replacement, replacement of the generator and a transfer switch.
- **Accessibility Facility Renovations:** The amendment adds \$180,000 to fund accessibility projects at State owned facilities.
- **Medical Examiner Building:** The Budget adds \$4.9 million in RICAP funds for the build-out of the new Medical Examiner’s Building located at 900 Highland Corporate Drive, Cumberland (Building # 3). The \$4.9 million was the amount included in the Governor’s FY2023 Revised Budget.
- **Pastore Center Medical Building Asset Protection:** The Budget removes \$4.0 million in RICAP funds for Pastore Center Medical Buildings asset protection expenses related to the Benton, Mathias, and Adolph Meyer Hospitals.
- **Pastore Infrastructure:** Based on Department of Administration’s updated plans, the Budget removes \$22.9 million in RICAP funds in FY2024 for infrastructure improvements at the Pastore Campus. These improvements include the replacement of water and sewer lines, as well as work on the power plant transformer, electrical lines, heating conduits, and the campus IT system. The Budget includes \$115.0 million in RICAP funds from FY2024 to FY2028 for these improvements.
- **Statewide Facility Master Plan:** The Budget removes \$200,000 in RICAP funding for a comprehensive statewide real estate evaluation of Executive Branch property. The Governor included \$2.2 million in RICAP funds in the FY2024 Budget recommendation. The project includes funding for a Pastore Center Master Plan, as well as a feasibility study for the reuse of Two Capitol Hill. This plan will allow the Division of Capital Asset Management and Maintenance to prioritize and plan future capital improvements, address deferred maintenance issues, and make financially sound decisions regarding investments in state-owned buildings.
- **State Office Reorganization and Relocation:** The Governor included \$1.7 million in RICAP funds in the FY2024 Budget recommendation. The Budget removes \$200,000 in RICAP funding for the redesigning and relocating of state office personnel, to provide for more workspace efficiency and modernization.

DEPARTMENT OF BUSINESS REGULATION***Cannabis General Revenue Excess*****\$1.6 million**

The Budget includes a shift of \$1.6 million in general revenues from FY2023 to FY2024. This shift is based on projected adult use retail collections.

DEPARTMENT OF LABOR AND TRAINING***Digital Credentials to IT Fund*****(\$1.0 million)**

The Budget includes a \$1.0 million general revenue reduction related to the Department's Digital Credentials initiative. The Department is statutorily required to provide digital credentials in addition to paper credentials to individuals enrolled in workforce development programs, by July 1, 2023. The FY2024 Governor's Budget appropriated \$1.0 million for the initiative; however, the Administration later reported that the requirement will be addressed in the Department's Gateway to Government project, which is funded with information technology funds through the Department of Administration.

Centralized Services Correction**\$972,050**

The Budget increases general revenue expenditures by \$972,050 (a decrease of \$513,389 all funds) to reflect corrected billed amounts for information technology services. The FY2018 Budget as Enacted authorized the Governor to establish centralized accounts for information technology, capital asset management and maintenance, and human resources. The adjustment includes a \$972,050 increase in general revenue and decreases of \$700,997 in federal funds, \$654,635 in restricted receipts, and \$129,807 in other funds.

Unemployment Funds Correction (federal funds)**(\$320,000)**

The Budget includes a \$320,000 reduction of federal funds within the Income Support program, pursuant to Governor's Budget Amendment 3, dated February 14, 2023. The reduction relates to the unintentional inclusion of federal funds to support information technology projects.

DEPARTMENT OF REVENUE***Tangible Tax Exemption Initiative*****\$28.0 million**

The Budget provides \$28.0 million in general revenue within the Department of Revenue in FY2024 for the new state aid program established within Article 4 of the Budget. Article 4 provides an exemption for the first \$50,000 in tangible property value from property taxes statewide and it establishes a state aid program within the Department of Revenue's Division of Municipal Finance (DMF) for the purpose of reimbursing municipalities the amount of forgone revenue related to the new exemption. Based on the implementation schedule provided for in Article 4, the first fiscal impact of the aid program will not occur until FY2025. Article 1 specifies that the appropriation is made with the provision that any unused funds be subject to automatic reappropriation to the following fiscal year, thus ensuring that funds will be available at that time. The Budget pre-funds FY2025 expected redemptions.

PILOT Program**(\$978,755)**

The Budget reduces the PILOT state aid program by \$978,755 based on revised data reviewed by the Division of Municipal Finance.

Mobile DMV**\$750,000**

The Budget shifts \$750,000 in general revenue from FY2023 to FY2024 to support the mobile delivery of Division of Motor Vehicles (DMV) services in the municipalities of Warren and Westerly. State law requires that DMV services be available in Warren three times a week and once in Westerly. These services had been provided at each communities' respective town halls. DMV suspended these services during the pandemic. The State is working to restore the capacity to deliver mobile DMV services via the RI

Emergency Management Agency Mobile Command Center. The Governor included funding in the FY2023 Supplemental Budget; however, DMV indicates that the project is delayed and won't be implemented until FY2024.

CDL Grant **(\$445,435)**

The Budget reduces general revenue by \$445,435 in FY2024 within the Commercial Drivers' License program at the DMV. Both the amount and source were budgeted incorrectly in the Governor's FY2024 Budget. The Governor shifted what should have been federal grant funded expenses to general revenue and then overstated them by \$220,000. The Budget reduces general revenue as noted and increase federal funds by \$225,435 accordingly.

Capital Projects (other funds) **\$1.9 million**

The Budget increases Rhode Island Capital Plan Funds (RICAP) by \$1.9 million in FY2024 as compared to the Governor's recommendation. The increase includes a \$1.1 million increase to correct an inadvertent misallocation in the Governor FY2024 Budget and an \$850,000 shift of FY2023 RICAP funds to FY2024 to account for delayed implementation of projects at the Lottery.

SECRETARY OF STATE

Special Election Costs **\$220,000**

The Governor's Budget Amendment dated April 17, 2023, adds \$220,000 in general revenue to cover the special election costs ballot printing costs for the 1st Congressional District.

Legal Counsel **\$202,000**

The Budget adds \$202,000 in general revenue covering the salary and benefits for a 1.0 Legal Counsel position. The Office of the Secretary does not employ an in-house counsel, instead relying on outside legal contracted services.

Network IT Manager **\$129,044**

The Budget adds \$129,044 in general revenue covering the salary and benefits for a new 1.0 Network IT Manager position, to manage, maintain, document, and operate the Office of the Secretary of State's IT network.

Council for the Humanities **\$100,000**

The Budget includes \$100,000 in general revenue to support the Rhode Island Council for the Humanities. The Council provides grant support for humanities research, education, and programs.

We the People National Championship **\$50,000**

The Budget adds \$50,000 in general revenue to cover expenses for Rhode Island to participate in the "We the People Civics Challenge."

Rhode Island Black Heritage Society **\$25,000**

The budget adds \$25,000 in general revenue to support the historical library administered by the Rhode Island Black Heritage Society.

OFFICE OF THE GENERAL TREASURER

Cash Management Risk Mitigation Coordinator **\$142,310**

The Governor's Budget Amendment dated March 8, 2023, adds \$142,310 in general revenue for a new Cash Management Risk Mitigation Coordinator position to manage the daily cash movement and to assist the Cash Manager to implement risk management plans.

Debt Affordability Study **\$80,000**

The Governor's Budget Amendment dated May 19, 2023, shifts \$80,000 in general revenue reflecting the timing of actual expenditures regarding the debt affordability publication from occurring in FY2023 to FY2024.

New Retirement Counselor (restricted receipts) **\$106,179**

The Budget adds \$106,179 in restricted receipts covering the salary and benefits for a 1.0 Retirement Counselor position.

BOARD OF ELECTIONS**Special Election Costs** **\$309,563**

The Governor's Budget Amendment dated April 17, 2023, adds \$309,563 in general revenue to cover the projected special election costs for the 1st Congressional District, including the delivery of election equipment to polling locations, maintenance of the Poll Pads, and the hiring of seasonal employees.

Rental of Outside Property and Electricity **\$34,600**

The Budget increases general revenue by \$34,600 for increased annual lease and utility costs for the property located at 2000 Plainfield Pike in Cranston.

RHODE ISLAND ETHICS COMMISSION**Case Management System** **\$40,000**

Pursuant to the Governor's Budget Amendment of March 14, 2023, the Budget includes an increase of \$40,000 in general revenue for a case management system. According to the Commission, the current system has become obsolete, lacks functionality, and will no longer be supported by DOIT. In FY2023, the agency will work in conjunction with DOIT to design and develop a case management system for complaints and conflict of interest statements.

COMMISSION FOR HUMAN RIGHTS**Personnel Adjustments** **\$185,044**

The Governor's Budget Amendment dated May 19, 2023, adds \$185,044 in general revenue as a result of paygrade classification changes that were approved in March 2023 and effective on April 9, 2023.

PUBLIC UTILITIES COMMISSION**Microgrid Tariff Development (restricted receipts)** **\$100,000**

The Budget adds \$100,000 in restricted receipts for the Public Utilities Commission to hire additional expert personnel to manage the process and to develop a microgrid services tariff.

A microgrid project is a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the utility's electrical grid and can connect to a public utility's electrical grid to operate in grid-connected mode and can disconnect from the grid to operate in autonomous mode.

A microgrid services tariff is a tariff that is designed to provide fair compensation for electricity, electric grid services, and other benefits provided to, or by, the electric utility, the person or entity operating the microgrid, and other ratepayers.

EXECUTIVE OFFICE OF COMMERCE***First Wave Closing Fund* (\$10.0 million)**

The Budget includes \$10.0 million in FY2024 for the First Wave Closing Fund program, \$10.0 million less than the Governor’s recommended level. The program is intended to support economic development by providing last dollar “gap financing” for certain types of projects. Gap financing is that portion of a project’s cost that remains to be financed after all other sources of capital have been considered or the amount that the State may invest in a project to gain a competitive advantage over another state. There are no restrictions or caps on the First Wave Closing Fund program.

***Small Business Assistance* (\$1.3 million)**

The Budget includes \$2.0 million within Commerce, \$1.3 million less than the Governor’s recommendation for FY2024, to support the Small Business Assistance Program. This CommerceRI program engages private lenders to support businesses with fewer than 200 employees. As of March 2023, the program still had \$1.7 million available for loans.

***South Quay (federal funds)* (\$13.0 million)**

The Budget includes \$35.0 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2024 for the South Quay Marine Terminal Project. This is \$13.0 million less than the Governor’s recommended level. This program supports the development of an integrated and centralized hub of intermodal shipping designed to support the offshore wind industry along memorial parkway in the East Providence waterfront special development district. Funds may be used for design and development of the waterfront portion of the terminal into a marine-industrial facility. Article 1 prohibits the allocation of any of the funds for this project prior to the commitment of sufficient matching funds by February 1, 2024.

***Port of Davisville (federal funds)* \$5.0 million**

The Budget includes \$59.0 million in federal SFRF funds in FY2024 for Port of Davisville projects. This is \$5.0 million above the Governor’s recommendation. The program expands development of infrastructure and services at the Port of Davisville in Quonset in accordance with the corporation’s master plan.

***Small Business Assistance (federal funds)* (\$4.7million)**

The Budget includes \$327,999 in federal SFRF funds in FY2024, or \$4.7 million less than the Governor’s recommendation, for the small business assistance. This program was established in FY2022 with a \$32.0 million appropriation to provide financial and technical assistance to small businesses and COVID-impacted industries. It consists of direct payments to businesses for lost revenue, support for technical assistance for long-term business capacity building, support for capital improvements for public health upgrades and outdoor programming, and support for the administration of these programs. At least twenty percent (20%) of all funds must be reserved for awards to assist minority business enterprises. As of April, \$4.5 million of previous appropriations remained unspent.

***I-195 District RICAP Adjustments (other funds)* \$105,000**

The Budget increases Rhode Island Capital Plan funds by \$105,000 to \$850,000 for projects within the I-195 Redevelopment District, including supporting the alignment of project funding with the District authorized strategic plan and the Park Pavilion project.

DEPARTMENT OF HOUSING***Low-Income Housing Tax Credit Program* \$28.0 million**

The Budget includes \$28.0 million to support a new tax credit program intended to increase the development of affordable housing in the State. Article 6 of the Budget establishes a Low-Income Housing

Tax Credit program to be administered by the Department of Housing. The program allows the Secretary of Housing to grant up to \$30.0 million in tax credits annually for five years to promote development of affordable, low-income housing. The article also establishes a Low-Income Housing Tax Credit restricted receipt fund within the Department for the purpose of paying for the redemption of credits or reimbursing the state for credits applied to tax liabilities. The \$28.0 million is an initial capitalization to the tax credit fund.

Targeted Housing Development (federal funds)

\$31.0 million

The Budget includes an additional \$31.0 million in federal SFRF funds in FY2024 for a new Targeted Housing Development program. The program, to be administrated by the Department of Housing, is to develop housing in targeted areas and/or priority projects. Of this overall program, \$27.0 million is to be allocated into a priority project fund that advances development in such priority categories as permanent supportive housing, housing dedicated to vulnerable Rhode Islanders, and other specific priorities as may be determined by the Secretary of Housing. Of this overall program, \$4.0 million is to be allocated to a support the development of transit-oriented housing as approved by the Secretary of Housing. The Budget includes \$10.0 million more than requested by the Governor.

Housing Related Infrastructure (federal funds)

\$4.3 million

The Budget includes \$4.3 million in federal SFRF funds in FY2024 for a new Housing-Related Infrastructure initiative. These funds are to be allocated to the Rhode Island infrastructure bank as established in RIGL 46-12.2 or another entity designated by the Secretary of Housing to support physical infrastructure that is necessary to produce additional housing. All expenditures made with these funds must be for the predevelopment and development of site-related infrastructure for housing that meets pricing and/or income criteria and other criteria established by the Department of Housing. Such criteria may permit mixed-income and/or mixed-use housing. By June 30, 2024, any funds available for the program that are not yet allocated to viable physical infrastructure projects, or which have been awarded to physical infrastructure projects or municipalities which are unable to demonstrate substantial completion of all work by December 31, 2026, shall be reallocated to other housing-related purposes. Determination of the viability and/or substantial completion of physical infrastructure projects shall be at the sole discretion of the Secretary of Housing.

Municipal Homelessness Support Initiative (federal funds)

\$2.5 million

The Budget includes \$2.5 million in federal SFRF funds within the Department of Housing to fund a new municipal homelessness support program. The new program provides grants to for community services that would help emergency shelters improve outcomes in local communities. Grants would support services such as homeless outreach, day programs, ambulance response, and other activities, as well as subsidizing municipal services delivered in support of shelters.

Municipal Planning (federal funds)

\$2.3 million

The Budget provides an additional \$2.3 million in SFRF funding for a new program within the Department of Housing to support municipalities around affordable housing planning and implementation. The program includes \$1.3 million for a housing development-focused municipal fellows program and \$1.0 million in grants for municipalities, including funds to study and implement zoning changes that up-zone or otherwise enable additional housing development in proximity to transit.

Proactive Housing Development (federal funds)

\$1.4 million

The Budget includes \$1.4 million in federal SFRF funds in FY2024 for a new initiative that supports proactive development activities, including staffing, that are conducted by the enhanced subsidiary of the Rhode Island housing and mortgage finance corporation established under Article 6 of the Budget.

Preservation of Affordable Housing (federal funds) \$500,000

The Budget provides \$500,000 in FY2024 in federal SFRF funds for a new program supporting the preservation of existing structures for affordable housing, particularly for properties at risk of foreclosure or blight. These funds are shifted from the existing Home Repair and Community Revitalization program.

Home Repair and Community Revitalization Program (federal funds) (\$500,000)

The Budget provides \$9.5 million in FY2024 in federal SFRF funds for the Home Repair and Community Revitalization program, a \$500,000 reduction relative to the Governor's original recommendation. The Budget shifts this \$500,000 to a new program supporting the preservation of existing structures for affordable housing, particularly for properties at risk of foreclosure or blight.

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES**Hospitals – State-Directed Payment (\$3.1 million)**

Pursuant to a Governor's budget amendment, dated May 24, 2023, the Budget shifts \$3.1 million from general revenue support for state directed payments to hospitals to federal funds, to reflect the enhanced Medicaid rate for the first two quarters of FY2024, and reduces the payment by a net of \$26,387.

Advanced and Basic Life Support Ambulance Rates \$2.3 million

The Budget includes an additional \$2.3 million in general revenue and \$2.8 million in federal funds to more than double the Medicaid rates paid for advanced and basic life support ambulance services. The current rates significantly understate the service costs, especially in more rural areas.

Central Management. PHE Unwinding Schedule Shift \$2.0 million

The Governor's budget amendment dated April 17, 2023, increases general revenue by \$2.0 million, decreases federal funds by \$1.3 million, and increases restricted receipts by \$29,288 to account for the timing of expenditures related to the Consolidated Appropriations Act of 2023, and specifically the delay in unwinding of the public health emergency and redetermination schedule from a start of January 1, 2023, to a start of April 1, 2023.

Labor and Delivery Rates Correction \$1.8 million

The FY2023 Budget as Enacted included \$5.7 million in general revenue and \$8.8 million in federal funds to increase the Medicaid rates paid for labor and delivery services to raise the rates paid to for labor and delivery services through managed care plans to the level paid for fee-for-service; however, the estimated funds provided did support the intent. The Budget includes an additional \$4.4 million, including \$1.8 million in general revenue and \$2.6 million in federal funds, to bring the rates closer to intent of the FY2023 Budget as Enacted.

MMIS Uncommitted Expenses (\$1.6 million)

Of the \$29.4 million included in the Governor's recommendation for Medicaid Management Information System (MMIS) operations and other contracted services, the Budget removes \$6.2 million, including \$1.6 million in general revenue and \$4.6 million in federal funds, in uncommitted expenses for system modifications.

Family Home Visiting Medicaid Benefits Funding Transfer (\$794,299)

The Governor recommended to transfer RIDOH Medicaid funding to EOHHS as a technical change to allow providers to submit claims for the home visiting program provided through DOH through the MMIS system. RIDOH will continue to provide home services to families. The Budget reduces general revenue by \$794,299 and federal funds by \$937,506 (\$1.7 million total) to reverse this transfer.

Increase Nursing Home Personal Needs Allowance ***\$570,825***

Article 9 increases the personal needs allowance (PNA) for nursing home residents from \$50 to \$75. The Budget includes \$570,825 in general revenue and \$719,175 in federal funds (\$1.3 million total) to support this increase. The PNA allows nursing home residents to retain more of their personal income. It is intended to cover expenses not provided by the nursing home, such as haircuts, vitamins, clothing, or snacks.

Hospitals –DSH Payment ***(\$566,072)***

Pursuant to a Governor’s budget amendment, dated May 24, 2023, the Budget reduces the disproportionate share payment to hospitals by \$566,072 in general revenue and \$692,147 in federal funds (\$1.3 million total) to reflect updated, estimated payments for FY2024.

Sherlock Program - Ticket to Work Program ***\$548,125***

Article 9 expands the Sherlock Program to allow individuals to go through the federal Ticket to Work program. The Ticket to Work Program helps social security disability beneficiaries, ages 18 through 64 who want to work, progress toward financial independence. There are no income or asset limits for eligibility in this program. The Budget includes \$1.2 million in all funds, including \$548,125 in general revenue, to support this expansion in FY2024.

Children’s Cabinet – Early Childhood Programs ***\$220,000***

The Article 10 of the FY2023 Budget as Enacted provided for the creation of an Early Childhood Governance Working Group tasked with submitting a report to the Governor and General Assembly, by October 1, 2023, with recommendations addressing the coordination and administration of an early childhood program. The FY2023 Budget also provided \$250,000 to the Children’s Cabinet in general revenue to facilitate this planning. Pursuant to EOHHS’ third quarter report, the Budget shifts \$220,000 of this funding into FY2024.

Medicaid Program – Contracted Services ***(\$170,000)***

Since the Governor’s recommendation provides additional staff to support the Medicaid program, the Budget reduces contracted financial services in the program by \$450,000, including \$170,000 in general revenue and \$280,000 in federal funds.

First Connection Medicaid Benefits Funding Transfer ***(\$124,771)***

The Governor recommended the transfer of RIDOH Medicaid funding to EOHHS as a technical change to allow providers to submit claims through the MMIS system. RIDOH will provide home services to pregnant individuals through the First Connections home visiting program and providers will bill EOHHS for Medicaid claims and RIDOH for non-Medicaid claims. First Connections is a risk assessment and response program, primarily serving families with children from birth to age three, designed to connect families with necessary services at the earliest opportunity. According to the Department, the program has very limited capacity to serve women prenatally. The Budget reduces general revenue by \$124,771 and federal funds by \$147,269 (\$272,040 total) to reverse this transfer.

May 2023 Caseload Estimating Conference ***(\$20,372)***

Pursuant to a Governor’s budget amendment, dated May 19, 2023, the Budget includes a net general revenue decrease of \$20,372 (net increase of \$48.7 million all funds) to reflect the results of the May 2023 Caseload Estimating Conference (CEC). The estimates project total Medicaid spending of \$3,112.0 million in FY2023, including \$1,025.3 million from general revenues. The favorable variance is due to a full year of an enhanced Medicaid reimbursement rate due to the Consolidated Response Act, 2023 (CCA) and the expiration of the continuous enrollment condition imposed under the Families First Coronavirus Response Act (FFCRA). Rhode Island began the redetermination process on April 1, 2023, allowing the termination of enrollees no longer meeting the Medicaid eligibility requirements beginning in June 2023.

Health Equity Zones transfer from DOH to EOHHS (7.0 FTE positions) (Informational)

The Budget does not include the Governor's recommendation to transfer the Health Equity Zones (HEZ) program and 7.0 FTE positions from the Department of Health (DOH) to EOHHS; however, the funding for the program remains in DOH. A Health Equity Zone (HEZ) initiative is a community-based approach to focus public health investments designed to organize people in specific neighborhoods to build healthy resilient communities. The HEZ initiative in Rhode Island was established in 2015 and currently supports 15 HEZ servicing more than 85.0 percent of the State. The Department asserts that transferring the program to EOHHS will enable other health and human service agencies to better align community facing investments with the needs of the residents to improve performance and outcomes.

Nursing Facility Penalty Reinvestment (restricted receipts) \$300,000

The Budget includes an additional \$300,000 in restricted receipts to increase the grant funding available through the civil monetary penalties that are levied against nursing homes that do not meet federal health and safety requirements. Through this program, civil monetary penalties (CMPs) are reinvested in the program to improve the quality of life for nursing facility residents. In FY2024, total funding of \$600,000 in restricted receipts is provided to support projects, directly benefiting residents in nursing facilities, conducted by consumer advocacy groups, non-profit organizations, certified nursing facilities, resident or family councils, academic institutions, or professional nursing home associations.

Preschool Development Grant (federal funds) \$229,250

The Budget reflects an increase of \$229,250 due to the recent award of a federal Preschool Development Grant (PDF). The planning grant is allocated across six agencies to fund capacity building, including strategic planning and pilot programs that advance the effectiveness and coordination for the early childhood system.

DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES**Enhanced FMAP Phase Out (\$1.2 million)**

A Governor's Budget Amendment dated May 24, 2023, decreases general revenues by \$1.2 million to represent the updated enhanced Federal Medical Assistance Percentage (FMAP) for FY2024. The Governor's submission did not take into account the Consolidated Appropriations Act (CAA) of 2023, which was signed on December 29, 2022. The amendment adjusts for the phase down of the temporary enhanced FMAP through the first two quarters of FY2024 as included in the CAA. This decrease has a corresponding increase in federal funds.

Higher Education Incentive Grants \$5,194

A Governor's Budget Amendment dated February 14, 2023, increases general revenues within the Higher Education Incentive Grants program by \$5,194 to correct for an inadvertent decrease made to the program in the Governor's Recommended Budget. The amendment returns full program funding to the statutory \$200,000.

RICHIST Replacement Project (federal funds) \$16.4 million

A Governor's Budget Amendment dated May 24, 2023, increases federal funds by \$16.4 million to align spending for the ongoing RICHIST replacement project with increased cost estimates from the project vendor. The FY2024 Recommended Budget initially included \$10.6 million in federal funding from FY2024-FY2026 to replace RICHIST, the Department's case management information system. Updated estimates from the vendor have increased total project costs from \$28.0 million to \$54.7 million, including a state match of ITIF funds which are reflected in the Department of Administration.

Provider Workforce Stabilization (federal funds) \$7.9 million

The Budget increases federal funds by \$7.9 million in ARPA SFRF funding to continue wage stabilization payments into FY2024. This initiative, which provides workforce stabilization supplemental wage

payments to eligible direct care and supporting staff, was initially extended only through FY2023 with no funding intended to continue in FY2024. The additional round of funding includes proviso language clarifying that the funds will remain available only until a contracted service provider's new contract takes effect. This brings total SFRF funding for this initiative from FY2022-FY2024 to \$22.9 million.

Preschool Development Grant (federal funds) **\$7,500**

Pursuant to a Governor's Budget Amendment dated March 17, 2023, the Budget increases federal funds by \$7,500 to reflect the Department's portion of a \$4.0 million federal Preschool Development Grant awarded to the state in December 2022. The grant includes strategic planning and pilot programs for the early childhood system.

DEPARTMENT OF HEALTH

Health Programs Transfer Reversal **\$919,070**

The Budget reverses the Governor's recommendation to transfer the Family Home Visiting and Health Equity Zones Initiative to the Executive Office of Health and Human Services, resulting in a \$919,070 general revenue increase, with a corresponding federal fund increase of \$1,084,775. Both programs connect families to community-based services to assist the transition to living with, and caring for infants/toddlers. Specifically, the First Connections Pre-Natal Expansion program is a referral-based program that works to connect families with services such as food assistance, behavioral health services, child care, long-term family home visiting, Early Intervention (EI), and other community-based services and supports, while Family Home Visiting encompasses three sub-programs: Healthy Families America, Nurse-Family Partnership, and Parents as Teachers. Both programs share the goal of reducing poor outcomes for children by supporting healthy practices and provide information related to raising infants.

New Forensic Scientist Position **\$108,000**

The Budget includes \$108,000 in general revenue for an additional 1.0 Forensic Scientist FTE position within the Department of Health's (DOH) Health Laboratories and Medical Examiner Program to support a proposed new DNA auditing initiative. DOH is responsible for the collection of samples, testing of samples, and maintenance of the state's forensic DNA databank. The audit seeks to identify instances in which DNA samples were legally-required to be collected but were not, and to then remedy the gap. According to the DOH, it tests approximately 1,800-2,000 convicted offender samples per year and that this work currently conducted by one forensic scientist within the Forensic Biology/DNA Laboratory.

Indirect Cost Recoveries (restricted receipts) **\$2.9 million**

Pursuant to the Governor's Budget Amendment of March 17, 2023, the Budget includes an increase of federal funds associated with indirect cost recoveries on federal grants budgeted within the Department. In accordance with RIGL 34-4-23.1, the Department applies for federal indirect cost recoveries through an indirect cost proposal, which is submitted directly to the Department of Health and Human Services (DHHS). To receive this reimbursement, the Department submits an indirect cost proposal requesting federal approval of the indirect rate for the upcoming fiscal year.

New Health Lab (RICAP) **\$2.5 million**

The Budget includes \$33.0 million in federal funds to construct a new 80,000 sq. ft. state laboratory with lot 3 of parcels 22 and 25 on former Interstate 95 as a potential site for the new development. This project will expand existing programs and provide additional space required for biocontainment, office space separate from the testing areas, and consolidated central shipping and receipts facilities. This is an increase of \$2.5 million from the previously planned expenditures.

Preschool Development Block Grant (federal funds) **\$41,750**

Pursuant of the Governor's Budget Amendment of March 17, 2023, the Budget increases federal funds by \$41,750 attributable to the recent federal award of the Preschool Development Block Grant (PDBG). This

grant provides the necessary funding required to bolster capacity through strategic planning and pilot programs that advance the coordination and effectiveness of the State's early childhood system.

DEPARTMENT OF HUMAN SERVICES

Kids Bridge Field Support IT Project

\$1.3 million

Pursuant to the Governor's budget amendment dated May 19, 2023, the Budget includes a total of \$1.3 million to support the transition of KidsBridge to a cloud-based IT system. Of these funds \$425,000 will derive from general revenue, while the remaining \$825,000 will come from federal funds. The Governor's budget includes \$22.0 million transferred to the Large Systems Initiative Fund, a fund established for large IT projects. The Amendment eliminated the transfer and adds fund to the Department of Human Services for project implementation.

Field Office Security

\$486,870

Pursuant to the Governor's Budget Amendment of May 19, 2023, the Budget increases general revenue by \$486,870, with a corresponding federal funds increase of \$442,843, resulting in a total increase of \$929,713. These funds will be used to hire additional security staff for the Department of Human Services field offices.

Aging and Disability Resource Center

\$250,000

The Budget includes \$250,000 in general revenue to support the Aging and Disability Resource Center within the Office of Healthy Aging. The Center provides supportive services such as counseling, and help with applications for long term supportive service (LTSS). The center is limited in its scope of services as it is only funded by federal funds.

Public Health Emergency Unwinding

(\$210,708)

The Governor's Budget Amendment dated April 17, 2023, includes a decrease of \$210,708, with a corresponding federal funds decrease of \$2.2 million. The shift in funds accounts for the timing of expenditures related to the Consolidated Appropriations Act of 2023, and specifically the delay in unwinding of the public health emergency and redetermination schedule from a start of January 1, 2023, to a start of April 1, 2023. There are corresponding decreases of \$2.9 million in federal funds.

Personal Needs Allowance to \$75

\$193,500

The Budget includes \$193,500 in general revenue to increase the State monthly SSI personal needs allowance to from \$20 to \$45, providing a total of \$75 a month to those receiving PNA benefits. The Personal Needs Allowance (PNA) is the monthly sum of money that residents who receive Medicaid may retain from their personal income. Beneficiaries usually reside in a long-term care center such as a nursing home.

Enhanced FMAP Phase Out

(\$122,498)

Pursuant to the Governor's Budget Amendment of May 19, 2023, the Budget decreases general revenue by \$122,498, with a corresponding federal fund increase of \$122,489, resulting in a neutral budget change. The Consolidated Appropriations Act of 2023 (CAA23) decoupled continuous enrollment and initiated the phase down of Enhanced FMAP.

The Federal Medical Assistance Program (FMAP) is a formula-based calculation determining the federal share of Medicaid expenses based on Rhode Island's per capita income. During the COVID-19 pandemic, the Families First Coronavirus Response Act authorized a temporary increase of 6.2% in exchange for pausing redetermination activities, therefore ensuring that all individuals maintained health insurance throughout the pandemic. The Consolidated Appropriations Act began the FMAP phase down on April 1, 2023. Rhode Islands current FMAP percentage is 5.0%, meaning Rhode Island receives \$5.00 for every \$1.00 spent on Medicaid services.

The table below shows the FMAP phase down percentages though the end of calendar year 2023.

Enhanced FMAP Phase Down

March 2023	6.2%
June 2023	5.0%
September 2023	2.5%
December 2023	1.5%

Office of Healthy Aging Protective Service FTE **\$116,172**

The Budget includes \$116,172 in general revenue to support 1.0 FTE position within the Office of Healthy Aging (OHA) to support adult protective services and would assist in investigation of cases involving elder abuse. According to OHA, there has been a significant increase in elder abuse since the pandemic, and this position will help the Office efficiently aid and prevent elder abuse.

Veteran Services Officers Program **\$100,000**

The Budget includes \$100,000 in general revenue to support the Office of Veterans Services VSO Program. The Veterans Services Officer Program provides grant awards to organizations that provide veterans, active duty military, and family support services to the community.

Office of Healthy Aging Customer Service FTE **\$97,229**

The Budget includes \$97,229 in general revenue to support 1.0 new FTE position within the Office of Health Aging (OHA) to aid the adult protective services team as an intake worker to screen calls based on increased workload. According to OHA, there has been a significant increase in elder abuse since the pandemic, and this position will help the Office efficiently aid and prevent elder abuse.

May CEC **(\$73,873)**

Pursuant to the Governor's Budget Amendment of May 19, 2023, the Budget decreases general revenue by \$73,873, with a corresponding decrease of \$17.9 million in federal funds. The table below illustrates expenditure changes as estimated by the May 2023 caseload estimating conference.

May 2023 Caseload Estimating Conference - Cash Assistance	November 2022 Adopted	General Revenue Change	Federal Funds Change	May 2023 Adopted
Rhode Island Works	\$30,008,800		(\$4,076,400)	\$25,932,400
Child Care	82,070,400	(24,229)	(13,886,171)	68,160,000
SEIU Contracts			(2,404,509)	
Supplemental Security Income Program	17,108,100	(206,400)		16,901,700
General Public Assistance	1,688,700	156,756		1,845,456
Total	\$130,876,000	(\$73,873)	(\$20,367,080)	\$112,839,556

Pandemic EBT and SNAP (federal funds) **\$15.6 million**

Pursuant to the Governor's Budget Amendment of May 19, 2023, the Budget includes an additional \$15.6 million for enhanced EBT and SNAP. In March of 2020, the Families First Coronavirus Response Act gave the United States Department of Agriculture (USDA) the authority to temporarily modify procedures to increase access to SNAP benefits to families who struggled during the pandemic. According to federal rules, these funds can be used to provide benefits to households with school aged children who receive free and reduced-price meals at school through the National School Lunch Program. While the end of the public health emergency ends pandemic electronic benefits transfers (P-EBT), school aged children and children under aged six who are eligible for free and reduced lunch will continue to receive benefits through the Summer months.

ARPA SFRF – Child Care Support (federal funds) **\$15.0 million**

The Budget shifts \$15.0 million in American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to provide retention bonuses, continuing education grants, and to incentivize implementation of high-quality programs. The 2022 General Assembly approved a total of \$42.0 million in ARPA SFRF funds for child care support in FY2022, with the intention of any left-over funds being carried over to following fiscal

years. Of those funds, approximately \$22.0 million have been spent. Funds appropriated in FY2024 will support the beforementioned initiatives.

SNAP Healthy Incentives Pilot Delay (federal funds) \$10.0 million

The Budget shifts \$10.0 million in federal funds from FY2023 to FY2024 to reflect the delay in the SNAP initiative known as Eat Well Be Well. This initiative is intended to incentivize beneficiaries to choose nutrient dense foods by provide a 50.0 percent rebate on eligible foods from participating retailers. The program has not yet launched due to a delay in IT upgrades, as well as a delay in obtaining retailers to participate in the program.

RI Community Food Bank (federal funds) \$3.1 million

The Budget includes \$3.1 million in additional funds to support the RI Community Food Bank. Of these funds, \$3.0 million are derived from ARPA SFRF funds, while the remaining \$100,000 will be funded through general revenue. The RI Community Food Bank will receive a total of \$3.6 million in FY2024.

LIHEAP and WAP (federal funds) \$2.2 million

Pursuant to the Governor’s budget amendment of May 19, 2023, the Budget includes \$2.2 million of Infrastructure investment and Jobs Act (IIJA) federal funds to increase supplemental funding for Low Income Heating Assistance Program and Weatherization Assistance Program within the Department. Both programs assist low-income households by offsetting the costs of home energy and weatherization.

Preschool Development Block Grant (federal funds) \$1.7 million

Pursuant of the Governor’s Budget Amendment of March 14, 2023, the Budget increases federal funds by \$1.7 million attributable to the recent federal award of the Preschool Development Block Grant (PDBG). This grant provides the necessary funding required to bolster capacity through strategic planning and pilot programs that advance the coordination and effectiveness of the State’s early childhood system.

Paratransit Services for the Elderly – Gas Tax Yield (other funds) (\$1.3 million)

Pursuant to the Governor’s Budget Amendment dated May 19, 2023, the Budget includes a decrease of \$1.3 million in paratransit expenditures, which is usually funded through gas tax receipts. These funds are used to carry out the Office’s mission of providing services, advocacy, and public policy dedicated to the needs of Rhode Island’s elderly population as well as the State’s disabled population. The Governor’s Budget inadvertently included an overstatement of funds in the recommended budget, which is remedied through this budget amendment.

Veterans Home Asset Protection (RICAP) \$284,495

The Budget includes \$284,495 in RICAP funding in FY2024 for asset protection projects at the RI Veterans’ Home. This funding is intended to extend the useful life of the facility by addressing problems as they arise.

DEPARTMENT OF BEHAVIORAL HEALTHCARE, DEVELOPMENTAL DISABILITIES, AND HOSPITALS

Developmental Disabilities Rate Remodel \$20.9 million

The Budget increases general revenues by \$20.9 million (\$47.3 million all funds) to reflect increased funding for the Department’s rate remodel as required by the Consent Decree Action Plan. The funding reflects a Governor’s Budget Amendment dated April 17, 2023, which increases general revenues by \$20.0 million (\$44.2 million all funds) as well as a Governor’s Budget Amendment dated May 24, 2023 which increases general revenues by an additional \$935,465 (\$3.1 million all funds) to reflect additional adjustments following the May Caseload Estimating Conference. This funding is in addition to \$13.9 million in general revenues (\$30.8 million all funds) include in the Governor’s Proposed Budget for the Direct Service Provider wage increase from \$18 to \$20 per hour in FY2024. This brings total funding for the Developmental Disabilities rate review and wage increases to \$78.1 million all funds.

May Caseload Estimating Conference Reconciliation **(\$2.4 million)**

A Governor's Budget Amendment dated May 24, 2023, decreases general revenues by \$2.4 million (a \$2.8 million increase in all funds) within the Services for the Developmentally Disabled program to align funding with the caseloads adopted in the May 2023 Caseload Estimating Conference. Of this decrease, \$757,088 is related to caseload reconciliation and \$1.7 million is to account for the rebased estimate of the costs of raising the direct service provider wage to \$20 an hour.

ESH Hospital License Fee Adjustment **(\$2.1 million)**

The Budget decreases general revenues by \$2.1 million to reflect changes to the hospital license fee at Eleanor Slater Hospital (ESH). A Governor's Budget Amendment dated May 24, 2023, reduces the hospital license fee for state government owned hospitals in Article 9 from 5.42 percent to 5.25 percent for FY2024. This brings the ESH license fee payment to \$688,004 down from the \$2.8 million included in the Governor's Recommended Budget. This adjustment decreases general revenues accordingly.

ESH Hospital Improvements **\$1.0 million**

A Governor's Budget Amendment dated May 24, 2023, increases general revenues by \$1.0 million to account for the shift of funding from FY2023 to FY2024 for expenses related to ligature risk compliance projects at the Eleanor Slater Hospital.

RISPH Operating Shift **\$268,000**

Pursuant to a Governor's Budget Amendment dated April 17, 2023, the Budget increases general revenues by \$268,000 to shift funding from FY2023 to FY2024 for operating purchases unable to be completed in FY2023 due to supply chain delays.

Developmental Disabilities Technical Correction **(\$264,284)**

Pursuant to a Governor's Budget Amendment dated March 17, 2023, the Budget decreases general revenues by \$264,284 to correct for an inadvertent error in the Services for the Developmentally Disabled program. The correction aligns the Budget with the funding levels adopted at the November 2022 Caseload Estimating Conference.

Conflict Free Case Management Information Technology Contract **\$174,300**

A Governor's Budget Amendment dated April 17, 2023, increases general revenues by \$174,300 (\$1.7 million all funds) to reflect additional financing for an information technology contract used in the implementation of the statewide conflict-free case management program.

Enhanced FMAP Phase Out **(\$97,530)**

A Governor's Budget Amendment dated May 24, 2023, decreases general revenues by \$97,530 to align funding in the Department with the final enhanced Federal Medical Assistance Percentage (FMAP) rate for FY2024. The Governor's Recommended Budget did not take into account the Consolidated Appropriations Act (CAA) of 2023, which was signed on December 29, 2022. This amendment adjusts for the phase down of the temporary enhanced FMAP for both Medicaid and non-Medicaid programs through the first two quarters of FY2024 as included in the CAA. This decrease has a corresponding increase in federal funds.

Transformation Technology Fund Realignment (federal funds) **(\$192,037)**

A Governor's Budget Amendment dated March 17, 2023, decreases federal funds by \$192,037 to correct for the inadvertent inclusion of a transformation technology fund appropriation in FY2024.

GOVERNOR'S COMMISSION ON DISABILITIES**RI Livable Home Modification Grant Program** **\$250,000**

The Budget adds \$250,000 in general revenue to increase funding to \$766,699 for the Livable Home Modification grant program. The Governor's Commission on Disabilities (GCD) has administered the

Livable Home Modification grant program since January 2018. The grant program allocates funding for home modification projects to allow people to stay in their homes longer and decrease the length and frequency of nursing home stays. Improvements include bathroom modifications, wheelchair ramps, and stability rails, along with other home modifications.

OFFICE OF THE CHILD ADVOCATE

Position Upgrade Request

\$19,171

The Budget adds \$19,171 in general revenues to upgrade a position at the Office of the Child Advocate. The funding would allow the Office to convert a currently vacant Case Management Coordinator position into an Education and Information Coordinator position to provide support and oversight on educational issues related to children in state care. The upgrade does not impact the Office's total FTE authorization.

ELEMENTARY & SECONDARY EDUCATION

Education Aid

\$18.3 million

The Budget includes an additional \$18.3 million to support the changes in education aid provided in Article 8, including lowering the threshold for the reimbursement of high-cost special education costs, increasing the weight for English learners from 10.0 percent to 15.0 percent, providing additional support for districts experiencing enrollment loss or a significant change in their state share ratio, and correcting an unintended consequence of the quadratic mean share ratio calculation.

School Construction Aid

\$700,000

Article 8 removes the cap limiting the increase in a district's state share to one half for projects submitted for reimbursement after July 1, 2023, thereby allowing lower share ratio communities to reach the 20-percentage point cap. The budget adds an additional \$700,000 to fund the estimated cost for FY2024.

Special Education – IEP Facilitation (3.0 FTE positions)

\$450,000

The Budget includes \$450,000 in general revenue to support 3.0 new FTE positions (\$400,000) and \$50,000 for professional development and training for the Department to facilitate individual education plans (IEPs) and federal 504 special education services.

Commissioner's Office – School Turn Around Transformation Specialist (1.0 FTE position) **(\$155,909)**

The Budget removes \$95,000 in salary, \$60,909 in benefits (\$155,909 total), and 1.0 new FTE Transformation Specialist position recommended by the Governor. The Department currently has 4.0 FTE Transformation Specialists to focus on the federal mandated school improvement process for schools identified for comprehensive support and improvement (CSI), as delineated in the federal 2015 Every Student Succeeds Act (ESSA).

School for the Deaf. Speech Language Pathologist (1.0 FTE position)

\$114,523

While not recommended by the Governor, the Department requested 1.0 new FTE Senior Finance Officer for Business Management supported by \$155,909 in restricted receipts realized from the indirect cost recovery of federal grants. Currently, the allocation of the funding formula and federal funds is managed by one employee with no redundancy. Over the years, as charter schools have been established, the number of LEAs has increased from 39 to 63 with additional schools in the pipeline, and the number of federal grants received by the department have increased as well. The Budget includes the position.

Administrative Support Staffing (1.0 FTE position)

\$90,000

The Budget includes \$90,000 in salaries and benefits to support 1.0 new Administrative Assistant. The Department requested 2.0 FTE Administrative Assistant positions through an amended budget request, due to the redesign and reorganization of the agency to better serve local education agencies (LEAs).

School for the Deaf - Vehicle **\$50,000**

Pursuant to a Governor's budget amendment, dated May 19, 2023, the Budget provides \$50,000 in general revenue funding for an eight-passenger vehicle. The vehicle was requested to replace a 2002 Ford Taurus used to transport audiology equipment to schools throughout the state, and will be used to transport students to activities. The Taurus has excessive body rot and can no longer pass the RI State Inspection.

ESSER Funds Overstatement (federal funds) **(\$78.8 million)**

To correct for an overstatement of available Elementary and Secondary Education Relief (ESSER) funds, the Budget reduces federal ESSER funding by \$78.8 million to more accurately reflect available resources.

ACES. Preschool Development Grant Birth to Five (federal funds) **\$212,500**

Pursuant to a Governor's budget amendment, dated March 17, 2023, the Budget increases federal funds by \$212,500 to reflect the recent award of the Preschool Development Grant (PDG) Birth to Five Planning Grant. The grant proceeds are limited to capacity-building activities, including planning and pilot programs, to advance the coordination and effectiveness of the early childhood system.

Rhode Island Capital Plan (RICAP) Fund Changes **\$8.0 million**

The Budget includes a net increase of \$8.0 million in Rhode Island Capital Plan (RICAP) funding, including the following:

- **Capital – Davies Healthcare Classrooms:** Due to project delays, the Budget shifts \$6.4 million in RICAP funding for the Davies Healthcare classrooms project from FY2023 into FY2024, and adds \$486,250 in carryforward funds from FY2022, for a total increase of \$6.9 million. The architectural and engineering phase of the project occurred in FY2022 (\$500,000). The Davies Health Care Classrooms project includes building replacement space for the Health Care classrooms and eliminating the detached modular classroom building where the program is currently housed. This project was previously scheduled to begin in FY2021; however, the late passage of the FY2021 Budget delayed progress.
- **Capital – Davies HVAC:** To replace and repair the HVAC system at Davies, the Budget includes \$1.2 million in FY2023 and \$50,000 in FY2024. Davies recently developed a facility master plan to guide ongoing repairs and upgrades. The assessment evaluated the educational space for academic and technical programs, future enrollment patterns, energy efficiencies, building condition, traffic studies, and Americans with Disabilities Act compliance and provided an extensive list of deferred maintenance and renovation projects. However, due to the dire need in other schools around the State and the need for a substantial investment to address the major repairs at Davies, the master plan is being advanced in smaller projects. Consequently, the funding will be used to replace a chiller, and allow for replacement, as needed in areas of the school where ventilation and circulation are an issue, particularly in the 1970's portion of the school. The Department requested \$150,000 annually in FY2024 through FY2028.

HIGHER EDUCATION**URI – Operating Support** **\$6.0 million**

The Governor recommended increase the state appropriation to URI by \$7.9 million in FY2024. Of the \$35.5 million increase requested by URI to cover the cost of the current service level, \$11.3 million was for the FY2023 deficit that carried into FY2024. The components of this deficit are included in the table to the right. The largest component is the cost of living agreement (COLA) for classified employees that was provided in the statewide contract negotiated in FY2022. The Budget provides an additional \$6.0 million toward operating expenses that exceed other available resources.

Hope Scholarship PILOT at RIC**\$4.0 million**

The Article 8 establishes the Hope Scholarship Pilot program beginning with the high school graduating class of 2023 and students enrolled in Rhode Island College (RIC) as of July 1, 2021, who have attained junior status as of July 1, 2023. The scholarship will cover the cost of up to two years of tuition and mandatory fees for the junior and senior years of the student, or for adult students who have attained at least 60 credit hours. While the eligibility requirements are very similar to the Promise II Scholarship program at the Community College of Rhode Island, students cannot receive an award under both programs. The Budget includes \$4.0 million in general revenue for this program in FY2024.

OPC. Fresh Start: CCRI Scholarship**(\$2.5 million)**

The Governor recommended \$2.5 million in general revenue, one-time funding to support a new scholarship program, Fresh Start. The Budget shifts funding for this initiative to federal ARPA funds and provides \$5.0 million in federal funds to support two years of scholarships. The program is designed to recover lost enrollment at CCRI by focusing on adults who have earned some college credit but no degree. This last-dollar scholarship proposal would provide 1,000 adults with tuition and fee support for one semester, the estimated time needed to regain their momentum and become eligible for federal aid. The program is targeted at the 24,000 adult students that were previously enrolled at CCRI but have not completed a credential from a college or university due to not meeting federal financial aid satisfactory academic progress (SAP). Like the Promise II Program, the funding for this program is provided in the Office of the Postsecondary Commissioner.

Sherlock Center Vision Services Program**\$1.8 million**

The Budget provides \$1.8 million in general revenue for the Sherlock Center Vision Services program within the appropriation for Rhode Island College to provide stable funding for the services provided to local education agencies. The Center provides teaching and consultation services to children who are blind or visually impaired, their families and educational staff within the school environment. The array of services available includes Early Intervention, Orientation and Mobility, and the instruction of specific compensatory skills to children from birth through 21 years.

CCRI – Healthcare Workforce**\$547,295**

The FY2023 Budget as Enacted added \$547,295 in general revenue to fund 4.0 FTE positions, within the College's current staffing authorization, to provide support services and stipends for nursing assistant students, as well as marketing and advertising to recruit and train certified nursing assistants, licensed practical nurses, and registered nurses. Although CCRI requested continued support for this initiative in FY2024, the Governor did not include funding. The Budget includes \$547,295 in continued support in FY2024.

OPC. Promise I Scholarship**\$300,000**

Pursuant to a Governor's budget amendment, dated March 8, 2023, the Budget provides an additional \$300,000 in general revenue for Promise I Last Dollar Scholarship funding for qualified students attending private universities in Rhode Island, increasing the funding from \$1.5 million to \$1.8 million. The program, established through RIGL 16-56, awards block grants to Rhode Island public and independent non-profit higher education institutions for need-based scholarships, grants, and work opportunities. Eligibility for the program is determined by the Office of the Postsecondary Commissioner (OPC) and the private institutions are required to match the funds

Higher Education Opportunities for Teachers of Color**\$200,000**

The Budget adds \$200,000 in general revenue to restore funding for teachers of color. The FY2023 Budget as Enacted included a grant of \$200,000 in general revenue to increase access to higher education opportunities for teachers of color through the Rhode Island School for Progressive Education (RISPE). The Office of the Postsecondary Commission excluded this funding from its budget request and the Governor did not restore the funding. RISPE is an educator preparation provider founded with the mission

to diversify the Rhode Island teacher workforce, and promote anti-racist education. The funds were used to offset the cost of attendance, help support faculty and clinical staff stipends, increase recruitment effort, and purchase equipment.

CCRI – Benefits Hub **(\$189,383)**

The Budget does not include the \$189,383 recommended by the Governor to support the new Benefits Hub project. The Benefits Hub project was to provide students assistance in accessing public benefits for food and housing, advising and tutoring to support successful graduation from CCRI and subsequent employment.

CCRI – Community First Initiative **(\$189,383)**

The Budget does not include the \$189,383 recommended by the Governor to support the new community first project. Through the Community First project, CCRI would have partnered with community-based organizations to provide education, including ESL and degree programs, and workforce training.

OPC. Preschool Development Grant Birth to Five (federal funds) **\$75,000**

Pursuant to a governor’s budget amendment, dated March 17, 2023, the Budget increases federal funds by \$75,000 to reflect the recent award of the Preschool Development Grant (PDG) Birth to Five Planning Grant. The grant proceeds are limited to capacity-building activities, including planning and pilot programs, to advance the coordination and effectiveness of the early childhood system.

URI – PFAS Remediation (federal SFRF) **\$20.0 million**

Through the Capital Budget, the Governor recommended \$20.0 million in certificates of participation (COPS) to develop and construct a PFAS removal system. The Budget shifts funding to federal SFRF. In 2022, the Assembly mandated that by July 1, 2023, public water supply systems could not have PFAS contamination levels greater than twenty parts per trillion. URI reports that three wells exceed the legal limit. Since discussion there were ongoing discussion with the Rhode Island Infrastructure Bank (RIIB) about other funding options, the Governor did submit a resolution for approval of the COPs funding.

OPC. Cyber Center at RIC (federal SFRF) **\$2.0 million**

Pursuant to a Governor’s budget amendment, dated April 7, 2023, the Budget includes \$2.0 million in SFRF funds, appropriated through the Office of the Postsecondary Commissioner, to establish and support a new Institute for Cybersecurity & Emerging Technologies. The \$2.0 million in SFRF in additional institutional funds will support three years of program development and operating costs.

RIC. Student Aid (other funds) **\$5.1 million**

Pursuant to a Governor’s budget amendment, dated February 14, 2023, the Budget corrects an inadvertent reduction in institutional student aid funding in the original budget proposal.

Rhode Island Capital Plan (RICAP) Fund Changes **\$7.5 million**

The Budget includes a net increase of \$7.5 million in Rhode Island Capital Plan (RICAP) funding, including the following:

- **CCRI Renovation and Modernization – Phase I:** This project will modernize education facilities, including student safety enhancements, updated technology and equipment, and energy efficiency updates, across the four campuses. Due to project delays, the Budget shifts \$3.0 million in RICAP funding from FY2023 into FY2024, leaving \$2.0 million in RICAP funds and \$1.2 million in general obligation bond proceeds in FY2023. In FY2024, the Budget provides \$12.0 million in RICAP funding and \$4.5 million in bond proceeds.
- **URI Academic MEP Improvements:** This project will upgrade the HVAC systems in Fogarty Hall and White Hall to maintain a safe working environment and to comply with current codes requirements. Pursuant to current plans, Fogarty Hall, currently housing the Crime Lab and Nutrition and Food

Science Department, will be renovated for administrative and academic departments. Substantial renovations would address the building envelope, mechanical systems, HVAC, as well as removing laboratory fixtures and associated utilities. White, currently housing the College of Nursing, requires the upgrade of obsolete building systems and building envelope improvements, including foundation waterproofing, a drainage system, and minor cosmetic improvements. Due to project delays, the Budget pushes the project out one year and shifts \$4.4 million in RICAP funds out to provide \$294,533 in FY2023, \$4.4 million in FY2024, and \$13.2 million in FY2025. This shift reduces funding in FY2024 by \$8.8 million.

- **URI – Asset Protection:** While the Governor’s Budget provides \$62.9 million in RICAP funded asset protection from FY2024 through FY2028, due to deferred maintenance across the campus, the University for Rhode Island (URI) requested an additional \$17.5 million over this period. The Budget provides an additional \$2.0 million in FY2024 as part of a \$10.0 million increase over the five-year period.
- **URI- Athletic Facilities:** The Governor recommended \$15.0 million in RICAP funds and \$3.4 million in University funds in FY2024 to begin the renovation of the Meade Stadium East Grandstands and the Slade Outdoor Track and Field. Total funding for the project is \$54.1 million over three years, including \$43.3 million in RICAP funds and \$10.8 million in University funds. This is \$28.2 million less than requested by URI. The Budget provides an additional \$11.3 million in both FY2024 and FY2025 (\$22.5 million total) and limits state funding of the project to 80.0 percent of total project costs, requiring URI to match the state funds with private funding.

RHODE ISLAND STATE COUNCIL ON THE ARTS

Film Office Deputy Director (0.4 FTE)

\$35,430

The Budget increases general revenues by \$35,430 to upgrade one part-time FTE position to a full-time FTE Deputy Director in the Film and Television Office. This increases the Council’s FTE authorization from 9.6 to 10.0.

WaterFire Providence

\$25,000

The Budget increases general revenues by \$25,000 to increase support to the Providence WaterFire program. This brings total general revenue funding for WaterFire to \$400,000.

Federal Grant Adjustment (federal funds)

(\$360,593)

The Budget decreases federal funds by \$360,593 to reflect the most recent round of funding for individuals and organizations receiving National Endowment for the Arts funds, as well as the end of pandemic-related enhanced funding.

Governor’s Portrait Correction (restricted receipts)

(\$45,000)

The Budget decreases restricted receipts by \$45,000 to reflect the removal of funds for gubernatorial portraits. The most recent portrait is already completed and was funded through a donation, making the additional funding for the year unnecessary.

HISTORIC PRESERVATION AND HERITAGE COMMISSION

Personnel Adjustments

\$215,860

The Governor’s Budget Amendment dated May 19, 2023, adds \$215,860 in general revenue as a result of paygrade classification changes.

Old State House Renovations (federal funds)

(\$250,000)

The Governor’s Budget Amendment dated April 14, 2023, removes \$250,000 in federal funds that were overstated in the FY2023 Budget.

OFFICE OF THE ATTORNEY GENERAL***Government Litigation 5.0 FTE (restricted receipts)*** **\$690,975**

The Budget includes \$690,975 in restricted receipts to support the salary and benefits of 5.0 new FTE positions, assigned to the Civil Division’s Government Litigation Team. The Government Litigation Team works on behalf of agencies throughout the State, litigating key matters involving the exercise of power by the Governor and Legislature, and defending the State in lawsuits seeking to recover significant damages. The additional positions will decrease the Civil Division’s caseload.

Narcotics and Organized Crime Unit 2.5 FTE (restricted receipts) **\$321,310**

The Budget includes \$321,310 in restricted receipts to support the salary and benefits of 2.5 new FTE positions, assigned to the Criminal Division’s Narcotics and Organized Crime Unit. The new positions will reduce the prosecutor caseload and specifically work with the Urban Violent Crime Initiatives.

Cold Case Unit 2.5 FTE (restricted receipts) **\$301,324**

The Budget includes \$301,324 in restricted receipts to create the Office’s Cold Case Unit and support the salary and benefits of 2.5 new FTE positions. The primary function of the Criminal Division’s Cold Case Unit will be to proactively investigate and solve cold cases, which are unsolved criminal investigations, which remain open pending the discovery of new evidence.

Office of the Healthcare Advocate 2.0 FTE (restricted receipts) **\$228,036**

The Budget includes \$228,036 in restricted receipts to support the salary and benefits of 2.0 FTE new positions within the Civil Division’s Office of the Healthcare Advocate. The Office is responsible for the management of several complex opioid litigation settlement agreements with opioid manufacturers like Purdue, Johnson & Johnson, Teva, Allergan and Endo, as well as distributors such as Cardinal, McKesson, and AmerisourceBergen. Many of these settlements contain phased annual payments and complex compliance provisions that necessitate attention and significant oversight. The new positions will help the Office advocate for and enforce legal rights to behavioral healthcare and address key barriers to access, such as narrow networks of behavioral health providers, exorbitant cost-sharing requirements, and lack of available clinicians.

Office of the Energy Advocate 1.0 FTE (restricted receipts) **\$138,195**

The Budget includes \$138,195 in restricted receipts to create the Civil Division’s Office of the Energy Advocate and support the salary and benefits of 1.0 new FTE attorney position. The new position will serve as the Energy Advocate on behalf of Rhode Island, advocating for the residents a wide range of energy concerns.

Public Protection Bureau 1.0 FTE (restricted receipts) **\$138,195**

The Budget includes \$138,195 in restricted receipts to support the salary and benefits of 1.0 new FTE attorney position to be assigned to the Civil Division’s Public Protection Bureau. The position will assist on matters being handled by each of the Bureau’s four units— Healthcare, Consumer and Economic Justice, Environmental and Energy, and Civil & Community Rights. These units use the authority of the Attorney General to advance and protect economic security, dignity, quality of life and equity for residents of Rhode Island.

Body-Worn Camera Position 1.0 FTE (restricted receipts) **\$89,841**

The Budget includes \$89,841 in restricted receipts to support the salary and benefits of 1.0 new FTE position within the Criminal Division. The position will be responsible for managing and handling the intake and use of police body-worn camera videos. The position will create copies of recordings that may require redactions and provide them to defendants through the criminal discovery process or to members of the public through the State’s public records laws.

DEPARTMENT OF CORRECTIONS***RIBCO Contract Adjustment******\$9.8 million***

The Budget includes a net increase of \$9.8 million in general revenue pursuant to Governor's Budget Amendment 11, dated April 17, 2023. The increase is related to the ratification of the Rhode Island Brotherhood of Correctional Officers (RIBCO) contract and reflects the Department's most recent cost projections. The net increase includes the following program adjustments:

Programs	FY2024	FY2024	Change
	Governor	HFC	
Central Management	\$21,930,514	\$23,382,719	\$1,452,205
Custody and Security	154,008,412	160,215,200	6,206,788
Institutional Support	29,168,839	29,751,849	583,010
Institutional Based Rehab/Population Management	14,138,479	14,206,993	68,514
Healthcare Services	29,477,706	30,735,600	1,257,894
Community Corrections	20,982,773	21,198,507	215,734
Total	\$269,706,723	\$279,490,868	\$9,784,145

Special Services Unit***\$137,023***

The Budget includes \$137,023 in general revenue to support the salary and benefits of 1.0 new FTE position for the Special Services Unit. In FY2021, the Office of Internal Audits found that the Department did not have enough staff to perform thorough reviews of program time awards. The new position will be responsible for monitoring inmate behavioral time awards and maintaining the Transfer from Prison to the Community database (TPCDS), which records all inmate programming and group activities subject to good time awards and compliance with court requirements.

JUDICIARY***Temporary Restraining Order Unit (4.0 FTE positions)******\$399,454***

The Budget includes \$399,454 and 4.0 new FTE positions within the Family Court to establish a Temporary Restraining Order Unit. The Unit would provide a one-stop shop by putting the relevant Advocates Office, Temporary Restraining Order Department, and Courtroom on the same floor. In addition, the Office would stay open until 4:00 pm to take filings, instead of the current 3:15 pm.

MILITARY STAFF***Educational Payments******(\$100,000)***

The Governor's Budget Amendment dated February 14, 2023, removes \$100,000 in general revenue for education benefit payments. This reflects the correction of an error that increased the appropriation above \$100,000 over the statutory authority permitting the education benefit. RIGL 30-3-40.3, stipulates that the annual appropriation for the benefit shall not exceed \$100,000 in any fiscal year and the Governor's Budget included \$200,000 as the recommended appropriation.

Snowplowing Adjustment***(\$68,339)***

The Budget decreases general revenue by \$68,339 for snowplowing and sanding costs at the various facilities maintained by the Rhode Island National Guard. There is a corresponding decrease of \$331,005 in federal funds.

Rhode Island Capital Fund (RICAP) Changes (other funds)***(\$2.3 million)***

The Budget includes a net increase of \$2.3 million in RICAP funds.

- **Asset Protection:** The budget adds \$778,294 in RICAP funds for various asset protection projects.

- **Aviation Readiness Center:** The Budget removes \$987,528 in RICAP funds regarding the Aviation Readiness Center in FY2024. The Center is a \$38.4 million project to construct a 65,000 square foot training and readiness center at the Quonset Air Base for the Rhode Island National Guard 1/126th Aviation Unit. The Military Staff states that the project is likely to be approved for federal funding in FY2025, one year later than planned, thus delaying the funding by one year.
- **Counter Drug Training Facility:** The Budget removes \$2.0 million in RICAP funds in FY2024 to construct a 15,722 square foot Counter Drug Training Facility at Camp Fogarty in the Town of East Greenwich. This project utilizes Google Asset Forfeiture federal funds and is listed in the agency's capital plan for FY2024. The forfeiture funds requested in FY2024 reflect unexpended funds appropriated in FY2022.
- **Quonset Runway Reconstruction:** The Budget reduces RICAP funds by \$887,631 to support the reconstruction of the Quonset runways to meet military specifications. The scope of the project has been reduced requiring less funds.
- **Sun Valley Armory:** The Budget adds \$788,161 in RICAP funds regarding the 17,000 square foot addition to the Sun Valley Readiness Center in the Town of East Greenwich. This facility serves as the supporting center for the 861st Engineer Company.

EMERGENCY MANAGEMENT

New Positions (federal funds) ***\$210,221***

The Governor's Budget Amendment dated March 8, 2023, adds \$210,221 in federal funds for a new Fiscal Management Officer and a new Emergency Communications Technician position. The positions are fully federally funded and will provide support to the finance and grants office and to support the State's Rhode Island Statewide Communications System Network (RISCON).

Rhode Island Statewide Communications System Network (RISCON) ***\$1.5 million***

Pursuant to the Governor's Budget Amendment dated May 24, 2023, the Budget increases general revenue funding by \$1.5 million reflecting a shift of RICAP funds to general revenue to support the Rhode Island Statewide Communications System Network (RISCON), the main communications platform used by all public safety agencies in the State for daily operations. There is a corresponding decrease of \$1.5 million in RICAP funds reflecting a shift of RICAP funds to general revenue.

DEPARTMENT OF PUBLIC SAFETY

Body-Worn Camera Project Shift to FY2024 ***\$13.5 million***

The Budget shifts \$13.5 million of general revenue from FY2023 to FY2024 for the Body-Worn Camera Project, reflecting the Department's updated expenditure plan. The FY2023 Budget as Enacted appropriated \$15.0 million for state and municipal police to purchase body-worn cameras and associated equipment, contingent on the creation of the initiative's rules and regulations. The rules and regulations took effect on October 19, 2022, and departments began implementing the changes. The Budget shifts \$13.5 million and any remaining balance will be reappropriated to FY2024 at the close of FY2023.

OFFICE OF THE PUBLIC DEFENDER

Assistant Public Defenders (2.0 FTE) ***\$253,574***

The Budget includes \$253,574 in general revenue to support the salary and benefits of 2.0 FTE Assistant Public Defender positions. The Office indicates that it is currently suffering from a well-documented caseload crisis and require additional staff to provide legal representation to the State's indigent population. According to the American Bar Association's endorsed ethical misdemeanor caseload limits, the Office should assign each District Court lawyer no more than 400 misdemeanor cases per year. With current

staffing, the Office has assigned attorneys on average, 1,070 cases annually, almost triple the ethical limit. The Budget authorizes a total of 4.0 new FTE positions for FY2024.

Paralegal Services **\$32,682**

The Budget includes \$32,682 in general revenue to fund additional paralegal services. The additional paralegal assistance will help alleviate current attorney caseload concerns.

ENVIRONMENTAL MANAGEMENT

Farmland Preservation and Conservation **\$2.5 million**

The includes \$2.5 million in general revenue to re-capitalize farmland acquisition fund for the purchase and protection of farmland in danger of converting to non-agricultural use. This land is restricted to agricultural use, and either sold or leased to qualified farmers. The proceeds from the sale of the land will be credited back to the account for use in new projects.

Bureau Natural Resources Turnover **\$371,497**

Pursuant to a Governor's budget amendment, dated March 14, 2023, the Budget provides an additional \$371,497 in general revenue to replace excess turnover taken in error.

Marine Mammal Rescue **\$150,000**

The Budget includes \$150,000 in general revenue and \$350,000 in federal funds (\$500,000 total) to support the rescue and rehabilitation of marine mammals found stranded in Rhode Island waters. The funds will be used as grants to support marine mammal response, data collection, participation in regional large whale injury reduction team activities, improved outreach, enhanced monitoring, analysis of data on the cause of animal stranding and the success of rehabilitation, and the purchase of supplied and equipment for the transport of live and deceased animals.

100 Acre Pond Invasive Weed Management **\$100,000**

The Budget provides \$100,000 in general revenue funding to address invasive weeds in Hundred Acre Pond in South Kingstown. The pond has been impacted by non-native rooted plants, including fanwort and variable-leaf milfoil, for several years resulting in significant drop in dissolved oxygen (DO) levels in the lake and negative impacts on the habitat.

Conservation Districts **\$50,000**

The Budget provides an additional \$50,000 (\$100,000 total) to line-item grant award for the Conservation Districts. The Districts are not-for-profit, quasi-public subdivisions of state government, administered by volunteers from the community. The Districts were formally created through statute in 1990 to provide an opportunity for citizens to have a voice in shaping soil and water resource planning in their communities. Today, the Districts provide educational and technical assistant to state residents in addressing conservation concerns and providing networking opportunities among local, state, and federal agencies. Recently, the Districts provided free, public education workshops on small forestry operations and on-farm energy options for beginning farmers. The Districts were previously funded through the community service objective grant program; however, when the grant program changed, the grant was not included as a line-item grant award. This Budget restores funding for the statutorily established Conservation Districts.

Abandoned Vessel Removal (restricted receipts) **\$35,000**

The Budget shifts \$35,000 restricted receipts for derelict and abandoned vessel removal from FY2023 to FY2024. The derelict and abandoned vessel and obstruction removal fund is a restricted receipt account is funded from a portion of the boat registration fee and used to remove, dispose, and/or sell derelict and abandoned vessels and obstructions, as well as administrative or environmental remediation costs.

Rhode Island Capital Plan (RICAP) Fund Changes**\$2.6 million**

The Budget includes a net increase of \$2.6 million in Rhode Island Capital Plan (RICAP) funding, including the following:

- **Galilee Piers:** Due to an updated project schedule, the Budget removes \$4.6 million in funding from FY2023, leaving a balance of \$6.4 million, and adds \$2.3 million to FY2024, \$1.0 million to FY2027, and \$1.3 million to FY2028, for repairs to the Galilee Piers. The Port of Galilee is home to 170 commercial fishing vessels and provides affordable berthing spaces close to wholesale and retail seafood processing businesses. Since 2009, the Department has rebuilt numerous piers, as well as the southwest and northwest bulkhead. Current work is focused on the North Bulkhead and Docks AA-QQ. The North Bulkhead is more than 50 years old and includes 16 piers along its 1,500-foot length. The piers include berthing for vessels and businesses such as RI Engine, which provides regional vessel services, and Sea Freeze, a fish processing house with worldwide shipping.
- **Recreational Facilities Improvements:** Based on an updated project schedule, the Budget shifts \$900,000 from FY2023 into future years, including \$250,000 into FY2024, for this ongoing project. The Department manages over 50 buildings and 25 miles of roads, in addition to water supply systems and other infrastructure elements, in State Parks and Management Areas. Current tasks include completion of the Fort Adams Maintenance Garage, the construction of the Roger Wheeler bulkhead, dredging around the Oakland Beach boat ramp in Warwick Cove, and the reconstruction of the East Matunuck State Beach entryway.

DEPARTMENT OF TRANSPORTATION**ARPA - Municipal Roads Grant Program from DOA (federal funds)****\$20.0 million**

The Budget shifts \$20.0 million of federal funds from the Department of Administration to the Department of Transportation for the administration of the Municipal Roads Grant Program, pursuant to Governor's Budget Amendment 5, dated March 8, 2023.

The Municipal Roads Grant program will provide municipalities with \$20.0 million in American Rescue Plan Act (ARPA) federal funds, serving as a 33.0 percent match to fund road, bridge, and sidewalk projects on locally maintained, municipal roads. The cities and towns will provide the remaining 67.0 percent, reflecting a possible \$60.0 million available for municipal road improvement. The Department will divide \$15.0 million of federal funds equally amongst all municipalities, with the remaining \$5.0 million appropriated to municipalities based on the mileage of roads they contain. Municipalities maintaining high mileages of roads will be able to seek additional funding. The program requires all projects to be completed by the end of 2026.

Additionally, the programs includes accountability and transparency measures, such as a quarterly reporting requirement. Cities and towns utilizing the program will report on the progress of each project and its anticipated completion date, as well as the values of any contracts and the dates they were awarded.

In a separate but related initiative, the Budget directs the Department to establish a Municipal Roadway Database in Article 1. The Municipal Roadway Database will be funded through gas tax revenue and updated annually by municipalities with information concerning the name, condition, length, roadway infrastructure, and pedestrian features of each municipal roadway.

Highway Improvement Program (other funds)**\$12.4 million**

The Budget includes an additional \$12.4 million in gas tax funds due to the reinstatement of the statutorily mandated Consumer Price Index for All Urban Consumers (CPI-U) adjustment to the gas tax. Current projections indicate a \$0.03 increase to the gas tax at the start of FY2024, due to CPI-U. The FY2024 Governor's Budget recommended a pause to the CPI-U adjustment, forgoing an estimated \$12.4 million in

gas tax revenue and depositing an equivalent amount as RICAP funds. The General Assembly reinstated the CPI-U adjustment, and the Budget includes the additional revenue.

RICAP Highway Improvement Program to Gas Tax (other funds) (\$12.4 million)

The Budget includes a \$12.4 million reduction in RICAP funds related to the reinstatement of the statutorily mandated CPI-U adjustment to the gas tax. The FY2024 Governor’s Budget recommended a pause to the CPI-U adjustment, forgoing an estimated \$12.4 million in gas tax revenue and depositing the equivalent amount as RICAP funds. The General Assembly reinstated the CPI-U adjustment, and the Budget reflects the RICAP fund reduction.

288 Allens Avenue Facility Purchase (other funds) \$8.0 million

The Budget shifts \$8.0 million in gas tax revenue from FY2023 to FY2024 for the Department’s purchase of the leased facility located at 288 Allens Avenue. The Department has been leasing the facility to store equipment and vehicles since FY2019 and was planning to purchase the facility in FY2023. Due to a delay, the Department is expecting to move forward with the purchase in FY2024.

Gas Tax and Highway Maintenance Account Adjustments (other funds) \$4.1 million

The Budget includes an additional \$4.1 million in total revenue from the gas tax and Highway Maintenance Fund (HMA), reflecting the upward projections from the Office of Revenue Analysis’ May 2023 estimate. The adjustment includes an additional \$3.7 million for the Department and \$307,238 for RIPTA. The following tables reflect the adjustments to the gas tax projections, as well as the HMA.

	FY2024 Nov.	FY2024 May	
FY2024 Gas Tax Transfers	Projection	Projection	Change
RIPTA Transfer	\$38,229,436	\$38,361,452	\$132,016
UST to RIPTA	2,066,456	2,073,592	7,136
DEA Transfer	4,132,912	4,147,184	14,272
DOT share	87,824,380	88,127,660	303,280
Garvee Motor Fuel Tax Bonds	8,265,824	8,294,368	28,544
RITBA	14,465,192	14,515,144	49,952
Total	\$154,984,200	\$155,519,400	\$535,200

	FY2024 Nov.	FY2024 May	
FY2024 HMA Adjustments	Projection	Projection	Change
Licenses and Registrations Base	\$53,030,344	\$54,190,748	\$1,160,404
Licenses Surcharge	5,291,576	5,497,185	205,609
Vehicle Registrations Surcharge	15,467,180	16,068,170	600,990
Rental Vehicle Surcharge	3,759,068	4,355,828	596,760
Emission Inspection Fees	13,897,523	14,437,523	540,000
Motor Vehicle Title Fees	11,192,601	11,627,500	434,899
Good Driving Fees	315,988	315,988	-
RIHMA Total	\$102,954,281	\$106,492,942	\$3,538,661
5% Share to RIPTA	\$4,890,328	\$5,058,415	\$168,086
\$5.0 Million Base to RIPTA	5,000,000	5,000,000	-
5% Share to General Revenues	5,147,714	5,324,647	176,933
DOT Share	\$87,916,238	\$91,109,880	\$3,193,642

RIPTA - Land & Buildings (other funds) (\$2.3 million)

The Budget shifts \$2.3 million of RICAP funds from FY2024 to FY2026. RIPTA uses these funds to make improvements to their facilities, transit hubs, and bus stops. The Authority is currently assessing their facilities and will release an updated Asset Management Plan based upon the findings. Additionally, the Budget shifts \$12.4 million from FY2023 to FY2025.

RIPTA R-Line Pilot (federal funds) \$750,000

The Budget includes an additional \$750,000 in ARPA SFRF to support RIPTA's Free Fare R-Line Pilot program, reflecting a total amount appropriated of \$3.3 million. The pilot program began on September 1, 2022, and concludes on September 1, 2023. The Authority indicates that R-Line ridership has increased 40.0 percent since the program's inception.

RITBA - Safety Barriers Study (federal funds) \$750,000

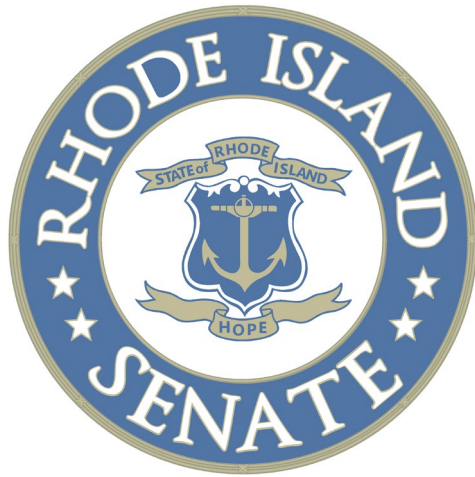
The Budget includes an additional \$750,000 in ARPA SFRF to support RITBA's Safety Barriers Study, reflecting a total amount appropriated of \$1.8 million. The FY2023 Budget as Enacted provided \$1.0 million to the Authority to perform a study concerning the installation of suicide barriers on the Jamestown and Mount Hope Bridges. The additional funds will allow for the expansion of the study to include the Claiborne Pell Bridge and the Sakonnet River Bridge.

RIPTA - Pawtucket Bus Hub Passenger Facility (other funds) \$500,000

The Budget shifts \$500,00 in RICAP funds from FY2023 to FY2024, due to a delay experienced in the creation of the RIPTA passenger facility and bus hub, located at the Pawtucket/Central Falls Transit Center. The project has been delayed and the Budget has been adjusted accordingly. Additionally, the Budget shifts \$3.5 million from FY2023 to FY2025.

RIPTA – Paratransit Expansion Voucher Pilot Program Informational

The Budget directs RIPTA to expend \$500,000 of their appropriation to perform a pilot program that will study the expansion of paratransit services throughout underserved communities in Rhode Island. The program will provide participants with pre-paid vouchers to cover their travel expenses. The pilot program will begin no later than January 1, 2024, and will be one-year in length. Additionally, the Authority must deliver a report by June 1, 2025, to the Speaker of the House and President of the Senate that details the pilot program's outcomes.



FY2023 SUPPLEMENTAL BUDGET

FY2023 Supplemental Revenue Changes

FY2023

The Budget reduces general revenues in FY2023 by \$12.1 million as compared to the Governor's proposal.

May REC

(\$47.7 million)

The May 2023 Revenue Estimating Conference (REC) reduced its personal income tax revenue estimate from November by \$96.6 million. Business taxes were revised down by \$5.1 million and sales and excise taxes were revised upwards by \$2.9 million from November. These adjustments, along with other offsets and increases in other revenue sources (lottery, excise taxes, etc.), net the overall \$47.7 million decrease below the Governor's proposal.

Public Service Corporations Tax Changes

\$35.6 million

The Budget shifts the Governor's proposed suspension of the Public Service Corporation Tax from FY2023 to FY2024. Article 4 of the Budget provides a rebate on the collection of the public service corporations tax (PSCT) on gross receipts tax for electric and gas utilities for the period of December 2023 through March 2024. Public utilities would continue to collect and remit taxes but will be required to provide a credit to commercial and residential customers for the stated period, effectively reducing their bills during that time. The changes to the PSCT included in Article are estimated to result in a \$35.6 million revenue reduction in FY2024 only.

Eliminate Proposed Food Donation Tax Credit

\$8,895

The Budget restores \$8,895 in general revenue in FY2023 as compared to the Governor's recommendation by eliminating the proposal to create a food donation tax credit. The credit would have been equal to 15.0 percent of the value of Rhode Island-produced food donated by food producers to qualified food banks in the State.

FY2023 Supplemental Expenditure Changes by Agency

STATEWIDE

Centralized Services Correction

\$4.2 million

The Budget increases general revenue expenditures by \$4.2 million to reflect corrected billed amounts for information technology services within 10 agencies. The FY2018 Budget as Enacted authorized the Governor to establish centralized accounts for information technology, capital asset management and maintenance, and human resources. These expenditures are reflected in each agency based on actual use, thereby showing the true costs associated with a particular program or agency. The FY2023 Budget as Enacted appropriated \$3.1 million for centralized information technology expenses, which was decreased by \$876,842 in the FY2023 proposed revised budget. Subsequently to filing the revised budget, it was discovered that the centralized information technology calculation was in error and a Governor's Budget Amendment was made to correct the error. There are corresponding decreases of \$206,430 in federal funds, \$452,650 in restricted receipts, and \$14,874 in other funds. The above table shows the adjustments in each agency.

Agency	General Revenue
Corrections	\$2,779,986
DCYF	918,625
Business Regulation	835,312
Elementary and Secondary Education	(365,333)
Environmental Management	111,142
Health	(82,642)
Judiciary	(41,643)
Revenue	(37,251)
Public Safety	28,513
Postsecondary Commissioner	25,479
Total	\$4,172,188

UNAP Contract Adjustment

\$1.4 million

The Budget includes a statewide general revenue increase of \$1.4 million in general revenue for increased costs associated with the United Nurses and Allied Professionals (UNAP) contract signed in December 2022. UNAP is the union that represents nurses employed in multiple state agencies. Some of the provisions provided in the contract include a salary increase for employees with eight or more years of services, as well as an increase in the education bonus for members with a BA in a nursing related field from \$750 to \$1,500 and those with a Master of Science degree from \$2,000 to \$3,000. The contract also provides an annual clothing allowance of \$500 and increases the shift differential pay from \$0.70 per hour to \$2.50 per hour. In addition, the number of steps in each pay grade increases from 14 steps to 19, with step increases provided after 15, 20, 25, 30, and 40 years of services. The following table shows the increased cost in each agency.

United Nurses & Allied Professionals Labor Contract - signed December 2022 (GBA 5.19.2023)
FY2023

Department	FY2023				FY2024			
	General Revenue	Federal Funds	Restricted Receipts	Total	General Revenue	Federal Funds	Restricted Receipts	Total
EOHHS	\$33,847	\$33,844	\$0	\$67,691	\$74,703	\$74,698	\$0	\$149,401
DCYF	28,572	-	-	28,572	57,169	-	-	57,169
DOH	93,546	93,544	10,841	197,931	185,951	185,958	21,247	393,156
DHS	359,424	162,831	-	522,255	711,271	331,963	-	1,043,234
BHDDH	761,100	521,850	-	1,282,950	1,497,698	1,193,391	-	2,691,089
URI	93,063	-	-	93,063	182,030	-	-	182,030
RIC	28,375	-	-	28,375	56,347	-	-	56,347
CCRI	17,202	-	-	17,202	34,266	-	-	34,266
Total	\$1,415,129	\$812,069	\$10,841	\$2,238,039	\$2,799,435	\$1,786,010	\$21,247	\$4,606,692

DEPARTMENT OF ADMINISTRATION**3rd Quarter Adjustment****(\$2.7 million)**

The Budget decreases general revenue by \$2.7 million based on anticipated savings as stated in the third quarter report. This adjustment is offset by increases of \$25,000 in federal funds, \$1,500 in restricted receipts, and \$300,000 in other funds, resulting in a net decrease of \$2.4 million.

FEMA Claiming Delay**\$694,278**

The Budget increases general revenue by \$694,278 for federal expenditures pending approval by the Federal Emergency Management Agency (FEMA), that occurred in FY2023 by remain unapproved by June 30, 2023. The accounting standards require these expenditures to be recognized as FY2023 general revenue expenditures, with corresponding general revenue increases in the FY2024 general revenue fund balance (opening surpluses) as the FY2023 based expenditures are approved by FEMA and funds are released to the State. There is a corresponding decrease of \$25,117 in federal funds.

HealthSourceRI**(\$332,795)**

The Governor's Budget Amendment dated April 17, 2023, shifts \$332,795 in general revenue from FY2023 to FY2024, to account for the timing of expenditures related to the Consolidated Appropriations Act of 2023, and specifically the delay in unwinding of the public health emergency and redetermination schedule from a start of January 1, 2023, to a start of April 1, 2023. There is a corresponding decrease of \$243,111 in restricted receipts.

Cybersecurity 10.0 Percent Federal Match Grant**(\$219,050)**

The Budget eliminates \$219,050 in general revenue for the required 10.0 percent state match associated with the federal government's State and Local Cybersecurity Grant Program authorized under H.R.3684 - Infrastructure and Jobs Act, Subtitle B - State and Local Cybersecurity Improvement Act, Sec. 70612 State and Local Cybersecurity Grant Program. The State will be receiving federal grant funding over four years to improve the cybersecurity maturity across State and local government. This grant has a scaled State matching requirement over four federal fiscal years: 10.0 percent in FFY2023, 20.0 percent in FFY2024, 30.0 percent in FFY2025, and 40.0 percent in FFY2026. The FY2024 Budget includes \$500,000 for the required 10.0 percent state match in FY2024.

Tort Awards**\$125,000**

The Budget adds \$125,000 in general revenue for court tort awards. Funding in the tort account is used to pay for tort/court award judgments against the State of Rhode Island. The FY2023 appropriation of \$675,000 was based on historical expenditures and updated information from the Office of the Attorney General. However, as of May 25, 2023, a total of \$799,887 has been expended leaving a deficit of \$124,887.

FEMA Contingency Reserve Shift (federal funds)**(\$10.0 million)**

The Budget removes \$10.0 million in general revenue for a one-time contingency reserve to be used 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. Article 1 includes language that all unexpended or unencumbered balances relating to the FEMA Contingency Reserve be reappropriated to FY2024.

ARPA SFRF: COVID-19 Ongoing Response (federal funds)**(\$61.0 million)**

The Budget reduces federal funding from the American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) for COVID-19 Ongoing Response activities. This results in a reduction of \$61.0 million in federal funds, as compared to the previous fiscal year budget. The Budget shifts \$41.8 million of these funds to FY2024.

The FY2023 Budget as Enacted included federal ARPA SFRF funds to continue COVID-19 mitigation activities and to address public health impacts, such as Covid-19 testing, vaccine campaign, case

investigation, contact tracing efforts; and, for public health emergency response supports such as data and reporting; and communications. To date, there have been no expenditures in FY2023.

ARPA CPF: RIC Student Services Center (federal funds) (\$5.0 million)

The Budget removes \$5.0 million in ARPA Capital Project Funds for the planned construction of a Student Services Center at Rhode Island College, that would have consolidated student services into one location that currently exist in various locations around the campus. The State received notice from the federal government that the planned project is not an approved allocation for ARPA Capital Project Fund use. The total project cost is \$35.0 million and the planned appropriations were \$5.0 million in FY2023 and \$30.0 million in FY2024. There is a corresponding decrease of \$30.0 million in the FY2024 Budget.

IT Public Health Emergency PHE Unwinding (restricted receipts) (\$26,311)

The Governor's Budget Amendment dated April 17, 2023, removes \$26,831 in restricted receipts from FY2023, to account for the timing of expenditures related to the Consolidated Appropriations Act of 2023, and specifically the delay in unwinding of the public health emergency and redetermination schedule from a start of January 1, 2023, to a start of April 1, 2023.

National Electric Vehicle Infrastructure Formula Program (other funds) \$800,000

Pursuant to the Governor's Budget Amendments dated March 8, 2023, the budget adds \$800,000 in other funds reflecting an operating transfer for federal funds awards to the State under the National Electric Vehicle Infrastructure Formula Program (NEVI Formula), to provide funding to States to strategically deploy electric vehicle (EV) charging infrastructure and to establish an interconnected network to facilitate data collection, access, and reliability.

According to the Budget Office, this is a technical adjustment to recognize a subaward between the Department of Administration and the Department of Transportation, that will be drawn from the Intermodal surface Transportation Fund, but listed as an operating expense under the Office of Energy Resources.

Rhode Island Capital Fund (RICAP) Changes (other funds) (\$24.3 million)

The Budget includes a net decrease of \$24.3 million in RICAP funds based on current expenditures and projections on the following various projects:

- **Big River Management Area:** The Budget adds \$173,600 in RICAP funds to provide access to a FY2022 account surplus in order to pay ongoing roads assessment, cameras, and demolition costs for two vacant structures.
- **Accessibility Facility Renovations:** The Budget adds \$400,000 in RICAP funds to fully fund accessibility projects at State owned facilities.
- **560 Jefferson Boulevard:** The Budget shifts \$115,093 in RICAP funds from FY2023 to FY2024, reflecting updated project estimates for asset protection work on the facility. The structure houses the Office of the Post-Secondary Commissioner, the Office of Veteran Affairs, and programs under the Department of Business Regulation.
- **Arrigan Center:** The Budget reduces \$825,000 in RICAP funds for this project. To date no funds have been expended on this project and the future use of this facility is uncertain at this time.
- **Cannon Building:** The Budget shifts \$1.9 million in RICAP funds from FY2023 to FY2027 for the Cannon Building, located in Providence, that houses the Department of Health. The shift reflects updated estimates and delays in the five-year plan for this project.
- **Pastore Water Utility System:** The Budget reduces \$207,681 in RICAP funds for the Pastore Water Utility System. This project is consolidated as part of the Pastore Center Infrastructure project.

- **Washington County Government Center:** The Budget reduces \$495,289 in RICAP funds for the Washington County Government Center based on updated estimates for this project.
- **BHDDH Substance Abuse Asset Protection:** The Budget adds \$164,471 in RICAP for substance abuse group home asset protection projects. Projects include general renovations to state-owned substance abuse facilities to include remodeling for ADA compliance, replacement of roofs, HVAC systems, and emergency repairs.
- **IT Operations Center:** The Budget shifts \$3.0 million in RICAP funds from FY2023 with \$2.0 million to FY2024 and \$1.0 million to FY2025 to continue to upgrade the data center facility at 50 Service Avenue in Warwick. The building has been renovated and is occupied by the Division of Enterprise Technology Strategy Service and the State Treasurer. The planned projects at the facility include HVAC upgrades, roof replacement, replacement of the generator and a transfer switch.
- **Medical Examiner Building:** The Budget shifts \$4.9 million in RICAP funds to FY2024, for the build-out of the new Medical Examiner's Building located at 900 Highland Corporate Drive, Cumberland (Building # 3).
- **Pastore Center Medical Building Asset Protection:** The Budget removes \$505,032 in RICAP funds for Pastore Center Medical Buildings asset protection expenses related to the Benton, Mathias, and Adolph Meyer Hospitals. The Budget includes \$13.0 million in RICAP funds from FY2024 to FY2028.
- **Pastore Center Building Demolition:** The Budget shifts \$1.2 million in RICAP funds to FY2025 for the demolition of vacant buildings at the Pastore Government Center, including a \$150,000 carryforward from FY2022.
- **Pastore Infrastructure:** Based on the Department of Administration's updated plans, the Budget removes \$12.2 million in RICAP funds in FY2024 for infrastructure improvements at the Pastore Campus. These improvements include the replacement of water and sewer lines, as well as work on the power plant transformer, electrical lines, heating conduits, and the campus IT system. The Budget includes \$115.0 million in RICAP funds from FY2024 to FY2028 for these improvements.
- **State Office Reorganization and Relocation:** The Budget adds \$200,000 in RICAP funding for the redesigning and relocating of state office personnel, to provide for more workspace efficiency and modernization.

DEPARTMENT OF BUSINESS REGULATION

Turnover Savings

(\$1.5 million)

The Budget includes a \$1.5 million decrease in general revenues to reflect turnover savings in the Department. As of May 6, there were 149.0 of 181.0 FTE positions filled. A significant portion of these savings are associated with the Office of Cannabis Regulation and the Cannabis Control Commission.

Firefighting Foam Adjustments

\$592,780

Pursuant to the Governor's Budget Amendment of February 14, 2023, the Budget includes a total of \$592,780 in general revenue reappropriations which was inadvertently omitted from the budget. In FY2022, the General Assembly approved funds to replace firefighting foam in the FY2022 Revised budget, however, there was not enough time left in the fiscal year to expend all funds. According to the Department, \$466,656 has been expended. The Governor's budget originally recommended shifting \$126,124 to the Department of Environmental Management; however, the Budget reverses this decision, therefore including the \$126,124 in the reappropriations and resulting in a total reappropriations of \$592,780.

Fire Academy Expansion (RICAP)

(\$675,000)

The Budget includes a shift of \$675,000 in RI Capital Plan funds from FY2023 to FY2024 for projects related to updating the fire academy. Projects include expanding the Fire Training Academy auditorium, an

expansion of the Confined Space and Trench Rescue Training Simulators, and the re-use of an existing State-owned building as an evidence repository.

DEPARTMENT OF LABOR AND TRAINING

Capital Projects Correction (federal funds) ***(\$1.1 million)***

The Budget includes a \$1.1 million reduction of federal funds within the Income Support program, pursuant to Governor's Budget Amendment 2, dated February 14, 2023. The reduction relates to the unintentional inclusion of federal funds to support capital projects that did not hold ITIF funding approval.

DEPARTMENT OF REVENUE

Mobile DMV ***(\$750,000)***

The Budget shifts \$750,000 in general revenue from FY2023 to FY2024 to support the mobile delivery of Division of Motor Vehicles (DMV) services in the municipalities of Warren and Westerly. State law requires that DMV services be available in Warren three times a week and once in Westerly. These services had been provided at each communities' respective town halls. DMV suspended these services during the pandemic. The State is working to restore the capacity to deliver mobile DMV services via the RI Emergency Management Agency Mobile Command Center. The Governor included funding in the FY2023 Supplemental Budget; however, DMV indicates that the project is delayed and won't be implemented until FY2024.

State Aid - MVET Phase Out ***(\$337,089)***

The Budget reduces general revenue in FY2023 by a net \$337,089 in savings in motor vehicle excise tax phase out (MVET) state aid in the current year. When the MVET was eliminated, the General Assembly originally budgeted \$421,271 of unallocated state aid to be made available to communities that would have had a motor vehicle levy above the FY2018 baseline in FY2023 and that also budgeted for the additional revenue. Only \$82,841 of the budgeted amount is required, resulting in a \$338,430 savings. This is offset by a \$1,341 increase for East Providence based on an amended certification of its motor vehicle levy data.

CDL Personnel Expenditures ***\$209,496***

The Budget increases general revenue personnel expenditures by \$209,496 in FY2023 within the Commercial Drivers' License program at the DMV. The increase is based on spending trends presented in the Department's Third Quarter Report. Both the amount and source were budgeted incorrectly in the Governor's FY2024 Budget.

Capital Projects (other funds) ***\$1.1 million***

The Budget decreases Rhode Island Capital Plan Funds (RICAP) by \$1.1 million in FY2023. The decrease includes an \$850,000 shift of FY2023 RICAP funds to FY2024 to account for delayed implementation of projects at the Lottery and a \$290,000 decrease to correct an inadvertent misallocation in the Governor's FY2023 Supplemental Budget.

SECRETARY OF STATE

RICAP – Election Equipment (RICAP Funds) ***(\$170,000)***

The Governor's Budget Amendment dated February 14, 2023, removes \$170,000 in RICAP funds that were mistakenly included in the FY2023 Budget and are not necessary.

OFFICE OF THE GENERAL TREASURER***Debt Affordability Study*** **(\$80,000)**

The Governor's Budget Amendment dated May 19, 2023, shifts \$80,000 in general revenue reflecting the timing of actual expenditures regarding the debt affordability publication from occurring in FY2023 to FY2024.

BOARD OF ELECTIONS***Public Financing of Elections*** **(\$411,138)**

The Governor's Budget Amendment dated May 19, 2023, removes \$411,138 in general revenue reflecting \$380,620 in lower actual expenditures for matching public funds received by candidates for general office for the November 2022 general election, and \$30,518 in reimbursements to the matching public funds program.

RHODE ISLAND ETHICS COMMISSION***Case Management System*** **\$30,000**

Pursuant to the Governor's budget amendment of March 14, 2023, the budget includes an increase of \$30,000 in general revenue for a case management system. According to the Commission, the current system has become obsolete, lacks functionality, and will no longer be supported by DOIT. In FY2023, the agency will work in conjunction with DOIT to design and develop a case management system for complaints and conflict of interest statements.

COMMISSION FOR HUMAN RIGHTS***Personnel Adjustments*** **\$48,849**

The Governor's Budget Amendment dated May 19, 2023, adds \$48,849 in general revenue as a result of paygrade classification changes that were approved in March 2023 and effective on April 9, 2023.

EXECUTIVE OFFICE OF COMMERCE***Fund Balance Adjustments*** **\$3.1 million**

The Budget includes a \$3.1 million in general revenue within Commerce in FY2023 in accordance with federally-required accounting rules, to address the timing and accounting of Federal Emergency Management (FEMA) reimbursements for COVID-19 related emergency expenses. The FY2023 Revised Budget includes general revenue to cover such expenses than FEMA reviews and approves. There is a corresponding decrease in federal funds of \$2.7 million related to FEMA's review.

South Quay (federal funds) **(\$12.0 million)**

The Budget eliminates funding in FY2023 for the South Quay Marine Terminal Project, reflecting a \$12.0 million savings in federal American Rescue Plan Act (ARPA) State Fiscal Relief Funds (SFRF). The FY2024 Budget includes \$35.0 million for the project. This program supports the development of an integrated and centralized hub of intermodal shipping designed to support the offshore wind industry along memorial parkway in the East Providence waterfront special development district. Funds may be used for design and development of the waterfront portion of the terminal into a marine-industrial facility. Article 1 prohibits the allocation of any of the funds for this project prior to acquisition of sufficient matching funds by February 1, 2024.

Housing Production Fund (restricted receipts) **\$7.6 million**

The Budget includes \$10.5 million in Housing Production Funds in the FY2023 Supplemental Budget, \$7.6 million more than the Governor's recommended level. This increase reflects additional awards made in the

current fiscal year according to the EOC's Third Quarter Report. The Housing Production Fund was established by the General Assembly in 2021 to provide support for the planning, production, and preservation of affordable housing in Rhode Island. A portion of the real estate conveyance tax was reserved as a dedicated funding stream to the fund and the General Assembly provided it with a one-time infusion of \$25.0 million in general revenue.

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

May 2023 Caseload Estimating Conference ***(\$47.8 million)***

Pursuant to a Governor's budget amendment, dated May 19, 2023, the Budget includes a net general revenue decrease of \$47.8 million (\$100.6 million all funds) to reflect the results of the May 2023 Caseload Estimating Conference (CEC). The estimates project total Medicaid spending of \$3,112.0 million in FY2023, including \$1,025.3 million from general revenues. The favorable variance is due to a full year of an enhanced Medicaid reimbursement rate due to the Consolidated Response Act, 2023 (CCA) and the expiration of the continuous enrollment condition imposed under the Families First Coronavirus Response Act (FFCRA). Rhode Island began the redetermination process on April 1, 2023, allowing the termination of enrollees no longer meeting the Medicaid eligibility requirements beginning in June 2023.

DSH Enhancement ***\$5.7 million***

Based on testimony at the May 2023 Caseload Estimated Conference, the federal allotment for uncompensated care payments in FY2023 will increase from \$87.3 million to \$93.7 million. The Budget includes an additional \$5.7 million in general revenue to leverage the additional \$8.1 million in federal funds, increasing the payment by \$13.8 million to \$158.9 million.

Labor and Delivery Rates Correction ***\$1.6 million***

The FY2023 Budget as Enacted included \$5.7 million in general revenue and \$8.8 million in federal funds to increase the Medicaid rates paid for labor and delivery services to raise the rates paid to for labor and delivery services through managed care plans to the level paid for fee-for-service; however, the estimated funds provided did support the intent. The Budget includes an additional \$4.3 million, including \$1.6 million in general revenue and \$2.6 million in federal funds, to bring the rates closer to intent of the FY2023 Budget as Enacted.

Public Health Emergency Unwinding ***\$717,863***

The Budget includes an increase of \$717,863 in general revenue that is needed to account for the timing of expenditures related to the Consolidated Appropriations Act of 2023, and specifically the delay in unwinding of the public health emergency and redetermination schedule from a start of January 1, 2023, to a start of April 1, 2023. There are corresponding decreases of \$990,753 in federal funds and \$52,666 in restricted receipts (\$325,556 all funds).

Turnover Savings ***(\$550,000)***

Based on the third quarter report, the Budget realizes turnover savings totaling \$1.9 million, including \$550,000 in general revenue, \$745,000 in federal funds, and \$600,000 in restricted receipts. As of the May 30, 2023, FTE report, EOHHS has averaged 173.7 FTE filled positions out of 204.0 for the fiscal year and currently has 193.0 FTE filled.

MMIS Expenses ***(\$300,000)***

Based on the third quarter report, the Budget shifts \$300,00 in general revenue and \$1.8 million in federal funds from FY2023 into FY204 to reflect the updated project schedule for system modifications to the Medicaid Management Information System (MMIS).

Preschool Development Grant**\$229,250**

The Budget includes an increase of \$229,250 due to the recent award of a federal Preschool Development Grant (PDF). The planning grant is allocated across six agencies to fund capacity building, including strategic planning and pilot programs that advance the effectiveness and coordination for the early childhood system. The allocations are summarized in the following table.

Preschool Development Grant	
Agency	FY2023
DHS	\$1,684,000
EOHHS	229,250
RIDE	212,500
HigherEducation - OPC	75,000
DOH	41,750
DCYF	7,500
Total	\$2,250,000

Children’s Cabinet – Early Childhood Programs**(\$220,000)**

The Article 10 of the FY2023 Budget as Enacted provided for the creation of an Early Childhood Governance Working Group tasked with submitting a report to the Governor and General Assembly, by October 1, 2023, with recommendations addressing the coordination and administration of an early childhood program. The FY2023 Budget also provided \$250,000 to the Children’s Cabinet in general revenue to facilitate this planning. Pursuant to EOHHS’ third quarter report, the Budget shifts \$220,000 of this funding into FY2024.

Current Care/Opt-Out Implementation**(\$162,044)**

The 2021 Assembly changed the enrollment process for CurrentCare, the state’s Health Information Exchange, from an opt-in to an opt-out process. Based on the third quarter report, the project has been delayed another year and the Budget shifts \$162,044 in general revenue and \$1.5 million in federal funds from FY2023 into FY2024.

DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES**Enhanced FMAP Phase Out****(\$1.1 million)**

A Governor’s Budget Amendment dated May 24, 2023, decreases general revenues by \$1.1 million to align funding with the final enhanced Federal Medical Assistance Percentage (FMAP) rate for FY2023. The Governor’s Recommended Budget did not take into account the Consolidated Appropriations Act (CAA) of 2023, which was signed on December 29, 2022. This amendment adjusts for the phase down of the temporary enhanced FMAP through the last quarter of FY2023 as included in the CAA. This decrease has a corresponding increase in federal funds.

Preschool Development Grant (federal funds)**\$7,500**

Pursuant to a Governor’s Budget Amendment dated March 17, 2023, the Budget increases federal funds by \$7,500 to reflect the Department’s portion of a \$4.0 million federal Preschool Development Grant awarded to the state in December 2022. The grant includes strategic planning and pilot programs for the early childhood system.

Capital Project Adjustments (RICAP)**(\$750,000)**

The Budget decrease Rhode Island Capital Plan (RICAP) funding by \$750,000 to represent two feasibility studies no longer needed by the Department. The FY2023 Budget as Enacted included \$250,000 in RICAP funds for a feasibility study on a potential future headquarters for the Department as well as \$500,000 in RICAP funds for a feasibility study on transitional housing. Both studies were determined to be no longer necessary and the funding is therefore removed.

DEPARTMENT OF HEALTH***New Health Lab (RICAP)*** ***(\$19.4 million)***

The Budget includes a decrease of \$19.4 million in federal funds which supports the construction of a new 80,000 sq. ft. state laboratory with lot 3 of parcels 22 and 25 on former Interstate 95 as a potential site for the new development. This project will expand existing programs and provide additional space required for biocontainment, office space separate from the testing areas, and consolidated central shipping and receipts facilities.

ARPA SFRF – Child Care Support (federal funds) ***(\$15.0 million)***

The Budget shifts \$15.0 million in American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to FY2024. These funds, which were originally appropriated by the General Assembly in FY2022, provide retention bonuses, continuing education grants, and to incentivize implementation of high-quality programs. The 2022 General Assembly approved a total of \$42.0 million in ARPA SFRF funds for child care support in FY 2022, with the intention of any left-over funds being carried over to following fiscal years. Of those funds, approximately \$22.0 million have been spent. These funds will be carried into FY2024 to support the beforementioned initiatives, as well as, provide funds for BCI waivers for early childhood educators.

SNAP Healthy Incentives Pilot Delay (federal funds) ***(\$10.0 million)***

The Budget shifts \$10.0 million in federal funds from FY2023 to FY2024 to reflect the delay in the SNAP initiative known as Eat Well, Be Well. This initiative is intended to incentivize beneficiaries to choose nutrient dense foods by provide a 50.0 percent rebate on eligible foods from participating retailers. The program has not yet launched due to a delay in IT upgrades, as well as a delay in obtaining retailers to participate in the program.

Public Health Emergency Unwinding ***(\$3.0 million)***

The Governor’s Budget Amendment dated April 17, 2023, shifts \$3.0 million in general revenue from FY2023 to FY2024, to account for the timing of expenditures related to the Consolidated Appropriations Act of 2023, and specifically the delay in unwinding of the public health emergency and redetermination schedule from a start of January 1, 2023, to a start of April 1, 2023. There is a corresponding decrease of \$2.9 million in federal funds.

LIHEAP and WAP (federal funds) ***\$1.4 million***

Pursuant to the Governor’s budget amendment of May 19, 2023, the Budget includes \$1.4 million of Infrastructure Investment and Jobs Act (IIJA) federal funds to increase supplemental funding for Low Income Heating Assistance Program and Weatherization Assistance Program within the Department. Both programs assist low-income households by offsetting the costs of home energy and weatherization.

Paratransit Services for the Elderly – Gas Tax Yield (other funds) ***(\$1.3 million)***

Pursuant to the Governor’s Budget Amendment dated May 19, 2023, the Budget includes a decrease of \$1.3 million in paratransit expenditures, which is usually funded through gas tax receipts. These funds are used to carry out the Office’s mission of providing services, advocacy, and public policy dedicated to the needs of Rhode Island’s elderly population as well as the State’s disabled population. The Governor’s Budget inadvertently included an overstatement of funds in the recommended budget, which is remedied through this budget amendment.

Preschool Development Block Grant (federal funds) ***\$1.2 million***

Pursuant of the Governor’s Budget Amendment of March 17, 2023, the Budget increases federal funds by \$1.2 million attributable to the recent federal award of the Preschool Development Block Grant (PDBG). This grant provides the necessary funding required to bolster capacity through strategic planning and pilot programs that advance the coordination and effectiveness of the State’s early childhood system.

FEMA Claiming Delay to FY2024 **\$156,134**

The Budget increases general revenue by \$156,134 for expenses subject to federal reimbursement through the Federal Emergency Management Agency (FEMA). This aligns the reimbursement with the Budget Office's estimates and makes it consistent with applicable accounting standards. There is a corresponding decrease of \$139,500 in federal funds, resulting in a net increase of \$16,632.

Preschool Development Block Grant (federal funds) **\$41,750**

Pursuant of the Governor's budget amendment of March 17, 2023, the Budget increases federal funds by \$41,750 attributable to the recent federal award of the Preschool Development Block Grant (PDBG). This grant provides the necessary funding required to bolster capacity through strategic planning and pilot programs that advance the coordination and effectiveness of the State's early childhood system.

Opioid Surveillance Position (federal funds) **(\$38,103)**

Pursuant to the Governor's budget amendment of February 14, 2023, the Budget includes a decrease of \$38,103 in federal funds to correct an error within the personnel budget. The position was mistakenly overbudgeted when changing the positions funding source to the Opioid Abatement Settlement funds.

HUMAN SERVICES**May CEC – Cash Assistance** **(\$360,676)**

Pursuant to the Governor's Budget Amendment of May 19, 2023, the Budget decreases general revenue by \$360,676, with a corresponding decrease of \$8.1 million in federal funds. The table below illustrates expenditure changes as estimated by the May 2023 caseload estimating conference.

May 2023 Caseload Estimating Conference - Cash Assistance	November 2022 Adopted	General Revenue Change	Federal Funds Change	May 2023 Adopted
Rhode Island Works	\$25,999,160		(\$1,295,602)	\$24,703,558
Child Care	66,931,200	(90,226)	(6,774,974)	60,066,000
Supplemental Security Income Program	17,072,050	(291,510)		16,780,540
General Public Assistance	1,367,040	21,060		1,388,100
Total	\$111,369,450	(\$360,676)	(\$8,070,576)	\$102,938,198

Enhanced FMAP Phase Out **(\$153,391)**

Pursuant to the Governor's Budget Amendment of May 19, 2023, the Budget decreases general revenue by \$153,391, with a corresponding federal fund increase of \$153,391, resulting in a neutral budget change. The Consolidated Appropriations Act of 2023 (CAA23) decoupled continuous enrollment and initiated the phase down of Enhanced FMAP. The table below shows the FMAP phase down percentages through the end of Calendar year 2023.

The Federal Medical Assistance Program (FMAP) is a formula-based calculation determining the federal share of Medicaid expenses based on Rhode Island's per capita income. During the COVID-19 pandemic, the Families First Coronavirus Response Act authorized a temporary increase of 6.2% in exchange for pausing redetermination activities, therefore ensuring that all individuals maintained health insurance throughout the pandemic. The Consolidated Appropriations Act began the FMAP phase down on April 1, 2023. Rhode Island's current FMAP percentage is 5.0%, meaning Rhode Island receives \$5.00 for every \$1.00 spent on Medicaid services.

The table below shows the FMAP phase down percentages through the end of calendar year 2023.

Enhanced FMAP Phase Down

March 2023	6.2%
June 2023	5.0%
September 2023	2.5%
December 2023	1.5%

Pandemic EBT and SNAP (federal funds)* **\$43.2 million*

Pursuant to the Governor's budget amendment of May 19, 2023, the Budget includes an additional \$43.2 million for enhanced EBT and SNAP. In March of 2020, the Families First Coronavirus Response Act gave the United States Department of Agriculture (USDA) the authority to temporarily modify procedures to increase access to SNAP benefits to families who struggled during the pandemic. According to federal rules, these funds can be used to provide benefits to households with school aged children who receive free and reduced-price meals at school through the National School Lunch Program. While the end of the public health emergency ends pandemic electronic benefits transfers (P-EBT), school aged children and children under aged six who are eligible for free and reduced lunch will continue to receive benefits through the summer months.

DEPARTMENT OF BEHAVIORAL HEALTHCARE, DEVELOPMENTAL DISABILITIES, AND HOSPITALS***May Caseload Estimating Conference Reconciliation* **(\$5.1 million)****

A Governor's Budget Amendment dated May 24, 2023 decreases general revenues by \$5.1 million (a \$2.7 million decrease in all funds) to align funding in the Services for the Developmentally Disabled program with the caseloads adopted at the May 2023 Caseload Estimating Conference.

Turnover and Other Adjustments* **(\$2.7 million)*

The Budget decreases general revenues by \$2.7 million (a \$3.2 million decrease in all funds) to align Department funding with the savings represented in the Department's third quarter report. The adjustment is primarily driven by increased turnover and workforce shortages across the Department.

Out-of-State Facility Utilization* **(\$1.5 million)*

The Budget decrease general revenues by \$1.5 million to adjust for out of state residential treatment services included in the FY2023 Budget as Enacted but not utilized in FY2023.

Enhanced FMAP Phase Out* **(\$1.0 million)*

A Governor's Budget Amendment dated May 24, 2023, decreases general revenues by \$1.0 million to align funding in the Department with the final enhanced Federal Medical Assistance Percentage (FMAP) rate for FY2023. The Governor's Recommended Budget did not take into account the Consolidated Appropriations Act (CAA) of 2023, which was signed on December 29, 2022. This amendment adjusts for the phase down of the temporary enhanced FMAP through the last quarter of FY2023 as included in the CAA. This adjustment has a corresponding increase in federal funds.

ESH Hospital Improvements* **(\$1.0 million)*

A Governor's Budget Amendment dated May 24, 2023, decreases general revenues by \$1.0 million to shift unspent funding forward from FY2023 to FY2024 for expenses related to ligature risk compliance projects at the Eleanor Slater Hospital.

RISPH Operating Shift* **(\$268,000)*

Pursuant to a Governor's Budget Amendment dated April 17, 2023, the Budget decreases general revenues by \$268,000 to shift funding from FY2023 to FY2024 for operating purchases at the State Psychiatric Hospital that were unable to be completed in FY2023 due to supply chain delays.

Conflict Free Case Management Information Technology Contract **\$25,000**

A Governor's Budget Amendment dated April 17, 2023, increases general revenues by \$25,000 (\$250,000 all funds) to reflect additional financing for an information technology contract used in the implementation of the Conflict Free Case Management program in FY2024.

DD Reappropriation Federal Funds Restoration (federal funds) **\$1.3 million**

Pursuant to a Governor's Budget Amendment dated February 14 2023, the Budget increases federal funds by \$1.3 million to correct for an inadvertent exclusion of federal funding for Consent Decree initiatives in FY2023. Per the Consent Decree, unspent funds for transportation and technology initiatives are to be automatically reappropriated for the same purpose in the following year. The Governor's Revised Recommended Budget for FY2023 included only the reappropriation of general revenues, omitting the federal funds. This adjustment corrects that.

OFFICE OF THE CHILD ADVOCATE**Federal VOCA Grant Award (federal funds)** **\$12,000**

The Budget adds \$12,000 in federal funds pursuant to a Governor's Budget Amendment dated February 14, 2023. The fund increase represents a federal Victims of Crime Act Assistance (VOCA) formula grant that was newly awarded to the agency.

ELEMENTARY & SECONDARY EDUCATION**Charter School Mid-Year Adjustment** **(\$314,432)**

The Budget includes a reduction in charter school funding of \$314,432 due to a 16.5 percent decline in enrollment at Nuestro Mundo relative to the FY2023 Budget as Enacted. Pursuant to RIGL 16-77.1-2, if a charter school enrollment on October 1 is 10.0 percent greater or lesser than the students in June membership count, the state payments to the school are adjusted to reflect the actual enrollment of the school.

Turnover Savings **(\$250,000)**

Based on the third quarter report, the Budget realizes turnover savings totaling \$250,000 in general revenue. As of the May 30, 2023, FTE report, the Elementary and Secondary Education system has averaged 309.5 FTE filled positions out of 326.1 for the fiscal year and currently has 311.0 FTE positions filled.

Textbook Reimbursement **(\$208,415)**

The State reimburses districts for the cost of providing free English/language arts and history/social studies textbooks to students in kindergarten through 12th grade who reside in the community. The FY2023 Budget as Enacted provided \$240,000 in state funding for the reimbursement of costs for textbooks. Based on the third quarter report, the Budget reduces funding for this program by \$208,415 to reflect actual costs in FY2023.

Davies (federal funds) **\$464,810**

The Budget is amended to reflect the restoration of \$464,810 in federal funds within the Davies program that were inadvertently left out of the Governor's supplemental budget submission.

Preschool Development Grant (federal funds) **\$212,500**

The Budget includes an increase of \$212,500 due to the recent award of a federal Preschool Development Grant (PDF). The planning grant is allocated across six agencies to fund capacity building, including strategic planning and pilot programs that advance the effectiveness and coordination for the early childhood system. The allocations are summarized in the following table.

Preschool Development Grant	
Agency	FY2023
DHS	\$1,684,000
EOHHS	229,250
RIDE	212,500
HigherEducation - OPC	75,000
DOH	41,750
DCYF	7,500
Total	\$2,250,000

Rhode Island Capital Plan (RICAP) Fund Changes

(\$7.4 million)

The Budget includes a net decrease of \$7.4 million in Rhode Island Capital Plan (RICAP) funding, including the following:

- **School for the Deaf - RICAP Carryforward:** The Budget carries forward \$144,000 in RICAP funding from FY2022 to FY2023 for the School the Deaf asset protection project that inadvertently excluded from the recommendation.
- **Capital – Davies Healthcare Classrooms:** Due to project delays, the Budget shifts \$6.4 million in RICAP funding for the Davies Healthcare classrooms project into FY2024. The architectural and engineering phase of the project occurred in FY2022 (\$500,000). The Davies Health Care Classrooms project includes building replacement space for the Health Care classrooms and eliminating the detached modular classroom building where the program is currently housed. This project was previously scheduled to begin in FY2021; however, the late passage of the FY2021 Budget delayed progress.
- **Capital – Davies HVAC:** To replace and repair the HVAC system at Davies, the Governor recommended \$1.2 million in FY2023 and \$50,000 in FY2024. The Budget shifts \$1.2 million from FY2023 into FY2024. Davies recently developed a facility master plan to guide ongoing repairs and upgrades. The assessment evaluated the educational space for academic and technical programs, future enrollment patterns, energy efficiencies, building condition, traffic studies, and Americans with Disabilities Act compliance and provided an extensive list of deferred maintenance and renovation projects. However, due to the dire need in other schools around the State and the need for a substantial investment to address the major repairs at Davies, the master plan is being advanced in smaller projects. Consequently, the funding will be used to replace a chiller, and allow for replacement, as needed in areas of the school where ventilation and circulation are an issue, particularly in the 1970’s portion of the school. The Department requested \$150,000 annually in FY2024 through FY2028.

HIGHER EDUCATION

RI Promise II

(\$350,987)

Article 3 of the FY2018 Budget established the program to provide students with two years of tuition and mandatory fees at the Community College of Rhode Island (CCRI), less federal and all other financial aid available to the recipient. Based on the May 2023 RI Promise Report, the program needs \$6.6 million in funding for FY2023, leaving a surplus of \$350,987 relative to the Governor’s FY2023 Revised recommendation, and \$1.3 million relative to the FY2023 Budget as Enacted.

Preschool Development Grant (federal funds)

\$75,000

The Budget is amended to reflect an increase of \$75,000 due to the recent award of a federal Preschool Development Grant (PDF). The planning grant is allocated across six agencies to fund capacity building, including strategic planning and pilot programs that advance the effectiveness and coordination for the early childhood system. The allocations are summarized in the following table.

Preschool Development Grant	
Agency	FY2023
DHS	\$1,684,000
EOHHS	229,250
RIDE	212,500
HigherEducation - OPC	75,000
DOH	41,750
DCYF	7,500
Total	\$2,250,000

RIC Student Aid (other funds)**\$4.3 million**

The Budget includes a \$4.3 million increase in other funds needed to offset an erroneous reduction in institutional student aid funding for Rhode Island College.

Rhode Island Capital Plan (RICAP) Fund Changes**(\$16.0 million)**

The Budget includes a net decrease of \$16.0 million in Rhode Island Capital Plan (RICAP) funding, including the following:

- **CCRI Data, Cabling, and Power Infrastructure:** The project will upgrade network wiring infrastructure and deliver more capacity to support additional classroom technology, wireless devices and security systems, including cameras, emergency alarm systems, and HVAC control systems. Due to the updated project schedule, the Budget shifts \$1.3 million in funding from FY2023 to FY2027, leaving \$503,000 in FY2023 and extending the project in FY2027.
- **CCRI Flanagan Campus Renewal (Lincoln):** The project includes the modernization and code compliance upgrades to all of the science labs at the Lincoln campus, as well as the refurbishment of the exterior including heat resistance paint, window replacement, and light abatement. Based on project delays, the Budget shifts \$1.3 million in funding from FY2023 to FY2026, providing \$200,000 in FY2023 and \$2.8 million in FY2026.
- **CCRI Renovation and Modernization – Phase I:** This project will modernize education facilities, including student safety enhancements, updated technology and equipment, and energy efficiency updates, across the four campuses. Due to project delays, the Budget shifts \$3.0 million in RICAP funding from FY2023 into FY2024, leaving \$2.0 million in RICAP funds and \$1.2 million in general obligation bond proceeds in FY2023. In FY2024, the Budget provides \$12.0 million in RICAP funding and \$4.5 million in bond proceeds.
- **URI Academic MEP Improvements:** This project will upgrade the HVAC systems in Fogarty Hall and White Hall to maintain a safe working environment and to comply with current codes requirements. Pursuant to current plans, Fogarty Hall, currently housing the Crime Lab and Nutrition and Food Science Department, will be renovated for administrative and academic departments. Substantial renovations would address the building envelope, mechanical systems, HVAC, as well as removing laboratory fixtures and associated utilities. White, currently housing the College of Nursing, requires the upgrade of obsolete building systems and building envelope improvements, including foundation waterproofing, a drainage system, and minor cosmetic improvements. Due to project delays, the Budget pushes the project out one year and shifts \$4.4 million in RICAP funds out to provide \$294,533 in FY2023, \$4.4 million in FY2024, and \$13.2 million in FY2025.
- **URI Bay Campus:** Based on an updated project schedule, the Budget shifts RICAP funding out one year and moves \$6.0 million in RICAP funding from FY2023 to FY2025. This project involves repairs

and construction on the Narragansett Bay Campus in support of education and research for the marine disciplines.

ATOMIC ENERGY

University Research Funds Correction **(\$13,849)**

Consistent with the Atomic Energy Commission's intent to keep university research funds at the enacted level, the Budget reduces the appropriation by \$13,849.

HISTORIC PRESERVATION AND HERITAGE COMMISSION

Turnover **(\$300,000)**

The Budget decreases general revenue by \$300,000 based on anticipated turnover savings as stated in the third quarter report. The Commission has averaged 5.6 FTE position vacancies during the fiscal year.

Old State House Renovations (federal funds) **(\$250,000)**

The Governor's Budget Amendment dated April 14, 2023, removes \$250,000 in federal funds that was overstated in the FY2023 Budget.

DEPARTMENT OF CORRECTIONS

RIBCO Contract Adjustment **(\$7.8 million)**

The Budget includes a net decrease of \$7.8 million in general revenue pursuant to Governor's Budget Amendment 10, dated April 17, 2023. The decrease is related to the ratification of the Rhode Island Brotherhood of Correctional Officers (RIBCO) contract and reflects the Department's most recent cost projections. The net decrease includes the following program adjustments:

Programs	FY2023	FY2023	Change
	Governor	HFC	
Central Management	\$19,034,464	\$19,634,915	\$600,451
Custody and Security	176,367,614	165,146,136	(11,221,478)
Institutional Support	27,094,552	27,790,954	696,402
Institutional Based Rehab/Population Management	12,283,848	12,403,595	119,747
Healthcare Services	29,523,872	31,253,419	1,729,547
Community Corrections	20,467,751	20,717,264	249,513
Total	\$284,772,101	\$276,946,283	(\$7,825,818)

Population Adjustments **\$1.2 million**

The Budget includes an additional \$1.2 million in general revenue to response to a population increase. The FY2023 Governor's Budget assumed a population of 2,251 inmates, while the Department's Third Quarter Report is based on a population of 2,297, an increase of 46 inmates. The additional funds will support costs associated with an increased population.

DEPARTMENT OF PUBLIC SAFETY

Body-Worn Camera Project Shift to FY2024 **(\$13.5 million)**

The Budget shifts \$13.5 million of general revenue from FY2023 to FY2024 for the Body-Worn Camera Project, reflecting the Department's updated expenditure plan. The FY2023 Budget as Enacted appropriated \$15.0 million for state and municipal police to purchase body-worn cameras and associated equipment, contingent on the creation of the initiative's rules and regulations. The rules and regulations took effect on

October 19, 2022, and departments began implementing the changes. The Budget shifts \$13.5 million and any remaining balance will be reappropriated to FY2024 at the close of FY2023.

Turnover Savings **(\$1.6 million)**

The Budget includes \$1.6 million in general revenue savings related to turnover throughout the Department. The savings are mainly reflected in the Division of Sheriffs and the State Police program, with each group contributing \$800,000 in savings. Through the May 20 pay period, the Department has had an average vacancy rate of 17.9 percent for the fiscal year.

Allocation of High Intensity Drug Traffic Case Funds (restricted receipts) **\$224,273**

The Budget includes an increase of \$224,273 in restricted receipts related to funds received from a High Intensity Drug Traffic Case, pursuant to Governor's Budget Amendment 7, dated March 17, 2023. These funds will be distributed to participating municipalities and the amendment is required for distribution in accordance with a shared agreement.

OFFICE OF THE PUBLIC DEFENDER

Turnover Savings **(\$400,000)**

The Budget includes \$400,000 in general revenue savings related to turnover within the Office of the Public Defender. The FY2023 Revised Budget assumed all positions would be filled but through the May 20 pay period the Office has averaged 4.2 FTE vacancies for the fiscal year.

ENVIRONMENTAL MANAGEMENT

Abandoned Vessel Removal (restricted receipts) **(\$35,000)**

The Budget reduces restricted receipts for derelict and abandoned vessel removal by \$35,000, leaving a balance of \$50,000. The derelict and abandoned vessel and obstruction removal fund is a restricted receipt account is funded from a portion of the boat registration fee and used to remove, dispose, and/or sell derelict and abandoned vessels and obstructions, as well as administrative or environmental remediation costs.

Rhode Island Capital Plan (RICAP) Fund Changes **(\$5.1 million)**

The Budget includes a net decrease of \$16.0 million in Rhode Island Capital Plan (RICAP) funding, including the following:

- **Blackstone Valley Park:** The Budget increases funding by \$396,923 in reappropriated funds from FY2022, providing a total of \$1.0 million in FY2023 to complete the Blackstone Valley Park improvements. This project provides funds to the Friends of the Blackstone River for improvements to areas around the Blackstone River Valley focused on enhancing river access and safety, and complimenting the State's efforts to improve this river corridor.
- **Galilee Piers:** Due to an updated project schedule, the Budget removes \$4.6 million in funding from FY2023, leaving a balance of \$6.4 million, and adds \$2.3 million to FY2024, \$1.0 million to FY2027, and \$1.3 million to FY2028, for repairs to the Galilee Piers. The Port of Galilee is home to 170 commercial fishing vessels and provides affordable berthing spaces close to wholesale and retail seafood processing businesses. Since 2009, the Department has rebuilt numerous piers, as well as the southwest and northwest bulkhead. Current work is focused on the North Bulkhead and Docks AA-QQ. The North Bulkhead is more than 50 years old and includes 16 piers along its 1,500-foot length. The piers include berthing for vessels and businesses such as RI Engine, which provides regional vessel services, and Sea Freeze, a fish processing house with worldwide shipping.
- **Recreational Facilities Improvements:** Based on an updated project schedule, the Budget shifts \$900,000 from FY2023 into future years for this ongoing project. The Department manages over 50 buildings and 25 miles of roads, in addition to water supply systems and other infrastructure elements,

in State Parks and Management Areas. Current tasks include completion of the Fort Adams Maintenance Garage, the construction of the Roger Wheeler bulkhead, dredging around the Oakland Beach boat ramp in Warwick Cove, and the reconstruction of the East Matunuck State Beach entryway.

COASTAL RESOURCES MANAGEMENT COUNCIL

Turnover Savings **(\$400,000)**

Based on the third quarter report, the Budget realizes turnover savings totaling \$400,000 in general revenue and \$100,000 in federal funds. As of the May 30, 2023, FTE report, the Coastal Resources Management Council has averaged 27.5 FTE filled positions out of 32.0 for the fiscal year and currently has 26.0 FTE positions filled.

DEPARTMENT OF TRANSPORTATION

RIPTA - Land & Buildings (other funds) **(\$12.4 million)**

The Budget shifts \$12.4 million of RIPTA's RICAP funds from FY2023 to FY2025. RIPTA uses these funds to improve their Elmwood Facilities and upgrade their various transit hubs and bus stops. The Authority is currently assessing their facilities and will release and updated Asset Management Plan based upon the findings. Additionally, the Budget shifts \$2.3 million from FY2024 to FY2026.

Gas Tax and HMA Adjustments (other funds) **\$10.8 million**

The Budget includes an additional \$10.8 million in total revenue from the gas tax and Highway Maintenance Fund (HMA), reflecting the upward projections from the Office of Revenue Analysis' May 2023 estimates. The adjustment includes an additional \$9.9 million for the Department and \$786,222 for RIPTA. The following tables reflect the adjustments to the gas tax projections, as well as the HMA.

FY2023 Gas Tax Transfers	FY2023 Nov. Projection	FY2023 May Projection	Change
RIPTA Transfer	\$39,184,767	\$39,493,338	\$308,571
UST to RIPTA	2,118,096	2,134,775	16,680
DEA Transfer	4,236,191	4,269,550	33,359
DOT share	77,310,486	77,919,288	608,802
GARVEE Motor Fuel Tax Bonds	8,472,382	8,539,100	66,718
RITBA	14,826,669	14,943,425	116,757
Total	\$146,148,590	\$147,299,475	\$1,150,886

FY2023 HMA Adjustments	FY2023 Nov. Projection	FY2023 May Projection	Change
Licenses and Registrations Base	\$51,132,540	\$53,621,186	\$2,488,646
Licenses Surcharge	4,936,469	5,374,738	438,269
Vehicle Registrations Surcharge	14,429,210	15,710,262	1,281,052
Rental Vehicle Surcharge	3,672,155	7,090,823	3,418,668
Emission Inspection Fees	12,964,889	14,115,937	1,151,048
Motor Vehicle Title Fees	10,441,489	11,368,505	927,016
Good Driving Fees	315,988	315,988	-
RIHMA Total	\$97,892,741	\$107,597,439	\$9,704,698
5% Share to RIPTA	\$4,649,905	\$5,110,878	\$460,973
\$5.0 Million Base to RIPTA	5,000,000	5,000,000	-
5% Share to General Revenues	4,894,637	5,379,872	485,235
DOT Share	\$83,348,199	\$92,106,689	\$8,758,490

288 Allens Avenue Facility Purchase - Delayed to FY 2024 (other funds) (\$7.6 million)

The Budget shifts \$8.0 million in gas tax revenue from FY2023 to FY2024 for the Department's purchase of the currently leased facility located at 288 Allens Avenue. The Department has been leasing the facility to store equipment and vehicles since FY2019 and was authorized to purchase the facility in FY2023. Due to a delay, the Department was unable to complete the purchase in FY2023 but is expecting to make the purchase in FY2024. In addition to the shift, the Budget adds \$360,000 for updated leasing expenditures, reflecting a net reduction of \$7.6 million.

Winter Maintenance Operations (other funds) (\$5.0 million)

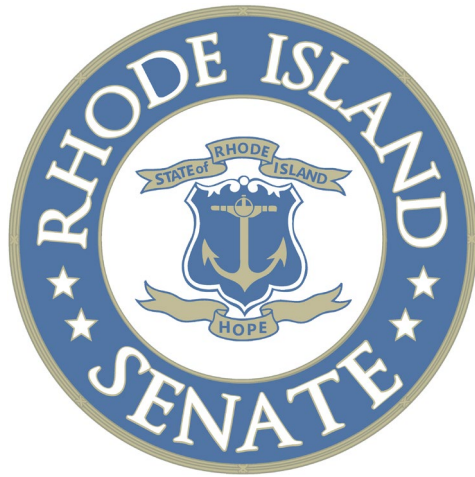
The Budget includes a \$5.0 million savings in gas tax revenue related to a reduction in winter maintenance expenditures. The Department expensed \$9.0 million for winter maintenance through April 2023 and is projected to require an additional \$1.0 million to stockpile salt.

RIPTA - Pawtucket Bus Hub Passenger Facility (other funds) (\$4.0 million)

The Budget shifts \$1.5 million to FY2024, and \$3.5 million to FY2025, for a net shift of \$4.0 million of RICAP funds from FY2023, due to a delay experienced in the creation of the RIPTA passenger facility and bus hub located at the Pawtucket/Central Falls Transit Center. The project has been delayed and the Budget has been adjusted accordingly.

Turnover Savings (federal funds) (\$4.0 million)

The Budget includes a \$4.0 million savings of federal funds related to turnover throughout the Department. The FY2023 Revised Budget assumed turnover savings equivalent to 23 vacancies and additional turnover savings are equivalent to approximately 31 vacancies.



SPECIAL REPORTS

Municipal Aid

The FY2024 Budget increases direct state aid for municipalities by \$7.1 million. For FY2024, the Distressed Community Relief program is level funded at \$12.4 million. The Payment in Lieu of Taxes program is funded at \$49.2 million, and is fully-funded at the 27.0 percent reimbursement rate. Meal and Beverage Tax revenue is projected to increase by a total of \$4.6 million for FY2024 and the Hotel Tax is projected to increase by \$2.4 million. Tables showing impacts by community are included at the end of this analysis.

Program	FY2023	FY2023	Change from		FY2024	Change from	
	Enacted	HFC	Enacted		HFC	Enacted	
Payment in Lieu of Taxes	\$48.4	\$48.4	-	-	\$49.2	\$0.8	1.6%
Distressed Communities	12.4	12.4	-	-	12.4	-	-
Motor Vehicle Excise Tax	231.0	230.6	(0.4)	-0.2%	234.7	3.7	1.6%
State Aid to Libraries							
Grant-in-Aid	11.0	11.0	(0.0)	-0.1%	11.5	0.5	0.0
Library Construction	1.9	1.9	(0.0)	-2.1%	2.1	0.2	11.5%
Total Direct Aid	\$304.7	\$304.3	(\$0.4)	-0.1%	\$309.9	\$5.2	1.7%
Public Service Corporations Tax	\$13.1	\$13.1	0.0	0.0	\$13.1	0.0	0.0
Meals & Beverage Tax	33.1	35.7	2.6	7.9%	37.7	4.6	13.8%
Hotel Tax	11.6	13.8	2.2	18.6%	14.0	2.4	20.7%
Airport Impact Aid	1.0	1.0	-	0.0%	1.0	-	0.0%
Total Indirect Aid*	\$58.9	\$63.7	\$4.8	8.1%	\$65.9	\$7.0	11.8%
Total Aid	\$363.6	\$367.9	\$4.3	1.2%	\$375.8	\$12.1	3.3%

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

*Values are based on estimates made at the time of the Budget's passage and are subject to revision.

DIRECT AID TO LOCAL GOVERNMENT

Payment in Lieu of Taxes (PILOT)

The Payment in Lieu of Taxes (PILOT) program was established in 1986 to reimburse cities and towns for property taxes that would have been due on real property owned by entities that are statutorily exempt from paying taxes. These entities include private nonprofit institution of higher education, nonprofit hospitals, or any state-owned property such as hospitals, veterans' residential facilities, or correctional facilities. The objective is to offset the costs to the community for providing public safety or other municipal services to these properties.

The Budget includes \$49.2 million in general revenue for the State's PILOT program in FY2024, an increase of \$767,821 from the enacted level.

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 Budget fully funds the program for FY2024.

Fiscal Year	PILOT Funding Trends		
	Total Funding	% Change	% Reimbursed
2008	\$27.8	0.0%	27.0%
2009	27.6	-0.7%	25.2%
2010	27.6	-	23.9%
2011	27.6	-	21.1%
2012	33.1	20.0%	23.4%
2013	35.1	6.0%	22.7%
2014	35.1	-	22.0%
2015	40.1	14.2%	25.4%
2016	40.1	-	23.7%
2017	42.0	4.7%	27.0%
2018	45.2	7.7%	27.0%
2019	46.1	2.0%	27.0%
2020	46.1	0.0%	26.7%
2021*	50.7	0.0%	28.8%
2022	46.1	-9.1%	26.0%
2023	48.4	5.0%	27.0%
2024	49.2	1.7%	27.0%

\$ in millions.

* includes additional federal pandemic relief funds

Distressed Community Relief

The Distressed Community Relief program was established in 1990 to provide State assistance to communities with the highest property tax burdens relative to the wealth of taxpayers. The Budget includes \$12.4 million in general revenue for the Distressed Community Relief Fund in FY2024, level with the FY2023 enacted level.

Six communities are eligible to receive funds under the program in FY2024; a reduction of one community from FY2023. Distribution is based upon annually updated data related to the local tax levy and is certified by the Division of Municipal Finance.

When a community is determined to no longer be eligible for the program, it is permitted to receive a transitional amount that is 50.0 percent of its proportional share.

Municipality	FY2023	FY2024	Change
	Enacted	Governor	
Central Falls	\$235,462	\$263,947	\$28,485
Cranston	1,342,778	-	(1,342,778)
North Providence	1,075,446	1,168,448	93,002
Pawtucket	1,651,225	1,799,105	147,880
Providence	6,171,331	7,069,428	898,097
West Warwick	1,063,602	1,167,490	103,888
Woonsocket	844,614	916,041	71,427
Total	\$12,384,458	\$12,384,458	-

The Budget requires that any community classified as “distressed” be mandated to participate in the Division of Taxation’s income tax refund offset program, allowing the Division to recover unpaid State and local taxes and/or fines through an intercept of an individual’s income tax refund. The program assists communities with maximizing their collection of revenue thereby reducing or eliminating their distressed condition. All six communities are currently participating.

Motor Vehicle Excise Tax

The Motor Vehicle and Trailer Excise Tax Elimination Act of 1998 was enacted to offer broad-based property tax relief to the residents of Rhode Island. The FY2010 Budget as Enacted included \$135.4 million for Motor Vehicle Excise Tax reimbursement. The FY2010 Revised Budget reduced that amount to \$117.2 million. In FY2011, funding was reduced to \$10.0 million, funding for fire districts was eliminated, and the State-mandated motor vehicle tax exemption was reduced from \$6,000 to \$500. These provisions remained in effect through FY2017.

Article 11 of the FY2018 Budget as Enacted decreased the motor vehicle excise tax each year from FY2018 through FY2023, fully eliminating the tax in FY2024. The tax is reduced over a seven-year period by decreasing tax rate caps and assessment ratios, while raising exemption floors and exempting vehicles that are more than 15 years old. Additionally, to ensure taxpayer relief, the article removed the motor vehicle excise tax from the levy calculation related to the 4.0 percent cap on municipal property tax levy increases.

Additionally, the sales tax escalator calculation, which was in place from the 1998 motor vehicle excise tax phase-out language, was changed. The language previously rounded the changes so that it could significantly and negatively impact the levy reimbursements to cities and towns. Article 11 also changed the rounding of the sales tax received from the nearest tenth of one cent to the nearest thousandth of one cent, reducing the impact of the rounding. The authority to make this calculation shifted from the Director of Administration to the Director of Revenue.

Article 6 of the FY2023 Budget as Enacted advanced the motor vehicle excise tax phase-out by one year in FY2023. All municipalities that began the phase-out in the first year would now have completed the phase-out and would not issue tax bills in FY2023. The article provided a mechanism for East Providence to receive its complete reimbursement based on the city’s unique assessment and taxation timeframe, and provides a method to resolve municipalities’ final levies in FY2023. The Budget includes \$231.0 million in general revenue expenditures in FY2023 to pay for the increased reimbursements.

The following table shows the updated phase-out schedule, estimated aid amounts, and the changes in State aid under the program.

Motor Vehicle Tax Phase-out and Forecast Based on Current Law							
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Current Law							
State Assessment Ratio	95.0%	90.0%	85.0%	80.0%	75.0%		
Rate Cap	\$60.0	\$50.0	\$35.0	\$35.0	\$30.0		
Exemption Amount	\$1,000	\$2,000	\$3,000	\$4,000	\$5,000		
FY2011 Base Phase-out	\$10,000,000	\$10,000,000	\$10,000,000	\$9,912,491	\$10,000,000	\$10,000,000	\$10,000,000
FY2018 Additional Phase-out	\$24,543,927	\$46,281,611	\$80,265,446	\$113,619,337	\$116,520,346	\$220,954,881	\$224,712,307
Total Statewide Aid	\$34,543,927	\$56,281,611	\$90,265,446	\$123,531,828	\$126,520,346	\$230,954,881	\$234,712,307
<i>Additional Aid from Previous FY</i>	<i>\$24,543,927</i>	<i>\$21,737,684</i>	<i>\$33,983,835</i>	<i>\$33,266,382</i>	<i>\$2,988,518</i>	<i>\$104,434,535</i>	<i>\$3,757,426</i>

The total statewide aid for FY2021 is comprised of \$37.7 million in general revenue, \$74.8 million in federal Coronavirus Relief Funds (CRF), and an undistributed adjustment of \$88,443, for a statutorily-prescribed (formula) \$112.5 million. The total does not include the \$11.3 million in additional CRF funds, also distributed by the phase-out formula to municipalities as an enhancement.

Source: ORA and Division of Municipal Finance

For FY2024, the Budget includes \$234.7 million in total general revenue reimbursement funding for cities and towns, consistent with the current law, \$3.3 million more than the FY2023 enacted level.

State Aid to Libraries

Grant-in-Aid: State aid to libraries is distributed based on the city or town's expenditure level as a percentage of the total expenditures by all communities statewide. In order to be eligible for these funds, cities and towns must maintain their level of support for public library services at 100.0 percent of the previous year's funding from the local tax base. The Budget provides cities and towns with \$11.5 million in total direct library aid in FY2023. This includes a \$1.1 million in funding for the Statewide Reference Library Resource Grant that supports interlibrary services for all municipal libraries. Distribution of direct library aid is based on qualifying data from the statutory reference year. Current law requires reimbursement of 25.0 percent of second prior year expenses, but allows for a ratable reduction if the appropriation is less than this amount. The FY2024 appropriation is funded at 25.0 percent.

Fiscal Year	Library Aid		Total Aid	% Change
	Grant in Aid*	Construction		
2008	\$8.7	\$2.7	\$11.4	-0.4%
2009	8.7	2.6	11.3	-1.0%
2010	8.8	2.7	11.5	1.9%
2011	8.7	2.5	11.2	-2.4%
2012	8.7	2.8	11.5	2.6%
2013	8.7	2.5	11.2	-3.0%
2014	8.7	2.5	11.2	0.3%
2015	8.7	2.3	11.0	-1.8%
2016	8.8	2.7	11.5	4.5%
2017	9.4	2.2	11.6	0.7%
2018	9.4	2.2	11.5	-0.5%
2019	9.3	2.2	11.5	-
2020	9.3	1.9	11.2	-2.4%
2021	9.6	2.7	12.3	9.8%
2022	9.6	2.1	11.7	-4.9%
2023	11.0	1.9	12.9	9.8%
2024	11.5	2.1	13.6	5.8%

\$ in millions

*Inclusive of the Statewide Reference Library Resources Grant

Construction Reimbursement: Rhode Island law grants authority to the Office of Library and Information Services (OLIS) to award grants to a municipality or a free public library for construction or capital improvements. Grants are limited to a maximum of 50.0 percent of the total eligible costs as determined by the Office of Library and Information Services and are paid on an installment basis, based on a community's debt service requirement, for a period of up to 20 years.

For FY2024, the Budget includes \$2.1 million for Library Construction Aid, \$258,881 more than the FY2023 Enacted level. According to OLIS, the increase reflects planned reimbursement costs.

INDIRECT AID TO LOCAL GOVERNMENT**Public Service Corporation Tax**

The tangible personal property of telegraph, cable, and telecommunications corporations and express corporations is exempt from local taxation. It is, however, subject to taxation by the State. The State Tax Administrator applies the average assessment ratio and the average tax rate to the value of tangible personal property of each company to calculate the amount of tax due. The “average assessment ratio” is the total assessed valuation divided by the full market value of the valuation. The “average property rate” is the total statewide property levy divided by the total statewide assessed valuation.

The revenue from this tax flows through the State; it is not appropriated. The State is allowed to keep 0.75 percent of the tax for administrative fees. The remainder of the revenue is deposited into a restricted receipt account and apportioned to the cities and towns based on the ratio of each municipality’s population relative to the total population of the State.

Collections from this tax decreased from \$18.0 million in FY2003 to \$9.2 million in FY2009. In 2009, the General Assembly passed legislation freezing the tax rate on telecommunications tangible personal property at a rate equal to or greater than the rate that applied in FY2008. For each year thereafter, the tax rate applied to telecommunications tangible property can be no less than the rate that applied in FY2008.

The FY2024 Budget provides \$13.1 million to be distributed to municipalities on July 30, 2024.

Public Service Corporation		
Fiscal Year	Total Funding	% Change
2008	\$10.3	0.0%
2009	9.2	-11.1%
2010	10.2	10.9%
2011	11.4	11.8%
2012	11.8	3.5%
2013	12.7	7.6%
2014	13.2	3.9%
2015	14.3	8.3%
2016	13.0	-9.0%
2017	13.6	4.2%
2018	13.2	-2.9%
2019	13.3	1.0%
2020	13.3	0.0%
2021	13.2	-0.8%
2022	12.6	-4.5%
2023	13.1	4.0%
2024	13.1	0.0%

\$ in millions

Meals and Beverage Tax

During the 2003 session, the General Assembly enacted a 1.0 percent gross receipt tax on retail sales of meals and beverages in or from eating and/or drinking establishments. The revenue from this tax flows through the State; it is not appropriated. The taxes are collected by the Division of Taxation and distributed at least quarterly to the city or town where the meals and beverages were delivered.

For FY2023, the Office of Revenue Analysis anticipates \$35.7 million in collections, increasing to \$37.7 million in FY2024.

Meals & Beverage Tax		
Fiscal Year	Total Funding	% Change
2015	\$23.9	7.0%
2016	25.7	7.5%
2017	26.3	2.5%
2018	28.9	9.7%
2019	28.3	-2.1%
2020	26.2	-7.6%
2021	24.2	-7.3%
2022	32.4	33.8%
2023	35.7	10.1%
2024	37.7	5.5%

\$ in millions

Hotel Tax

The State levies a 5.0 percent gross receipts tax on charges for occupancy of any space furnished in buildings or structures with a minimum of three rooms that are kept, used, maintained, advertised, or held out to the public to be a space where living quarters are supplied for pay for transient use (30 days or less). This tax is collected by the hotel and remitted to the Division of Taxation on a monthly basis.

This tax is in addition to all other taxes and fees currently imposed. The Division of Taxation collects the tax and is responsible for distribution, except for the City of Newport, which is authorized to collect and disburse taxes from all hotels physically located in the City. 25.0 percent of the revenue from the 5.0 percent hotel tax is distributed to the city or town where the hotel which generated the tax is physically located.

Fiscal Year	Total Distribution	Change
2015	\$17.2	9.7%
2016	19.4	12.5%
2017	19.6	1.2%
2018	21.5	-0.7%
2019	21.7	0.7%
2020	17.7	-18.4%
2021	5.4	-69.6%
2022	11.8	119.5%
2023	13.8	16.6%
2024	14.0	1.8%

\$ in millions

The FY2016 Budget as Enacted expanded the hotel tax to include vacation home rentals, small bed and breakfasts, hotel room resellers, and unlicensed lodging rentals (such as those listed on the Airbnb.com website).

The Budget includes \$13.8 million in hotel tax distribution in FY 2023 and \$14.0 million in FY2024. The significant decrease in hotel tax collections from FY2020 to FY2021 (69.6 percent) is related to the impact of pandemic restrictions on travel.

OTHER AID TO LOCAL GOVERNMENT

Warwick Rental Car Tax Revenue

The RI Airport Corporation levies a customer service charge (CSC) of \$5.00 per day for all vehicle rentals from companies operating at T.F. Green Airport in Warwick. Revenues from the CSC are to be used to pay for the construction, expansion, reconfiguration, operation and maintenance of the Warwick Intermodal Transit Station. The CSC is applied prior to the application of the sales tax and rental vehicle surcharge. Since 2003, per RIGL 1-2-17.1, all sales taxes (7.0 percent) and rental vehicle surcharges (6.0 percent) collected from the application of the CSC have been deposited into a restricted receipt account for the City of Warwick. The Budget includes \$950,807 in CSC payments to the City in FY2023 and \$967,786 in FY2024.

Airport Impact Aid

The Budget provides \$1.0 million in funding for the Airport Impact Aid program in FY2024. The Airport Impact Aid program provides State aid funds to municipalities which host airports. Under current law, the aid is distributed according to a statutory formula that provides 60.0 percent of the first \$1.0 million, or \$600,000, for communities with airports serving more than 1.0 million passengers per year. T.F. Green in Warwick is the only airport in the State that meets this threshold. The remaining 40.0 percent is distributed to communities based on each airport's share of total landings in a calendar year, including T.F. Green. Under current law, no community that hosts an airport can receive less than \$25,000.

The following table shows the distribution of Airport Impact Aid for FY2024:

Airport	FY2023	FY2024	Change
Warwick T.F. Green	\$742,618	\$742,618	-
Block Island	47,267	47,267	-
Middletown - Newport Airport	35,601	35,601	-
North Central - Smithfield	25,000	25,000	-
North Central - Lincoln	25,000	25,000	-
North Kingstown - Quonset	64,642	64,642	-
Westerly	59,974	59,974	-
Total	\$1,000,102	\$1,000,102	-

** Airport Impact Aid is based on Calendar Year 2021 landing data that was made available in May 2022. Final FY2023 distribution amounts will be adjusted based upon updated data in May 2023.*

Property Revaluation Reimbursement

In 1997, the General Assembly enacted legislation requiring municipalities to conduct full property revaluations every nine years and statistical updates at year 3 and year 6. Communities are responsible for appropriating funds to cover the costs of full property revaluations; however, the State reimbursed municipalities for 100.0 percent of the first statistical update. Reimbursements for subsequent updates were set at 80.0 percent (up to \$16 per parcel) for the second statistical update and 60.0 percent (up to \$12 per parcel) for the third and subsequent statistical revaluations. The Budget includes \$906,329 in general revenue for the Property Revaluation program in FY2024, reflecting an increase of \$491,382 relative to the FY2023 enacted level. The change is based on an increase in anticipated reimbursements, which are required by law. The following communities will be reimbursed for statistical updates in FY2024:

Property Revaluation Program

Fiscal Year	Total Distribution	Change
2015	\$0.6	-96.2%
2016	1.4	133.3%
2017	0.6	-57.1%
2018	0.9	-43.8%
2019	1.6	77.8%
2020	0.5	-68.8%
2021	1.1	120.0%
2022	1.5	36.4%
2023	0.4	-72.3%
2024	0.9	118.4%

\$ in millions

Bristol, Burrillville, Jamestown, Lincoln, Little Compton, North Kingstown, North Smithfield, Providence, Scituate, Smithfield, South Kingstown, Westerly, and West Warwick. Full revaluations will occur in East Providence and Warwick.

Municipal Road and Bridge Fund

The FY2014 Budget as Enacted transferred \$7.0 million of bond premium proceeds derived from the sale of 2013 general obligation bonds from Rhode Island Capital Plan (RICAP) funds to capitalize a Municipal Road and Bridge Revolving Fund. The FY2014 Revised Budget increased this amount by \$3.3 million, for a total of \$10.3 million. The FY2015 Budget included an additional \$5.0 million in funding made available from the sale of Tobacco Settlement Bonds, and the Clean Water Finance Agency (now the Rhode Island Infrastructure Bank) contributed \$3.5 million to the program from its board-designated administrative fund in FY2015. The Budget does not include any additional funding for the Municipal Road and Bridge Fund in FY2024.

These funds are available for municipalities to borrow for road and bridge projects. Loans began in FY2014, and future capitalizations, combined with the revolved funds, allow State-sponsored financing on an ongoing basis. This fund is administered by the Rhode Island Infrastructure Bank (RIIB) Applications are submitted to the Rhode Island Department of Transportation (RIDOT), based on regulations developed by RIDOT. RIDOT developed a project priority list based on 6 criteria:

- The extent to which the project generates economic benefits.
- The extent to which the project would be able to proceed at an earlier date.

- The likelihood the project will provide mobility benefits.
- The cost effectiveness of the project.
- The likelihood that the project will increase safety.
- The readiness of the project to proceed during the next calendar year.

Municipal Road and Bridge Fund					
Borrower	Program Year	Amount Requested	Amount Borrowed	Loan Outstanding	Credit Limit Remaining
East Providence	2014	\$1,215,000	\$1,215,000	\$520,000	-
Newport	2014	4,000,000	1,500,000	627,000	-
Warwick	2014	1,600,000	1,600,000	1,065,541	131,459
Burrillville	2014	680,000	680,000	335,452	4,548
New Shoreham	2014	255,000	255,000	131,802	29,198
Westerly *	2014	625,000	225,000	-	-
Pawtucket	2014	7,000,000	3,500,000	2,638,000	-
Cumberland	2014	560,000	560,000	373,550	45,450
Coventry	2014	340,000	340,000	144,000	-
West Warwick	2015	150,515	150,515	69,515	-
Bristol	2015	500,000	500,000	364,000	-
Hopkinton	2015	253,000	253,000	48,104	-
Pawtucket	2015	5,000,000	5,000,000	3,912,000	-
East Greenwich	2015	2,000,000	2,000,000	925,000	-
Coventry	2015	900,000	900,000	607,000	-
Bristol	2016	1,175,000	1,175,000	927,000	-
Cranston	2016	1,755,000	1,755,000	1,436,000	-
New Shoreham	2016	296,000	296,000	241,000	-
Pawtucket	2016	3,000,000	3,000,000	2,467,000	-
East Greenwich	2017	5,000,000	5,000,000	4,111,407	214,593
Pawtucket	2017	3,000,000	3,000,000	2,603,000	-
New Shoreham	2018	449,000	449,000	392,000	-
Providence Public Building Authority	2018	10,000,000	10,000,000	8,767,000	-
Pawtucket	2018	2,000,000	2,000,000	1,830,000	-
Middletown	2018	5,000,000	5,000,000	3,957,307	609,693
Barrington	2019	3,500,000	3,500,000	1,247,452	1,902,548
Warren	2019	2,500,000	2,000,000	(11,000)	2,000,000
Westerly	2019	15,000,000	15,000,000	6,598,422	7,894,578
Central Falls	2019	1,500,000	1,500,000	1,100,025	335,975
Pawtucket	2019	2,000,000	2,000,000	1,835,000	-
Providence Public Building Authority	2020	20,000,000	20,000,000	1,441,658	18,558,342
Cumberland	2020	2,500,000	2,500,000	1,456,356	934,644
Warwick	2020	3,000,000	3,000,000	(246,000)	2,963,000
Warwick	2020	7,000,000	7,000,000	3,841,489	2,501,511
Total		\$113,753,515	\$106,853,515	\$55,756,080	\$38,125,539

*\$400,000 turned back by Westerly

OTHER MUNICIPAL ISSUES

Tax Stabilization Incentive

Article 19 of the FY2016 Budget as Enacted created the Tax Stabilization Incentive program whereby municipalities can apply to the Rhode Island Commerce Corporation for partial reimbursement of personal

and/or real estate tax revenue forgone due to the granting of a tax stabilization agreement by that community for a qualified construction or rehabilitation project. The Corporation provides a partial reimbursement of no more than 10.0 percent of the property tax revenue that would have otherwise been collected.

Under this program, a community can grant a stabilization agreement for the rehabilitation of an existing structure where the total cost of the development budget exceeds 50.0 percent of the adjusted basis of the property (original cost of the property reduced by depreciation deductions and increased by capital expenditures), or for a new construction project that begins within twelve months of the approval of the tax stabilization agreement and is completed within 36 months. The qualifying property must be used or intended to be used for offices, commercial enterprises, or residential purposes. The terms of the stabilization agreements must be for a minimum of twelve years and reimbursements cease upon termination of the underlying tax stabilization agreement or upon exhaustion of funds appropriated to the reimbursement fund.

Article 17 of the FY2017 Budget modified the Tax Stabilization Agreement incentive program to allow the Commerce Corporation to reimburse municipalities up to 50.0 percent of foregone revenue for up to five projects statewide in any given year. The current reimbursement rate is 10.0 percent. The city or town council of any qualifying community must pass a resolution designating a qualifying project as the most important project to the municipality's economic development for that fiscal year. Designated "Hope Communities" may select two projects for potential qualification annually. The total amount of funding to be awarded is subject to general revenue appropriation.

Since FY2016, the Commerce Corporation has provided \$2.1 million in tax stabilization incentives in support of four projects:

Project	Municipality	Board Approval Date	Board Approval Amount
Residence Inn	Providence	2/22/2016	\$246,597
Immunex RI	West Greenwich	4/10/2018	179,829
Rubius Therapeutics	Smithfield	6/28/2018	180,000
Blue Water Property, LLC	Johnston	9/27/2021	1,538,927
Total			\$2,145,353

Source: RI Commerce Corporation

FY2024- Direct Municipal Aid to Cities and Towns

Municipality	FY2023 Enacted	Payment in Lieu of Taxes	Distressed			Library Grant-in-Aid ⁴	Change from	
			Communities Relief Fund	Motor Vehicle Excise Tax			FY2024 HFC	FY2023 Enacted
Barrington	\$6,240,700	\$18,606	-	\$5,894,822	\$379,347	\$6,292,775	\$52,075	
Bristol	4,534,938	1,305,958	-	2,905,818	206,100	4,417,875	(117,064)	
Burrillville	5,361,277	59,483	-	5,053,933	224,266	5,337,682	(23,596)	
Central Falls	2,350,082	-	263,947	2,077,974	36,917	2,378,839	28,757	
Charlestown	1,085,273	-	-	1,020,877	64,266	1,085,143	(130)	
Coventry	6,096,797	-	-	5,872,396	251,550	6,123,945	27,148	
Cranston	29,440,805	4,029,628	-	22,312,247	797,557	27,139,431	(2,301,374)	
Cumberland	6,411,068	-	-	6,073,469	353,926	6,427,395	16,328	
East Greenwich	3,326,928	804,431	-	2,417,332	149,839	3,371,602	44,674	
East Providence	7,997,414	286,708	-	11,433,479	445,181	12,165,367	4,167,953	
Exeter	2,298,694	-	-	2,241,381	56,782	2,298,163	(531)	
Foster	1,691,712	-	-	1,652,251	41,835	1,694,087	2,375	
Glocester	2,477,279	-	-	2,381,941	95,338	2,477,279	-	
Hopkinton	1,671,398	-	-	1,629,259	44,300	1,673,559	2,161	
Jamestown	751,594	-	-	622,793	120,781	743,574	(8,019)	
Johnston	10,514,625	-	-	10,382,785	133,453	10,516,238	1,613	
Lincoln	5,917,375	-	-	5,683,015	259,616	5,942,631	25,256	
Little Compton	410,492	-	-	366,775	42,594	409,369	(1,123)	
Middletown	2,144,665	-	-	1,976,448	180,903	2,157,351	12,686	
Narragansett	1,807,362	-	-	1,831,251	210,276	2,041,527	234,165	
Newport	4,398,912	1,739,666	-	2,223,671	486,394	4,449,731	50,819	
New Shoreham	260,580	-	-	163,298	108,269	271,567	10,987	
North Kingstown	5,725,344	50	-	5,378,818	353,799	5,732,666	7,322	
North Providence	10,935,636	-	1,168,448	9,619,286	246,714	11,034,448	98,812	
North Smithfield	4,493,854	-	-	4,398,531	95,325	4,493,856	2	
Pawtucket	18,535,211	3,061	1,799,105	16,495,506	474,735	18,772,406	237,195	
Portsmouth	2,546,430	-	-	2,414,242	134,841	2,549,083	2,652	
Providence	77,591,924	37,514,510	7,069,428	34,131,596	1,551,521	80,267,055	2,675,130	
Richmond	1,479,884	-	-	1,448,455	32,206	1,480,661	777	
Scituate	2,107,036	-	-	1,977,127	133,807	2,110,934	3,898	
Smithfield	8,373,559	1,170,041	-	7,098,694	363,925	8,632,660	259,101	
South Kingstown	4,409,542	187,050	-	3,930,455	258,400	4,375,906	(33,636)	
Tiverton	1,856,745	-	-	1,748,175	147,750	1,895,925	39,180	
Warren	2,167,590	-	-	2,090,911	73,963	2,164,873	(2,717)	
Warwick	27,559,761	1,578,435	-	25,246,254	778,781	27,603,470	43,709	
Westerly	6,374,157	152,031	-	5,765,523	441,250	6,358,803	(15,354)	
West Greenwich	1,388,010	-	-	1,331,725	61,668	1,393,393	5,383	
West Warwick	6,940,792	-	1,167,490	5,673,744	201,979	7,043,212	102,420	
Woonsocket	10,868,198	351,755	916,041	9,324,776	240,870	10,833,442	(34,755)	
SRL ¹	1,101,101	-	-	-	1,123,123	1,123,123	22,022	
ILG ²	62,609	-	-	-	71,172	71,172	8,563	
MVET Adjustment ³	421,271	-	-	-	-	-	-	
Fire Districts	635,357	-	-	421,271	-	421,271	(214,086)	
Total	\$304,623,653	\$49,201,412	\$12,384,458	\$234,712,302	\$13,593,868	\$309,892,039	\$5,268,387	

¹SRL: Statewide Reference Library Resources Grant

²ILG: Grant-in-Aid to Institutional Libraries

³Up to \$500,000 in total to be provided as a supplemental payment per proposed RIGL 44-34.1-5 for municipalities and fire districts that would have had a motor vehicle levy above their FY 2018 Baseline in FY 23 and that also budgeted for this additional revenue, subject to review and certification by the Department of Revenue.

⁴Total Library Grant-in-Aid includes \$2.1 million in Library Construction Aid

FY2023 Direct Municipal Aid to Cities and Towns

Municipality	FY2023 Enacted	Payment in Lieu of Taxes	Distressed Communities Relief Fund	Motor Vehicle Excise Tax ³	Library Grant-in-Aid FY2023	HFC	Change from FY2023 Enacted
Barrington	\$6,240,700	\$18,133		5,894,822	\$327,745	\$6,240,700	\$0
Bristol	4,534,938	1,408,285		2,905,818	220,836	4,534,938	-
Burrillville	5,361,277	105,242		5,053,933	202,102	5,361,277	-
Central Falls	2,350,082		235,462	2,077,974	36,645	2,350,082	-
Charlestown	1,085,273			1,020,877	64,396	1,085,273	-
Coventry	6,096,797			5,872,396	224,402	6,096,797	-
Cranston	29,440,805	5,004,163	1,342,778	22,312,247	781,617	29,440,805	-
Cumberland	6,411,068			6,073,469	337,599	6,411,068	-
East Greenwich	3,326,928	774,131		2,417,332	135,464	3,326,928	-
East Providence	7,997,414	282,016		7,203,608	513,132	7,998,755	1,342
Exeter	2,298,694			2,241,381	57,313	2,298,694	-
Foster	1,691,712			1,652,251	39,461	1,691,712	-
Glocester	2,477,279			2,381,941	95,338	2,477,279	-
Hopkinton	1,671,398			1,629,259	42,139	1,671,398	-
Jamestown	751,594			622,793	128,801	751,594	-
Johnston	10,514,625			10,382,785	131,840	10,514,625	-
Lincoln	5,917,375			5,683,015	234,360	5,917,375	-
Little Compton	410,492			366,775	43,716	410,492	-
Middletown	2,144,665			1,976,448	168,217	2,144,665	-
Narragansett	1,807,362			1,831,251	100,000	1,931,251	123,889
Newport	4,398,912	1,688,961		2,223,671	486,280	4,398,912	-
New Shoreham	260,580			163,298	97,282	260,580	-
North Kingstown	5,725,344	1,149		5,378,818	345,378	5,725,344	-
North Providence	10,935,636		1,075,446	9,619,286	240,904	10,935,636	-
North Smithfield	4,493,854			4,398,531	95,323	4,493,854	-
Pawtucket	18,535,211	3,061	1,651,225	16,495,506	385,419	18,535,211	-
Portsmouth	2,546,430			2,414,242	132,188	2,546,430	-
Providence	77,591,924	35,772,362	6,171,331	34,131,596	1,516,635	77,591,924	-
Richmond	1,479,884			1,448,455	31,429	1,479,884	-
Scituate	2,107,036			1,977,127	129,909	2,107,036	-
Smithfield	8,373,559	910,957		7,098,694	363,908	8,373,559	-
South Kingstown	4,409,542	217,065		3,930,455	262,022	4,409,542	-
Tiverton	1,856,745			1,748,175	146,250	1,894,425	37,680
Warren	2,167,590			2,090,911	76,680	2,167,590	-
Warwick	27,559,761	1,578,435		25,246,254	735,072	27,559,761	-
Westerly	6,374,157	197,328		5,765,523	411,306	6,374,156	-
West Greenwich	1,388,010			1,331,725	56,285	1,388,010	-
West Warwick	6,940,792		1,063,602	5,673,744	203,446	6,940,792	-
Woonsocket	10,868,198	472,304	844,614	9,324,776	226,504	10,868,197	-
SRL ¹	1,101,101	-	-	-	1,101,101	1,101,101	-
ILG ²	1,922,282	-	-	-	1,922,282	1,922,282	-
MVET Adjustment ⁴	421,271	-	-	135,357	-	135,357	(285,914)
Fire Districts	635,357	-	-	421,271	-	421,271	(214,086)
Total	\$304,623,653	\$48,433,591	\$12,384,458	\$230,617,792	\$12,850,722	\$304,286,563	(\$337,090)

¹ SRL: Statewide Reference Library Resources Grant

² ILG: Grant-in-Aid to Institutional Libraries. Includes \$1.9 million in Library Construction Aid

Total Library Construction Aid FY2023 is \$1.9 million

³ Combines MVET Phase-Out Reimbursement and Original Base Reimbursement

⁴ Up to \$500,000 in total to be provided as a supplemental payment per proposed R.I. Gen. Laws § 44-34.1-5 for municipalities and fire districts that would have had a motor vehicle levy above their FY 2018 Baseline in FY 23 and that also budgeted for this additional revenue, subject to review and certification by the Department of Revenue.

FY2024- Indirect Municipal Aid to Cities and Towns

Municipality	FY2023 Enacted	Public Service Corp. Tax	Hotel Tax	Meals and Beverage Tax	Airport Impact Fees ¹	FY2024 HFC	FY2023 Enacted
Barrington	\$411,247	\$199,439	\$5,161	\$191,552	-	396,153	(\$15,094)
Bristol	923,004	273,410	98,866	646,702	-	1,018,978	95,974
Burrillville	448,604	206,687	278	270,157	-	477,122	28,518
Central Falls	407,725	240,792	508	205,268	-	446,567	38,842
Charlestown	376,425	97,025	91,961	225,535	-	414,521	38,096
Coventry	1,084,207	430,457	127,526	612,878	-	1,170,861	86,654
Cranston	3,410,325	1,006,575	53,344	2,676,606	-	3,736,525	326,200
Cumberland	1,049,801	433,343	1,068	706,596	-	1,141,007	91,206
East Greenwich	1,017,849	162,262	3,830	941,538	-	1,107,631	89,782
East Providence	1,925,658	587,726	90,672	1,398,079	-	2,076,477	150,819
Exeter	218,865	83,138	479	154,616	-	238,233	19,368
Foster	83,569	58,498	2,086	26,624	-	87,208	3,639
Glocester	225,001	126,386	4,826	107,452	-	238,663	13,662
Hopkinton	165,699	100,469	3,127	70,685	-	174,281	8,582
Jamestown	209,067	68,061	54,506	102,829	-	225,397	16,330
Johnston	1,221,048	363,300	14,257	991,132	-	1,368,689	147,641
Lincoln	1,328,131	269,979	173,927	979,564	25,000	1,448,469	120,338
Little Compton	143,404	43,310	38,763	69,776	-	151,848	8,444
Middletown	2,410,544	197,990	1,545,749	1,041,251	35,601	2,820,590	410,046
Narragansett	1,330,835	191,412	400,791	919,239	-	1,511,442	180,607
Newport	6,173,869	305,954	3,781,685	3,285,057	-	7,372,696	1,198,827
New Shoreham	1,214,466	10,790	855,114	537,747	47,267	1,450,918	236,452
North Kingstown	1,253,898	325,676	166,894	849,110	64,642	1,406,322	152,424
North Providence	908,767	403,017	4,963	591,602	-	999,581	90,814
North Smithfield	542,956	154,581	5,313	441,066	-	600,960	58,004
Pawtucket	2,139,574	889,741	127,036	1,319,962	-	2,336,739	197,165
Portsmouth	575,442	214,714	36,613	391,133	-	642,461	67,019
Providence	11,158,331	2,223,355	2,503,041	7,609,925	-	12,336,322	1,177,991
Richmond	285,480	95,675	23,963	200,029	-	319,667	34,187
Scituate	219,892	132,171	10,222	92,626	-	235,019	15,127
Smithfield	1,471,923	269,260	233,246	1,136,445	25,000	1,663,951	192,028
South Kingstown	1,719,047	379,714	314,814	1,228,189	-	1,922,717	203,670
Tiverton	547,377	194,868	22,497	401,895	-	619,259	71,882
Warren	520,680	129,780	2,802	458,360	-	590,942	70,262
Warwick	6,625,637	1,003,986	1,506,307	4,005,004	742,618	7,257,915	632,278
Westerly	2,435,166	278,749	1,267,553	1,269,701	59,974	2,875,978	440,812
West Greenwich	372,159	78,009	167,939	169,681	-	415,629	43,470
West Warwick	1,002,051	358,481	183,496	552,204	-	1,094,181	92,130
Woonsocket	1,268,489	515,552	77,883	787,809	-	1,381,245	112,756
Total	\$58,826,212	\$13,104,333	\$14,003,106	\$37,665,625	\$1,000,102	\$65,773,166	\$6,946,954

¹Airport Impact Aid is based on Calendar Year 2021 landing data that was made available in May 2022. Final FY2024 distribution amounts will be adjusted based upon updated data in May 2023.

FY2023 - Indirect Municipal Aid to Cities and Towns

Municipality	FY2023 Enacted	Public Service Corp. Tax	Hotel Tax	Meals and Beverage Tax	Airport Impact Fees ¹	FY2023 HFC	Change to Enacted
Barrington	\$411,247	\$199,439	\$4,768	\$181,559	-	385,766	(\$25,481)
Bristol	923,004	273,410	96,880	612,963	-	983,253	60,249
Burrillville	448,604	206,687	257	256,063	-	463,007	14,403
Central Falls	407,725	240,792	469	194,559	-	435,820	28,095
Charlestown	376,425	97,025	86,232	213,768	-	397,025	20,600
Coventry	1,084,207	430,457	126,066	580,904	-	1,137,427	53,220
Cranston	3,410,325	1,006,575	52,302	2,536,967	-	3,595,845	185,520
Cumberland	1,049,801	433,343	987	669,733	-	1,104,063	54,262
East Greenwich	1,017,849	162,262	3,594	892,418	-	1,058,274	40,425
East Providence	1,925,658	587,726	89,205	1,325,140	-	2,002,072	76,414
Exeter	218,865	83,138	442	146,550	-	230,130	11,265
Foster	83,569	58,498	2,053	25,235	-	85,786	2,217
Glocester	225,001	126,386	4,732	101,846	-	232,964	7,963
Hopkinton	165,699	100,469	2,973	66,997	-	170,440	4,741
Jamestown	209,067	68,061	50,996	97,464	-	216,521	7,454
Johnston	1,221,048	363,300	14,068	939,424	-	1,316,792	95,744
Lincoln	1,328,131	269,979	172,131	928,460	25,000	1,395,570	67,439
Little Compton	143,404	43,310	36,714	66,136	-	146,159	2,755
Middletown	2,410,544	197,990	1,522,511	986,928	35,601	2,743,031	332,487
Narragansett	1,330,835	191,412	383,109	871,282	-	1,445,803	114,968
Newport	6,173,869	305,954	3,724,083	3,113,674	-	7,143,712	969,843
New Shoreham	1,214,466	10,790	825,105	509,693	47,267	1,392,855	178,389
North Kingstown	1,253,898	325,676	162,516	804,811	64,642	1,357,646	103,748
North Providence	908,767	403,017	4,584	560,737	-	968,339	59,572
North Smithfield	542,956	154,581	5,229	418,056	-	577,866	34,910
Pawtucket	2,139,574	889,741	125,349	1,251,099	-	2,266,189	126,615
Portsmouth	575,442	214,714	34,725	370,728	-	620,167	44,725
Providence	11,158,331	2,223,355	2,466,498	7,212,914	-	11,902,767	744,436
Richmond	285,480	95,675	23,059	189,594	-	308,327	22,847
Scituate	219,892	132,171	10,079	87,794	-	230,044	10,152
Smithfield	1,471,923	269,260	230,731	1,077,156	25,000	1,602,147	130,224
South Kingstown	1,719,047	379,714	307,426	1,164,114	-	1,851,254	132,207
Tiverton	547,377	194,868	21,438	380,928	-	597,234	49,857
Warren	520,680	129,780	2,589	434,447	-	566,816	46,136
Warwick	6,625,637	1,003,986	1,488,066	3,796,062	742,618	7,030,731	405,094
Westerly	2,435,166	278,749	1,246,976	1,203,461	59,974	2,789,160	353,994
West Greenwich	372,159	78,009	166,157	160,829	-	404,995	32,836
West Warwick	1,002,051	358,481	181,490	523,396	-	1,063,366	61,315
Woonsocket	1,268,489	515,552	76,923	746,709	-	1,339,184	70,695
Total	\$58,826,212	\$13,104,334	\$13,753,513	\$35,700,599	\$1,000,102	\$63,558,546	\$4,732,334

¹ Airport Impact Aid is based on Calendar Year 2021 landing data that was made available in May 2022. Final FY2023 distribution amounts will be adjusted based upon updated data in May 2023.

Education Aid

EDUCATION AID

The Budget includes an additional \$18.3 million above the Governor to support the changes in education aid provided in Article 8, including lowering the threshold for the reimbursement of high-cost special education costs, increasing the weight for English learners from 10.0 percent to 15.0 percent, providing additional support for districts experiencing enrollment loss or a significant change in their state share ratio, and correcting an unintended consequence of the quadratic mean share ratio calculation.

Education Aid Funding Formula: In FY2024, the enrollment used to calculate education aid is the March 2023 census; however, Article 8 codifies the measure to determine poverty status will be determined through participation in the supplemental nutrition assistance program (SNAP) as certified through the Department of Human Services, multiplied by a factor of 1.6. However, the House Finance Committee calculation for the poverty measure for the share ratio uses two measures, including the SNAP participation, multiplied by a factor of 1.5, and Title 1 qualification multiplied by a factor of 1.7. While the precise calculation of the share the ratio component is unclear, generally the Title I program applies to school that have low-income population of at least 40.0 percent. Poverty status is used to calculate the Student Success Factor (SSF) which provides a 40.0 percent weight for each student living in poverty, and in the PK-6 grad poverty density measure used in the state share ratio quadratic mean. The Student Success Factor (SSF), which provides a 40.0 percent weight for each student living in poverty, will be calculated based on the year with the greatest percentage of students enrolled in the district living in poverty.

Article 8 also provides that for districts with a poverty status percent greater than 50.0 percent, if the state quadratic mean share ratio for the district is less than the equalized weighted assessed valuation (EWAV), the EWAV value will be used as the state share ratio. In FY2024, this change increases the effective share ratio for Pawtucket from 77.0 percent to 84.9 percent, West Warwick from 66.8 percent to 74.2 percent, and Central Falls from 86.0 percent to 97.2 percent.

Through Article 8, the Budget establishes the poverty loss stabilization fund for districts that experience a state share ratio decrease of more than 2.0 percentage points. The fund will provide such districts 50.0 percent of the difference in education aid from the prior year. The Budget funds this item at \$5.5 million in FY2024.

All of the changes to the formula calculation bring the total funding formula aid, to \$1,102.3 million

As part of the transition plan for the funding formula, Article 8 creates support for districts experiencing enrollment decline. Districts that experience a reduction in enrollment from the prior fiscal year will receive 40.0 percent of the state aid associated with that decline in the first year, and 25.0 percent of the amount in the next fiscal year. The Budget funds this item at \$19.9 million in FY2024.

In addition to making changes to the calculation of formula, Article 8 also requires the Department to report information regarding each district's local contribution to education aid, compare the local contributions to state foundation aid by community, and report compliance to each school committee and town council, as part of the annual budget request.

Categorical Programs: When the education funding formula was passed in 2010, five categorical funds were identified that would not be distributed according to the formula, but pursuant to other methodologies intended to address the priorities and funding needs of the districts. These categories include Transportation, High-Cost Special Education, Career & Technical Education, Early Childhood, and the Regionalization Bonus. Article 11 of the FY2017 Budget as Enacted added two new aid categories: English Learners and the Density Fund. Article 8 of the FY2024 Budget as passed by the House Finance Committee eliminates the Density Aid category. Article 9 of the FY2019 Budget as Enacted included a temporary aid category to support new Resource Officers at public middle and high schools, which expired after FY2021.

- **Density Aid:** Article 10 of the FY2022 Budget as Enacted reestablished density aid for districts where 5.0 percent or more of the average daily membership (ADM) are enrolled in a charter or state school. The intent is to provide one \$500 payment for each new resident student enrolled in a charter or state school. Article 8 of the FY2024 Budget eliminates this aid category.
- **Transportation:** This fund provides funding for transporting students to out-of-district, non-public schools and for 50.0 percent of the local costs associated with transporting students within regional school districts. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. The Budget funds this category at \$10.6 million in FY2024, an increase of \$1.4 million relative to the FY2023 Budget as Enacted. This increase fully funds the regional component of the category.
- **Early Childhood Education:** This fund is designed to increase access to voluntary, free, high-quality pre-kindergarten programs. The funds will be distributed through a request for proposals process targeting communities in three tiers, with the first tier having the highest concentration of children at risk for poor educational outcomes. These funds are paid to providers through the RFP process and, consequently, are not included in the distribution tables. The Budget funds this category at \$22.9 million in FY2024, an increase of \$8.0 million in general revenue over the FY2023 Budget as Enacted. Of the total increase, \$1.3 million is to fund 35 new classrooms and \$6.7 million is to replace expiring federal funds.

Analyst Note: The Budget also provides \$300,000 in general revenue in the Administration of the Comprehensive Education Strategy (ACES) program for a new lottery system.

- **High-Cost Special Education:** This fund reimburses districts for instructional and related services provided to a student pursuant to an Individual Education Plan (IEP). Article 8 of the FY2024 Budget lowers the threshold for reimbursements to districts for instructional and related services provided to a student pursuant to an Individual Education Plan (IEP). The reimbursement threshold is lowered from five times the combined core instruction and student success factor funding to four times the amount, reducing the threshold for reimbursement from \$84,320 to \$67,456 in FY2024. The program provides for a pro-rata reduction in reimbursements to districts based on available funding. The Budget funds this category at \$15.0 million in FY2024, an increase of \$10.5 million over FY2023 Budget as Enacted.
- **Central Falls Stabilization:** The Budget funds this category at \$11.1 million in FY2024, an increase of \$980,681 over the FY2023 Budget as Enacted. Central Falls schools are currently 100.0 percent state funded, with the State providing both the local and state contributions calculated through the formula, as well as the local share that would be supported outside of the core amount. Generally, the costs outside the foundation aid formula, such as transportation, facility maintenance and retiree health benefits, are paid by the district. This program was created due to concerns regarding the city's capacity to meet the local share of education costs. Previously the statute required Central Falls to pay its share of the local contribution prior to receiving stabilization funds. However, the 2012 General Assembly amended the statute to provide for an annual review of the respective shares and to allow stabilization funds to be provided without the district having to pay the entire local share as determined from the education funding formula.

Although Central Falls has been working with the Department to reduce expenditures over the last several years, the district has not been able to reduce costs enough to keep pace with the phase in of the funding formula. Also, charter school tuitions have been increasing resulting in a corresponding increase in district expenses. Consequently, the stabilization fund has been used to replace aid lost through the implementation of the funding formula and local payments to public schools of choice. To date, Central Falls has been unable or unwilling to absorb any educational costs.

- **Career and Technical Schools:** This fund contributes toward the initial investment needed to transform existing programs or create new programs and the costs associate with facilities, equipment maintenance and repair, and supplies associated with higher-cost programs at career and technical schools. The Budget funds this category at \$4.5 million in FY2024, level with the previous year.
- **Davies Stabilization Fund:** 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 FY2024 Budget provides \$5.8 million in FY2024.
- **English Learners:** Article 11 of the FY2017 Budget as Enacted established a categorical fund for English Learners (EL) providing additional aid of 10.0 percent of the per-pupil core instruction amount for each qualified EL student. Article 8 increases the weight to 15.0 percent. In FY2024, the per-pupil weight of \$1,188, reflecting 10.0 percent of the \$11,876 core instruction amount, is increased to \$1,781. This amount is then multiplied by the state share ratio. The formula is provided below.

(Per-pupil core instruction amount x number of EL students) x 15.0 percent x state share ratio = additional state support per EL student

The program restricts the funds to provide new services to EL students and required that the funds be managed in accordance with requirements enumerated by the Commissioner. The program also requires the Department to collect performance reports and approve the use of funds prior to expenditure to ensure the funded activities align to innovative and expansive activities. Distribution is subject to a pro-rata reduction based on the funds available. The Budget provides \$18.5 million in FY2024, an increase of \$13.5 million over the previous fiscal year. Article 8 of the FY2024 Budget also eliminates the pro-rata reduction language for this category.

- **Met School Stabilization Fund:** 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. The FY2024 Budget provides \$2.0 million in FY2024.
- **Regionalization Bonus:** This fund provides a bonus to regionalized districts and 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 program provides for a pro-rata reduction in reimbursements to districts based on available funding. This category has not been funded since FY2014, as no new regional districts have been formed.
- **School Resource Officer Support:** Article 9 of the FY2019 Budget as Enacted established an aid category to support new Resource Officers at public middle and high schools. The program provides support for districts to add Resource Officers but does not mandate their use. For FY2019 through FY2021, the State will reimburse one half the cost of salaries and benefits for qualifying positions created after July 1, 2018; however, for schools with fewer than 1,200 students, only one resource officer position is eligible for reimbursement. Schools with 1,200 or more students may receive reimbursement for up to 2 positions. Each resource officer can only be assigned to one school. The Budget does not fund this category since the program expired in FY2021.
- **Group Homes:** The Group Home aid category was created by the General Assembly in 2001 to provide state support to districts hosting group homes in exchange for relieving the resident sending district of financial responsibility for students placed in group homes. When enacted, the Act maintained the current funding for group homes as a categorical grant program; however, the FY2017 Budget as

Enacted increased the per-bed funding amount. The Group Home aid category provides \$17,000 annually per bed, except for group home beds associated with Bradley Hospital Children’s Residential and Family Treatment (CRAFT) Program, which received \$26,000 per bed. The FY2023 Budget includes \$2.3 million to fund group home beds. This is \$446,611 less than the FY2023 Budget as Enacted. This adjustment represents the most recent update on the number of group home beds per district and the decrease required pursuant to RIGL 16-7-22(1)(ii) to reduce the average daily membership of a district by the number of group home beds used in the group home aid calculation.

District	FY2023 Enacted		Group Home Aid ¹ FY2024 Change from Enacted					FY2023		
	Total Aid	Number of Beds	FY2024 Number of Beds	Change in Number of Beds	Aid change due to bed count	Aid change due to RIGL 16-7-22(1)(iii)	Total Change	FY2024 Total Aid	Revised Total Aid	Change from Enacted
Burrillville	\$0	0	-	-	\$0	\$0	\$0	\$0	\$0	\$0
Coventry	79,629	8	8	-	-	(4,740)	(4,740)	74,889	79,629	-
East Providence	463,329	34	35	1	17,000	(22,257)	(5,257)	458,072	480,329	17,000
Lincoln	85,944	8	8	-	-	(2,155)	(2,155)	83,789	85,944	-
Newport	133,708	14	9	(5)	(85,000)	27,792	(57,208)	76,500	133,708	-
North Providence	127,813	16	16	-	-	(8,427)	(8,427)	119,386	127,813	-
North Smithfield	-	-	-	-	-	-	-	-	-	-
Pawtucket	92,961	20	19	(1)	(17,000)	3,782	(13,218)	79,743	92,961	-
Portsmouth	473,573	30	18	(12)	(204,000)	6,377	(197,623)	275,950	473,573	-
Providence	217,663	57	50	(7)	(119,000)	39,696	(79,304)	138,359	217,663	-
Smithfield	-	-	6	6	102,000	(28,438)	73,562	73,562	102,000	102,000
South Kingstown	121,823	8	-	(8)	(136,000)	14,177	(121,823)	-	121,823	-
Warwick	271,232	24	24	-	-	(22,257)	(22,257)	248,975	271,232	-
Woonsocket	-	-	-	-	-	-	-	-	-	-
Bristol-Warren	106,028	10	10	-	-	(5,107)	(5,107)	100,921	106,028	-
Exeter-West Greenwich	113,304	9	9	-	-	(3,054)	(3,054)	110,250	113,304	-
Total	\$2,287,007	238	212	(26)	(\$442,000)	(\$4,611)	(\$446,611)	\$1,840,396	\$2,406,007	\$119,000

¹ Based on final 12/31/2022 report from the Department of Children, Youth and Families. In the FY2023 Revised Budget, a total of 7 beds were added relative to the enacted level, including 1 in East Providence and 6 in Smithfield.

The following table shows the education aid including the formula distribution, categorical aid, and group home aid.

HFC - FY2024 Education Aid

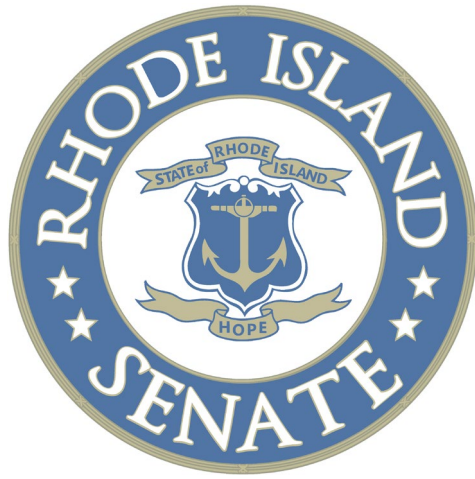
District	FY2024 Formula Aid	Enrollment Transition	Poverty Loss Stabilization	Transportation	High-cost Special Education (>\$67,456)	Group Home Aid ²	English Learners	Stabilization Funding	FY2024 Aid
Barrington	\$10,346,999	\$45,320	\$0	\$290,714	\$411,629	\$0	\$13,017	\$0	\$11,107,679
Burrillville	12,904,573	386,447	395,365	19,210	413,746	-	7,706	-	14,127,047
Charlestown	1,347,679	25,162	-	-	-	-	-	-	1,372,841
Coventry	25,200,762	650,727	-	48,226	391,731	74,889	12,277	-	26,378,612
Cranston	71,840,320	543,446	-	634,759	726,167	-	666,535	-	74,411,227
Cumberland	24,039,982	-	-	35,542	206,947	-	76,547	-	24,359,018
East Greenwich	5,386,895	24,573	-	111,409	560,667	-	4,631	-	6,088,175
East Providence	35,844,734	-	1,757,349	3,004	966,810	458,072	157,395	-	39,187,363
Foster	1,127,337	29,639	-	-	24,680	-	-	-	1,181,656
Glocester	2,859,443	-	-	-	31,004	-	-	-	2,890,447
Hopkinton	6,263,725	77,232	-	-	-	-	2,359	-	6,343,316
Jamestown	319,561	15,051	-	-	469,510	-	242	-	804,364
Johnston	21,291,119	131,630	-	167,003	699,855	-	146,632	-	22,436,240
Lincoln	16,694,774	-	710,359	-	196,548	83,789	30,767	-	17,716,237
Little Compton	279,472	27,542	55,312	-	-	-	-	-	362,326
Middletown	6,842,405	248,440	612,178	-	128,913	-	65,292	-	7,897,228
Narragansett	1,983,316	134,008	40,367	-	97,227	-	539	-	2,255,457
Newport	14,077,237	741,630	-	-	61,571	76,500	254,091	-	15,211,029
New Shoreham	94,704	4,592	51,255	-	-	-	1,441	-	151,992
North Kingstown	11,142,827	240,723	348,269	-	160,707	-	27,062	-	11,919,588
North Providence	27,354,244	37,568	507,184	164,940	630,389	119,386	245,272	-	29,058,983
North Smithfield	7,343,688	75,132	0	27,523	154,026	-	7,735	-	7,608,103
Pawtucket	101,240,632	3,239,496	-	243,621	522,984	79,743	1,845,138	-	107,171,614
Portsmouth	2,597,715	110,168	233,090	-	380,827	275,950	1,073	-	3,598,823
Providence	262,568,171	8,113,189	-	502,097	1,924,278	138,359	9,904,518	-	283,150,611
Richmond	5,664,511	106,015	-	-	-	-	4,345	-	5,774,871
Scituate	3,410,780	102,902	-	72,134	132,441	-	829	-	3,719,087
Smithfield	8,703,479	0	-	62,344	78,416	73,562	9,649	-	8,927,450
South Kingstown	5,063,712	265,354	-	105,682	487,791	-	6,014	-	5,928,553
Tiverton	5,469,710	131,959	788,068	-	585,353	-	4,118	-	6,979,208
Warwick	42,784,774	1,084,283	-	26,207	1,666,962	248,975	85,192	-	45,896,393
Westerly	7,847,731	453,990	-	-	463,429	-	19,786	-	8,784,936
West Warwick	37,221,502	477,117	-	47,924	130,065	-	107,066	-	37,983,674
Woonsocket	80,001,773	1,157,678	-	31,673	587,238	-	1,096,065	-	82,874,427
Bristol-Warren ³	11,040,792	377,372	-	2,348,584	526,631	100,921	20,385	-	14,414,685
Exeter-West Greenwich ³	4,853,740	135,247	-	1,749,593	379,296	110,250	3,499	-	7,231,625
Chariho	-	-	-	2,999,749	181,921	-	-	-	3,181,670
Foster-Glocester ³	5,463,188	91,051	-	877,546	228,926	-	-	-	6,660,711
Central Falls	37,635,874	651,703	-	61,119	225,287	-	1,944,498	11,126,174	51,644,655
District Total	\$926,153,879	\$19,936,386	\$5,498,796	\$10,630,603	\$14,833,972	\$1,840,396	\$16,771,715	\$11,126,174	\$1,006,791,921
Charter School Total	153,888,559	-	-	-	169,545	-	1,700,312	-	155,758,416
Davies	9,945,832	-	-	-	-	-	12,744	5,775,460	15,734,037
Met School	8,597,594	-	-	-	-	-	48,027	2,013,334	10,658,955
Urban Collaborative	1,840,097	-	-	-	-	-	16,404	-	1,856,500
Youth Build Academy	1,892,543	-	-	-	-	-	-	-	1,892,543
Total	\$1,102,318,504	\$19,936,386	\$5,498,796	\$10,630,603	\$15,003,517	\$1,840,396	\$18,549,202	\$18,914,968	\$1,192,692,372

Source: House Finance Committee. Totals may vary due to rounding

The following table shows the HFC change relative to the Governor’s FY2024 education aid recommendation and the FY2023 Budget as Enacted.

District	HFC Change to the Governor	HFC Change to the FY2023 Budget as Enacted
Barrington	\$222,979	\$2,279,074
Burrillville	38,948	(283,071)
Charlestown	(32,132)	31,152
Coventry	106,118	1,279,715
Cranston	610,513	2,256,278
Cumberland	288,373	2,095,449
East Greenwich	231,766	1,246,301
East Providence	1,524,465	1,037,979
Foster	21,638	44,305
Glocester	144,047	338,654
Hopkinton	(48,536)	516,682
Jamestown	51,549	412,701
Johnston	384,963	1,716,113
Lincoln	836,660	661,049
Little Compton	(577)	(86,552)
Middletown	(47,708)	(579,160)
Narragansett	10,656	(15,822)
Newport	(238,875)	(487,923)
New Shoreham	(7,786)	(88,800)
North Kingstown	362,211	371,755
North Providence	1,002,889	835,134
North Smithfield	188,952	1,074,245
Pawtucket	9,327,941	8,026,406
Portsmouth	101,609	(173,423)
Providence	2,904,376	5,227,250
Richmond	(195,450)	359,235
Scituate	125,468	1,115,210
Smithfield	116,460	1,646,015
South Kingstown	223,455	788,230
Tiverton	55,692	(257,561)
Warwick	752,619	4,023,116
Westerly	191,132	405,399
West Warwick	3,804,942	5,860,588
Woonsocket	1,328,235	10,345,611
Bristol-Warren ³	102,270	406,367
Exeter-West Greenwich ³	121,876	1,017,971
Chariho	19,797	776,043
Foster-Glocester ³	143,984	699,529
Central Falls	-	2,011,237
District Total	\$24,775,519	\$56,932,483
Charter School Total	(4,944,208)	18,010,832
Davies	(188,071)	959,210
Met School	(568,112)	868,792
Urban Collaborative	71,118	162,524
Youth Build Academy	(817,061)	165,085
Total	\$18,329,185	\$77,098,926

Source: House Finance Committee. Totals may vary due to rounding



ARTICLES

Articles

ARTICLE 1: RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY2024

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 15,636.9 FTE positions reflecting a net increase of 181.4 FTE positions, as compared to the authorized level set in the FY2023 Budget as Enacted, and an increase of 45.4 FTE positions from the level the proposed by the Governor.
- Details Community Service Objective 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 FY2025. In addition, the Office of the Postsecondary Commissioner shall provide \$8.6 million be allocated to the Rhode Island Promise Scholarship program, \$4.0 million to the Rhode Island Hope scholarship program, \$2.5 million be allocated to the Fresh Start Scholarship Program at the Community College of Rhode Island, \$355,000 to support the Rhode Island College Crusade, \$200,000 to the Rhode Island School for Progressive Education, \$151,410 to support the State's membership in the New England Board of Higher Education, and \$75,000 be allocated to Best Buddies Rhode Island
- 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 \$1.5 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 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 on the amount of funding provided to the program.
- 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. Requires that all unexpended or unencumbered balances relating to the State Fiscal Recovery Fund and Capital Projects Fund be reappropriated to FY2025 and made available for the same purposes.
- 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 1 requires the State Controller to transfer \$55.0 million to the Supplemental State Budget Reserve Account by July 14, 2023. In addition, the article requires the State Controller to transfer

\$115.0 million from the Information Technology restricted receipt account to the Large Systems Initiatives Fund by July 14, 2023. The Large Systems Initiatives Fund will support the following projects:

Large Systems Initiatives Funded Projects	FY2024
Enterprise Resource Planning (ERP)	\$50.0
RI Child Welfare Information System (RICHIST)	24.7
DEM Legacy Modernization	5.8
Wi-Fi and Tech at the ACI	3.3
RIBridges Mobile Access and Child Care Tracking	6.7
Gateway to Government	7.5
DLT Mainframe Legacy Modernization	19.4
Electronic Medical Records System	22.4
Total	\$139.8

\$ in millions

Source: Article1, Section 20

- Exempts the State-proposed project to build an adolescent female residential treatment facility on state owned land in the Town of Exeter from local land use processes and restrictions.

ARTICLE 2: RELATING TO STATE FUNDS

This article establishes a new Large Systems Initiative Fund (LSIF) and a new Supplemental State Budget Reserve restricted receipt account; changes the name of the Information Technology Investment Fund to the Investment Technology Restricted Receipt Account; exempts a new RGGI-Executive Climate Change Coordinating Council Projects restricted receipt account from imposition of the 10.0 percent indirect cost recovery charge; and, shifts Division of Motor Vehicles (DMV) duplicate license/updated information fee revenue from general revenue to the State's Highway Maintenance Account in FY2024. The article:

- Establishes the Large Systems Initiative Fund (LSIF) similar to the current Information Technology Investment Fund for the purpose of implementing and maintaining enterprise-wide software projects, in order to better facilitate federal participation in large information technology projects. The LSIF shall be administered by the Chief Information Officer within the Department of Administration. Language included in Article 1 of the Budget requires the State Controller to transfer \$13.0 million from the Information Technology restricted receipt account to the Large Systems Initiative Fund by July 14, 2023. The LSIF shall consist of funds as appropriated by the State.
- Amends several sections of general law striking reference to the Information Technology Investment Fund and replaces it with the term Investment Technology Restricted Receipt Account.
- Establishes the Supplemental State Budget Reserve Account to provide additional reserve funds that can be appropriated when a general revenue deficit occurs. Language included in Article 1 of the Budget requires the State Controller to transfer \$55.0 million to the Supplemental State Budget Reserve Account by July 14, 2023.
- Requires that upon the issuance of the audited financial statement, the State Controller will transfer 50.0 percent of the excess general revenue, net of the transfer to the State Budget Reserve and Cash Stabilization account, to the Supplemental State Budget Reserve account and 50.0 percent to the State Employees' Retirement System to support the State pension system.
- Exempts one new restricted receipt account from the 10.0 percent indirect cost recovery charge provisions and changes the name of an existing restricted receipt account. The proposed exemptions would apply to the following account: RGGI-Executive Climate Change Coordinating Council Projects. In addition, the article revises the name of the Information Technology Investment Fund to the Information Technology restricted receipt account.

- Shifts Division of Motor Vehicles (DMV) duplicate license/updated information fee revenue from general revenue to the State's Highway Maintenance Account (HMA) in FY2024. The Transportation Investment and Debt Reduction Act of 2011 (TIDRA) created the HMA within the Intermodal Surface Transportation Fund (ISTF). The account is currently funded via surcharges associated with licenses, vehicle registrations, inspection stickers, titles, and other related DMV fees. The HMA is used for projects that appear in the State's transportation improvement program. The FY2019 Budget as Enacted consolidated the duplicate license fee with the updated information fee, effectively increasing the latter's fee revenue by \$20. The additional revenue was diverted to general revenue rather than deposited in the HMA in order to fund increased personnel costs associated with an anticipated surge in licensing activity related to the implementation of the RealID program. This surge never materialized and the Governor recommends shifting these fees from general revenue to the HMA, consistent with the original intent of the TIDRA. As a result of this shift, the Budget reduces duplicate license fee revenue in DMV by \$950,000.
- Establishes a restricted receipt account for attorney fees recovered from opioid related claims and non-multistate initiatives within the Office of the Attorney General. This account will be used to pay for staff and other operational expenses.

ARTICLE 3: RELATING TO GOVERNMENT REFORM AND REORGANIZATION

This article makes several changes to the Rhode Island General Laws regarding advisory boards, definitions, regulatory authority, and the organization of state government. Specifically, the article:

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

- Increases the number of members on the Inter-Agency Food and Nutrition Advisory Council to 9.0 and includes Directors, or designees, from the Executive Office of Commerce and the Department for Children, Youth, and Families.
- Amends the definition of bridge and defines the State's responsibilities for bridges and smaller structures.
- Amends state law to align with the federal Burial Equity for Guards and Reserve Act, which was signed into law by President Biden on March 15, 2022.
- Amends RIGL 36-4-16.4 regarding the annual public hearing to determine the salaries of the executive branch directors to include the Secretaries of Executive Office of Health and Human Services, Commerce, and Housing.
- Expands the responsibilities of the Director of the Office of Management and Budget (OMB) to conduct reviews, evaluations, and assessments on process efficiency, effectiveness, and program performance on executive branch agencies. The revised article adds that the Director shall appoint and manage the State Chief Data Officer and oversee the RIIDS.
- Amends RIGL 35-3-24.1 regarding program performance measurement by requiring state agencies to provide timely reports, records, and analyses relating to state agency programs and operations. The article authorizes the OMB to produce analyses and recommendations to state agencies to improve program performance and authorizes OMB to convene state agency data and performance officers and program directors to coordinate statewide progress to the delivery of annual performance objectives.
- Increases the percentage of procurements and construction projects awarded to Minority Business Enterprises (MBEs) to 15.0 percent. 7.5 percent of projects will be awarded to minority businesses owned and controlled by a minority partner, and 7.5 percent of projects will be awarded to businesses owned and controlled by women. In addition, the Article requires a disparity study every five years beginning in FY2025, to evaluate the need for the development of programs to enhance

minority and women owned business participation. By October 1 annually, the Department of Administration must submit a report to the General Assembly with information on M/WBE participation achievement.

- Eliminates the requirement for individuals enrolled in the State Police and Municipal Training Academy to reimburse the State for the cost of meals consumed.
- Removes the requirement of Correctional Officers to actively monitor individuals in-person that are serving life sentences without parole, if individuals are confined to a medical facility and the presence of Correctional Officers do not provide additional safety to the public
- Establishes the Rhode Island Longitudinal Data System Act (RILDS), which shifts 4.0 Sponsored Research FTE positions from URI to the Office of the Postsecondary Commissioner and adds 3.0 additional FTE positions to support the RILDS. The Article also requires the RILDS Board to provide a plan, by November 1,2023, to the Governor, the House, and the Senate on how to establish a statewide, integrated data system.
- Repeals the Underground Storage Tank Advisory Board. According to the Administration, the Board is largely defunct since it does not currently have any members and no longer holds meetings.

ARTICLE 4: RELATING TO TAXES

This article modifies certain tax credits and exemptions, including the following:

Earned Income Tax Credit Increase

Section 3 of the article increases the State’s earned income tax credit (EITC) from 15.0 percent of the federal credit amount to 16.0 percent, beginning in Tax Year 2024. The credit is refundable for low- and moderate-income working individuals whereby the credit can go beyond reducing an individual’s tax liability to zero to producing a credit that is greater than the amount of tax owed, thus representing a cash payment to the filer. It is designed to work in tandem with other cash transfer programs to encourage employment among low-income families. As income rises, cash benefits decrease and the EITC transfer increases as an offset, and in essence, replaces cash benefits and thus encourages employment. Under current law, the EITC was claimed by an average of 82,905 taxpayers for the Tax Years 2018-2020 (most recent Rhode Island Tax Expenditure Report). The Office of Revenue Analysis estimates that the changes in this section will result in \$1.1 million loss of revenue in FY2024 and grows to \$2.3 million in FY2025.

Public Service Corporations Tax Changes

Section 2 of the article provides a rebate on the collection of the public service corporations tax (PSCT) on gross receipts tax for electric and gas utilities for the period of December 2023 through March 2024. Public utilities would continue to collect and remit taxes but will be required to provide a credit to commercial and residential customers for the stated period, effectively reducing their bills during that time. The changes to the PSCT included in Article are estimated to result in a \$35.6 million revenue reduction in FY2024 only.

Impact on PSCT Collections	
Utility	FY2024
Natural Gas	(\$10.1)
Electricity	(25.5)
Total	(\$35.6)

\$ in millions

The following table summarizes the estimated savings impact of the program by residential and commercial utility customers.

Commercial and Residential Impact

Customer Type	Customers	Savings	Avg. Savings	
			Total	Monthly
Commercial - NG	24,984	\$2,625,553	\$105.09	\$26.27
Residential - NG	247,735	\$7,523,389	\$30.37	\$7.59
Natural Gas Subtotal	272,719	\$10,148,942		
Commercial - Elec	62,207	\$14,699,321	\$236.30	\$59.07
Residential - Elec	445,366	\$10,791,215	\$24.23	\$6.06
Electricity Subtotal	507,573	\$25,490,536		
Commercial	87,191	\$17,334,872		
Residential	693,101	\$18,304,605		
Total	780,292	\$35,639,477		

Contributions to Scholarship Organization Tax Credit Changes

Section 7 of the article increases the program cap on the State's contribution to scholarship organizations tax credit from \$1.5 million annually to \$1.6 million. The credit is offered to businesses that contribute to scholarship organizations for non-public K-12 schools in Rhode Island. Contributors may claim a 75.0 percent credit for donations for a one-year contribution, and up to 90.0 percent in cases where the contribution is made in two consecutive fiscal years. The credits are capped at \$100,000 per business, per fiscal year, and under current law, \$1.5 million statewide in any given fiscal year. The Division of Taxation issues tax credit certificates to qualifying companies. The credit may be used towards personal income and business taxes. The increase would result in a \$100,000 loss in FY2024.

Tangible Tax Changes

Section 1 and 8 of the article combine to provide for a new state aid program that reimburses municipalities the foregone revenue associated with a new statewide tangible property tax exemption. Tangible personal property (TPP) comprises property that can be moved or touched, and commonly includes items such as business equipment and furniture. According to the Rhode Island League of Cities and Towns, tangible property taxes place significant compliance burdens on both small businesses and municipalities. Large amounts of resources are allotted by municipalities to the collection of TPP taxes, the bulk of which is from very small tax liability amounts.

- **Article 4 Changes:** Section 1 of the article makes the following changes:
 - **Exemption:** Exempts the first \$50,000 in tangible property value from the TPP statewide, as of the assessment date of December 31, 2023. The exemption does not apply to public service corporations or certain renewable energy resources and associated equipment. All ratable tangible personal property valued above \$50,000 remains taxable. The change is estimated to positively impact 30,152 business, or 75.0 percent of taxpayers.
 - **New State Aid Program:** Establishes a state aid program within the Department of Revenue's Division of Municipal Finance (DMF) for the purpose of reimbursing municipalities the amount of forgone revenue related to the new exemption.
 - **Reimbursement:** DMF will reimburse municipalities 100.0 percent of the revenue foregone due to the exemption that would have been collected for FY2025. No adjustments are made to this baseline in future fiscal years. Reimbursement payments are to be made by September 30th of each year. Reimbursements will not be made until a municipality or fire district has provided DMF with its certified tax roll and any other required information.

- **Existing Exemptions:** Existing tangible property tax exemptions established by municipalities and fire districts are disregarded for the purpose of reimbursement (if they were not the state aid reimbursement amount would include the revenue loss resulting from such pre-existing exemptions).
- **Cap:** Tangible personal property tax rates would be capped at the rate in effect in the tax year ending December 31, 2022
- **Other Limitations:** Tangible tax rates would be disregarded for purposes of compliance with limitations on the extent to which the effective tax rate of one class of property may exceed that of another and for requirements that the same percentage rate change be applied across property classes from one year to the next.
- **Related Article 1 Changes:** The Budget provides \$28.0 million in general revenue within the Department of Revenue in FY2024 for the new state aid program with the provision that any unused funds be subject to automatic reappropriation to the following fiscal year (This provision ensures that funds available now are reserved for FY2025, when the program’s first impact will occur).

Litter Control Permit Repeal

Section 4 of the article repeals portions of the Taxation of Beverage Containers, Hard-to-Dispose Material, and Litter Control Participation Permittee Act (RIGL 44-44) enacted in 1984 originally enacted to provide funding for a litter reduction and recycling program. Under the act establishments that sell food and/or beverages on a takeout or to go basis must obtain a litter control participation permit and to pay a fee based on prior year gross receipts. The Budget eliminates the permit requirement and the fee. Based on a January 1, 2024, effective date, this initiative is expected to produce a revenue loss of \$815,564 in FY2024.

ARTICLE 5: RELATING TO ENERGY AND ENVIRONMENT

This article modifies laws governing the state energy efficiency and renewable energy fund programs.

Regional Greenhouse Gas Initiative Act

The Regional Greenhouse Gas Initiative (RGGI) is a cooperative effort by Northeastern and Mid-Atlantic states that requires member states to reduce carbon dioxide (CO₂) emissions from large fossil fuel-fired electric power plants to help address climate change. Central to this initiative is the implementation of a multi-state “cap-and-trade” program with a market-based emissions trading system. The increase in funds is a result of the regional carbon market auctions. The annual RGGI proceeds fluctuate based upon the pricing from the quarterly competitive auctions with regulated energy users within New England and Mid-Atlantic States. OER received more revenues than in past RGGI auction program years.

This section provides that commencing January 1, 2024, and thereafter, auction allowance proceeds in excess of \$4.5 million, but limited to \$1.5 million per year, will be transferred to the Office of Energy Resources (OER) for the purpose of funding Executive Climate Change Coordinating Council’s (EC4) climate change related initiatives.

Utility Base Rate

The article amends several sections of RIGL 39-2-1.2 regarding the State’s energy efficiency fund programs:

- **Energy Efficiency Resources Management Council and Office of Energy Resources:** The article requires the Public Utilities Commission to allocate from the administrative funding amount, which is three percent of the gas and electric demand side-management funds, as follows: not more than 40.0 percent to the Energy Efficiency Resources Management Council, and 60.0 percent to the Office of Energy Resources for administrative costs. The article provides the Office of Energy Resources with exclusive authority to direct the use of its funds.

- **Administration of Demand-Side Management Programs:** Requires the Office of Energy Resources (OER) in coordination with the Energy Efficiency and Resource Management Council (EERMC), and in consultation with the Division of Public Utilities and the Public Utilities Commission (PUC), to issue a request for proposal for the cost-effective administration and implementation of the gas and electric energy efficiency program no later than September 30, 2023. The draft request for proposal shall be reviewed publicly through a technical session at the PUC but shall not require PUC approval. The electric and/or gas company is not prohibited from submitting a bid.

If after the evaluation of bids, the OER, in consultation with the EERMC, determines that the use of a third-party administrator is likely to achieve net benefits, OER will file its recommendation to the PUC. If the PUC determines that the recommended third-party administrator is in the interest of ratepayers, the PUC will provide for full cost recovery for the third-party administrator pursuant to terms of the approved contract which may include performance metrics. If the PUC does not recommend a third-party administrator, the gas and electric utility shall continue to administer the state's energy efficiency programs.

After January 1, 2025, OER may issue additional requests for proposals for the administration and implementation of the state's energy efficiency programs.

After June 1, 2024, if the state energy efficiency programs are administered by a third-party administrator, the Public Utilities Commission will direct the electric and gas distribution company to collect and transfer the gas and electric energy efficiency funds to the third-party administrator, and transfer the annual administrative funds to OER and the Energy Efficiency Resources Management Council (EERMC).

The third-party administrator will be required to design and develop the annual state energy efficiency program with OER and EERMC.

2021 Act on Climate

The article establishes a restricted receipt account within the Department of Administration titled Regional Greenhouse Gas Initiative (RGGI) Executive Climate Change Coordinating Council Projects, for the collection of receipts and expenditures allocated pursuant to RIGL 23-82-6(7) regarding RGGI auction allowance proceeds.

ARTICLE 6 - RELATING TO HOUSING

Article 6 elaborates on the powers and duties of the Department of Housing and its Secretary, outlines a new subsidiary of RIHousing, and establishes a new housing tax credit program.

New Powers and Authority for the Secretary of Housing

The article empowers the Secretary of Housing with the following authority:

- Purchasing, taking, receiving, leasing, or acquiring real or personal property.
- Accepting gifts, grants, or loans of funds or property, financial aid from the federal government, the state, or other agency.
- Negotiating and entering into contracts and agreements that advance the objectives of the Department of Housing.
- Supervising the work of the Department and act as its chief administrative officer.
- Coordinating the administration and financing of departmental divisions.
- Serving as the Governor's chief advisor, liaison, and contact on housing, homelessness, and community development.

- Coordinating all housing, homelessness, and community development programs of the State of Rhode Island and its departments, agencies, commissions, corporations, and subdivisions (including municipalities).
- Employing staff and contracted services to perform duties and responsibilities of the Secretary.
- Overseeing and directing administration of funds appropriated to the Department.
- Promulgating rules and regulation to implement the duties and responsibilities of the Secretary of Housing and the Department of Housing.

New RIHousing Subsidiary Corporation

The article makes several changes to RIHousing’s authority to establish subsidiary corporations that, ostensibly, enables it to create a subsidiary that is more “proactive” in creating affordable housing. Specifically, the article

- Limits tort liability for RIHousing subsidiary corporations involved in acquiring and developing real estate, including the three-year period to bring an action and a \$100,000 maximum recovery limit per plaintiff.
- Extends the tax exemption status of RIHousing to its subsidiary corporations involved in acquiring and developing real estate.
- The Budget appropriates \$1.4 million in American Rescue Plan Act State Fiscal Relief Funds in FY2024 to support affordable housing investments of the new subsidiary.

Low-Income Housing Tax Credit

The article establishes a Low-Income Housing Tax Credit program to be administered by the Department of Housing. The program allows the Secretary of Housing to grant up to \$30.0 million in tax credits annually to promote development of affordable, low-income housing. The credit may be claimed up to five years and be used against general business and income tax liabilities related to qualified projects. The credit may also be redeemed at 100.0 percent of its value and can be sold, transferred, or assigned. **Eligibility:** A developer may be eligible to receive low-income housing tax credits only if it has an ownership interest in and undertaking a project that is (1) located in Rhode Island, (2) is officially qualified as a low-income housing project under the federal Low-Income Housing Tax Credit program (authorized by Internal Revenue Code §42 – the program requires that the housing development’s tenant’s income and its gross rents meet specific levels), and (3) has restricted rents.

- **Administration:** The article outlines to varying degrees of detail, the administration of the Low-Income Housing Tax Credit program.
 - **Application:** To be considered for a tax credit, a developer has to apply to the Secretary and demonstrate that its project meets the qualifications and criteria of the program.
 - **Review and Awards:** The process of awarding the tax credits is to be done competitively, based upon criteria determined by the Secretary. Projects may be awarded low-income housing tax credits regardless if they are also receiving other state incentives or credits. Upon reviewing a successful application, the Secretary issues an “Eligibility Statement” (ES) for the application that certifies that the project qualifies for the program and indicates the annual amount of tax credits allocated to the project. The developer and the Secretary also entered into a Tax Credit Agreement that requires that the project be operated as low-income housing for at least 30 years. This agreement is filed as an affordable housing restriction in the municipality in which the project is located. Lastly, the Secretary issues tax credit certificates in the amount of the determined award.
 - **Use of Credits:** Taxpayers may claim credits up to five years and be used against general business and income tax liabilities related to qualified projects. To use the credit, it must be attached to the

taxpayer's filing for the tax year it is being claimed in. In the event the credit amount is greater than the tax liability for the year it is being claimed, the balance may be carried over for five years. The credit may also be redeemed at 100.0 percent of its value and can be sold, transferred, or assigned.

- **Recapture:** The federal LIHTC program includes a recapture provision in the event that the project or a portion of it becomes non-compliant. The article mirrors this provision, by requiring state credit recapture in proportion to the federal amount.
- **Reporting Requirements:** The article imposes several reporting requirements on the Department, including
 - **Annual Credits Awarded:** The Department is required to report to the Governor, Finance Committee Chairs, and Fiscal Advisors, the amount of low-income housing tax credits that have been approved during the past fiscal year. The report is due annually on November 1st beginning in 2024.
 - **Tax Credit Agreement Summaries:** The Department must provide the Division of Taxation a summary of any tax credit agreements that it enters into with applicants. The summaries must be publicly available on the Division's website.
 - **Certification:** The Department has 30 days after issuing credits to notify the Division of Taxation and provide copies of all agreements, eligibility statements, and tax credit certificates issued, sold, transferred, or assigned.
- **Fund/Fiscal Impact:** The article establishes a Low-Income Housing Tax Credit restricted receipt fund within the Department of Housing for the purpose of paying for the redemption of credits or reimbursing the state for credits applied to tax liabilities. The program is capped up to \$30.0 million annually; however, there is no per project cap. The Budget includes a \$28.0 million general revenue appropriation for this fund. The article does not explicitly limit the issuance of credits to appropriation levels.
- **Sunset:** The article would authorize the Low-Income Housing Tax Credit program for five (5) years through June 30, 2028.

ARTICLE 7: RELATED TO ECONOMIC DEVELOPMENT

This article expands or adjusts various economic development incentives managed by the Commerce Corporation.

Rhode Island Life Science Hub

Article 7 establishes a new quasi-public corporate entity of the State for the purposes of coordinating state investment and strategy around the life sciences economic sector. Called the Rhode Island Life Sciences Hub (Hub), the entity will be the central body and coordinating organization of life science initiatives in the Rhode Island.

- **Board of Directors:** The Hub will be governed by a 15-member Board of Directors, 7 of which are to be appointed by the Governor, and the Chair of which shall require advice and consent of the Senate. Ex-officio seats on the board are provided for the Secretary of Commerce, presidents of higher education institutions, hospital executives. Life science business, accounting, and labor representation is also provided for. A Director's term is for four years.
- **Procedures:** Eight members constitute a quorum; the Chair must be present for votes on awarding of funds or other investments. Directors can participate in Board meetings remotely. There is no compensation for Directors. An application review committee is authorized to review proposals that come before the Board.

- **Staff:** The Board, with the advice and consent of the Senate, has the authority to hire a Chief Executive Officer. The Board has the authority to hire staff and the Rhode Island Commerce Corporation is directed to provide administrative support to the Hub through at least its first year.
- **Powers and Responsibilities:** The Hub is authorized to be the central coordinating organization in the State for life science initiatives and to work in collaboration with relevant stakeholders and professionals. It is authorized to perform typical corporate functions and responsibilities relative to rules, regulations, insurance and legal requirements, audits and reporting to the General Assembly. It is authorized to receive funding and issue bonds, and to invest these funds to advance life sciences through grants, loans, and other methods. Notably, it is authorized to enter in venture agreements on behalf of the State.
- **Hub Investment Fund:** The article establishes the Rhode Island Life Sciences Investment Fund within the Hub for the purpose of making investments, grants, loans, research and other funding in life science initiatives. The Budget includes \$45.0 million in federal State Fiscal Relief Funds for the initiative in FY2024.

Reauthorization of Incentives

Article 7 reauthorizes the EOC's incentive programs for an additional year by extending the statutory sunset provisions placed on them from December 31, 2023, to December 31, 2024.

Rebuild RI Program Changes

The article makes changes to the Rebuild RI Tax Credit and Sales Tax Exemption 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. Article 7 raises that cap to \$225.0 million. The Budget also includes an additional \$13.0 million in surplus general revenue within the Executive Office of Commerce (EOC) for the program.

Wavemaker

The article expands the Stay Invested in Rhode Island Wavemaker Fellowship program. The program is a competitive student loan reimbursement program for college and university graduates who take employment in science, technology, engineering, and mathematics (STEM) fields in Rhode Island. In 2022, the General Assembly expanded the program to include high-demand healthcare practitioners and mental health counselors. Article 7 expands the program to include teachers and make technical changes to streamline the program across the various eligible professions. The Budget also includes an additional \$800,000 in FY2024 for the program.

Main Street RI Streetscape Improvement Program

The article expands the uses of Main Street RI program funding to include technical assistance and administrative costs. Under current law, the program provides loans, matching grants, and other forms of financing to municipalities and other organizations to upgrade streetscapes in local business districts. Projects include refurbishing facades, improved lighting, and signage. Recipients are required to provide a 30.0 percent match.

Innovation Initiative

The article modifies the Innovation Initiative incentive program by increasing the maximum voucher awards from \$50,000 to \$75,000. The program provides financial assistance to small businesses (under 500 employees) for research and development technical assistance. Under current law awards can range from \$5,000 to \$50,000. Vouchers may be used to pay for: research and technological development; product development; commercialization; market development; technology exploration; and improved business practices/strategies that grow business and create operational efficiencies.

Second Hand Dealers Act

The article exempts second hand dealers engaged in consignment, thrift, and antique selling and purchasing from licensing and public hearing requirements laid out in the Second-Hand Dealers Act. The law would remain in effect for metal and automotive scrapyards.

ARTICLE 8: RELATING TO EDUCATION

This article makes changes to the calculation of education and housing aid, increases the minimum amount of need-based grants for students attending private higher-education institutions by \$300,000 to \$1.8 million, and establishes the Hope Scholarship Pilot program.

Education Aid

The article makes the following changes to education aid:

- **English Learners:** In addition to increasing the weight for each English learner (EL) from 10.0 percent to 15.0 percent, of the core-instruction amount, in FY2024, the per-pupil weight of \$1,188, reflecting 10.0 percent of the \$11,876 core instruction amount, is increased to \$1,781. This amount is then multiplied by the state share ratio. The article also requires the Department of Elementary and Secondary Education (Department) to recommend a funding solution to meet the needs of EL students. The Department is required to report the number of EL students with a family income at or below 185.0 percent of federal poverty guidelines as part of the annual budget submission. In addition, the article eliminates the pro-rata reduction language for this categorical.
- **Poverty Measure:** The article requires the Department to develop and submit, as part of the FY2026 Budget Request, alternatives to identify students with a family income at or below 185.0 percent of federal poverty guidelines. In the meantime, the article codifies that the poverty status will be determined through participation in the supplemental nutrition assistance program (SNAP) as certified through the Department of Human Services, multiplied by a factor of 1.6. However, the House Finance Committee calculation for the share ratio uses two measures, including the SNAP participation, multiplied by a factor of 1.5, and Title 1 qualification multiplied by a factor of 1.7. While the precise calculation of the share the ratio component is unclear, generally the Title I program applies to schools that have low-income population of at least 40.0 percent.
- **Local Contribution:** The Department is further required to report information regarding each district's local contribution to education aid, compare the local contributions to state foundation aid by community, and report compliance to each school committee and town council, as part of the annual budget request.
- **State Share Ratio:** For districts with a poverty status percent greater than 50.0 percent, if the state quadratic mean share ratio for the district is less than the equalized weighted assessed valuation (EWAV), the EWAV value will be used as the state share ratio. In FY2024, this change increases the effective share ratio for Pawtucket from 77.0 percent to 84.9 percent, West Warwick from 66.8 percent to 74.2 percent, and Central Falls from 86.0 percent to 97.2 percent.
- **Poverty Loss Stabilization Fund:** The article establishes the poverty stabilization fund for districts the experience a state share ratio decrease of more than 2.0 percentage points. The fund will provide such districts 50.0 percent of the difference in education aid from the prior year. The Budget funds this item at \$5.5 million in FY2024.
- **Density Aid:** The article eliminates school choice density aid for districts where 5.0 percent or more of the average daily membership (ADM) are enrolled in a charter or state school.
- **High-Cost Special Education:** For High-Cost Special education, the threshold for reimbursements to districts for instructional and related services provided to a student pursuant to an Individual Education Plan (IEP) is lowered from five times the combined core instruction and student success factor funding

to four times the amount, lowering the threshold for reimbursement from \$84,320 to \$67,456 in FY2024.

- **Enrollment Decline:** Districts that experience a reduction in enrollment from the prior fiscal year will receive 40.0 percent of the state aid associated with that decline in the first year, and 25.0 percent of the amount in the next fiscal year. The Budget funds this item at \$19.9 million in FY2024.

School Housing Aid

The article makes the following changes to school construction funding:

- While continuing to cap the total of incentive bonuses available for a project at 20 percentage points, the article removes the cap limiting the increase in a district's state share to one half for projects submitted for reimbursement after July 1, 2023, thereby allowing lower share ratio communities to reach the 20-percentage point cap. This allows minimum share communities to increase their bonus reimbursement from a maximum of 17.5 percentage points to 20.0 percentage points. The Budget includes \$700,000 to fund the estimated cost for FY2024.
- For the temporary share ratio bonus incentives, the article extends the deadline for projects to commence from December 30, 2023 to June 30, 2024, and the completion deadline from December 30, 2028, to June 30, 2029.

Hope Scholarship Pilot Program

The article establishes the Hope Scholarship Pilot program beginning with the high school graduating class of 2023 and students enrolled in Rhode Island College (RIC) as of July 1, 2021, who have attained junior status as of July 1, 2023. The scholarship will cover the cost of up to two years of tuition and mandatory fees for the junior and senior years of the student, or for adult students who have attained at least 60 credit hours. While the eligibility requirements are very similar to the Promise II Scholarship program at the Community College of Rhode Island, students cannot receive an award under both programs. The Budget includes \$4.0 million in general revenue for this program in FY2024.

ARTICLE 9: RELATING TO HUMAN SERVICES

This article modifies current laws governing the Hospital Licensing Fee (HLF); Disproportionate Share Hospitals (DSH) payments; person centered, conflict-free case management for recipients living in Long-term Services and Support (LTSS) and Home and Community Based Services (HCBS) care; and, the effective date of the Community Behavior Health Clinics (CCBHCs).

- **Hospital Licensing Fee (HLF):** The article amends the HLF to bring the fee into compliance with federal Centers for Medicare and Medicaid Services (CMS) requirements. CMS determined that the current two-tiered HLF, which provided lower rates for Westerly and South County, did not comply with the broad based, uniformity and hold harmless provisions in the federal regulations, and, if not resolved, would threaten federal matching funds. The proposal would shift to separate inpatient and outpatient hospital license fees, providing a three-tier structure within each class. The total state share raised from each tax will not exceed 6.0 percent of the net patient revenue for each applicable class. The proposed structure is expected to comply with CMS regulations.
- **Personal Needs Allowance:** For individuals living in nursing homes, the article increases the per-month personal needs allowance (PNA) for from \$50 to \$75. The PNA allows nursing home residents to retain more of their personal income. It is intended to cover expenses not provided by the nursing home, such as haircuts, vitamins, clothing, or snacks. The Budget includes \$570,825 in general revenue and \$719,175 in federal funds (\$1.3 million total) to support this increase.
- **Disproportionate Share Hospitals (DSH):** The article identifies the DSH aggregate limit for FFY2024 as \$14.8 million, and authorizes the Executive Office of Health and Human Services (EOHHS) to amend the state plan for next year's payment. In addition, the base year for calculating the DSH

payment is advance one fiscal year and the uncompensated care index is set at 5.30 percent for FFY2024, which remains unchanged from the FFY2020 level. This section also authorizes EOHHS to submit a state plan amendment to identify the aggregate DSH limit for FFY2024 and update the distribution method.

- **Sherlock Program - Ticket to Work Program:** The article expands the Sherlock Program to allow individuals to go through the federal Ticket to Work program. The Ticket to Work Program helps social security disability beneficiaries, ages 18 through 64 who want to work, progress toward financial independence. There are no income or asset limits for eligibility in this program. The Budget includes \$1.2 million in all funds, including \$548,125 in general revenue, to support this expansion in FY2024.
- **Medicaid Long-term Services and Support (LTSS):** In order to comply with federal regulations, states must separate case management from service delivery functions to ensure person-centered policies for recipients of LTSS in home and community-based centers. Ongoing federal matching funds are in jeopardy under the current Medicaid LTSS system, since a conflict of interest exists for certain providers and case management services are limited or inconsistent. This article is intended to bring Rhode Island into compliance.
- **Certified Community Behavioral Health Clinic (CCBHC):** The article moves the deadline for establishing a CCBHC from July 1, 2023, to February 1, 2024, to give EOHHS and the Department for Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH) time to establish rates consistent with the federal model and to certify providers. The Budget also includes an increase of \$7.2 million in general revenue (\$22.4 million all funds) to administer the CCBHC.
- **Quality Measures:** In addition to other information provided as part of the annual comprehensive overview of Medicaid expenditures outcomes, the article required the Secretary of Health and Human Services to include the quality measures submitted to the Centers for Medicare and Medicaid Services as part of the mandatory annual state reporting.
- **Sliding Scale Benefit Decreases:** As part of the Executive Office of Health and Human Services (EOHHS) FY2024 Budget submission, the article requires the identification of opportunities to remove fixed eligibility thresholds, or “cliffs”, for programs by establishing sliding scale decreases in benefits corresponding to income steps up to 450.0 percent of the federal poverty level.
- **Cedar Services:** The article would authorize EOHHS to seek a waiver amendment to implement an increase to the exiting fee-for-service and managed care rates for the Cedar Family Centers. The Cedar Family Centers provide care management to help families of Children and Youth with Special Health Care Needs (CYSHCN) access support services, including those who are Medicaid eligible through the Katie Becket waiver.
- **Permanent Appendix K Authority:** The article authorizes EOHHS to seek a waiver amendment to allow parents and other relatives of adult Medicaid members with disabilities to be reimbursed for services provided to the adult members who participate in self-directed home and community-based services (HCBS) programs.
- **Personal Care Attendants in Acute Care Settings:** The article authorizes EOHHS to seek a waiver amendment to allow direct support professionals to assist HCBS beneficiaries who are receiving care in a hospital acute-care setting.

ARTICLE 10: RELATED TO MAKING REVISED 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 15,463.5 FTE positions, reflecting a net increase of 8.0 FTE positions, as compared to the authorized level set in the FY2023 Budget as Enacted.
- Details Community Service Objective 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.

ARTICLE 11: RELATING TO LEASE AGREEMENTS FOR LEASED OFFICE AND OPERATING SPACE

This article authorizes various lease agreements for office and operating spaces as required by RIGL 37-6-2(d), which requires approval of the general assembly for any new or extended lease agreements meeting certain conditions. Of the proposed leases, four are renewals and one is a new lease agreement.

Department of Human Services - 31 John Clarke Road, Middletown

The article authorizes the Department of Human Services (DHS) to renew a lease agreement with Children and Family Services of Newport County for a five-year period, for 4,400 square feet of office space located at 31 John Clarke Road in Middletown. DHS currently holds a lease agreement with Children and Family Services of Newport County which expires on November 3, 2023. The article provides that aggregate rent for a five-year lease term in the lease agreement will be no greater than \$485,980. The lease is included in the authorization because the length of the lease, inclusive of extensions, meets the five-year threshold outlined in RIGL 37-6-2.

Department of Human Services - 125 Holden Street, Providence

The article authorizes the Department of Human Services (DHS) to begin a new lease agreement with Paolino Properties for a five-year period, with the option of extending the lease for an additional ten years. 125 Holden Street maintains 17,000 square feet of office space which is required for the Departments initiatives to expand services through in-person customer service activities. The article provides that aggregate rent for a five-year lease term in the lease agreement will be no greater than \$2.5 million. The lease is included in the authorization because the value of the lease, inclusive of extensions, exceeds the five-year, and \$500,000 thresholds outlined in RIGL 37-6-2.

Department of Human Services – 1 Reservoir Ave, Providence

The article authorizes the Department of Human Services (DHS) to renew and reorganize its existing lease with First Reservoir, LLC for a five-year period, for 25,000 square feet of office space located at 1 Reservoir Ave in Providence. DHS currently holds a lease agreement with First Reservoir, LLC which expires June 30, 2023. The Article provides an aggregate rent for a five-year lease term in the lease agreement will be no more than \$2.9 million. The lease is included in the authorization because the value of the lease, inclusive of extensions, exceeds the five-year, and \$500,000 thresholds outlined in RIGL 37-6-2.

Department of Children, Youth, and Families – 530 Wood Street, Bristol

The Article authorizes the Department of Children, Youth, and Families (DCYF) to renew a lease agreement with WSA Property, Inc. for approximately 15,693 square feet of office space at 530 Wood Street, Bristol. The property serves as an essential location for one of DCYF’s regional offices, and the current lease is set to expire on July 31, 2023. The article provides the aggregate base rent not to exceed \$1,718,383.50 for a term not to exceed five (5) years. The annual rent during the renewal term is not to exceed \$337,399.50 in years one (1) through three (3) and \$353,092.50 in years four (4) through five (5).

Department of Revenue – 2000 Diamond Hill Road, Woonsocket

The article authorizes the Department of Revenue (DOR) to renew a lease agreement with Woonsocket Mall, LLC for a term not to exceed five years. The DOR currently holds a lease agreement with Woonsocket Mall, LLC for an approximately 4,877 square foot space located at 2000 Diamond Hill Road, Woonsocket which expires on November 30, 2023. The space is used as a satellite customer services center for the Division of Motor Vehicles. The article provides that the annual base rent for a five-year lease term in the lease agreement shall not exceed \$78,519.70 annually

ARTICLE 12: RELATING TO PENSIONS

The article amends RIGL 16-16-40, 36-10-35, and 45-21-52, by striking the provision suspending the cost of living adjustment (COLA) for retired teachers, state employees, and municipal employees until the funded ratio of the State’s retirement trust funds in aggregate exceed 80.0 percent and replaces this suspension with a new annual fractional COLA adjustment equal to 25.0 percent the COLA declared in the plan year for retired teachers, state employees, and municipal employees. In addition, the article strikes the provision that establishes an interim COLA given to retirees every four years based on investment performance and inflation until the funded ratio exceeds 80.0 percent.

The article requires the General Treasurer to convene a working group that may be comprised of Treasury staff, actuaries, public union representatives, pension advocacy groups, and financial and investment professionals, to analyze and review the impacts of the Rhode Island Retirement Security Act of 2011 (RIRSA) on the State Retirement System and on the System’s current and retired members, and report the findings, recommendations, and proposed options for consideration, on or before March 1, 2024, to the Governor, Speaker of the House and President of the Senate.

ARTICLE 13 - RELATING TO EFFECTIVE DATE

This article provides that the Act will take effect on July 1, 2023, except as otherwise provided herein.

Senate Fiscal Office

Stephen H. Whitney

Senate Fiscal Advisor

Emmery Brakke-Lautman

Legislative Fiscal Analyst I

Arts Council
Behavioral Healthcare, Developmental
Disabilities, and Hospitals
Children, Youth, and Families
Child Advocate
Mental Health Advocate

Robert C. Bromley

Senior Legislative Fiscal Analyst

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

Kelly M. Carpenter

Senior Legislative Fiscal Analyst

Atomic Energy Commission
Coastal Resources Management Council
Elementary and Secondary Education
Environmental Management
Executive Office of Health and Human Services
Health & Educational Building Corporation
Higher Education
Judiciary
Narragansett Bay Commission
Resource Recovery Corporation
RI Infrastructure Bank
Student Loan Authority

MaKenzie Pratt

Legislative Fiscal Analyst I

Business Regulation
Commission on Deaf and Hard of Hearing
Ethics Commission
Health
HealthSource RI
Human Services

David Schultz

Legislative Fiscal Analyst I

Attorney General
Corrections
Labor and Training
Public Defender
Public Safety
RI Airport Corporation
RI Public Transit Authority
RI Turnpike & Bridge Authority
Transportation

David Tremblay

Deputy Senate Fiscal Advisor

Executive Office of Commerce
Department of Housing
Legislature
Revenue
RI Commerce Corporation
RIHMFC (RI Housing)