

House Fiscal Advisory Staff

2015-H 5900 Substitute A As Recommended by the House Finance Committee



Submitted to the 2015 House of Representatives

House Committee on Finance

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Introduction

Introduction

This document provides information concerning the FY 2016 budget contained in 2015-H 5900, Substitute A as passed out of House Finance Committee on June 9. The sections that follow contain descriptions of the Committee's recommended changes to the Governor and current law. Section I, beginning on page 3, is a short summary of the budget.

Section II, beginning on page 17, presents the changes to the Governor's recommendations for FY 2016 introduced and referred to House Finance on March 13. It is followed by explanations of the items in the table. The explanations are numbered to correspond to the item numbers shown in the table.

Section III, beginning on page 43, contains State Aid to Cities and Towns and Education Aid. Both of these reports contain comparison tables to FY 2015.

Section IV, beginning on page 75, contains the changes to the Governor's revised budget which was included as Article 10 of 2014-H 5900. It is followed by explanations of the items in the table. The explanations are numbered to correspond to the item numbers shown in the table.

Section V, beginning on page 90, contains summary tables of general revenues by source, expenditures by agency by fund source, and full-time equivalent positions. The expenditure and full-time equivalent positions tables show values for the FY 2015 enacted budget, the final FY 2015 budget as reported by the House Finance Committee, the Governor's FY 2016 recommendations and the House Finance Committee's recommendations.

Section VI, beginning on page 103, contains brief descriptions of the articles contained in 2015-H 5900, Substitute A.

The names and telephone numbers of the House Fiscal Staff are listed below by their assignments. Please feel free to allow staff to assist you with any questions you may have concerning the budget.

General Government Agencies

Analyst and Phone Number (222)

Department of Administration	Chantale Sarrasin (2485)
Department of Business Regulation.....	Chantale Sarrasin (2485)
Executive Office of Commerce.....	Chantale Sarrasin (2485)
Department of Labor and Training	Stephanie Loven (3876)
Department of Revenue	Abby E. McQuade (1303)
Legislature.....	Liza Pinto (2059)
Office of the Lieutenant Governor	John H. Hart (1386)
Office of the Secretary of State.....	John H. Hart (1386)
Office of the General Treasurer	Liza Pinto (2457)
Rhode Island Board of Elections	John H. Hart (1386)
Rhode Island Ethics Commission	Abby E. McQuade (1303)
Office of the Governor	Chantale Sarrasin (2485)
Rhode Island Commission for Human Rights.....	John H. Hart (1386)
Public Utilities Commission.....	Abby E. McQuade (1303)

Human Services Agencies

Office of Health and Human Services.....	Linda M. Haley (1164)
Department of Children, Youth and Families.....	Jarrood M. Pimentel (1304)
Department of Health	Chantale Sarrasin (2485)
Department of Human Services	Stephanie Loven (3876)
Behavioral Healthcare, Developmental Disabilities and Hospitals	Linda M. Haley (1164)
Office of the Child Advocate	Jarrood M. Pimentel (1304)
Commission on the Deaf and Hard of Hearing	Jarrood M. Pimentel (1304)
Governor’s Commission on Disabilities	Jarrood M. Pimentel (1304)
Office of the Mental Health Advocate.....	Linda M. Haley (1164)

Education Agencies

Department of Elementary and Secondary Education	Stephanie Loven (3876)
Public Higher Education	Liza Pinto (2059)
Rhode Island Council on the Arts.....	Jarrood M. Pimentel (1304)
Rhode Island Atomic Energy Commission	Jarrood M. Pimentel (1304)
Rhode Island Higher Education Assistance Authority	Liza Pinto (2059)
Historical Preservation and Heritage Commission.....	Abby E. McQuade (1303)

Public Safety Agencies

Office of the Attorney General	Linda M. Haley (1164)
Department of Corrections	Liza Pinto (2059)
Judicial Department.....	Liza Pinto (2059)
Military Staff.....	Jarrood M. Pimentel (1304)
Rhode Island Emergency Management Agency	Jarrood M. Pimentel (1304)
Department of Public Safety	Abby E. McQuade (1303)
Office of the Public Defender.....	John H. Hart (1386)

Natural Resources Agencies

Department of Environmental Management.....	John H. Hart (1386)
Coastal Resources Management Council	John H. Hart (1386)
Clean Water Finance Agency.....	John H. Hart (1386)
Narragansett Bay Commission.....	John H. Hart (1386)
Rhode Island Resource Recovery Corporation	John H. Hart (1386)

Transportation Agencies

Department of Transportation	Sharon Reynolds Ferland (1163)
Rhode Island Public Transit Authority	Sharon Reynolds Ferland (1163)
Rhode Island Airport Corporation	Sharon Reynolds Ferland (1163)

Section I Overview

Summary

	FY 2015 Enacted	FY 2015 Committee	FY 2016 Recommended	FY 2016 Committee
Expenditures by Function*				
General Government	\$ 1,513.4	\$ 1,518.4	\$ 1,394.0	\$ 1,433.9
Human Services	3,743.1	3,720.4	3,751.3	3,719.6
Education	2,360.9	2,351.8	2,399.6	2,408.3
Public Safety	528.8	534.5	525.1	534.7
Natural Resources	108.8	116.6	98.8	105.0
Transportation	525.1	489.5	458.9	463.8
Total	\$ 8,780.2	\$ 8,731.2	\$ 8,627.6	\$ 8,665.3
Expenditures by Category*				
Salaries and Benefits	\$ 1,581.2	\$ 1,603.9	\$ 1,626.1	\$ 1,638.9
Contracted Services	280.9	341.9	283.4	282.1
Subtotal	\$ 1,862.1	\$ 1,945.8	\$ 1,909.5	\$ 1,921.0
Other State Operations	794.4	805.6	757.4	775.9
Aid to Local Units of Government	1,205.2	1,197.7	1,232.1	1,249.1
Assistance, Grants, and Benefits	4,069.2	3,971.9	3,984.3	3,961.8
Capital	412.5	386.4	315.9	335.4
Capital Debt Service	279.0	247.5	202.4	203.5
Operating Transfers	157.8	176.3	226.0	218.5
Total	\$ 8,780.2	\$ 8,731.2	\$ 8,627.6	\$ 8,665.3
Sources of Funds*				
General Revenue	\$ 3,445.2	\$ 3,476.6	\$ 3,491.6	\$ 3,552.9
Federal Aid	3,086.5	3,051.2	3,003.1	2,946.2
Restricted Receipts	283.1	283.6	239.4	245.5
Other	1,965.4	1,919.7	1,893.5	1,920.7
Total	\$ 8,780.2	\$ 8,731.2	\$ 8,627.6	\$ 8,665.3
FTE Authorization	15,086.0	15,100.7	15,119.4	15,118.4

**Data in millions*

Summary

The Governor's budget recommendations for FY 2016, along with her revisions to the FY 2015 enacted budget, are contained in 2015-H 5900, introduced on March 13, 2015. The Governor signed 2015-H 5264 on February 9 that extended the submission date 35 days to March 12.

The 2004 Assembly amended the budget submission dates for the budget to be due on the third Thursday in January, or the first Thursday in February when a new Governor takes office. In prior years, it had been due the third Thursday in February. Governor Raimondo has included a proposal contained in Article 14 to revert to the pre-2004 submission schedule with an extra month for new Governors.

The Governor recommended a total FY 2016 budget of \$8,627.6 million. Total expenditures decrease \$152.6 million from the FY 2015 budget enacted by the 2014 Assembly, or 1.7 percent. Her FY 2015 revised budget totals \$8,839.5 million; FY 2014 expenditures were \$8,470.2 million.

The Governor's Budget includes \$3,491.6 million of expenditures funded from general revenues, \$46.5 million, or 1.3 percent more than the enacted general revenue funded budget. They are also \$3.2 million more than her revised recommendations.

The House Finance Committee recommends total expenditures of \$8,665.3 million, which is \$37.7 million more than the Governor recommended. It contains \$3,552.9 million from general revenues, which is \$61.3 million more than the Governor recommended.

FY 2016	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2015 Enacted	\$ 3,445.2	\$ 3,086.5	\$ 283.1	\$ 1,965.4	\$ 8,780.2
Governor	3,491.6	3,003.1	239.4	1,893.5	8,627.6
Change to Enacted	\$ 46.5	\$ (83.4)	\$ (43.7)	\$ (72.0)	\$ (152.6)
Percent Change	1.3%	-2.7%	-15.4%	-3.7%	-1.7%
House Finance	\$ 3,552.9	\$ 2,946.2	\$ 245.5	\$ 1,920.7	\$ 8,665.3
Change to Enacted	\$ 107.7	\$ (140.3)	\$ (37.6)	\$ (44.8)	\$ (114.9)
Percent Change to Enacted	3.1%	-4.5%	-13.3%	-2.3%	-1.3%
Change to Governor	\$ 61.3	\$ (56.9)	\$ 6.1	\$ 27.2	\$ 37.7
HFC Change to FY 2015	\$ 76.3	\$ (105.0)	\$ (38.2)	\$ 1.0	\$ (65.9)
Percent Change to FY 2015	2.2%	-3.4%	-13.5%	0.0%	-0.8%
HFC Change to FY 2014	\$ 216.5	\$ 269.6	\$ 23.4	\$ 100.0	\$ 609.5
Percent Change to FY 2014	6.5%	10.1%	10.5%	5.5%	7.6%

General revenue expenditures recommended by the Committee are \$107.7 million, or 3.1 percent more than general revenues appropriated for FY 2015 by the 2014 Assembly. General revenue expenditures are \$76.3 million more than the FY 2015 revised budget also contained in 2015-H 5900, Substitute A.

The Budget Office estimates that in preparing the FY 2016 budget, the Governor faced a projected revenue-expenditure gap of about \$190 million. This was higher than the House Fiscal Staff projections partially because the Budget Office calculated a higher number based on fully funding FY 2015 employee raises that the Assembly's budget assumed would be absorbed through turnover and other savings. Additionally that gap grew because of projected overspending during FY 2015 only partially offset by increased resources from the FY 2014 closing and November 2014 consensus revenue estimates.

The Governor's budget appears to have resolved a significant majority of this gap with reductions to spending in human service agencies which appear to be structural in nature. Almost a third of the deficit is resolved through one-time items and there are other changes for which there are growing out-year costs, notably the phasing-in of several revenue reductions.

The House Finance Committee's Budget does not resolve the out-year budget gaps, though like the Governor's budget, it does include significant investment in programs designed to position the state for more growth than currently assumed in the five-year economic forecast. It also allows for the full impact of two revenue reduction proposals to occur in FY 2016 that the Governor had proposed be phased in over a number of years. This limits the number of items for which there are growing out-year costs compared to the Governor's budget. Additionally, because of the significant increase in

available resources in FY 2015 following the May revenue and caseload conferences, a large surplus is carried forward to FY 2016. These one-time funds were first used to substitute for most of the one-time resources the Governor had proposed using to balance her budget.

The items that follow represent a selection of items of interest regarding the budget. Additional information is contained in the sections describing the changes to the Governor's budget, budget article explanations and aid reports as well as special reports on tourism tax changes and the pension settlement.

- **Supplemental Pension System Contributions.** The Governor includes legislation removing the requirement that final revenues exceeding budgeted estimates in FY 2014 be transferred to the Retirement System to pay down the unfunded liability. In FY 2014, the final audited closing showed \$14.2 million in excess revenues forcing a \$13.8 million transfer, net of the transfer to the Rainy Day fund. The House Finance Committee recommends permanently removing the requirement.
- **Social Security Retirement Exemption.** The Governor includes legislation that exempts Social Security benefits from state personal income tax for single filers with federal adjusted gross incomes of \$50,000 or less and married joint and qualifying widow or widower filers with federal adjusted gross incomes of \$60,000 or less. Under current law, Social Security benefits are taxable at the state level if they are taxable at the federal level. The Budget assumes a revenue loss of \$3.9 million for FY 2016. The loss annualizes to \$8.0 million for FY 2017. The House Finance Committee limits the exemption to filers who have reached full Social Security Retirement age and increases the exemption to include single filers with adjusted gross incomes of \$80,000 and joint filers with adjusted gross incomes of \$100,000.
- **Cigarette Tax.** The Governor's budget assumes \$7.1 million in revenues associated with proposed legislation to increase the cigarette excise tax by \$0.25, to \$3.75 per 20-pack, effective August 1, 2015. The total price per pack in Rhode Island remains lower than in Massachusetts because of minimum markup provisions. The Office of Revenue Analysis estimates that the final retail price in Rhode Island would be approximately \$0.54 less per pack; it is currently \$0.83 less. The House Finance Committee concurs.
- **Commercial Energy Sales Tax.** The Governor's budget includes legislation to exempt the purchase of energy by commercial users from sales tax. The budget assumes the exemption will be phased in 20.0 percent annual increments over a period of five years until purchases are 100 percent exempt for FY 2020. Under current law, sales of electricity, natural gas, and heating fuels are exempt for residential purchasers and manufacturing businesses. The Budget assumes a revenue loss of \$4.9 million for FY 2016, reflecting the exemption of the first 20.0 percent; the loss grows to \$26.2 million for FY 2020. The House Finance Committee includes the full sales tax exemption of energy purchases by commercial users for FY 2016.
- **Real Estate Conveyance Tax.** The Governor's budget includes legislation subjecting the sale of a controlling interest in a business entity holding real property to the real estate conveyance tax of \$2.30 per \$500 of value. The Budget includes \$0.7 million of associated revenues. The House Finance Committee concurs.
- **State Property Tax.** The Governor proposes legislation establishing a state property tax on real property of \$2.50 per \$1,000 of assessed value on specific non-owner occupied homes and residential properties valued at \$1.0 million or more; her recommended budget assumes \$11.8 million in additional

revenues and an effective date of July 1, 2015. The House Finance Committee does not concur and removes the revenues.

- **Outpatient and Imaging Services Surcharges.** The Governor's budget proposes legislation to eliminate the 2.0 percent surcharge on outpatient and imaging service facilities' net patient revenues over a period of four years, annually decreasing the surcharge in half percent increments. The Budget assumes an associated revenue loss for FY 2016 of \$0.6 million. That grows to \$2.2 million by FY 2019. The House Finance Committee includes the repeal of the surcharge for both facility types and adjusts revenues accordingly.

- **Enterprise Zone Tax Credit.** The Governor proposes the elimination of the Enterprise Zone Tax Credit, applicable to the corporate tax, for FY 2016; the Budget includes associated revenues of \$0.4 million. A qualified business in an enterprise zone is allowed a credit against its corporate income tax liability for wages paid to employees hired to meet the 12 month, 5.0 percent jobs growth requirement. The House Finance Committee concurs with ending the program to new participants but retains it for companies certified through this fiscal year.

- **Anchor Tax Credit.** The Governor's recommended budget includes the creation of a tax credit program establishing a credit of an unspecified amount that may be applied against corporate income tax liability for up to five years by qualifying businesses that have successfully solicited the relocation of a separate business to the state or relocating at least ten employees of that separate business on a permanent basis. The Budget dedicates \$5.7 million from debt refinancing proceeds over two fiscal years for this purpose but the credits do not appear limited to that total, nor is there a cap on the total credits that may be received by an entity. The House Finance Committee concurs but limits the amount available to any one entity and sunsets the program after three years.

- **Tax Increment Financing.** The Governor recommends the creation of a tax increment financing program, under which the Commerce Corporation may contract with developers to develop or redevelop specific areas in qualifying communities in exchange for a portion of state revenues realized as a result of the redevelopment project. The Commerce Corporation would be empowered to calculate realized revenues used in determining payments to developers. The House Finance Committee concurs.

- **Rebuild Rhode Island Tax Credit.** The Governor proposes the establishment of a partially refundable tax credit of up to 30.0 percent of project costs available for capital investment projects. The Budget does not include an FY 2016 impact, as it assumes credits will not be issued until July 1, 2016. The five-year forecast included with the budget projects an FY 2017 revenue loss of \$7.1 million growing to \$25.1 million by FY 2020. The House Finance Committee concurs but caps the total credits that may be awarded to a single project at \$15 million and sunsets the program after three years.

- **Job Creation Tax Initiative.** The budget includes new job creation and development tax incentives for businesses. Qualified businesses may receive credits from \$2,500 up to \$7,500 per new full-time job, subject to certain criteria including the creation of new jobs in targeted industries, jobs created in specific communities, and jobs created by businesses that relocate from out of state. Credits may not exceed the income tax withholdings of the employees in the new jobs. The program will sunset on December 31, 2018; no credits will be assigned to any projects after that date.

- **Debt Restructuring.** The Governor recommends refinancing and restructuring a portion of the state's general obligation bond debt. The Budget assumes a general revenue savings of \$84.0 million over two years, which the Governor proposes to use to fund several economic development initiatives. This assumes use of \$64.5 million in FY 2016 and \$19.4 million in FY 2017. Budget

documents indicate this will increase annual debt service in later years but result in a small net present value savings. The House Finance Committee concurs.

- **First Wave Closing Fund.** The Governor recommends \$5.0 million from the debt restructuring savings to establish a First Wave Closing Fund, which would provide a company with financing to ensure that certain transactions that are deemed critical to the state's economy occur, subject to the Commerce Corporation's Board approval. The House Finance Committee concurs but includes a three year sunset provision.
- **I-195 Redevelopment Project Fund.** The Governor proposes \$25.0 million from the debt restructuring savings to establish a fund to provide developers and businesses with financing for capital investment, including land acquisition in order to promote the development of the land. The Fund would be administered by the I-195 Redevelopment District Commission. The House Finance Committee concurs but includes a three year sunset provision.
- **Streetscape Improvement Fund.** The Governor proposes legislation to authorize the Commerce Corporation to award loans, matching grants and other forms of financing to enhance sidewalks, signage of public space and lighting in order to create an attractive environment in local business districts. The Governor recommends \$1.0 million in FY 2016 and indicates intent to recommend \$1.0 million in FY 2017. General revenue funding comes from debt refinancing. The House Finance Committee concurs but includes a three year sunset provision.
- **Incentives for Tax Stabilization.** The Governor recommends the creation of an incentive program allowing the Commerce Corporation to enter into agreements to reimburse qualifying communities up to 10.0 percent of foregone property tax revenues in exchange for the municipalities' providing developers with tax stabilization agreements for redeveloped and rehabilitated properties. Supporting documents suggest that these would be funded from a pool of \$12.7 million in general revenue funding available from debt refinancing. The House Finance Committee concurs.
- **Affordable Housing.** The Governor proposes \$3.0 million from general revenues from debt restructuring to finance the development of affordable housing. This program will be administered by Rhode Island Housing, which will leverage federal resources and private equity for the program. Previously, the voters approved a total of \$75.0 million from general obligation bonds for the construction of affordable housing units. The House Finance Committee concurs.
- **Small Business Assistance Program.** The Governor recommends \$5.5 million from debt restructuring to establish a Small Business Assistance Program for businesses with less than 200 employees that are having difficulties obtaining financing from traditional lending organizations. Ten percent of the funding must be set aside for a microloan program to be administered by a third party with expertise in microloans. The House Finance Committee concurs but includes a three year sunset provision.
- **Innovation Initiative.** The Governor proposes establishing an Innovation Initiative for small businesses with less than 500 employees to purchase research and development support from the state's institutions of higher education and other providers. The Budget provides \$0.5 million from general revenues from debt restructuring in FY 2016 to create a voucher program that would allow small businesses to earn \$5,000 to \$50,000. The Governor indicates intent to recommend \$0.5 million in FY 2017. The House Finance Committee concurs but includes a three year sunset provision.

- ***Rhode Island Infrastructure Bank.*** The Budget renames the Clean Water Finance Agency as the Rhode Island Infrastructure Bank, expands the Agency's purview to include renewable energy and efficiency projects, and authorizes the Bank to create an Efficient Buildings Fund. The Budget includes \$2.0 million from reprogrammed Energy Revolving Loan funds at the Commerce Corporation and \$3.0 million from the Regional Greenhouse Gas Initiative receipts from the Office of Energy Resources.
- ***Industry Cluster Grants.*** The Governor proposes the creation of an Industry Cluster Grants Program and includes \$2.0 million from the debt restructuring savings, including \$750,000 in FY 2016 for the Commerce Corporation to provide startup and technical assistance grants ranging from \$75,000 to \$250,000; and to provide competitive grants ranging from \$100,000 to \$500,000 for activities within an industry cluster and to close industry cluster gaps. The House Finance Committee concurs but includes a three year sunset provision.
- ***Innovate RI Small Business Programs.*** The Budget includes \$1.0 million from general revenues, doubling enacted funding to support Small Business Innovation Research grants and the Bioscience and Engineering Internship programs. The House Finance Committee concurs and includes changes to the grant program.
- ***38 Studios Debt Service.*** The Governor includes \$8.6 million in FY 2015 for debt service relating to 38 Studios, \$3.7 million less than enacted. This assumes use of settlement proceeds that the Corporation received. The Budget also includes \$12.5 million in FY 2016. The House Finance Committee concurs.
- ***Commerce Corporation - Operations.*** The Governor's budget includes \$7.9 million from general revenues to support general operations of the Corporation. This is \$3.9 million more than enacted. The Budget also includes an additional \$10.0 million from a combination of direct general revenues and hotel tax proceeds redirected from general revenues for a series of programs identified separately in this report. The House Finance Committee recommends \$0.5 million less from general revenues.
- ***High School, College and Employer Partnerships.*** The Governor proposes \$0.9 million to allow the Commerce Corporation to provide funds to support partnerships among high schools, the Community College of Rhode Island, other institutions of higher education, and employers to offer courses towards high school diplomas, internships, and associate degrees. The House Finance Committee concurs.
- ***Building and Fire Permit Initiatives.*** The Commerce Corporation's budget includes \$250,000 from direct general revenues and hotel tax proceeds redirected from general revenues to expedite building permit and fire inspection processes for state supported projects.
- ***Office of Economic Empowerment.*** The Commerce Corporation's budget includes \$0.3 million from direct general revenues and hotel tax proceeds redirected from general revenues to fund a new Office of Economic Empowerment, which would serve as a one-stop shop for individuals to access federal and state benefits, including education, job training, and employment opportunities.
- ***Chafee Center at Bryant.*** The Governor recommends \$376,200 for both FY 2015 and FY 2016, \$250,000 more than enacted in each year to support the Center, which helps local companies initiate and/or develop international trade opportunities. The House Finance Committee concurs.

- **Historic Tax Credit Trust Fund Debt Service.** The Budget include \$21.4 million and \$31.3 million from general revenues in FY 2015 and FY 2016, respectively, to fund debt service for historic tax credits. Funding in the current year reflects a savings of \$10.3 million to reflect a delay in issuance based on project completion and available funds in the Trust Fund.
- **I-195 Commission.** The Budget includes \$1.1 million, including \$0.8 million from general revenues for the I-195 Redevelopment Commission to fund its operations for FY 2016. FY 2015 revised funding totals \$1.2 million. The Budget also includes \$0.5 million in both FY 2015 and FY 2016 for debt service costs of the I-195 land acquisition project.
- **Payment in Lieu of Taxes Program.** The Governor recommends \$35.1 million for the Payment in Lieu of Taxes program that reimburses cities and towns for property taxes that would have been due on real property exempted from taxation by state law. The recommendation is \$5.0 million less than enacted to reflect the one-time nature of funding made available for FY 2015 through refinancing of tobacco bonds. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. The FY 2016 recommended reimbursements reflect 20.75 percent of the value of the foregone tax; the FY 2015 reimbursement reflects 25.4 percent. The House Finance Committee includes an additional \$5.0 million from general revenues in FY 2016. The FY 2016 reimbursements reflect 23.7 percent of foregone revenues.
- **Municipal Building and Fire Code Inspections.** The Budget includes legislation to mandate that projects receiving Commerce Corporation incentives be subject only to state building code and the state fire code with the inspections done by the state.
- **Mandatory Full-Day Kindergarten.** The Governor's budget includes legislation requiring that, beginning in August 2016, all school districts offer full-day kindergarten to every eligible student in order to qualify for any state education aid. The FY 2016 budget includes \$1.4 million in formula aid in the event that full-day kindergarten is implemented in August 2015, one year earlier than mandated, in the seven communities that currently do not have it. The House Finance Committee concurs with the requirement to implement full-day kindergarten by August 2016 and includes the language in Article 6. It also includes additional funding to implement full-day kindergarten, but reduces the amount by \$0.2 million to reflect March 2015 updated enrollment and that funding for districts that have decided to fully implement it are included in the updated formula aid calculation.
- **Transportation Funds.** The education funding formula allows for additional resources from the state to districts for transportation costs. The Governor recommends \$2.4 million for FY 2016 for the fifth year of funding, \$2.0 million less than enacted to reflect her proposal to repeal the requirement that local education agencies provide transportation for students attending private schools. The state currently provides funding to mitigate the excess costs associated with transporting students to out-of-district non-public schools and within regional school districts. The House Finance Committee does not concur and restores the funding.
- **School Construction Aid.** The Governor recommends \$70.9 million to fund projected costs of school housing aid to local districts for FY 2016, which is \$2.8 million more than the final FY 2015 entitlement. Supporting documents indicate the intent for an appropriation of \$80.0 million for FY 2017. The Governor also recommends \$20.0 million from general revenues derived from bond refinancing proceeds in FY 2016 to establish a new capital fund and create a School Building Authority office within the Department of Elementary and Secondary Education to oversee the fund. The House Finance Committee concurs with the \$70.9 million for the existing housing aid program and also

provides \$20.0 million from general revenues and language in Article 9 to create the new housing aid program, though it differs somewhat from the language proposed by the Governor.

- ***Textbook Mandate and Reimbursement.*** The Governor recommends eliminating the requirement that cities and towns provide textbooks for non-public school students and eliminating funding for the limited reimbursements allowed under the program for FY 2016; the enacted budget includes \$240,000. Under current law, the state reimburses districts only for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade. The House Finance Committee does not concur and restores the funding.

- ***Municipal Road and Bridge Fund.*** The Governor's capital budget includes \$15.3 million to be used through FY 2015 for the Municipal Road and Bridge Revolving Fund. This includes \$10.3 million from bond premium proceeds and \$5.0 million from tobacco settlement funds consistent with the approved plan. The House Finance Committee concurs and transfers \$6.4 million of bond premium proceeds that were deposited into the Rhode Island Capital Plan Fund to the Municipal Road and Bridge Revolving Fund on or before June 30, 2015.

- ***Unidentified Statewide Personnel Savings.*** The Governor's budget includes \$22.0 million in general revenue savings from unidentified statewide personnel savings. The Governor plans to negotiate with labor unions to achieve the savings in addition to proposals contained in Article 22, which removes certain protections and parity provisions to provide flexibility on hires, lay-offs and medical benefits. The House Finance Committee recommends \$5.0 million in savings and does not include the proposed statutory changes.

- ***License Plate Reissuance Delay.*** The Governor proposes a one-year delay in the start of license plate reissuance, from FY 2016 to FY 2017. Documents supporting the Governor's recommended budget note that costs associated with implementation are higher than anticipated; however, project costs have not been finalized. The House Finance Committee recommends a delay of ten months; the Budget assumes the Division of Motor Vehicles will begin distributing new plates effective July 1, 2016.

- ***HealthSource RI.*** The Governor proposes a health reform assessment, which would take effect on January 1, 2016 on all health insurance premiums sold inside and outside of the exchange on the small group and the individual markets to support the operations of HealthSource RI. This is estimated to generate \$11.8 million in calendar year 2016, of which \$6.2 million would be used in FY 2016. The assessment would work somewhat differently than the one imposed through a federally facilitated exchange. The House Finance Committee recommends an assessment to be generated in the same way as the federal facilitated marketplace and includes legislation codifying the program. It provides \$2.6 million from general revenues for transition costs.

- ***Division of Advocacy.*** The Governor's budget consolidates the Governor's Commission on Disabilities, the Commission on the Deaf and Hard of Hearing, the Office of the Child Advocate, and the Office of the Mental Health Advocate under a newly created Division of Advocacy within the Executive Office of Health and Human Services. The consolidation would be for administrative purposes only and all agencies would maintain their responsibilities as mandated by current law. The House Finance Committee does not concur and keeps the agencies separate; this is consistent with the Governor's amendment to withdraw the proposal.

- ***Managed Care Plans.*** The Governor's FY 2016 budget includes state expenditure savings of \$4.8 million from a 0.9 percent reduction to the capitated rates that, as projected at the November caseload

conference, would be paid to Neighborhood Health and UnitedHealth for those enrolled in Rlte Care or the Rhody Health Partners programs. Her budget includes \$845.3 million, including \$406.3 million from general revenues for both programs. The net savings is \$4.7 million because it is offset by a \$0.1 million revenue loss in health care premium taxes. The House Finance Committee concurs.

- ***Nursing Facilities Payments.*** The FY 2016 budget includes \$183.8 million for the fee-for-service nursing home payments. The Governor includes savings of \$18.0 million from eliminating the October 1, 2015 nursing home rate increase and a three percent rate reduction. This includes \$8.9 million less from general revenues offset by a \$1.0 million revenue loss in health care taxes. The House Finance Committee includes savings of \$17.7 million, of which \$8.3 million is from general revenues from the rate increase elimination and a two percent rate reduction. The Committee includes total funding of \$180.8 million, including \$91.3 million from general revenues in the fee-for-service program which is \$18.7 million above the FY 2015 enacted level.

- ***Hospital Rates.*** The Governor's FY 2016 budget includes savings of \$31.6 million, including \$15.7 million from general revenues by freezing the inpatient and outpatient rates to the community hospitals for services paid by the state and managed care plans and applying a five percent reduction to those rates. The House Finance Committee includes savings of \$30.9 million, including \$11.7 million from general revenues for the rate freeze and an updated 2.5 percent rate reduction to reflect the May caseload conference estimate.

- ***Hospital Payments.*** The Governor eliminates \$22.6 million, \$11.3 million from general revenues, for the inpatient and outpatient upper payment limit reimbursements to be made to the community hospitals in FY 2016. The House Finance Committee includes \$27.8 million, of which \$13.8 million is from general revenues for the payments. This is consistent with recommendations from the Governor's Reinventing Medicaid workgroup and amendments to restore the payment.

- ***Graduate Medical Education.*** The Governor eliminates the \$1.0 million state payment to Lifespan for graduate medical education activities in FY 2015 and FY 2016. The House Finance Committee does not concur and includes \$1.0 million in FY 2015 and \$2.0 million in FY 2016 to be matched by Medicaid.

- ***Electronic Visit Verification.*** The Governor includes savings of \$5.9 million, \$2.9 million from general revenues, in the Office of Health and Human Services and Department of Behavioral Healthcare, Developmental Disabilities and Hospitals from implementing an electronic visit verification process for home care providers. The House Finance Committee concurs.

- ***Predictive Modeling.*** The Governor includes savings of \$2.0 million, \$1.0 million from general revenues, from addressing fraud, waste and abuse, and identifying Medicaid provider payment reimbursement policies and inconsistencies through the predictive modeling initiative. The House Finance Committee concurs.

- ***Medicaid Program Efficiencies.*** The Governor includes savings of \$4.0 million, \$2.7 million from general revenues, from program efficiencies that include: confirming residency, addressing out-of-plan services in managed care, and shifting state costs to Medicaid or, for certain individuals, Medicare. The House Finance committee concurs.

- ***Unified Health Infrastructure Project.*** The Governor provides state and federal funding totaling \$53.9 million in FY 2015 and \$38.4 million in FY 2016 to support the Unified Health Infrastructure Project. This includes \$8.9 million from general revenues for FY 2015 and \$5.7 million for FY 2016

and dedication of \$4.4 million and \$2.0 million from the Information Technology Investment Fund in FY 2015 and FY 2016, respectively. The House Finance Committee concurs.

- **Services for Adults with Developmental Disabilities.** The Governor includes \$223.7 million in FY 2015 and \$227.9 million in FY 2016 to provide residential and community based support services to approximately 4,200 adults with developmental disabilities in both the state-run and privately operated systems. This includes state support of \$111.7 million in FY 2015 and \$114.1 million in FY 2016. The House Finance Committee adds \$7.8 million, including \$3.9 million from general revenues, based on a January 1, 2014 rate increase for which the full impact was not properly reported or funded. The Committee also includes \$4.0 million, including \$2.0 million from general revenues in FY 2016 for the rate increase. Both actions are consistent with the Governor's budget amendment and not related to services being provided in compliance with the consent decree.

- **Department of Justice Consent Decree.** The Governor's budget adds \$4.0 million, including \$2.0 million from general revenues for direct services for adults with developmental disabilities to comply with the consent decree. The Budget also includes \$725,000 from general revenues to fund other costs related to the consent decree. The House Finance Committee concurs.

- **System of Care.** In FY 2016, the Governor's budget includes \$71.7 million from all sources, including \$52.6 million from general revenues for out-of-home and foster care services provided through the System of Care networks. The revised budget funds services provided through the contracts at \$81.7 million, including \$62.8 million from general revenues. The current contracts expire at the end of FY 2015 with the option to renew for FY 2016. The House Finance Committee concurs.

- **Child Care Rate Increase.** The House Finance Committee increases subsidized child care expenditures by \$2.2 million, including \$1.7 million from general revenues to reflect a 3.0 percent rate increase for all age groups and all child care settings as well as a \$10 increase in the weekly rate paid for infant care.

- **Child Care While in Training.** The House Finance Committee eliminates the June 30, 2015 expiration date and permanently extends the child care program allowing families with income at or below 180 percent of poverty who are participating in certain job readiness programs access to subsidized child care if child care is required for their participation. The Committee's budget includes \$0.2 million from federal sources in the Department of Human Services to fund the program.

- **Meals on Wheels.** The budget adds \$330,000 from general revenues for Meals on Wheels for FY 2016. This is in addition to \$200,000 already provided as a community service grant through the Department of Human Services.

- **Paratransit Expenses.** The Governor's budget includes \$5.7 million from all sources for paratransit expenses in both FY 2015 and FY 2016, which is \$0.5 million less than enacted from general revenues to reflect the utilization of a new vendor contract for managing the state's paratransit system. The House Finance Committee adds \$0.3 million in additional gas tax revenues to reflect the updated per penny yield estimate.

- **Non-Prescribing Boards Consolidation.** The Governor includes a proposal to consolidate all of the non-prescribing health professional boards into a single division within the Department of Health and create a single board of review for appeals, discipline and advisory functions. The budget includes savings of \$0.2 million from the elimination of 2.0 full-time positions. There are 25 professional boards that include a variety of professions, such as dietitians, physical therapists, occupational

therapists, optometrists, social workers and funeral home directors. The House Finance Committee does not concur.

- **Poison Control Center.** The Governor recommends \$150,000 from general revenues in FY 2015 and \$200,000 in FY 2016 to fund the Poison Control Center, which provides assistance and medical diagnosis of poisonings. The House Finance Committee concurs.
- **University Fraternity Circle Infrastructure Project.** The Governor submitted authorization for Assembly approval of \$5.1 million from revenue bonds for improvements to water distribution and storm water management systems, gas, electric, roadways, walkways and parking lots for the University of Rhode Island's fraternity circle. Annual debt service would be \$0.4 million. The House Finance Committee concurs.
- **Rhode Island College Re-Purpose Adams Library.** The Governor's capital budget adds \$12.1 million from Rhode Island Capital Plan funds to the academic buildings renovations project for which the voters approved \$50.0 million from general obligation bonds in 2012. The additional funds will be used to re-purpose areas within Adams Library to accommodate several departments that will be moving there from other buildings in conjunction with the other renovations. The House Finance Committee concurs.
- **Office of Postsecondary Commissioner.** The Governor recommends \$2.0 million and 15.0 full-time equivalent positions to staff the Office of Postsecondary Commissioner based on the new Commissioner's request. The House Finance Committee concurs.
- **Need Based Scholarships and Grants.** The Governor recommends eliminating the state's current need based scholarships and grants program and allocating \$10.1 million from tuition savings fees and federal loan reserve funds for a new Last Dollar Scholarship program for students with proven academic performance and financial need to attend Rhode Island's higher education institutions. The House Finance Committee concurs but reserves a portion of these funds for students attending Rhode Island, non-public schools.
- **Dual Enrollment Initiative.** The Governor recommends \$1.3 million from tuition savings fees for a new dual and concurrent enrollment initiative to allow qualified high school students to earn college credit at no cost to the student. The House Finance Committee concurs.
- **Higher Education Assistance Authority Merger.** The Governor's budget reflects the transfer of 15.0 full-time equivalent positions from the Rhode Island Higher Education Assistance Authority to the Office of Postsecondary Commissioner and abolishes the Authority as a stand-alone agency. The House Finance Committee recommends the merger. Remaining direct functions will require fewer staff with the efficiencies provided for in a merger; therefore, the House Finance Committee recommends eliminating 5.0 positions and \$0.8 million; 1.0 position and \$0.3 million would be shifted to the Office of the General Treasurer to administer the CollegeBoundfund.
- **Race to the Top Software Maintenance Contracts.** The Governor's budget includes \$0.6 million from general revenues for several software maintenance contracts that had been created and funded with federal Race to the Top funds; however, Race to the Top funds will expire in FY 2015. The House Finance Committee concurs.

- **Teacher Diversity.** The Governor's budget includes \$250,000 from general revenues for recruiting and training of a more diverse pool of educators to reflect the demographics of the students in high need communities around the state. The House Finance Committee does not concur.
- **Weapons Requalification.** The Budget includes \$0.5 million of general revenue savings by modifying existing statutory language to switch from annual weapons requalification for correctional officers to biennial requalification. The House Finance Committee rejects this proposal.
- **Judicial Case Management System.** The House Finance Committee recommends use of \$1.5 million for FY 2015 and \$0.9 million for FY 2016 from the Information Technology Investment Fund for the Judiciary's case management system.
- **Veterans Court.** The House Finance Committee recommends legislation to increase the number of District Court judges from 12 to 13 and would establish the veterans' treatment calendar in the District Court. The Veterans' Court is currently operating; however, the legislation officially establishes this court in statute by adding language regarding the purpose and execution of the Veterans' Court calendar. The House Finance Committee adds 1.0 full-time equivalent position and \$234,000 for the new judge position.
- **56th State Police Training Academy.** The Budget delays the start of the 56th State Police Training Academy to February 2016; an anticipated 30 trainees will be sworn into the State Police in July 2016. The Budget includes savings of \$1.8 million from the delay to FY 2017. The House Finance Committee recommends increasing the Academy class size to 40 trainees.
- **State Police Pay-Go Pension Trust Fund.** The Governor includes \$1.0 million of general revenue savings for FY 2016 from the establishment of a trust fund to pay for State Police pay-go pensions. Sworn members hired prior to July 1, 1987 were not required to contribute to their pensions, which are funded through an annual appropriation. She recommends an initial deposit of \$15.0 million from Google forfeiture funds to seed the trust. The House Finance Committee concurs.
- **Commercial Feed Registration Fee Increase to Local Agriculture and Seafood Program.** The Budget increases the commercial feed registration fee from \$60 to \$100 per year, per product. The increase would be deposited as restricted receipts into the Local Agriculture and Seafood Small Grants and Technical Assistance Fund. Sixty dollars of the fee would still be deposited into the state General Fund, consistent with the current practice. The House Finance Committee does not concur and instead includes \$0.1 million from general revenues for the Local Agriculture and Seafood Program.
- **Rocky Point.** The Governor recommends \$3.7 million from Rhode Island Capital Plan funds in FY 2015 for maintenance and renovations at the approximately 85 acre property formerly known as Rocky Point Park. The work in FY 2015 has included demolition of buildings on the property, which will be followed by a master planning phase and then a phase to develop the property for use as a state park. The House Finance Committee added \$0.2 million for FY 2016 for a feasibility study on the future use and development of the land at Rocky Point.
- **World War II State Park Improvements.** The Budget includes \$1.8 million in FY 2015 and \$0.8 million in FY 2016 from Rhode Island Capital Plan funds to revitalize the currently closed World War II State Park, eliminating the currently empty pond and replacing it with a splash park. The FY 2015 budget includes \$250,000 from general revenues for the first year of the five-year initiative to transfer maintenance and operation of the World War II State Park from the state to Woonsocket following the

completion of the capital project. Because of the delay in the capital project, the Governor's budget shifts the first installment of \$250,000 from FY 2015 to FY 2016.

General Revenue Surplus Statement

The following table shows the general revenue balances as recommended by the House Finance Committee. The Committee recommends an FY 2016 surplus of \$0.5 million, and has an operating deficit of \$118.1 million reflecting use of the FY 2015 surplus. The FY 2016 surplus is revenues minus the transfer to the Budget Reserve Fund minus expenditures. It represents the gap between useable revenues and expenditures. The budget reserve and cash stabilization account, the "rainy day fund" would have ending balances of \$176.7 million in FY 2014, \$179.6 million in FY 2015, and \$180.0 million in FY 2016. The account receives 3.0 percent of general revenues plus free surplus.

	FY 2014	FY 2015	FY 2016
Opening Surplus			
Free Surplus	\$ 104,119,715	\$ 67,806,737	\$ 118,565,420
Reappropriated Surplus	7,052,524.0	7,378,665	-
Subtotal	\$ 111,172,239	\$ 75,185,402	\$ 118,565,420
Revenues			
Enacted/Actual/Estimated	3,416,041,280	3,493,103,389	3,380,181,000
Governor	-	30,919,396	216,941,107
House Finance Committee	-	106,943,805	(52,365,642)
Closing	14,221,136	-	-
Revenues	3,430,262,416	3,630,966,590	3,544,756,465
Cash Stabilization Fund	(106,031,464)	(110,963,200)	(109,899,657)
Total Available Resources	\$ 3,435,403,191	\$ 3,595,188,792	\$ 3,553,422,228
Expenditures			
Enacted/Actual/Estimated	3,336,423,288	3,445,169,968	3,491,628,573
Reappropriations	-	7,378,665	-
Governor	-	35,833,002	-
Assembly	-	(11,758,264)	61,290,983
Total Expenditures	\$ 3,336,423,288	\$ 3,476,623,371	\$ 3,552,919,556
Total Surplus	\$ 98,979,903	\$ 118,565,420	\$ 502,672
Transfers: Accelerated Depreciation,			
Retirement	(23,794,501)	-	-
Reappropriations	(7,378,665)	-	-
Free Surplus	\$ 67,806,737	\$ 118,565,420	\$ 502,672
<i>Operating Surplus/(Deficit)</i>	<i>(5,139,812)</i>	<i>50,758,683</i>	<i>(118,062,748)</i>
Budget Stabilization and Cash Reserve	\$ 176,719,107	\$ 179,591,476	\$ 180,009,689
Percent of Revenues	5.2%	4.9%	5.1%

The budget reserve and cash stabilization account, the "rainy day fund" would have ending balances of \$176.7 million in FY 2014, \$179.6 million in FY 2015, and \$180.0 million in FY 2016. The account receives 3.0 percent of general revenues plus free surplus annually.

Section II

Adjustments to Governor's FY 2016 Budget

FY 2016 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
Revenue Changes						
1	May REC	36,365,267	-	-	-	36,365,267
2	Reinventing Medicaid - Hospital License Fee at 5.862%	12,978,847	-	-	-	12,978,847
3	Nursing Facilities Revenues	117,710	-	-	-	117,710
4	Restricted Receipts	(58,510)	-	-	-	(58,510)
5	Resource Recovery - Restore Scoop	(1,500,000)	-	-	-	(1,500,000)
6	Clean Water Finance - Restore Scoop	(11,000,000)	-	-	-	(11,000,000)
7	Narragansett Bay Comm. - Restore Scoop	(2,800,000)	-	-	-	(2,800,000)
8	Professional Licenses Restored	92,570	-	-	-	92,570
9	RIHEBC - Restore Scoop	(5,000,000)	-	-	-	(5,000,000)
10	RI Airport Corporation - Restore Scoop	(430,000)	-	-	-	(430,000)
11	Tobacco Proceeds to Current Law	(19,000,000)	-	-	-	(19,000,000)
12	Transportation to Current Law	(13,033,333)	-	-	-	(13,033,333)
13	Elimination of State Property Tax	(11,761,679)	-	-	-	(11,761,679)
14	Imaging/Surgicenter Surcharge Repeal - No Phasing	(1,732,200)	-	-	-	(1,732,200)
15	Maintain Enterprise Zone Wage Credits for Existing Recipients	(356,347)	-	-	-	(356,347)
16	Sales Tax on Commercial Energy Repeal - No Phasing	(19,511,024)	-	-	-	(19,511,024)
17	Exempt Soc. Sec. AGIs up to \$80k Single & \$100k Joint (SSNRA)	(5,466,443)	-	-	-	(5,466,443)
18	Minimum Corporate Tax to \$450	(1,620,000)	-	-	-	(1,620,000)
19	Permanent Restructuring of Alcohol Taxes	(7,890,500)	-	-	-	(7,890,500)
20	Twin River Marketing/NTI	(760,000)	-	-	-	(760,000)
	Total	(52,365,642)	-	-	-	(52,365,642)
Expenditures Changes						
Statewide						
21	Pension Settlement	-	-	-	-	-
22	Personnel Savings	17,000,000	-	-	-	17,000,000
Administration						
23	Capital - Cannon Building	-	-	-	225,000	225,000
24	Capital - Chapin Health Lab	-	-	-	(805,000)	(805,000)
25	Capital - DoIT Operations Center	-	-	-	319,000	319,000
26	Capital - Pastore Center Demolition	-	-	-	1,700,000	1,700,000
27	Capital - Pastore Center Medical	-	-	-	738,000	738,000
28	Capital - Pastore Center Parking	-	-	-	800,000	800,000
29	Capital - Replacement of Fueling Tanks	-	-	-	340,000	340,000
30	Capital - State House Energy Management Improvement	-	-	-	346,000	346,000
31	Capital - State Office Building	-	-	-	350,000	350,000
32	Capital - Veterans Land Purchase	-	-	-	250,000	250,000
33	Capital - Washington County Government Center	-	-	-	600,000	600,000
34	Capital - William Powers Building	-	-	-	250,000	250,000
35	Capital - Zambarano Utilities and Infrastructure	-	-	-	1,245,000	1,245,000
36	Capital Consolidation - DEM Personnel	(592,049)	-	-	-	(592,049)

FY 2016 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
37	Community Service Grants	825,000	-	-	-	825,000
38	HealthSource RI - Transition Funding	2,625,841	-	(2,625,841)	-	-
39	Interlibrary Delivery System New Contract	316,000	-	-	-	316,000
40	IT Fund - Case Management & New Unemployment Systems	-	-	1,684,221	-	1,684,221
41	Legal Notices	100,000	-	-	-	100,000
42	Maintain Ombudsman in Office of Regulatory Reform	108,517	-	-	-	108,517
43	RIPTA Operating Support	2,000,000	-	-	-	2,000,000
44	School for the Deaf - Debt Service Shift from FY 2015 Adjustment	1,180,000	-	-	-	1,180,000
Business Regulation						
45	Maintain Ombudsman in Office of Regulatory Reform	(108,517)	-	-	-	(108,517)
Executive Office of Commerce						
46	Community Service Grants	429,142	-	-	-	429,142
47	Corporation Operations	(500,000)	-	-	-	(500,000)
48	Infrastructure Bank	(2,000,000)	-	-	-	(2,000,000)
49	Rebuild RI	2,000,000	-	-	-	2,000,000
Labor and Training						
50	Capital - Center General Roof	-	-	-	256,691	256,691
51	Unemployment Insurance IT System	-	-	(1,635,000)	-	(1,635,000)
52	Child Care While in Training Shift to DHS	(100,000)	-	-	-	(100,000)
Revenue						
53	PILOT to FY 2015 Total	5,000,000	-	-	-	5,000,000
54	License Plates	3,000,000	-	-	-	3,000,000
Lieutenant Governor						
55	Municipal Incentive Grants	(100,000)	-	-	-	(100,000)
Secretary of State						
56	Community Service Grants	15,000	-	-	-	15,000
Office of the General Treasurer						
57	Unclaimed Property	-	-	4,363,915	-	4,363,915
58	CollegeBoundFund Administration (1 FTE)	-	-	-	300,000	300,000
Office of Health and Human Services						
59	Children's Health Account	2,745,707	-	(2,745,707)	-	-
60	Division of Advocacy Reversal	(1,973,138)	(53,125)	(117,343)	-	(2,143,606)
61	Estate Recovery Paralegals (2.0 FTE)	46,920	22,080	-	-	69,000
62	Graduate Medical Education	2,000,000	2,025,765	-	-	4,025,765
63	Health Care Planning and Advisory Council	(150,000)	(150,000)	-	-	(300,000)
64	Hospitals Uncompensated Care Payment	1,534,884	1,540,401	-	-	3,075,285

FY 2016 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
65	Medical Assistance - May Caseload Adjustments	(14,905,244)	(94,762,051)	-	-	(109,667,295)
66	Nursing Facilities - No Increase to Assessment	(290,131)	(293,869)	-	-	(584,000)
67	Nursing Facilities Rate Reduction at 2.0%	1,063,243	1,076,940	-	-	2,140,183
68	Reinventing Medicaid - Operational Efficiencies	(500,000)	(500,000)	-	-	(1,000,000)
69	Reinventing Medicaid - Restore Original Savings	30,626,804	28,305,712	2,745,707	-	61,678,223
70	Managed Care Administration	(500,000)	(500,000)	-	-	(1,000,000)
Children, Youth and Families						
71	Capital - Youth Group Homes Fire Code Upgrades	-	-	-	590,000	590,000
72	Capital - Training School Maintenance Building	-	-	-	535,000	535,000
73	Capital - Training School Repairs and Improvements	-	-	-	1,113,586	1,113,586
74	Reinventing Medicaid - Restore Original Savings	750,000	759,662	-	-	1,509,662
Health						
75	Boards Consolidation Restoration	207,662	-	-	-	207,662
76	Community Service Grants	(12,024)	-	-	-	(12,024)
77	Environmental Health Services Fund Correction	-	2,347,275	(2,347,275)	-	-
78	Health Grant Donations Adjustment	-	-	53,350	-	53,350
79	Turnover	(200,000)	-	-	-	(200,000)
Human Services						
80	Assisted Living State Supplemental Payment	23,914	-	-	-	23,914
81	Cash Assistance Caseload	(296,929)	(506,682)	-	-	(803,611)
82	Child Care Rate Increase	1,700,000	450,000	-	-	2,150,000
83	Child Care While in Training	-	201,550	-	-	201,550
84	Community Service Grants	368,289	-	-	-	368,289
85	Paratransit - Gas Tax Revenue Update	-	-	-	265,497	265,497
86	Reinventing Medicaid - Operational Efficiencies	(500,000)	(500,000)	-	-	(1,000,000)
87	Reinventing Medicaid- Restore Original Savings	250,000	253,221	-	-	503,221
88	Reinventing Medicaid- SSI	301,320	-	-	-	301,320
Behavioral Healthcare, Developmental Disabilities and Hospitals						
89	Community Service Grants	50,000	-	-	-	50,000
90	Reinventing Medicaid - ESH Laundry Services	(150,000)	(150,000)	-	-	(300,000)
91	Reinventing Medicaid - ESH License Fee	137,971	139,319	-	-	277,290
92	Reinventing Medicaid- Restore Original Savings	2,000,000	2,025,765	-	-	4,025,765

FY 2016 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
93	Reinventing Medicaid- RICLAS to Privates	(2,000,000)	(2,025,765)	-	-	(4,025,765)
94	Services for Developmentally Disabled Adults - Adj. for 1/1/2014 Rate Change	2,000,000	2,025,765	-	-	4,025,765
Office of the Child Advocate						
95	Division of Advocacy Reversal	672,273	45,000	-	-	717,273
Deaf and Hard of Hearing						
96	Division of Advocacy Reversal	411,883	-	80,000	-	491,883
Governor's Commission on Disabilities						
97	Division of Advocacy Reversal	383,056	35,459	10,009	-	428,524
Office of the Mental Health Advocate						
98	Division of Advocacy Reversal	508,251	-	-	-	508,251
Elementary & Secondary Education						
99	Capital - Davies HVAC	-	-	-	500,000	500,000
100	Capital - Met School HVAC	-	-	-	3,736,370	3,736,370
101	Channel 36 Transition Grant	(50,000)	-	-	-	(50,000)
102	Community Service Grants	355,000	-	-	-	355,000
103	Department of Justice Settlement	125,000	-	-	-	125,000
104	Education Aid Update	(92,775)	-	-	-	(92,775)
105	Full-Day Kindergarten Incentive	(247,786)	-	-	-	(247,786)
106	Full-Day Kindergarten Pilot	(250,000)	-	-	-	(250,000)
107	Out-of-District Transportation	2,000,000	-	-	-	2,000,000
108	Race to the Top Replacement Funds	(467,334)	-	-	-	(467,334)
109	Race to the Top	-	1,000,000	-	-	1,000,000
110	Teacher Diversity Initiative	(250,000)	-	-	-	(250,000)
111	Textbook Reimbursement	240,000	-	-	-	240,000
112	Turnover	(282,666)	-	-	-	(282,666)
Higher Education						
113	Community Service Grants	311,868	-	-	-	311,868
114	Rhode Island College	300,000	-	-	-	300,000
115	HEAA Downsizing	-	(350,000)	-	(465,610)	(815,610)
116	Capital - URI Asset Protection	-	-	-	2,204,000	2,204,000
117	Capital - URI/RIC Nursing Education Center	-	-	-	400,000	400,000
Historical Preservation & Heritage Commission						
118	Community Service Grants	25,000	-	-	-	25,000
119	National Register of Historic Places	-	20,500	-	-	20,500
Attorney General						
120	Building Renovations	-	-	6,000,000	-	6,000,000
Corrections						
121	Capital - Asset Protection	-	-	-	(250,000)	(250,000)
122	Capital - Intake Service Center Renovations	-	-	-	(200,000)	(200,000)

FY 2016 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
123	Capital - Women's Roof, Masonry and General Renovations	-	-	-	250,000	250,000
124	Capital - Medium Infrastructure	-	-	-	(1,500,000)	(1,500,000)
125	Weapons Requalification	500,019	-	-	-	500,019
126	Turnover	(350,000)	-	-	-	(350,000)
Judicial						
127	Capital - Noel Shelled Courtroom	-	-	-	3,000,000	3,000,000
128	District Court Judge for Veterans' Court	234,000	-	-	-	234,000
129	Veterans' Court Grant	-	213,416	-	-	213,416
130	Court Technology	-	-	940,500	-	940,500
Public Safety						
131	Fire Training Academy Positions to General Revenues	304,374	-	(304,374)	-	-
132	Federal Funds Adjustments	-	417,715	-	-	417,715
133	10.0 Training Academy Recruits	301,820	-	97,709	-	399,529
Environmental Management						
134	Minimum Wage Increase - Seasonal Recreation Program	(61,231)	-	-	-	(61,231)
135	Capital Consolidation	592,049	-	-	-	592,049
136	Community Service Grants	450,000	-	-	-	450,000
137	Local Agriculture & Seafood Fund	100,000	-	(100,000)	-	-
138	Capital - Natural Resources Offices/Visitor's Center	-	-	-	2,500,000	2,500,000
139	Capital - State Recreational Facilities Improvements	-	-	-	2,141,000	2,141,000
140	Capital - Rocky Point	-	-	-	200,000	200,000
Coastal Resources Management Council						
141	Capital - South Coast Restoration Project	-	-	-	321,775	321,775
Transportation						
142	Gas Tax - DOT Yield Increase	-	-	-	2,956,146	2,956,146
143	Gas Tax - RIPTA Yield Increase	-	-	-	1,497,269	1,497,269
144	Gas Tax - Turnpike and Bridge	-	-	-	537,481	537,481
145	Highway Maintenance Account	-	-	-	(75,751)	(75,751)
146	Transportation to Current Law	-	-	-	33,333	33,333
Total		61,290,983	(56,885,947)	6,099,871	27,204,787	37,709,694

FY 2016 Changes to Governor

Revenue Changes

1. **May REC.** The Revenue Estimating Conference increased the FY 2016 forecast to \$3,416.8 million based on its FY 2015 revisions and the new economic forecast. The estimate is \$36.4 million more than the November estimate and the Governor's proposed budget which includes changes that could not be included in the estimate.
2. **Reinventing Medicaid - Hospital License Fee at 5.862%.** The House Finance Committee includes \$13.0 million in additional revenues from increasing the licensing fee from 5.703 percent to 5.862 percent in FY 2016, consistent with the Governor's requested amendment.
3. **Nursing Facilities Revenues.** The House Finance Committee does not concur with the Governor's recommendation to increase the nursing home assessment from 5.5 percent to 6.0 percent but the Committee did lower from 2.5 percent to 2.0 percent the rate reduction applied to nursing homes. This change added back \$2.0 million in expenditures subject to the assessment, producing \$0.1 million in additional revenue.
4. **Restricted Receipts.** Article 13 exempts several existing restricted receipt accounts from the state's indirect cost recovery charge. The Governor's budget did not assume a fiscal impact; however, based on FY 2014 experience, it appears that this would reduce revenues by \$58,510 and the House Finance Committee adjusts revenues accordingly.
5. **Resource Recovery - Restore Scoop.** The House Finance Committee does not concur with the Governor's recommendation to transfer \$1.5 million from the Resource Recovery Corporation to general revenues by June 30, 2016 and adjusts the revenues accordingly.
6. **Clean Water Finance - Restore Scoop.** The House Finance Committee does not concur with the Governor's recommendation to transfer \$11.0 million from the Clean Water Finance Agency to general revenues by June 30, 2016 and adjusts the revenues accordingly.
7. **Narragansett Bay Comm. - Restore Scoop.** The House Finance Committee does not concur with the Governor's recommendation to transfer \$2.8 million from the Narragansett Bay Commission to state general revenues by June 30, 2016 and adjusts the revenues accordingly.
8. **Professional Licenses Restored.** The Governor's budget assumes a revenue loss of \$0.4 million from a proposal to repeal professional license and permit requirements. The House Finance Committee maintains current law provisions for the following: lifeguards, physical therapist assistant, occupational therapist assistant, athletic trainers and music therapists. This reduces the revenue loss by \$0.1 million.
9. **RIHEBC - Restore Scoop.** The House Finance Committee does not concur with the Governor's recommendation to transfer \$5.0 million from the Rhode Island Health and Educational Building Corporation to general revenues by June 30, 2016 and adjusts the revenues accordingly.
10. **RI Airport Corporation - Restore Scoop.** The House Finance Committee does not concur with the Governor's recommendation to transfer \$0.4 million from the Rhode Island Airport Corporation to general revenues by June 30, 2016 and adjusts the revenues accordingly.

11. Tobacco Proceeds to Current Law. The Governor's budget alters the approved distribution of proceeds from the Tobacco Settlement Financing Corporation to allow \$19.0 million to be deposited into the General Fund instead of the Information Technology Investment Fund. The House Finance Committee maintains the current law distribution and adjusts revenues accordingly.

12. Transportation to Current Law. The House Finance Committee does not concur with the Governor's proposal to delay the transfer of \$13.0 million of transportation related fees collected by the Division of Motor Vehicles to the Department of Transportation.

13. Elimination of State Property Tax. The Governor's FY 2016 recommended budget includes \$11.8 million from the establishment of a state property tax of \$2.50 per \$1,000 of assessed value for non-owner occupied property valued at \$1.0 million or more. The House Finance Committee does not concur and adjusts revenues accordingly.

14. Imaging/Surgicenter Surcharge Repeal - No Phasing. The Governor's FY 2016 recommended budget includes legislation to phase out the surcharge on outpatient and imaging health care facilities, in equal 0.5 percent increments, over a four year period beginning July 1, 2015. The House Finance Committee recommends completely eliminating the surcharge for both facility types, effective July 1, 2015. The total revenue loss associated with the elimination of the surcharge is \$2.3 million, which is \$1.7 million greater than the loss assumed in the Governor's FY 2016 recommendation.

15. Maintain Enterprise Zone Wage Credits for Existing Recipients. The Governor's FY 2016 recommended budget eliminates the Enterprise Zone Wage Tax Credit, effective July 1, 2015, and assumes \$0.4 million in revenues associated with the elimination of the credit. The House Finance Committee does not eliminate the credits but limits them to businesses certified before June 30, 2015.

16. Sales Tax on Commercial Energy Repeal - No Phasing. The Governor's FY 2016 recommended budget phases in the sales tax exemption of electricity, gas, and heating fuel for all other commercial users over a five-year period effective July 1, 2015, in 20.0 percent increments each year. The House Finance Committee recommends wholly exempting the purchase of electricity, gas, and heating fuel for all commercial users, effective July 1, 2015. The total fiscal impact for this exemption is a revenue loss of \$24.4 million for FY 2016, which is \$19.5 million more than is recommended by the Governor.

17. Exempt Soc. Sec. AGIs up to \$80k Single & \$100k Joint (SSNRA). The Governor's FY 2016 recommended budget assumes a loss of \$3.9 million associated with the exemption of Social Security benefits from state personal income tax for single, married, separated, and head of household filers with federal adjusted gross incomes of \$50,000 or less and married joint and qualifying widow or widower filers with federal adjusted gross incomes of \$60,000 or less.

The House Finance Committee recommends limiting exemption to filers at or above the age at which they may collect full or unreduced Social Security retirement income and increasing the exemption to single, married, separated, and head of household filers with federal adjusted gross incomes of \$80,000 or less and married joint and qualifying widow or widower filers with federal adjusted gross incomes of \$100,000 or less. The fiscal impact of the expansion would be a total revenue loss of \$9.3 million for FY 2016, which annualizes to \$19.5 million in FY 2017; compared to the Governor, the loss is \$5.5 million greater for FY 2016 and \$11.4 million greater for FY 2017.

18. Minimum Corporate Tax to \$450. The House Finance Committee recommends reducing the minimum corporate tax from \$500 to \$450 per year, effective January 1, 2016. The fiscal impact for

this reduction is a revenue loss of \$1.6 million for FY 2016; the loss annualizes to \$3.3 million for FY 2017.

19. Permanent Restructuring of Alcohol Taxes. The House Finance Committee recommends making the restructure of alcohol excise taxes and the exemption of retail sales of wine and spirits from sales and use taxes permanent, for an estimated FY 2016 revenue loss of \$7.9 million. This had been scheduled to sunset on June 30, 2015.

20. Twin River Marketing/NTI. The House Finance Committee recommends amending the master contract for Newport Grand to lower the number of full-time equivalent positions required at the facility from 180.0 to 100.0, allowing the facility's operations license to be passed to a successor company, and providing an additional 1.9 percent of net terminal income to the facility for FY 2016 and FY 2017 to be spent on qualified marketing expenditures. The budget assumes an associated revenue loss of \$0.8 million for FY 2016.

Statewide

21. Pension Settlement. The pension settlement contains several changes to the benefits including the cost-of-living adjustment, annual accruals, retirement age as well as changes to the state contribution to the defined contribution plans for certain employees. There is no impact to the FY 2016 budget; the FY 2017 budget would require an additional \$12.6 million from general revenues.

22. Personnel Savings. The Governor's recommended budget includes \$22.0 million in general revenue savings from unidentified statewide personnel savings from negotiations with labor unions in addition to proposals contained in Article 22, which removes certain protections and parity provisions to provide flexibility on hires, lay-offs and medical benefits. The House Finance Committee restores \$17.0 million of budgeted savings. This is based on rejecting the proposed changes, some of which the Governor requested be withdrawn.

Administration

23. Capital - Cannon Building. The capital plan includes a total of \$4.4 million from Rhode Island Capital Plan funds for ongoing repairs and renovations to the Cannon Building. The Governor subsequently requested an amendment to provide an additional \$225,000 in FY 2016 to reflect costs associated with replacing the cooling tower. The House Finance Committee concurs.

24. Capital - Chapin Health Lab. The capital plan includes a total of \$3.1 million from Rhode Island Capital Plan funds to renovate the Chapin Health Laboratory. The Governor requested an amendment to shift total project costs of \$1.1 million, including \$0.3 million from FY 2015 and \$0.8 million from FY 2016 to FY 2018 to reflect a revised project timeline. The House Finance Committee concurs.

25. Capital - DoIT Operations Center. The capital plan includes \$0.3 million in FY 2016 to build a unisex bathroom in the DoIT Operations Center in Warwick, which went through a major renovation in 2011. The Governor requested an amendment to provide an additional \$319,000 in FY 2016 to purchase a generator. The House Finance Committee concurs.

26. Capital - Pastore Center Demolition. The Governor's capital budget includes a total of \$1.7 million from Rhode Island Capital Plan funds in FY 2017 through FY 2019 to demolish the Welcome

Arnold Building and three maintenance facility shops. The House Finance Committee recommends advancing these projects to FY 2016 to reflect the Department's revised timeline.

27. Capital - Pastore Center Medical Rehab. The capital plan includes a total of \$23.8 million from Rhode Island Capital Plan funds for major maintenance and capital repairs for 4 of 14 buildings at the Pastore Center, now under the responsibility of the Division of Facilities Management. The Governor subsequently requested an amendment to add \$0.7 million in FY 2016 to reflect anticipated expenditures. The House Finance Committee concurs.

28. Capital - Pastore Center Parking. The FY 2015 budget includes \$1.4 million from Rhode Island Capital Plan funds to construct additional parking spaces in the Pastore Center. The Department anticipates expenditures of \$1.3 million, \$80,000 less than the budget. The House Finance Committee reduces FY 2015 expenses by \$80,000 to reflect projected expenses. The Committee also recommends advancing \$1.1 million of project costs budgeted in FY 2018 and FY 2019 to FY 2016 and FY 2017 to reflect the Department's revised project schedule.

29. Capital - Replacement of Fueling Tanks. The Governor's capital budget includes \$2.1 million from Rhode Island Capital Plan funds to replace failing tanks at five of the 15 state-owned and operated fueling stations for state vehicles. The Department indicates that within the next six years, all the tanks will be 30 years old. The House Finance Committee recommends an additional \$0.6 million in total project costs, including \$340,000 in FY 2016.

30. Capital - State House Energy Management Improvement. The capital budget includes \$0.4 million from Rhode Island Capital Plan funds in FY 2015 for design and architectural work related to energy management plans for the State House. The Governor requested an amendment to provide an additional \$57,000 in FY 2015 and \$346,000 in FY 2016 to reflect anticipated costs of engineering and architectural services. The House Finance Committee concurs.

31. Capital - State Office Building. The Governor's capital budget includes \$6.3 million from Rhode Island Capital Plan funds to upgrade the heating, ventilation and air conditioning system, elevator repairs, fire code compliance, refurbishing the parking lot and general repairs of the State Office Building, which is currently occupy by the Department of Transportation. The Department of Administration subsequently indicated that \$350,000 would be needed in FY 2016 for interior renovations, to include additional office space. The House Finance Committee concurs and adjusts expenditures accordingly. It also recommends shifting \$0.4 million from FY 2018 to FY 2019.

32. Capital - Veterans Land Purchase. The budget includes \$0.7 million from Rhode Island Capital Plan funds in FY 2015 to make improvements to the land adjacent to the Veterans Memorial Auditorium to be used as a parking lot. The Governor subsequently requested an amendment to provide an additional \$250,000 in FY 2016 for costs associated with environmental remediation. The House Finance Committee concurs.

33. Capital - Washington County Government Center. The Governor's capital budget includes a total of \$2.8 million through FY 2020 for ongoing renovations at the Washington County Government Center, including energy efficiency, adequate and controllable heating and ventilation, and air conditioning. The House Finance Committee provides an additional \$0.6 million in FY 2016 for exterior improvements including windows and roof repair.

34. Capital - William Powers Building. The Governor's five-year plan includes a total of \$2.9 million from Rhode Island Capital Plan funds for ongoing repairs and renovations, such as window

replacement and cooling tower upgrades at the William Powers Building. General renovations include bathroom repairs, security upgrades, painting, and replacing some of the equipment in the kitchen. The Department subsequently indicated that an additional \$250,000 would be needed in FY 2016 for parking lot improvement as well as pothole repairs. The House Finance Committee recommends advancing \$250,000 previously programmed in FY 2017 through FY 2020 to FY 2016.

35. Capital - Zambarano Utilities and Infrastructure. The capital budget includes a total of \$3.9 million from Rhode Island Capital Plan funds for capital repairs to various buildings and equipment at the Zambarano Campus of the Eleanor Slater Hospital in Burrillville. The Governor requested an amendment to provide an additional \$1.4 million, including \$0.1 million in FY 2015 and \$1.2 million in FY 2016 to address environmental remediation issues cited by the Department of Environmental Management, and to replace the roof on the Eleanor Slater Hospital. The House Finance Committee concurs.

36. Capital Consolidation - DEM Personnel. The Governor's Budget consolidates construction, property and asset management functions into the Department of Administration. Funding for the positions is included in the Department of Administration's budget; however, positions are kept in their respective agencies, including the Departments of Behavioral Healthcare, Developmental Disabilities and Hospitals, Environmental Management, Corrections and Transportation. The House Finance Committee concurs with the Governor's requested amendment to shift \$0.6 million from general revenues back to the Department of Environmental Management.

37. Community Service Grants. The House Finance Committee recommends an additional \$0.8 million from general revenues for community service grants. This includes \$0.3 million for the Adams Library, \$0.1 million for the Center for Women and Enterprise, \$0.3 million for Central Falls shared services and \$0.1 million for planning support to Cranston.

38. HealthSource RI - Transition Funding. The House Finance Committee recommends \$2.6 million from general revenues for the operations of HealthSource RI in FY 2016. This funding would be used in conjunction with the health reform assessment, which would be limited to the total amount that would be generated under the federally facilitated marketplace. This assessment is estimated to generate \$7.1 million in calendar year 2016, of which \$3.6 million would be used in FY 2016.

39. Interlibrary Delivery System New Contract. The House Finance Committee provides an additional \$0.3 million from general revenues to reflect costs for the new contract for the interlibrary delivery system, which includes the delivery of books, audio/visual materials and other resources which are shared between and among more than 180 public libraries, academic libraries, state institution libraries, school libraries and other special libraries such as the Rhode Island Historical Society. The new contract costs for delivery services increased from \$6.90 to \$24.53 per stop, effective May 1, 2015 and the Governor requested an amendment to fund the expense.

40. IT Fund - Case Management & New Unemployment Systems. The House Finance Committee recommends use of \$1.7 million in FY 2016 from the Information Technology Investment Fund, including \$0.9 million for the Judiciary's case management system and \$0.8 million for the Department of Labor and Training's new unemployment insurance tax and benefit systems. It should be noted that the House Finance Committee does not concur with the Governor's proposal to alter the distribution of the tobacco settlement funds, allowing sufficient resources to be deposited into the Fund.

41. Legal Notices. The Governor requested an amendment rescinding her proposal to repeal the requirement that legal notices or advertisements be published in newspapers. Her budget included

general revenue savings of \$0.1 million based on that proposal. The House Finance Committee concurs with the amendment and restores the funding.

42. Maintain Ombudsman in Office of Regulatory Reform. The House Finance Committee does not concur with the Governor's recommendation to transfer the small business regulatory enforcement ombudsman from the Office of Regulatory Reform within the Department of Administration to the Department of Business Regulation, and adjusts staffing and funding accordingly.

43. RIPTA Operating Support. The House Finance Committee provides \$2.0 million from general revenues in FY 2016 to the Rhode Island Public Transit Authority.

44. School for the Deaf - Debt Service Shift from FY 2015 Adjustment. The FY 2016 budget includes \$2.3 million from general revenues for debt service payments related to the new School for the Deaf constructed in 2010 for which the 2008 Assembly authorized \$33.3 million from Certificates of Participation. Subsequently, the Budget Office indicated that the debt service schedule requires that \$1.2 million of principal payments budgeted in FY 2015, be paid in FY 2016. The House Finance Committee concurs and adjusts expenditures in both years accordingly.

Business Regulation

45. Maintain Ombudsman in Office of Regulatory Reform. The House Finance Committee does not concur with the Governor's recommendation to transfer the small business regulatory enforcement ombudsman from the Office of Regulatory Reform within the Department of Administration to the Department of Business Regulation, and adjusts staffing and funding accordingly.

Executive Office of Commerce

46. Community Service Grants. The House Finance Committee recommends \$0.4 million from general revenues for four community service grants. This includes an additional \$2,636 for the Bristol 4th of July Parade, \$75,000 to the Maritime Cyber Security Center of Excellence, \$0.2 million for the Rhode Island Composition Alliance and \$0.2 million for the Small Business Administration. The Committee also eliminated a \$10,222 community service grant to the Center to Advance Minority Participation in Construction. The Commerce Corporation indicated that it was unable to reach the Center on numerous occasions. The House Finance Committee eliminates the grant and adjusts expenditures accordingly.

47. Corporation Operations. The House Finance Committee recommends reducing the Commerce Corporation operations for which the Governor recommended \$7.9 million from general revenues by \$0.5 million.

48. Infrastructure Bank. The Governor recommends committing \$2.0 million of refinancing proceeds for the new Infrastructure Bank in addition to federal and other sources committed to that initiative. The House Finance Committee does not concur with the general revenues. By excluding the scoop of funding from the Clean Water Finance Agency, sufficient funds exist to accomplish the goals.

49. Rebuild RI. The House Finance Committee recommends setting aside \$2.0 million from general revenues for the Rebuild Rhode Island tax credit program in addition to the \$12.2 million expected to be available from refinancing proceeds in FY 2017 as recommended by the Governor. The program provides credits for a portion of development or construction projects that meet certain criteria.

Labor and Training

50. Capital - Center General Roof. The Governor's capital budget includes \$868,891 from federal funds, restricted receipts and temporary disability insurance funds for repairs and renovations to the roof at the Center General Complex in FY 2015. The Governor requested an amendment to add \$1.0 million in FY 2015 and \$0.3 million in FY 2016 from Rhode Island Capital Plan funds to complete the roof project, as that funding was previously authorized, but inadvertently excluded. The House Finance Committee concurs.

51. Unemployment Insurance IT System. The Governor's FY 2016 recommendation includes \$1.6 million from Job Development Fund restricted receipts for staffing and imaging system upgrades related to the new unemployment insurance tax and benefit system currently being developed. The House Finance Committee excludes the restricted receipt funding; however, the Committee includes \$0.8 million from the Information Technology Investment Fund through the Department of Administration for the imaging system.

52. Child Care While in Training Shift to DHS. The House Finance Committee extends the child care program allowing families with income at or below 180 percent of poverty who are participating in certain job readiness programs access to subsidized child care if child care is required for their participation. The pilot program was due to expire on June 30, 2015. Although there is no specific funding in the Governor's budget, the Department of Labor and Training indicates it set aside \$0.1 million from general revenues allocated to jobs programs in the event it were to continue. The House Finance Committee removes the general revenue funding and provides \$0.2 million from federal Temporary Assistance to Needy Families block grant funds in the Department of Human Services to continue the child care program. This is the appropriate agency given the permanent extension of the program.

Revenue

53. PILOT to FY 2015 Total. The House Finance Committee recommends \$40.1 million from general revenues to fund the Payment in Lieu of Taxes program for FY 2016, which is \$5.0 million more than recommended by the Governor and consistent with FY 2015 funding. The recommendation represents a reimbursement of 23.7 percent of the value.

54. License Plates. The House Finance Committee recommends including \$3.0 million from general revenues to provide the Division of Motor Vehicles with sufficient funds to begin production of license plates in FY 2016 and includes Article 4, which postpones the reissuance of the plates from September 2015 to July 2016. Each plate set is anticipated to cost up to \$12.50 to produce; the Department of Revenue anticipates producing approximately 36,500 plate sets per month over a period of 24 months. Current law allows a \$6 per plate fee. License plate design is anticipated to be finalized by January 2016; the Department of Revenue reports that production of the plates will likely commence in April or May 2016. Any unspent funds will be reappropriated to the following fiscal year.

Lieutenant Governor

55. Municipal Incentive Grants. The House Finance Committee does not concur with the Governor's proposal to use \$0.1 million from general revenues for a municipal incentive grants program to be administered by the Office of the Lieutenant Governor.

Secretary of State

56. Community Service Grants. The House Finance Committee recommends adding \$15,000 in FY 2016 for a community service grant to the Newport Historical Society.

Office of the General Treasurer

57. Unclaimed Property. The House Finance Committee recommends adding \$4.4 million for the unclaimed property program, including claims and the transfer to the state for FY 2016 to reflect the estimate of the May Revenue Estimating Conference. This includes a \$1.9 million increase in the transfer to the state General Fund estimated to be \$11.4 million.

58. CollegeBoundFund Administration (1 FTE). The House Finance Committee recommends adding 1.0 full-time equivalent position and \$300,000 from tuition savings fees for costs associated with the Office of the General Treasurer administering the CollegeBound*fund*. The Governor recommends transferring administrative responsibility of the tuition savings program from the Higher Education Assistance Authority to the Office of the General Treasurer; however, her budget did not transfer any funding or positions.

Office of Health and Human Services

59. Children's Health Account. The House Finance Committee does not concur with the Governor's proposal to increase the \$7,500 per child per/per services threshold to \$11,000 for the children's health account assessment and adjusts funding accordingly. This includes adding \$2.7 million from general revenues and reducing restricted receipts by the same amount.

60. Division of Advocacy Reversal. The Governor's budget merges the human services advocacy agencies and creates a Division of Advocacy in the Office of Health and Human Services. She later requested amendments to keep the Office of the Child Advocate, Office of the Mental Health Advocate, Governor's Commission on Disabilities and the Commission for the Deaf and Hard of Hearing as separate agencies and restores the funding. The House Finance Committee concurs.

61. Estate Recovery Paralegals (2.0 FTE). The House Finance Committee does not concur with the Governor's legislation to expand the estate recovery definition but does add two paralegal positions to increase the Office of Health and Human Services' ability to conduct estate recovery collection under current law. The state has the ability to recover costs provided to certain Medicaid clients in a long term care facility.

62. Graduate Medical Education. The House Finance Committee provides \$4.0 million from all funds, including \$2.0 million from general revenues for graduate medical education funding for academic medical centers that meet certain criteria, including designation as Level 1 trauma centers.

63. Health Care Planning and Advisory Council. The House Finance Committee eliminates funding for the council for savings of \$300,000, including \$150,000 from general revenues. FY 2015 funding was awarded to Truven Analytics for the Rhode Island Behavioral Healthcare Analysis and Report Project to provide a comprehensive review of mental health and substance abuse incidence rates, service use rates, capacity and potentially high and rising spending. The report will be submitted in August. Department of Health staff will continue to support council activities.

64. Hospitals Uncompensated Care Payment. The House Finance Committee adds \$3.1 million, including \$1.5 million from general revenues to increase the reimbursement made to the community hospitals for uncompensated care payments based on available federal resources for total funding of \$140.5 million in FY 2016.

65. Medical Assistance - May Caseload Adjustments. The House Finance Committee lowers medical assistance expenses by \$109.7 million, including \$14.9 million from general revenues, to adjust the FY 2016 budget for the May Caseload Conference estimates. This includes \$72.7 million less from federal funds to reflect updated costs related to the Medicaid expansion population.

66. Nursing Facilities - No Increase to Assessment. The Governor's Reinventing Medicaid proposal includes increasing the nursing home assessment from 5.5 percent to 6.0 percent and adds \$0.6 million from all sources, including \$0.3 million from general revenues, to adjust the nursing home rates for the facilities to pay the higher assessment. The House Finance Committee does not recommend the increase to the assessment and lowers expenses by \$0.6 million that would have been used to pay for the higher assessment.

67. Nursing Facilities Rate Reduction at 2.0%. The House Finance Committee restores \$2.1 million from all sources, including \$1.1 million from general revenues to lower the nursing home rate reduction from 2.5 percent to 2.0 percent in FY 2016.

68. Reinventing Medicaid - Operational Efficiencies. The House Finance Committee concurs with the Governor's amendment to recognize savings of \$2.0 million from all sources for operational efficiencies tied to Reinventing Medicaid and includes \$1.0 million, of which \$0.5 million is from general revenues in the Office of Health and Human Services.

69. Reinventing Medicaid - Restore Original Savings. The House Finance Committee concurs with the Governor's amendment to restore \$61.7 million of her original \$191.0 million in savings from Reinventing Medicaid. This includes \$30.6 million of the \$94.5 million in general revenue savings, assumed from the initiative. The final recommendation allocated the savings somewhat differently and was also offset by the use of revenue enhancements and lower medical benefit costs estimated at the May caseload conference.

70. Managed Care Administration. *The House Finance Committee reduces managed care administration funding by \$1.0 million, including \$0.5 million from general revenues to provide \$4.6 million, of which \$2.3 million is from general revenues in FY 2016. The Office spent \$3.8 million in FY 2014 on Managed Care program administration costs and this is also consistent with FY 2015 recommended expenses.*

Children, Youth and Families

71. Capital - Youth Group Homes Fire Code Upgrades. The Governor's capital budget includes \$0.6 million from Rhode Island Capital Plan funds in FY 2015 for fire code upgrades to private group homes and residential facilities. The House Finance Committee recommends shifting funding to FY 2016 as the Department is currently in the process of reevaluating the project.

72. Capital - Training School Maintenance Building. The Governor's capital budget includes \$0.5 million from Rhode Island Capital Plan funds in FY 2015 for a new, pre-fabricated maintenance building to be built on the Rhode Island Training School campus. The Department has since indicated that it is working with the Department of Administration to identify a vacant, state-owned building to

house maintenance operations. The House Finance Committee recommends shifting funding to FY 2016.

73. Capital - Training School Repairs and Improvements. The Governor's capital budget includes \$1.4 million from Rhode Island Capital Plan funds in FY 2015 for various repairs and improvements to the Rhode Island Training School. The House Finance Committee recommends shifting \$1.1 million from FY 2015 to FY 2016 to reflect delays associated with winter weather.

74. Reinventing Medicaid - Restore Original Savings. The House Finance Committee concurs with the Governor's amendment to restore \$1.5 million, including \$0.8 million from general revenues of the Reinventing Medicaid savings, originally taken in the Child Welfare program in FY 2016.

Health

75. Boards Consolidation Restoration. The House Finance Committee does not concur with the Governor's proposal to consolidate all of the non-prescribing health professional boards into a single division within the Department of Health and create a single board of review for appeals, discipline and advisory functions. It maintains the current boards and restores \$0.2 million from general revenues and staffing of 2.0 full-time equivalent positions.

76. Community Service Grants. The enacted budget includes \$12,024 from general revenues for a community service grant to the Rhode Island Blood Center, which the center used for pediatric services including hemophilia and sickle cell anemia. The Department has indicated that the pilot program, which this grant supported, had ended. The House Finance Committee adjusts expenditures accordingly.

77. Environmental Health Services Fund Correction. Subsequent to the budget submission, the Governor requested an amendment to correctly show \$2.3 million of expenditures for the environmental health services program as federal funds; they were inadvertently budgeted as restricted receipts. The House Finance Committee concurs.

78. Health Grant Donations Adjustment. The Department of Health receives multiple donations and grants on an annual basis from non-profit entities for various projects. Subsequent to the budget submission, the Governor requested an amendment to add \$53,350 of restricted receipt funding received from the Alzheimer's Association, the United Way, and the National Association of Chronic Diseases. The House Finance Committee concurs and adjusts expenditures accordingly.

79. Turnover. The House Finance Committee recommends additional general revenue turnover savings of \$0.2 million in the Department of Health. As of the pay period ending May 30, 2015, the Department had 47.7 full-time equivalent positions vacant, or a 9.7 percent vacancy rate.

Human Services

80. Assisted Living State Supplemental Payment. The House Finance Committee concurs with the Governor's requested amendment to add \$23,914 from general revenues in both FY 2015 and FY 2016 to reflect that expenditures for certain assisted living residents are anticipated to be higher than budgeted. The Department makes additional state supplemental payments of \$206 per month to individuals who receive the state supplemental security income payment and live in certain state licensed assisted living facilities.

81. Cash Assistance Caseload. The House Finance Committee recommends a reduction of \$0.8 million, which includes \$0.3 million less from general revenues to adjust the FY 2016 budget for the May Caseload Conference estimates for cash assistance caseloads, including Rhode Island Works, subsidized child care, supplemental security income and general public assistance bridge programs.

82. Child Care Rate Increase. The House Finance Committee increases child care expenditures by \$2.2 million, including \$1.7 million from general revenues to reflect a 3.0 percent rate increase.

83. Child Care While in Training. The House Finance Committee extends the child care program allowing families with income at or below 180 percent of the federal poverty level who are participating in certain job readiness programs access to subsidized child care if child care is required for their participation. The pilot program was due to expire on June 30, 2015. Although there is no specific funding in the Governor's budget, the Department of Labor and Training indicates it set aside \$0.1 million from general revenues allocated to jobs programs in the event it were to continue. The House Finance Committee removes the general revenue funding and provides \$0.2 million from federal Temporary Assistance to Needy Families block grant funds in the Department of Human Services to continue the child care program. This is the appropriate agency given the permanent extension of the program.

84. Community Service Grants. The House Finance Committee recommends adding \$368,289 from general revenues for community service grants administered by the Department. This includes increases of \$125,000 for Day One, \$100,000 for Crossroads, and \$50,000 each for the Boys and Girls Club of Rhode Island, John Hope Settlement House and the Institute for Nonviolence. It also includes \$5,000 for a new grant for the Rhode Island Military Organization Lounge at the T.F. Green Airport and eliminates a \$9,059 community service grant to the Retired Senior Volunteer Association, Inc. since it is in the process of closing and \$2,652 for the Town of North Smithfield's elderly transportation services since it is no longer in operation.

85. Paratransit - Gas Tax Revenue Update. The House Finance Committee concurs with the Governor's requested amendment to add \$0.2 million in FY 2015 and \$0.3 million in FY 2016 from gas tax proceeds for the paratransit program based on the updated May estimate of the gas tax yield and required expenditures for the program. The Governor's budget recommendation was based on the November estimate of revenues.

86. Reinventing Medicaid - Operational Efficiencies. The House Finance Committee concurs with the Governor's requested amendment to reduce expenditures by \$1.0 million, including \$0.5 million from general revenues in the Medicaid eligibility determination division of the Department of Human Services, for savings from the anticipation of identifying new opportunities to achieve operational efficiencies and administrative simplifications throughout the Medicaid programs.

87. Reinventing Medicaid - Restore Original Savings. The House Finance Committee concurs with the Governor's requested amendment to restore the previously broadly identified savings from improved oversight and operational efficiency, such as consistent payment rates and strengthening eligibility determination included in the Governor's recommendation in the Division of Elderly Affairs as part of the reinventing Medicaid work group. The final recommendation allocated the savings somewhat differently. The Committee restores \$0.5 million, including \$0.3 million from general revenues.

88. Reinventing Medicaid – SSI. The House Finance Committee concurs with the Governor's requested amendment to create a state supplemental payment to the federal Supplemental Security

Income payment for certain individuals residing in adult supportive housing that are not currently included. This creates a new category with a payment of \$465 per person per month, \$133 above the state's monthly assisted living payment, at an estimated cost of \$301,320 from general revenues for FY 2016.

Behavioral Healthcare, Developmental Disabilities and Hospitals

89. Community Service Grants. The House Finance Committee adds \$50,000 for a community service grant to support activities at the James L. Maher Center in Middletown.

90. Reinventing Medicaid - ESH Laundry Services. The House Finance Committee concurs with the Governor's amendment to add \$300,000 in savings, including \$150,000 from general revenue, for consolidating laundry services at Eleanor Slater Hospital as part of her Reinventing Medicaid initiative.

91. Reinventing Medicaid - ESH License Fee. The House Finance Committee concurs with the Governor and includes \$6.7 million for the FY 2016 hospital license fee for Eleanor Slater Hospital and increases the Department's budget by \$0.3 million to make the payment. The fee, paid by both the community hospitals and the state, is increasing from 5.703 percent to 5.862 percent with an updated base year. There is also a corresponding revenue adjustment.

92. Reinventing Medicaid - Restore Original Savings. The House Finance Committee concurs with the Governor's amendment to restore \$4.0 million, including \$2.0 million from general revenues, originally taken in the Eleanor Slater Hospital program as part of the Reinventing Medicaid proposal. The final recommendation allocated the savings somewhat differently.

93. Reinventing Medicaid - RICLAS to Privates. The House Finance Committee concurs with the Governor's amendment to include savings of \$4.0 million, of which \$2.0 million is general revenues in the Division of Developmental Disabilities for an initiative to transition the state-run system (RICLAS) to the privately operated system.

94. Services for Developmentally Disabled Adults - Adj. for 1/1/2014 Rate Change. The House Finance Committee adds \$4.0 million from all sources, including \$2.0 million from general revenues in FY 2016 for services provided to adults with developmental disabilities based on a January 1, 2014 rate increase for which the full impact was not properly reported or funded. The funding is consistent with the Governor's budget amendment and not related to services being provided in compliance with the consent decree.

Office of the Child Advocate

95. Division of Advocacy Reversal. The Governor's budget merges the human service advocacy agencies and creates a Division of Advocacy in the Office of Health and Human Services. She later submitted an amendment to keep the Office of the Child Advocate, Office of the Mental Health Advocate, Governor's Commission on Disabilities and the Commission on the Deaf and Hard of Hearing as separate agencies. The House Finance Committee shifts \$0.7 million and 6.0 full-time positions to the Office of the Child Advocate as a stand-alone agency.

Deaf and Hard of Hearing

96. Division of Advocacy Reversal. The Governor's budget merges the human service advocacy agencies and creates a Division of Advocacy in the Office of Health and Human Services. She later

submitted an amendment to keep the Office of the Child Advocate, Office of the Mental Health Advocate, Governor's Commission on Disabilities and the Commission on the Deaf and Hard of Hearing as separate agencies. The House Finance Committee shifts \$0.5 million and 3.0 full-time positions to the Commission on the Deaf and Hard of Hearing as a stand-alone agency.

Governor's Commission on Disabilities

97. Division of Advocacy Reversal. The Governor's budget merges the human service advocacy agencies and creates a Division of Advocacy in the Office of Health and Human Services. She later submitted an amendment to keep the Office of the Child Advocate, Office of the Mental Health Advocate, Governor's Commission on Disabilities and the Commission on the Deaf and Hard of Hearing as separate agencies. The House Finance Committee shifts \$0.4 million and 4.0 positions to the Governor's Commission on Disabilities as a stand-alone agency.

Office of the Mental Health Advocate

98. Division of Advocacy Reversal. The Governor's budget merges the human service advocacy agencies and creates a Division of Advocacy in the Office of Health and Human Services. She later submitted an amendment to keep the Office of the Child Advocate, Office of the Mental Health Advocate, Governor's Commission on Disabilities and the Commission for the Deaf and Hard of Hearing as separate agencies. The House Finance Committee shifts \$0.5 million and 4.0 positions to the Mental Health Advocate as a stand-alone agency.

Elementary & Secondary Education

99. Capital - Davies HVAC. The Governor recommends \$3.1 million from Rhode Island Capital Plan funds from FY 2015 through FY 2018 to repair the HVAC system at the Davies Career and Technical Center. The House Finance Committee recommends shifting expenditures of \$1.4 million from FY 2015 to FY 2016 through FY 2018 because of project delays. Total funding is as recommended.

100. Capital - Met School HVAC. The Governor's recommendation includes \$2.5 million for the HVAC project through FY 2015; she did not include any funding for the project beyond FY 2015 because of delays in starting the second phase of the project. She subsequently requested an amendment to add the \$3.7 million requested by the Department to complete the HVAC renovations and upgrades in the final three buildings, which is the second phase of the project, based on this phase beginning in late FY 2016. The House Finance Committee concurs.

101. Channel 36 Transition Grant. The Governor's FY 2016 budget provides \$250,000 in general revenue support for a third year of funding for public television to assist in the transition from a state agency to control of the Rhode Island PBS Foundation; however, it appears the intent was to recommend \$200,000. The House Finance Committee recommends reducing the grant by \$50,000, keeping it at the original level and correcting for the Governor's intent.

102. Community Service Grants. The House Finance Committee recommends adding \$355,000 from general revenues for community service grants distributed by the Department of Elementary and Secondary Education. This includes new awards of \$250,000 to Teach for America, \$50,000 for a one-time award for the music program in Woonsocket schools, and \$30,000 to Man-Up, adding \$45,000 for COZ and a \$20,000 adjustment to the Governor's recommendation.

103. Department of Justice Settlement. The House Finance Committee concurs with the Governor's requested amendment to add \$125,000 from general revenues for federal monitor expenses that the Department may be required to pay in FY 2016 in relation to the consent decree.

104. Education Aid Update. The House Finance Committee recommends reducing general revenue expenditures by \$92,775 for the fifth year of the education funding formula aid based on updated student enrollment and free and reduced lunch eligibility data provided in April. The reduction primarily reflects charter school lottery results and updates of data on which districts are implementing full-day kindergarten. The update includes redistribution among districts with some receiving more and some receiving less than the Governor's budget assumed.

105. Full-Day Kindergarten Incentive. The Governor's recommendation includes \$1.4 million from general revenues to fund full-day kindergarten programs if the seven communities that do not currently have it provide it starting in August 2015. She subsequently revised the intent to provide the funding even if the districts do not implement it in the 2015-2016 school year. The House Finance Committee recommends reducing the funding by \$247,786 to reflect inclusion of two districts' decisions, as of April 14, to implement full-day kindergarten in the 2015-2016 school year; funding for these students is shifted from this incentive funding to the traditional formula aid. Available funding for the remaining five districts that had not decided by this date is included in the remaining \$1.2 million in incentive funding.

106. Full-Day Kindergarten Pilot. The Governor's recommendation includes the enacted level of \$250,000 for the pilot program to support full-day kindergarten start-up costs. This program is no longer needed based on the provision of new aid to districts that have not yet offered universal full-day kindergarten, but must do so by the 2016-2017 school year. The House Finance Committee recommends eliminating the \$250,000 to reflect that other funding is available.

107. Out-of-District Transportation. The House Finance Committee does not concur with the Governor's proposal to eliminate the requirement that local education agencies provide transportation for students attending private schools. It restores the \$2.0 million eliminated from general revenues to support transporting students to out-of-district non-public schools and within regional school districts, making funding consistent with FY 2015.

108. Race to the Top Replacement Funds. The House Finance Committee removes \$0.5 million from general revenues and 2.0 full-time equivalent positions that were in the Governor's budget to continue efforts previously funded from federal Race to the Top funds around areas of performance management, teacher evaluation, student assessment tools and technical assistance to local education agencies. Federal funding will no longer be available.

109. Race to the Top. The House Finance Committee concurs with the Governor's requested amendment to add \$1.0 million from federal funding for a new Race to the Top Preschool Development grant. The Department received notification of this new award in January and anticipates expending the entire award in FY 2016. Grant awards will be used to increase enrollment of four-year olds in pre-kindergarten programs.

110. Teacher Diversity Initiative. The House Finance Committee does not concur with the Governor's proposal to add \$250,000 from general revenues for a new program to focus the Department's efforts on recruiting a more diverse pool of educators to reflect the demographics of students in high need communities around the state. The Budget did not include legislation or additional information regarding the duration or scope of the program.

111. Textbook Reimbursement. The Governor eliminates the requirement that cities and towns provide textbooks for non-public school students and eliminates funding for the limited reimbursements allowed under the program, beginning in FY 2016. Under current law, the state reimburses districts only for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade. The House Finance Committee does not concur with the recommendation and restores the \$240,000.

112. Turnover. The House Finance Committee recommends \$0.3 million in additional turnover savings for the Department of Elementary and Secondary Education. This equates to 2.2 full-time equivalent positions.

Higher Education

113. Community Service Grants. The House Finance Committee recommends adding \$0.3 million to community service grants distributed through Higher Education. This includes eliminating \$68,132 to the Senior Standard Medical Information System as the company receiving the grant ceased operations in June 2014, and adding \$30,000 for the Institute for Labor Studies and Research to provide a total of \$194,444 to that organization. It also adds \$350,000 for Polaris Manufacturing Extension Partnership.

114. Rhode Island College. The House Finance Committee recommends adding \$0.3 million in general revenue support for Rhode Island College. This would help close the gap between the current service budget requested by the College and the Governor's recommendation.

115. HEAA Downsizing. Article 7 transfers the functions of the Rhode Island Higher Education Assistance Authority to the Council for Postsecondary Education and the Office of the General Treasurer. The budget reflects the transfer of \$19.1 million and 15.0 full-time positions to the Office of Postsecondary Commissioner. This represents direct program positions as well as overhead support. Remaining direct functions will require fewer staff with the efficiencies provided for in a merger; therefore, the House Finance Committee recommends eliminating 5.0 positions and \$0.8 million; 1.0 position and \$0.3 million would be shifted to the Office of the General Treasurer to administer the *CollegeBoundfund*.

116. Capital - URI Asset Protection. The House Finance Committee recommends adding \$2.2 million for asset protection projects at the University of Rhode Island in FY 2016. It also restores the \$500,000 in FY 2019 that the Governor proposed eliminating.

117. Capital - URI/RIC Nursing Education Center. The University submitted a request after the official submission of its capital budget request for \$1.1 million from Rhode Island Capital Plan funds for FY 2015 through FY 2017 to continue program management services associated with the construction of a new nursing education center that began in FY 2014. The Governor's capital budget includes \$0.7 million from Rhode Island Capital Plan funds for FY 2015; it inadvertently excluded the remainder of the request as it was not part of the official submission. The Governor requested an amendment to add \$0.4 million for FY 2016; the House Finance Committee concurs and also adds \$200,000 for FY 2017 as requested.

Historical Preservation & Heritage Commission

118. Community Service Grants. The House Finance Committee recommends adding \$25,000 from general revenues for a community service grant to the Quonset Air Museum in the Historical

Preservation and Heritage Commission's budget.

119. National Register of Historic Places Grant. The Governor requested an amendment to add \$20,500 from federal funds for FY 2016 for a grant from the National Park Service. Funds would be used by the Commission to increase the number of Rhode Island properties and landmarks listed on the National Register of Historic Places. The House Finance Committee concurs.

Attorney General

120. Building Renovations. The House Finance Committee adds \$6.0 million from Google Settlement restricted receipt funds, consistent with the Governor's amendment for projects in FY 2016 that include the potential rehabilitation of the Gloria McDonald building on the Pastore campus and additional renovations to existing office space.

Corrections

121. Capital - Asset Protection. The Governor's capital budget includes annual appropriations of \$4.0 million for asset protection projects at the Department of Corrections for each of the five years of the capital plan. Based on historical spending, the House Finance Committee recommends removing \$250,000 in each year of the five year plan.

122. Capital - Intake Service Center Renovations. The Governor's capital budget includes \$9.7 million from Rhode Island Capital Plan funds, of which \$2.0 million is for FY 2015 to restore the exterior of the Intake Service Center. The House Finance Committee recommends total funding as recommended but shifts \$0.8 million from FY 2015 and \$0.2 million from FY 2016 to FY 2019 and FY 2020 to reflect an updated project schedule.

123. Capital - Women's Roof, Masonry and General Renovations. The Governor's capital budget includes \$3.8 million from Rhode Island Capital Plan funds, of which \$1.0 million is for FY 2015 to complete ongoing renovations at the Dix facility. The House Finance Committee removes \$0.5 million from FY 2015 and adds \$250,000 to FY 2016 to reflect an updated project schedule and revised cost estimates.

124. Capital - Medium Infrastructure. The Governor's capital budget includes \$20.9 million from Rhode Island Capital Plan funds, of which \$3.0 million is for FY 2015 for infrastructure improvements at the John J. Moran medium security facility. The House Finance Committee recommends total funding as recommended but shifts \$2.0 million from FY 2015 and \$1.5 million from FY 2016 to FY 2019 and FY 2020 to reflect an updated project schedule.

125. Weapons Requalification. The House Finance Committee does not concur with the Governor's proposal to mandate that correctional officers complete weapons qualification no sooner than every two years. Current law allows for it to occur sooner. The Budget assumes \$0.5 million in savings. The House Finance Committee restores the \$0.5 million in overtime savings.

126. Turnover. The House Finance Committee recommends general revenue turnover savings of \$350,000 in the central management program of the Department of Corrections. This is equivalent to 3.3 full-time equivalent positions.

Judicial

127. Capital - Noel Shelled Courtroom. The Governor's capital budget includes \$10.0 million for the build out of the shelled courtrooms at the Noel Judicial Complex to relieve overcrowding at the Garrahy Judicial Complex. Funding is programmed to begin in FY 2019. The House Finance Committee recommends accelerating the start of this project to FY 2016 and programs \$3.0 million in FY 2016, \$3.0 million in FY 2017, and \$4.0 million in FY 2018.

128. District Court Judge for Veterans' Court. The House Finance Committee recommends legislation to increase the number of the District Court judges from 12 to 13 and would establish the veterans' treatment calendar in the District Court. The Veterans' Court is currently operating; however, the legislation officially establishes this court in statute by adding language regarding the purpose and execution of the Veterans' Court calendar. The House Finance Committee adds 1.0 full-time equivalent position and \$234,000 for the new judge position.

129. Veterans' Court Grant. Consistent with the Governor's requested budget amendment, the House Finance Committee adds \$0.2 million from federal funds in FY 2016 to reflect a new grant award for the Veterans' Court, which functions as a specialized calendar within District Court. Funding will allow the Judiciary to expand operations to serve a larger population of veterans and provide additional services as part of a jail diversion program aimed at addressing veterans, charged primarily with misdemeanor offenses.

130. Court Technology. Consistent with the Governor's requested budget amendment, the House Finance Committee adds \$0.9 million from restricted receipts in FY 2016 to pay the vendor managing the Judiciary's case management system. This three year project includes the purchase of computers, servers and software to enable electronic filing for all courts through the internet, which will replace the current system which relies on duplicative data input and paper files. This is in addition to \$1.5 million for FY 2015 and \$0.9 million for FY 2016 that the House Finance Committee adds from the Information Technology Investment Fund reflected in the Department of Administration's budget.

Public Safety

131. Fire Training Academy Positions to General Revenues. The Governor recommends \$304,374 from restricted receipts for FY 2016 to fund salaries and benefits for 3.2 full-time equivalent positions associated with the State Fire Training Academy. The current fee structure for Fire Training Academy and Uniform Testing Report sticker receipts suggests the allocation of these expenses is not sustainable after FY 2016. The House Finance Committee recommends shifting these staffing expenses to general revenues for FY 2016 and thereafter.

132. Federal Funds Adjustments. The House Finance Committee concurs with the Governor's amendment to add \$0.4 million from federal funds for FY 2016 for three different grants. These grants will be used to support training programs in the Municipal Police Training Academy and for personnel costs associated with the administration of grant programs by the Division of State Police. The requested amendment also includes \$0.2 million from Assistance to Firefighters Grant program funds, awarded to the Department after submission of the Governor's FY 2016 recommended budget. The grant will assist the Office of the Fire Marshal to purchase equipment, protective gear, emergency vehicles, and training.

133. 10.0 Training Academy Recruits. The House Finance Committee recommends a total of \$0.4 million from all funds, including \$0.3 million from general revenues and \$0.1 million from available

Google forfeiture funds to increase the size of the 56th Training Academy class from the 30.0 recruit positions recommended by the Governor to the 40.0 positions requested by the Department. The recommendation assumes a cost per recruit of \$39,953, including salaries, benefits, and equipment for the six month academy.

Environmental Management

134. Minimum Wage Increase - Seasonal Recreation Program. The Governor's budget includes \$453,734 more than enacted for the seasonal recreation program to reflect actual and anticipated increases in the minimum wage. The changes include \$134,709 assuming the minimum wage would be increased from \$9.00 to \$10.10 per hour. The House Finance Committee reduces funding by \$61,231 to reflect legislation passed by the House of Representatives that would increase the minimum wage to \$9.60 per hour, effective January 1, 2016.

135. Capital Consolidation. The Governor's Budget consolidates construction, property and asset management functions into the Department of Administration. Her budget reduced the Department of Environmental Management's budget by \$0.6 million. The Governor subsequently requested an amendment to shift \$0.6 million from general revenues back to the Department of Environmental Management. The House Finance Committee concurs.

136. Community Service Grants. The House Finance Committee adds \$450,000 for community service grants for FY 2016, including \$200,000 for North Providence drainage remediation and \$250,000 for the City of Woonsocket for athletic field improvements in FY 2016. The Woonsocket grant is the second year of a two-year commitment. It had been excluded from the recommended budget on the assumption that it was a one-time grant.

137. Local Agriculture & Seafood Fund. The House Finance Committee does not concur with the Governor's proposal to increase the commercial feed registration fee from \$60 to \$100 per year, per product and deposit the increase as restricted receipts into the Local Agriculture and Seafood Small Grants and Technical Assistance Fund. The Committee removes \$0.1 million from restricted receipts and instead includes \$0.1 million from general revenues for the Local Agriculture and Seafood Program.

138. Capital - Natural Resources Offices/Visitor's Center. The House Finance Committee recommends shifting \$5.5 million from Rhode Island Capital Plan funds from FY 2020 and the post-FY 2020 period, including \$2.5 million for FY 2016 and \$3.0 million for FY 2017 for the construction of a new office facility for the natural resources division in the Arcadia Management Area at Browning Mill Pond. Based on information from the Budget Office and the Department of Environmental Management, this project is ready for construction to begin in FY 2016 with an anticipated completion date of FY 2017.

139. Capital - State Recreational Facilities Improvements. The House Finance Committee recommends \$2.1 million more for FY 2016 and \$0.8 million more for FY 2017 from Rhode Island Capital Plan funds for improvements at Rhode Island parks and management areas. The additional funding will be used for work on the fire suppression system in Colt State Park and better reflects estimates of the work at Lincoln Woods, Fishermen's Campground, and George Washington Campground.

140. Capital - Rocky Point. The House Finance Committee concurs with the Governor's requested amendment to add \$0.2 million from Rhode Island Capital Plan funds for FY 2016 for a feasibility study on the future use and development of the land at Rocky Point.

Coastal Resources Management Council

141. Capital - South Coast Restoration Project. The House Finance Committee shifts \$0.6 million of Rhode Island Capital Plan funds from FY 2015 to FY 2016 and FY 2017 to complete habitat restorations along the southern coast of Rhode Island and to maintain breachways. The funds will be used as state match for federal funds supporting dredging work in Winnapaug Pond and Ninigret Pond. The Coastal Resources Management Council indicates that the actual dredging work is expected to occur in FY 2016 and FY 2017.

Transportation

142. Gas Tax - DOT Yield Increase. Consistent with the Governor's requested amendment, the House Finance Committee recommends increasing gasoline tax expenditures for the Department of Transportation by \$3.0 million to reflect an upward revision of the gasoline tax yield estimate. The adjustment will increase the debt service payment for the Department's GARVEE bonds, which are paid for with the equivalent of two cents of the gasoline tax, and also increases available proceeds for operations in the Division of Maintenance.

143. Gas Tax - RIPTA Yield Increase. Consistent with the Governor's requested amendment, the House Finance Committee increases available gasoline tax in the Department of Transportation to reflect an increased transfer to the Rhode Island Public Transit Authority of \$1.5 million to reflect an upward revision of the gasoline tax yield estimate.

144. Gas Tax - Turnpike and Bridge. Consistent with the Governor's requested amendment, the House Finance Committee increases available gasoline tax in the Department of Transportation to reflect an increased transfer to the Rhode Island Turnpike and Bridge Authority of \$0.5 million to reflect an upward revision of the gasoline tax yield estimate.

145. Highway Maintenance Account. The House Finance Committee concurs with the Governor's requested budget amendment to decrease expenditures from the Rhode Island Highway Maintenance Account by \$0.1 million for FY 2016 based on revised estimates of revenues collected from rental car surcharge fees.

146. Transportation to Current Law. The House Finance Committee does not concur with the Governor's proposal to delay the transfer of transportation related fees collected by the Division of Motor Vehicles to the Department of Transportation. It removes \$13.0 million from Rhode Island Capital Plan funds recommended by the Governor and adds a like amount in transferred transportation related fees.

Section III

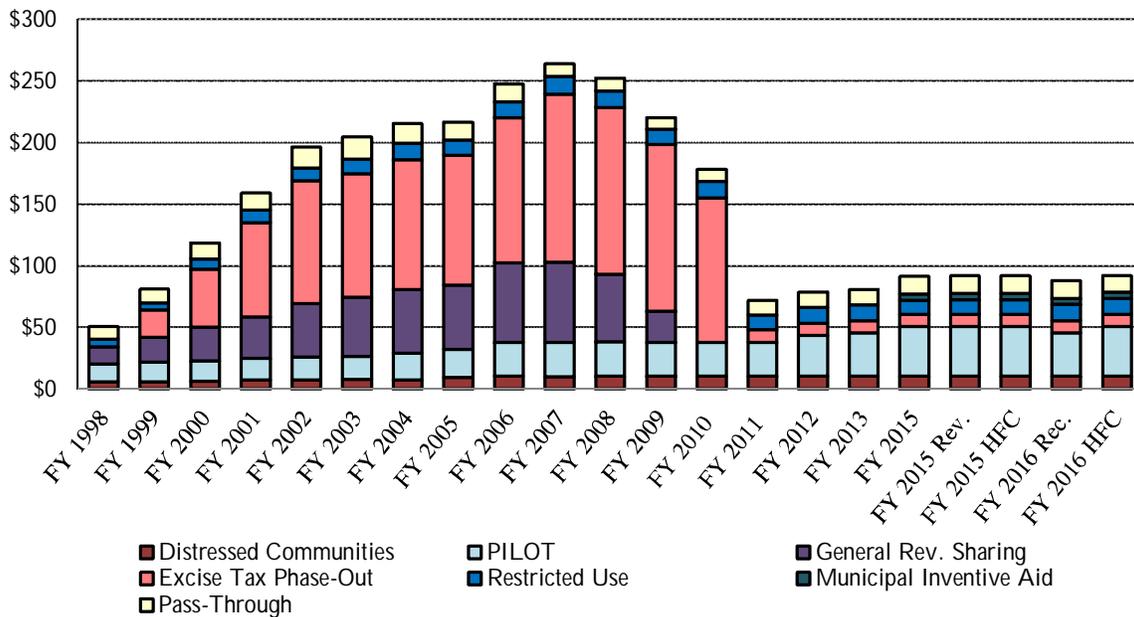
Special Reports

State Aid to Local Governments

Introduction

The House Finance Committee recommends state aid to cities and towns totaling \$77.7 million in FY 2015 and \$78.8 million in FY 2016. Funding for general aid programs in both years includes the enacted level of \$65.5 million. The recommendation for restricted use programs includes the enacted level of \$12.3 million for FY 2015 and \$13.4 million, which is \$1.6 million more than enacted for FY 2016. Local communities will also receive \$14.3 million for FY 2015 and \$13.0 million for FY 2016 in public service corporation property taxes, which the state collects and passes through to the communities.

The following graph shows historical funding data, in millions. The graph below also shows the allocation of funding for state aid programs from FY 1998 through the House Finance Committee's recommendation for FY 2016.



The major changes included in the aid proposal are discussed on the following pages, followed by tables that show recommended distribution of general aid by community as well as restricted aid programs by community, including library operating aid, which is considered restricted and is not included in the general aid totals, and public service corporations' tax collections, a local levy collected at the state level and returned to local governments for tax collection efficiency purposes. It should be noted that some programs require data updates not reflected in the distributions. Those updates will likely change allocations to each community.

General. The House Finance Committee recommends the enacted level of \$65.5 million for both FY 2015 and FY 2016 for general state aid programs to local governments.

Fiscal Year	2015 Enacted	2015 Gov. Rev.	Rev. Diff.	2015 HFC	2015 HFC to Gov Rev.	2016 Gov. Rec.	Rec. Diff.	2016 HFC	2016 HFC to Gov. Rec.
General Aid - State Sources									
Distressed Communities	\$ 10.4	\$ 10.4	\$ -	\$ 10.4	\$ -	\$ 10.4	\$ -	\$ 10.4	\$ -
PILOT	40.1	40.1	-	40.1	-	35.1	(5.0)	40.1	5.0
Excise Tax Phase-Out	10.0	10.0	-	10.0	-	10.0	-	10.0	-
Municipal Incentive Aid	5.0	5.0	-	5.0	-	5.0	-	5.0	-
General Rev. Sharing	-	-	-	-	-	-	-	-	-
Subtotal	\$ 65.5	\$ 65.5	\$ -	\$ 65.5	\$ -	\$ 60.5	\$ (5.0)	\$ 65.5	\$ 5.0
Restricted Use Aid - State Sources									
Library Resource Aid	\$ 8.8	\$ 8.8	\$ -	\$ 8.8	\$ -	\$ 8.8	\$ -	\$ 8.8	\$ -
Library Const. Aid	2.3	2.7	0.4	2.7	-	2.7	0.4	2.7	-
Police & Fire Incentive	-	-	-	-	-	-	-	-	-
Prop. Val. Reimb.	0.6	0.7	0.1	0.7	-	1.8	1.1	1.8	-
Oversight Reimbursement	0.1	0.1	-	0.1	-	0.2	0.1	0.2	-
Subtotal	\$ 11.8	\$ 12.3	\$ 0.4	\$ 12.3	\$ -	\$ 13.4	\$ 1.6	\$ 13.4	\$ -
Total - State Sources	\$ 77.3	\$ 77.7	\$ 0.4	\$ 77.7	\$ -	\$ 73.8	\$ (3.4)	\$ 78.8	\$ 5.0
Other Aid - Pass-Through									
Public Service Corp.	\$ 14.3	\$ 14.3	\$ -	\$ 14.3	-	\$ 14.3	\$ -	\$ 13.0	\$ (1.3)

in millions

- Distressed Communities Relief Fund.** Consistent with the Governor's budget, the House Finance Committee recommends the enacted level of \$10.4 million for the Distressed Communities Relief Fund, but with redistribution of funding among communities. Communities' aid distribution is based on updated qualifying tax levies and reflects inclusion of East Providence as a distressed community for FY 2016. In the first year of a community's qualification, it receives a transition payment of half its proportional share.
- Payment in Lieu of Taxes Program.** The House Finance Committee recommends the enacted level of \$40.1 million in FY 2016, which is \$5.0 million more than funding recommended by the Governor for the Payment in Lieu of Taxes program that reimburses municipalities for property taxes that would have been due on real property exempted from taxation by state law, including property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility, or correctional facility. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. If the appropriation is less than the necessary amount, the reimbursements are ratably reduced; FY 2016 recommended reimbursements reflect 23.7 percent of the value of the foregone tax.
- Motor Vehicle Excise Tax Phase-Out.** Consistent with the Governor's budget, the House Finance Committee funds the Motor Vehicle Excise Tax program at the enacted level of \$10.0 million for FY 2016. The 2010 Assembly enacted legislation mandating a \$500 exemption, for which the state will reimburse municipalities an amount subject to appropriation. State law allows municipalities to provide an additional exemption; however, that additional exemption will not be subject to reimbursement. It should be noted that FY 2016 recommended distributions are based on December 2013 data. The Division of Municipal Finance anticipates adjusting planned FY 2016 distribution in fall of 2015, when updated tax rolls are available from communities.
- Municipal Incentive Aid.** For both FY 2015 and FY 2016, the House Finance Committee concurs with the Governor's recommendation to provide the enacted amount of \$5.0 million for the Municipal

Incentive Aid program, which encourages sustainable funding of retirement plans and reduction of unfunded liabilities.

A municipality may receive funding for FY 2015 and FY 2016 if its pension plan is in the state-administered Municipal Employee Retirement System; if it has submitted or implemented an approved Funding Improvement Plan within 18 months of critical status notification; or, if it is not required to submit a Funding Improvement Plan and is making 100 percent of its required funding payment. Aid is distributed based on program payments made in March of each year. If a municipality is ineligible to receive aid, its share will be reappropriated to the following fiscal year. If requirements are not met for a second year, its share will be distributed to the qualifying municipalities, according to their share of total state population.

The House Finance Committee's revised FY 2015 recommendation reflects Coventry coming into compliance with program requirements for the year; Johnston's FY 2015 share will be reappropriated to FY 2016. The recommendation includes distribution to all 39 municipalities for FY 2016.

- **Library Resource Sharing Aid.** Consistent with the Governor's budget, the House Finance Committee recommends \$8.8 million for FY 2015 and FY 2016 for grants-in-aid to libraries. This is the enacted level, but \$1.1 million or 12.2 percent less than the reimbursement of 25.0 percent of second prior year expenditures authorized under current law, which also allows for a ratable reduction to cap the appropriation.
- **Library Construction Aid.** The House Finance Committee concurs with the Governor's recommendation to provide \$2.7 million to fully fund library construction aid requirements. The state reimburses libraries up to half of the total costs for eligible projects on an installment basis, for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project. The 2011 Assembly adopted a three-year moratorium on the acceptance of applications for library construction aid projects that ended on July 1, 2014.
- **Property Valuation Reimbursement.** The House Finance Committee provides full funding of \$0.7 million for FY 2015 and \$1.8 million for FY 2016 to reimburse communities conducting property valuation updates.
- **Oversight Reimbursement.** Consistent with the Governor's budget, the House Finance Committee includes \$0.1 million for FY 2015 and \$0.2 million for FY 2016 for reimbursements of 50.0 percent of the cost of a financial advisor position to communities no longer under state Fiscal Stability Act oversight. Her revised FY 2015 recommendation includes reimbursements to Central Falls, East Providence, and Woonsocket. For FY 2016, she also includes reimbursements to the Central Coventry Fire District.
- **Public Service Corporation Tax.** The budget assumes the state will collect and distribute \$14.3 million for FY 2015 and \$13.0 million for FY 2016 of property taxes from public service corporations on behalf of municipalities and pass that back to them. The 2009 Assembly adopted the Governor's recommendation to freeze the tax rate applied to the tangible personal property of public service corporations at the FY 2008 rate.

Distribution by Community

General Aid Total

Includes Distressed Communities, PILOT, Motor Vehicles Excise Tax and Municipal Incentive Aid

<i>Community</i>	<i>FY 2015 Enacted</i>	<i>FY 2015 Gov. Rev.</i>	<i>Revised Difference†</i>	<i>FY 2015 HFC*</i>	<i>FY 2015 HFC to Enacted</i>
Barrington	\$ 330,474	\$ 324,035	\$ (6,439)	\$ 324,035	\$ (6,439)
Bristol	1,050,965	1,030,483	(20,482)	1,030,483	(20,482)
Burrillville	419,599	411,938	(7,661)	411,938	(7,661)
Central Falls	399,607	405,412	5,805	405,412	5,805
Charlestown	77,457	81,621	4,164	81,621	4,164
Coventry	385,693	246,097	(139,596)	412,223	26,530
Cranston	8,488,692	8,592,447	103,755	8,592,447	103,755
Cumberland	381,216	405,772	24,556	405,772	24,556
East Greenwich	544,659	504,473	(40,186)	504,473	(40,186)
East Providence	1,023,506	952,844	(70,662)	952,844	(70,662)
Exeter	113,152	122,884	9,732	122,884	9,732
Foster	89,352	79,314	(10,038)	79,314	(10,038)
Glocester	139,418	149,501	10,083	149,501	10,083
Hopkinton	100,594	108,358	7,764	108,358	7,764
Jamestown	61,414	47,772	(13,642)	47,772	(13,642)
Johnston	512,983	422,956	(90,027)	422,956	(90,027)
Lincoln	337,754	298,007	(39,747)	298,007	(39,747)
Little Compton	40,750	29,592	(11,158)	29,592	(11,158)
Middletown	161,697	146,103	(15,594)	146,103	(15,594)
Narragansett	172,003	136,238	(35,765)	136,238	(35,765)
Newport	1,565,948	1,509,886	(56,062)	1,509,886	(56,062)
New Shoreham	11,645	11,085	(560)	11,085	(560)
North Kingstown	353,642	312,183	(41,459)	312,183	(41,459)
North Providence	2,081,761	2,126,420	44,659	2,126,420	44,659
North Smithfield	233,182	237,999	4,817	237,999	4,817
Pawtucket	2,942,994	3,064,611	121,617	3,064,611	121,617
Portsmouth	186,830	160,680	(26,150)	160,680	(26,150)
Providence	34,738,636	34,894,897	156,261	34,894,897	156,261
Richmond	94,496	103,197	8,701	103,197	8,701
Scituate	173,293	118,519	(54,774)	118,519	(54,774)
Smithfield	1,027,810	1,001,848	(25,962)	1,001,848	(25,962)
South Kingstown	501,503	469,361	(32,142)	469,361	(32,142)
Tiverton	181,839	133,487	(48,352)	133,487	(48,352)
Warren	132,685	142,861	10,176	142,861	10,176
Warwick	3,039,830	2,955,009	(84,821)	2,955,009	(84,821)
Westerly	475,907	463,142	(12,765)	463,142	(12,765)
West Greenwich	87,623	87,875	252	87,875	252
West Warwick	1,140,549	1,155,430	14,881	1,155,430	14,881
Woonsocket	1,663,717	1,717,976	54,259	1,717,976	54,259
Total	\$ 65,464,867	\$ 65,162,303	\$ (302,563)	\$ 65,328,429	\$ (136,438)

†Governor's recommendation reflects Coventry and Johnston out of compliance for Municipal Incentive Aid.

**HFC reflects Coventry in compliance for FY 2015. Johnston's \$0.1 million allocation for Municipal Incentive Aid will be reappropriated to FY 2016.*

General Aid Total

Includes Distressed Communities, PILOT, Motor Vehicles Excise Tax and Municipal Incentive Aid

<i>Community</i>	<i>FY 2015 Enacted</i>	<i>FY 2016*† Gov. Rec.</i>	<i>FY 2016 Rec. to Enacted</i>	<i>FY 2016 HFC*†</i>	<i>FY 2016 HFC to Gov. Rec.</i>
Barrington	\$ 330,474	\$ 320,833	\$ (9,641)	\$ 322,659	\$ 1,826
Bristol	1,050,965	889,348	(161,616)	987,196	97,848
Burrillville	419,599	389,361	(30,238)	405,262	15,901
Central Falls	399,607	416,099	16,492	418,770	2,671
Charlestown	77,457	81,544	4,088	81,544	-
Coventry	385,693	412,443	26,750	412,443	-
Cranston	8,488,692	6,330,494	(2,158,197)	7,034,803	704,309
Cumberland	381,216	407,776	26,561	407,791	15
East Greenwich	544,659	442,719	(101,940)	485,269	42,550
East Providence	1,023,506	1,605,703	582,197	1,632,929	27,226
Exeter	113,152	123,783	10,631	123,783	-
Foster	89,352	79,550	(9,802)	79,602	52
Glocester	139,418	149,719	10,302	149,719	-
Hopkinton	100,594	108,374	7,781	108,374	-
Jamestown	61,414	47,851	(13,563)	47,851	-
Johnston	512,983	560,296	47,313	560,296	-
Lincoln	337,754	298,541	(39,213)	298,541	-
Little Compton	40,750	29,570	(11,180)	29,570	-
Middletown	161,697	145,907	(15,790)	145,907	-
Narragansett	172,003	135,721	(36,282)	135,721	-
Newport	1,565,948	1,288,088	(277,860)	1,444,086	155,998
New Shoreham	11,645	10,539	(1,106)	10,539	-
North Kingstown	353,642	311,359	(42,283)	311,545	186
North Providence	2,081,761	2,160,744	78,983	2,249,779	89,035
North Smithfield	233,182	238,914	5,732	238,914	-
Pawtucket	2,942,994	3,006,346	63,353	3,069,757	63,411
Portsmouth	186,830	160,957	(25,873)	160,957	-
Providence	34,738,636	32,631,125	(2,107,511)	36,134,996	3,503,871
Richmond	94,496	103,118	8,623	103,118	-
Scituate	173,293	118,828	(54,465)	118,828	-
Smithfield	1,027,810	881,118	(146,692)	956,080	74,962
South Kingstown	501,503	436,191	(65,312)	457,843	21,652
Tiverton	181,839	134,118	(47,721)	134,118	-
Warren	132,685	142,324	9,640	142,324	-
Warwick	3,039,830	2,628,650	(411,180)	2,809,979	181,329
Westerly	475,907	437,004	(38,903)	454,162	17,158
West Greenwich	87,623	88,288	665	88,288	-
West Warwick	1,140,549	1,207,277	66,728	1,207,277	-
Woonsocket	1,663,717	1,504,248	(159,469)	1,504,248	-
Total	\$ 65,464,867	\$ 60,464,867	\$ (5,000,000)	\$ 65,464,867	\$ 5,000,000

*Motor Vehicle Excise Tax distribution reflects May 2014 data; distribution will be revised in fall 2015.

†Municipal Incentive Aid distribution corrected from prior publications; reflects updated population data

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2015 Enacted</i>	<i>FY 2015 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2015 HFC</i>	<i>FY 2015 HFC to Enacted</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-	-
Burrillville	-	-	-	-	-
Central Falls	197,930	197,930	-	197,930	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	1,160,322	1,160,322	-	1,160,322	-
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	-	-	-	-	-
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	948,672	948,672	-	948,672	-
North Smithfield	-	-	-	-	-
Pawtucket	1,387,409	1,387,409	-	1,387,409	-
Portsmouth	-	-	-	-	-
Providence	5,071,751	5,071,751	-	5,071,751	-
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	-	-	-	-	-
Westerly	-	-	-	-	-
West Greenwich	-	-	-	-	-
West Warwick	783,095	783,095	-	783,095	-
Woonsocket	835,279	835,279	-	835,279	-
Total	\$ 10,384,458	\$ 10,384,458	\$ -	\$ 10,384,458	\$ -

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2015 Enacted</i>	<i>FY 2016 Gov. Rec.</i>	<i>FY 2016 Rec. to Enacted</i>	<i>FY 2016 HFC</i>	<i>FY 2016 HFC to Enacted</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-	-
Burrillville	-	-	-	-	-
Central Falls	197,930	211,123	13,193	211,123	13,193
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	1,160,322	-	(1,160,322)	-	(1,160,322)
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	-	685,142	685,142	685,142	685,142
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	948,672	989,710	41,038	989,710	41,038
North Smithfield	-	-	-	-	-
Pawtucket	1,387,409	1,430,131	42,722	1,430,131	42,722
Portsmouth	-	-	-	-	-
Providence	5,071,751	5,332,583	260,832	5,332,583	260,832
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	-	-	-	-	-
Westerly	-	-	-	-	-
West Greenwich	-	-	-	-	-
West Warwick	783,095	835,708	52,613	835,708	52,613
Woonsocket	835,279	900,062	64,783	900,062	64,783
Total	\$ 10,384,458	\$ 10,384,458	\$ -	\$ 10,384,458	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2015 Enacted</i>	<i>FY 2015 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2015 HFC</i>	<i>FY 2015 HFC to Enacted</i>
Barrington	\$ 15,625	\$ 15,625	\$ -	\$ 15,625	\$ -
Bristol	825,102	825,102	-	825,102	-
Burrillville	134,639	134,639	-	134,639	-
Central Falls	21,572	21,572	-	21,572	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	6,043,928	6,043,928	-	6,043,928	-
Cumberland	118	118	-	118	-
East Greenwich	360,281	360,281	-	360,281	-
East Providence	222,995	222,995	-	222,995	-
Exeter	-	-	-	-	-
Foster	431	431	-	431	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	1,315,321	1,315,321	-	1,315,321	-
New Shoreham	-	-	-	-	-
North Kingstown	1,594	1,594	-	1,594	-
North Providence	631,707	631,707	-	631,707	-
North Smithfield	-	-	-	-	-
Pawtucket	545,565	545,565	-	545,565	-
Portsmouth	-	-	-	-	-
Providence	27,109,512	27,109,512	-	27,109,512	-
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	646,892	646,892	-	646,892	-
South Kingstown	186,169	186,169	-	186,169	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	1,595,654	1,595,654	-	1,595,654	-
Westerly	146,095	146,095	-	146,095	-
West Greenwich	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	277,209	277,209	-	277,209	-
Total	\$ 40,080,409	\$ 40,080,409	\$ -	\$ 40,080,409	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2015 Enacted</i>	<i>FY 2016 Gov. Rec.</i>	<i>FY 2016 Rec. to Enacted</i>	<i>FY 2016 HFC</i>	<i>FY 2016 HFC to Gov. Rec.</i>
Barrington	\$ 15,625	\$ 12,812	\$ (2,813)	\$ 14,638	\$ 1,826
Bristol	825,102	686,512	(138,590)	784,360	97,848
Burrillville	134,639	111,567	(23,072)	127,468	15,901
Central Falls	21,572	18,740	(2,832)	21,411	2,671
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	6,043,928	4,941,490	(1,102,438)	5,645,799	704,309
Cumberland	118	104	(14)	119	15
East Greenwich	360,281	298,535	(61,746)	341,085	42,550
East Providence	222,995	191,019	(31,976)	218,245	27,226
Exeter	-	-	-	-	-
Foster	431	363	(68)	415	52
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	1,315,321	1,094,494	(220,827)	1,250,492	155,998
New Shoreham	-	-	-	-	-
North Kingstown	1,594	1,308	(286)	1,494	186
North Providence	631,707	624,679	(7,028)	713,714	89,035
North Smithfield	-	-	-	-	-
Pawtucket	545,565	444,891	(100,674)	508,302	63,411
Portsmouth	-	-	-	-	-
Providence	27,109,512	24,583,441	(2,526,071)	28,087,312	3,503,871
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	646,892	525,939	(120,953)	600,901	74,962
South Kingstown	186,169	151,913	(34,256)	173,565	21,652
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	1,595,654	1,272,221	(323,433)	1,453,550	181,329
Westerly	146,095	120,380	(25,715)	137,538	17,158
West Greenwich	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	277,209	-	(277,209)	-	-
Total	\$ 40,080,409	\$ 35,080,409	\$ (5,000,000)	\$ 40,080,409	\$ 5,000,000

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2015 Enacted</i>	<i>FY 2015 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2015 HFC</i>	<i>FY 2015 HFC to Enacted</i>
Barrington	\$ 236,976	\$ 230,537	\$ (6,439)	\$ 230,537	\$ (6,439)
Bristol	116,200	95,718	(20,482)	95,718	(20,482)
Burrillville	209,316	201,655	(7,661)	201,655	(7,661)
Central Falls	88,261	94,066	5,805	94,066	5,805
Charlestown	40,197	44,361	4,164	44,361	4,164
Coventry	219,567	246,097	26,530	246,097	26,530
Cranston	902,676	1,006,431	103,755	1,006,431	103,755
Cumberland	222,875	247,431	24,556	247,431	24,556
East Greenwich	121,975	81,789	(40,186)	81,789	(40,186)
East Providence	576,285	505,623	(70,662)	505,623	(70,662)
Exeter	82,278	92,010	9,732	92,010	9,732
Foster	67,222	57,184	(10,038)	57,184	(10,038)
Glocester	93,040	103,123	10,083	103,123	10,083
Hopkinton	61,873	69,637	7,764	69,637	7,764
Jamestown	35,711	22,069	(13,642)	22,069	(13,642)
Johnston	376,545	422,956	46,411	422,956	46,411
Lincoln	237,608	197,861	(39,747)	197,861	(39,747)
Little Compton	24,136	12,978	(11,158)	12,978	(11,158)
Middletown	84,730	69,136	(15,594)	69,136	(15,594)
Narragansett	96,326	60,561	(35,765)	60,561	(35,765)
Newport	133,938	77,876	(56,062)	77,876	(56,062)
New Shoreham	7,124	6,564	(560)	6,564	(560)
North Kingstown	226,217	184,758	(41,459)	184,758	(41,459)
North Providence	348,919	393,578	44,659	393,578	44,659
North Smithfield	176,956	181,773	4,817	181,773	4,817
Pawtucket	671,382	792,999	121,617	792,999	121,617
Portsmouth	104,673	78,523	(26,150)	78,523	(26,150)
Providence	1,712,321	1,868,582	156,261	1,868,582	156,261
Richmond	58,014	66,715	8,701	66,715	8,701
Scituate	124,353	69,579	(54,774)	69,579	(54,774)
Smithfield	279,144	253,182	(25,962)	253,182	(25,962)
South Kingstown	170,945	138,803	(32,142)	138,803	(32,142)
Tiverton	107,329	58,977	(48,352)	58,977	(48,352)
Warren	81,767	91,943	10,176	91,943	10,176
Warwick	1,049,606	964,785	(84,821)	964,785	(84,821)
Westerly	221,373	208,608	(12,765)	208,608	(12,765)
West Greenwich	59,026	59,278	252	59,278	252
West Warwick	218,649	233,530	14,881	233,530	14,881
Woonsocket	354,466	408,725	54,259	408,725	54,259
Total	\$ 10,000,000	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2015 Enacted</i>	<i>FY 2016 Gov. Rec. *</i>	<i>FY 2016 Rec. to Enacted</i>	<i>FY 2016 HFC*</i>	<i>FY 2016 HFC to Enacted</i>
Barrington	\$ 236,976	\$ 230,537	\$ (6,439)	\$ 230,537	\$ (6,439)
Bristol	116,200	95,718	(20,482)	95,718	(20,482)
Burrillville	209,316	201,655	(7,661)	201,655	(7,661)
Central Falls	88,261	94,066	5,805	94,066	5,805
Charlestown	40,197	44,361	4,164	44,361	4,164
Coventry	219,567	246,097	26,530	246,097	26,530
Cranston	902,676	1,006,431	103,755	1,006,431	103,755
Cumberland	222,875	247,431	24,556	247,431	24,556
East Greenwich	121,975	81,789	(40,186)	81,789	(40,186)
East Providence	576,285	505,623	(70,662)	505,623	(70,662)
Exeter	82,278	92,010	9,732	92,010	9,732
Foster	67,222	57,184	(10,038)	57,184	(10,038)
Glocester	93,040	103,123	10,083	103,123	10,083
Hopkinton	61,873	69,637	7,764	69,637	7,764
Jamestown	35,711	22,069	(13,642)	22,069	(13,642)
Johnston	376,545	422,956	46,411	422,956	46,411
Lincoln	237,608	197,861	(39,747)	197,861	(39,747)
Little Compton	24,136	12,978	(11,158)	12,978	(11,158)
Middletown	84,730	69,136	(15,594)	69,136	(15,594)
Narragansett	96,326	60,561	(35,765)	60,561	(35,765)
Newport	133,938	77,876	(56,062)	77,876	(56,062)
New Shoreham	7,124	6,564	(560)	6,564	(560)
North Kingstown	226,217	184,758	(41,459)	184,758	(41,459)
North Providence	348,919	393,578	44,659	393,578	44,659
North Smithfield	176,956	181,773	4,817	181,773	4,817
Pawtucket	671,382	792,999	121,617	792,999	121,617
Portsmouth	104,673	78,523	(26,150)	78,523	(26,150)
Providence	1,712,321	1,868,582	156,261	1,868,582	156,261
Richmond	58,014	66,715	8,701	66,715	8,701
Scituate	124,353	69,579	(54,774)	69,579	(54,774)
Smithfield	279,144	253,182	(25,962)	253,182	(25,962)
South Kingstown	170,945	138,803	(32,142)	138,803	(32,142)
Tiverton	107,329	58,977	(48,352)	58,977	(48,352)
Warren	81,767	91,943	10,176	91,943	10,176
Warwick	1,049,606	964,785	(84,821)	964,785	(84,821)
Westerly	221,373	208,608	(12,765)	208,608	(12,765)
West Greenwich	59,026	59,278	252	59,278	252
West Warwick	218,649	233,530	14,881	233,530	14,881
Woonsocket	354,466	408,725	54,259	408,725	54,259
Total	\$ 10,000,000	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -

**Reflects May 2014 data; distribution will be revised in fall 2015.*

Municipal Incentive Aid

<i>City or Town</i>	<i>FY 2015 Enacted</i>	<i>FY 2015 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2015 HFC*†</i>	<i>FY 2015 HFC to Gov. Rev.</i>
Barrington	\$ 77,873	\$ 77,873	\$ -	\$ 77,873	\$ -
Bristol	109,663	109,663	-	109,663	-
Burrillville	75,644	75,644	-	75,644	-
Central Falls	91,844	91,844	-	91,844	-
Charlestown	37,260	37,260	-	37,260	-
Coventry	166,126		(166,126)	166,126	166,126
Cranston	381,766	381,766	-	381,766	-
Cumberland	158,223	158,223	-	158,223	-
East Greenwich	62,403	62,403	-	62,403	-
East Providence	224,226	224,226	-	224,226	-
Exeter	30,874	30,874	-	30,874	-
Foster	21,699	21,699	-	21,699	-
Glocester	46,378	46,378	-	46,378	-
Hopkinton	38,721	38,721	-	38,721	-
Jamestown	25,703	25,703	-	25,703	-
Johnston	136,438	-	(136,438)	-	-
Lincoln	100,146	100,146	-	100,146	-
Little Compton	16,614	16,614	-	16,614	-
Middletown	76,967	76,967	-	76,967	-
Narragansett	75,677	75,677	-	75,677	-
Newport	116,689	116,689	-	116,689	-
New Shoreham	4,521	4,521	-	4,521	-
North Kingstown	125,831	125,831	-	125,831	-
North Providence	152,463	152,463	-	152,463	-
North Smithfield	56,226	56,226	-	56,226	-
Pawtucket	338,638	338,638	-	338,638	-
Portsmouth	82,157	82,157	-	82,157	-
Providence	845,052	845,052	-	845,052	-
Richmond	36,482	36,482	-	36,482	-
Scituate	48,940	48,940	-	48,940	-
Smithfield	101,774	101,774	-	101,774	-
South Kingstown	144,389	144,389	-	144,389	-
Tiverton	74,510	74,510	-	74,510	-
Warren	50,918	50,918	-	50,918	-
Warwick	394,570	394,570	-	394,570	-
Westerly	108,439	108,439	-	108,439	-
West Greenwich	28,597	28,597	-	28,597	-
West Warwick	138,805	138,805	-	138,805	-
Woonsocket	196,763	196,763	-	196,763	-
Total	\$ 5,000,000	\$ 4,697,436	\$ (302,564)	\$ 4,863,562	\$ 166,126

*†HFC reflects Coventry in compliance for FY 2015. Johnston's \$0.1 million allocation will be reappropriated to FY 2016.

Municipal Incentive Aid

<i>City or Town</i>	<i>FY 2015 Enacted</i>	<i>FY 2016 Gov. Rec.*</i>	<i>FY 2016 Rec. to Enacted</i>	<i>FY 2016 HFC*</i>	<i>FY 2016 HFC to Enacted</i>
Barrington	\$ 77,873	\$ 77,484	\$ (389)	\$ 77,484	\$ (389)
Bristol	109,663	107,118	(2,545)	107,118	(2,545)
Burrillville	75,644	76,139	496	76,139	496
Central Falls	91,844	92,170	326	92,170	326
Charlestown	37,260	37,183	(77)	37,183	(77)
Coventry	166,126	166,346	220	166,346	220
Cranston	381,766	382,573	808	382,573	808
Cumberland	158,223	160,241	2,019	160,241	2,019
East Greenwich	62,403	62,395	(8)	62,395	(8)
East Providence	224,226	223,919	(307)	223,919	(307)
Exeter	30,874	31,773	899	31,773	899
Foster	21,699	22,003	304	22,003	304
Glocester	46,378	46,596	219	46,596	219
Hopkinton	38,721	38,737	17	38,737	17
Jamestown	25,703	25,782	79	25,782	79
Johnston	136,438	137,340	902	137,340	902
Lincoln	100,146	100,680	534	100,680	534
Little Compton	16,614	16,592	(22)	16,592	(22)
Middletown	76,967	76,771	(196)	76,771	(196)
Narragansett	75,677	75,160	(517)	75,160	(517)
Newport	116,689	115,718	(971)	115,718	(971)
New Shoreham	4,521	3,975	(546)	3,975	(546)
North Kingstown	125,831	125,293	(538)	125,293	(538)
North Providence	152,463	152,777	314	152,777	314
North Smithfield	56,226	57,141	915	57,141	915
Pawtucket	338,638	338,325	(313)	338,325	(313)
Portsmouth	82,157	82,434	277	82,434	277
Providence	845,052	846,519	1,467	846,519	1,467
Richmond	36,482	36,403	(79)	36,403	(79)
Scituate	48,940	49,249	310	49,249	310
Smithfield	101,774	101,997	224	101,997	224
South Kingstown	144,389	145,475	1,086	145,475	1,086
Tiverton	74,510	75,141	632	75,141	632
Warren	50,918	50,381	(537)	50,381	(537)
Warwick	394,570	391,644	(2,926)	391,644	(2,926)
Westerly	108,439	108,016	(423)	108,016	(423)
West Greenwich	28,597	29,010	413	29,010	413
West Warwick	138,805	138,039	(766)	138,039	(766)
Woonsocket	196,763	195,461	(1,302)	195,461	(1,302)
Total	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -

**Corrected from prior publications; reflects updated population data*

Library Aid

<i>City or Town</i>	<i>FY 2015 Enacted</i>	<i>FY 2015 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2015 HFC</i>	<i>FY 2015 HFC to Enacted</i>
Barrington	\$ 341,488	\$ 341,488	\$ -	\$ 341,488	\$ -
Bristol	139,595	139,595	-	139,595	-
Burrillville	141,022	141,022	-	141,022	-
Central Falls	17,569	17,569	-	17,569	-
Charlestown	47,766	47,766	-	47,766	-
Coventry	222,474	222,474	-	222,474	-
Cranston	539,079	539,079	-	539,079	-
Cumberland	273,112	273,112	-	273,112	-
East Greenwich	121,085	121,085	-	121,085	-
East Providence	363,025	363,025	-	363,025	-
Exeter	45,664	45,664	-	45,664	-
Foster	31,550	31,550	-	31,550	-
Glocester	71,631	71,631	-	71,631	-
Hopkinton	34,685	34,685	-	34,685	-
Jamestown	87,697	87,697	-	87,697	-
Johnston	124,729	124,729	-	124,729	-
Lincoln	191,018	191,018	-	191,018	-
Little Compton	30,298	30,298	-	30,298	-
Middletown	137,973	137,973	-	137,973	-
Narragansett	122,983	122,983	-	122,983	-
Newport	381,739	381,739	-	381,739	-
New Shoreham	78,270	78,270	-	78,270	-
North Kingstown	273,440	273,440	-	273,440	-
North Providence	176,242	176,242	-	176,242	-
North Smithfield	63,304	63,304	-	63,304	-
Pawtucket	329,493	329,493	-	329,493	-
Portsmouth	103,554	103,554	-	103,554	-
Providence*	2,207,807	2,207,807	-	2,207,807	-
Richmond	26,531	26,531	-	26,531	-
Scituate	95,113	95,113	-	95,113	-
Smithfield	269,275	269,275	-	269,275	-
South Kingstown	199,345	199,345	-	199,345	-
Tiverton	102,842	102,842	-	102,842	-
Warren	53,916	53,916	-	53,916	-
Warwick	691,943	691,943	-	691,943	-
Westerly	255,839	255,839	-	255,839	-
West Greenwich	28,154	28,154	-	28,154	-
West Warwick	155,644	155,644	-	155,644	-
Woonsocket	196,505	196,505	-	196,505	-
Total	\$ 8,773,398	\$ 8,773,398	\$ -	\$ 8,773,398	\$ -

*Includes the Statewide Reference Library Resource Grant.

Library Aid

<i>City or Town</i>	<i>FY 2015 Enacted</i>	<i>FY 2016 Gov. Rec.</i>	<i>FY 2016 Rec. to Enacted</i>	<i>FY 2016 HFC</i>	<i>FY 2016 HFC to Enacted</i>
Barrington	\$ 341,488	\$ 337,167	\$ (4,322)	\$ 337,167	\$ (4,322)
Bristol	139,595	168,505	28,910	168,505	28,910
Burrillville	141,022	144,949	3,927	144,949	3,927
Central Falls	17,569	26,046	8,477	26,046	8,477
Charlestown	47,766	46,654	(1,112)	46,654	(1,112)
Coventry	222,474	217,150	(5,324)	217,150	(5,324)
Cranston	539,079	553,271	14,192	553,271	14,192
Cumberland	273,112	266,665	(6,447)	266,665	(6,447)
East Greenwich	121,085	121,208	123	121,208	123
East Providence	363,025	354,339	(8,686)	354,339	(8,686)
Exeter	45,664	45,910	246	45,910	246
Foster	31,550	30,796	(754)	30,796	(754)
Glocester	71,631	70,625	(1,006)	70,625	(1,006)
Hopkinton	34,685	31,101	(3,584)	31,101	(3,584)
Jamestown	87,697	87,375	(322)	87,375	(322)
Johnston	124,729	116,751	(7,978)	116,751	(7,978)
Lincoln	191,018	195,339	4,321	195,339	4,321
Little Compton	30,298	30,355	57	30,355	57
Middletown	137,973	135,162	(2,811)	135,162	(2,811)
Narragansett	122,983	120,040	(2,943)	120,040	(2,943)
Newport	381,739	380,016	(1,723)	380,016	(1,723)
New Shoreham	78,270	80,325	2,055	80,325	2,055
North Kingstown	273,440	266,128	(7,312)	266,128	(7,312)
North Providence	176,242	175,272	(970)	175,272	(970)
North Smithfield	63,304	65,478	2,174	65,478	2,174
Pawtucket	329,493	336,605	7,112	336,605	7,112
Portsmouth	103,554	101,476	(2,078)	101,476	(2,078)
Providence*	2,207,807	2,213,877	6,070	2,213,877	6,070
Richmond	26,531	26,246	(285)	26,246	(285)
Scituate	95,113	94,694	(419)	94,694	(419)
Smithfield	269,275	269,640	365	269,640	365
South Kingstown	199,345	201,734	2,389	201,734	2,389
Tiverton	102,842	100,382	(2,460)	100,382	(2,460)
Warren	53,916	54,101	185	54,101	185
Warwick	691,943	673,157	(18,786)	673,157	(18,786)
Westerly	255,839	274,847	19,008	274,847	19,008
West Greenwich	28,154	29,133	979	29,133	979
West Warwick	155,644	152,016	(3,628)	152,016	(3,628)
Woonsocket	196,505	178,865	(17,640)	178,865	(17,640)
Total	\$ 8,773,398	\$ 8,773,398	\$ -	\$ 8,773,398	\$ -

*Includes the Statewide Reference Library Resource Grant.

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2015 Enacted</i>	<i>FY 2015 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2015 HFC</i>	<i>FY 2015 HFC to Enacted</i>
Barrington	\$ 221,639	\$ 221,639	\$ -	\$ 221,639	\$ -
Bristol	308,928	308,928	-	308,928	-
Burrillville	216,868	216,868	-	216,868	-
Central Falls	262,600	262,600	-	262,600	-
Charlestown	106,035	106,035	-	106,035	-
Coventry	474,601	474,601	-	474,601	-
Cranston	1,090,383	1,090,383	-	1,090,383	-
Cumberland	454,704	454,704	-	454,704	-
East Greenwich	178,130	178,130	-	178,130	-
East Providence	639,014	639,014	-	639,014	-
Exeter	90,136	90,136	-	90,136	-
Foster	62,363	62,363	-	62,363	-
Glocester	132,587	132,587	-	132,587	-
Hopkinton	110,548	110,548	-	110,548	-
Jamestown	73,464	73,464	-	73,464	-
Johnston	390,714	390,714	-	390,714	-
Lincoln	286,509	286,509	-	286,509	-
Little Compton	47,318	47,318	-	47,318	-
Middletown	218,914	218,914	-	218,914	-
Narragansett	214,997	214,997	-	214,997	-
Newport	330,398	330,398	-	330,398	-
New Shoreham	11,697	11,697	-	11,697	-
North Kingstown	358,048	358,048	-	358,048	-
North Providence	435,538	435,538	-	435,538	-
North Smithfield	161,729	161,729	-	161,729	-
Pawtucket	965,684	965,684	-	965,684	-
Portsmouth	234,854	234,854	-	234,854	-
Providence	2,415,159	2,415,159	-	2,415,159	-
Richmond	103,920	103,920	-	103,920	-
Scituate	140,191	140,191	-	140,191	-
Smithfield	291,036	291,036	-	291,036	-
South Kingstown	412,970	412,970	-	412,970	-
Tiverton	213,316	213,316	-	213,316	-
Warren	144,380	144,380	-	144,380	-
Warwick	1,120,907	1,120,907	-	1,120,907	-
Westerly	308,860	308,860	-	308,860	-
West Greenwich	82,423	82,423	-	82,423	-
West Warwick	394,835	394,835	-	394,835	-
Woonsocket	559,030	559,030	-	559,030	-
Total	\$ 14,265,427	\$ 14,265,427	\$ -	\$ 14,265,427	\$ -

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2015 Enacted</i>	<i>FY 2016 Gov. Rec. *</i>	<i>FY 2016 Rec. to Enacted</i>	<i>FY 2016 HFC</i>	<i>FY 2016 HFC to Gov. Rec. *</i>
Barrington	\$ 221,639	\$ 221,639	\$ -	\$ 201,686	\$ (19,953)
Bristol	308,928	308,928	-	278,819	(30,109)
Burrillville	216,868	216,868	-	198,184	(18,684)
Central Falls	262,600	262,600	-	239,912	(22,688)
Charlestown	106,035	106,035	-	96,784	(9,251)
Coventry	474,601	474,601	-	432,985	(41,616)
Cranston	1,090,383	1,090,383	-	995,808	(94,575)
Cumberland	454,704	454,704	-	417,096	(37,608)
East Greenwich	178,130	178,130	-	162,408	(15,722)
East Providence	639,014	639,014	-	582,845	(56,169)
Exeter	90,136	90,136	-	82,701	(7,435)
Foster	62,363	62,363	-	57,271	(5,092)
Glocester	132,587	132,587	-	121,286	(11,301)
Hopkinton	110,548	110,548	-	100,831	(9,717)
Jamestown	73,464	73,464	-	67,109	(6,355)
Johnston	390,714	390,714	-	357,486	(33,228)
Lincoln	286,509	286,509	-	262,063	(24,446)
Little Compton	47,318	47,318	-	43,188	(4,130)
Middletown	218,914	218,914	-	199,830	(19,084)
Narragansett	214,997	214,997	-	195,635	(19,362)
Newport	330,398	330,398	-	301,205	(29,193)
New Shoreham	11,697	11,697	-	10,345	(1,352)
North Kingstown	358,048	358,048	-	326,128	(31,920)
North Providence	435,538	435,538	-	397,667	(37,871)
North Smithfield	161,729	161,729	-	148,734	(12,995)
Pawtucket	965,684	965,684	-	880,635	(85,049)
Portsmouth	234,854	234,854	-	214,568	(20,286)
Providence	2,415,159	2,415,159	-	2,203,425	(211,734)
Richmond	103,920	103,920	-	94,755	(9,165)
Scituate	140,191	140,191	-	128,192	(11,999)
Smithfield	291,036	291,036	-	265,491	(25,545)
South Kingstown	412,970	412,970	-	378,660	(34,310)
Tiverton	213,316	213,316	-	195,585	(17,731)
Warren	144,380	144,380	-	131,137	(13,243)
Warwick	1,120,907	1,120,907	-	1,019,420	(101,487)
Westerly	308,860	308,860	-	281,158	(27,702)
West Greenwich	82,423	82,423	-	75,512	(6,911)
West Warwick	394,835	394,835	-	359,305	(35,530)
Woonsocket	559,030	559,030	-	508,769	(50,261)
Total	\$ 14,265,427	\$ 14,265,427	\$ -	\$ 13,014,620	\$ (1,250,807)

**Governor's recommendation estimated as of May 7, 2014; HFC reflects distribution data updated from the Division of Municipal Finance June 2015.*

Meals and Beverage Tax

<i>City or Town</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>
Barrington	\$ 135,625	\$ 135,686	\$ 137,483	\$ 150,289
Bristol	327,042	340,439	333,801	349,976
Burrillville	174,052	170,110	194,053	188,267
Central Falls	92,902	100,396	95,042	108,588
Charlestown	102,788	106,466	109,250	129,269
Coventry	331,317	359,173	353,161	369,572
Cranston	1,342,820	1,464,102	1,496,186	1,565,772
Cumberland	357,915	377,291	387,440	398,311
East Greenwich	447,265	467,401	505,899	542,163
East Providence	740,237	789,039	815,946	850,141
Exeter	72,117	73,550	77,753	82,729
Foster	15,627	14,081	14,837	15,555
Glocester	57,017	70,135	72,985	72,882
Hopkinton	43,541	47,474	51,648	48,816
Jamestown	79,350	81,039	77,397	82,430
Johnston	455,592	464,125	464,676	477,395
Lincoln	623,233	680,568	680,872	752,037
Little Compton	36,462	32,462	38,168	36,886
Middletown	565,079	609,116	601,666	650,819
Narragansett	460,945	534,213	500,618	523,958
Newport	1,627,651	1,833,841	1,912,423	1,850,957
New Shoreham	225,192	256,173	257,729	287,318
North Kingstown	424,631	463,093	462,381	473,098
North Providence	338,650	333,767	348,156	314,626
North Smithfield	156,161	181,683	195,593	229,300
Pawtucket	643,598	670,833	649,192	707,825
Portsmouth	168,433	172,717	177,469	175,345
Providence	4,047,090	4,443,753	4,555,807	4,744,243
Richmond	110,470	116,580	118,985	121,428
Scituate	53,285	60,262	67,382	63,926
Smithfield	524,556	558,121	582,110	649,927
South Kingstown	561,221	623,204	642,828	705,854
Tiverton	156,098	189,157	188,622	199,203
Warren	208,132	241,958	230,369	249,162
Warwick	2,130,242	2,319,661	2,338,168	2,502,697
Westerly	625,338	704,012	713,100	747,540
West Greenwich	101,165	97,853	103,943	124,809
West Warwick	324,975	311,829	313,596	321,518
Woonsocket	495,850	500,016	488,443	470,248
Total	\$ 19,383,665	\$ 20,995,381	\$ 21,355,178	\$ 22,334,876

Local Hotel Tax

<i>City or Town</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	14,742	13,073	14,631	15,804
Burrillville	-	-	-	-
Central Falls	-	-	-	-
Charlestown	9,477	8,766	8,232	8,825
Coventry	33,396	30,491	29,526	34,086
Cranston	3,301	3,967	3,929	3,885
Cumberland	-	-	-	-
East Greenwich	189	158	229	370
East Providence	13,695	15,378	15,256	18,373
Exeter	-	-	-	-
Foster	74	57	38	104
Glocester	825	781	816	1,148
Hopkinton	-	-	-	-
Jamestown	3,818	4,409	4,043	3,870
Johnston	2,885	2,824	3,020	3,165
Lincoln	36,521	38,782	41,808	43,671
Little Compton	5,589	3,777	4,474	1,835
Middletown	232,431	263,989	259,616	289,889
Narragansett	37,474	34,552	34,265	34,462
Newport	-	-	790,380	815,986
New Shoreham	99,549	99,845	112,692	126,106
North Kingstown	9,739	28,071	31,236	32,951
North Providence	-	-	-	-
North Smithfield	956	1,108	1,379	1,284
Pawtucket	19,148	18,645	20,463	22,076
Portsmouth	2,967	3,627	3,943	4,913
Providence	707,255	753,159	782,201	825,596
Richmond	1,517	1,499	1,596	1,462
Scituate	1,622	1,717	1,458	2,059
Smithfield	52,094	56,265	56,971	62,429
South Kingstown	50,496	53,940	56,764	58,652
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	353,993	386,408	416,065	432,937
Westerly	116,835	143,201	163,639	188,057
West Greenwich	35,515	36,480	39,230	40,274
West Warwick	42,026	38,451	36,974	41,880
Woonsocket	17,533	23,292	27,010	21,953
Total	\$ 1,905,664	\$ 2,066,715	\$ 2,961,884	\$ 3,138,100

FY 2016 Education Aid

The House Finance Committee budget funds the fifth year of the education funding formula adopted by the 2010 Assembly. The calculation for FY 2016 uses March 14, 2015 student enrollment data adjusted for FY 2016 anticipated charter school enrollments, a per pupil core instruction amount of \$8,928 and state share ratio variables updated with June 30, 2014 data. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less funding will have that loss phased in over ten years.

Total Funding to Districts

A. Column **A** is the amount that districts would receive in the fifth year of the formula's implementation pursuant to the ten-year phase in of the formula. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less state funding will have that loss phased in over ten years.

B. Column **B** is the amount of group home aid districts will receive in FY 2016. Group home aid is paid pursuant to current law in addition to aid paid through the funding formula.

C. The formula allows for additional resources from the state for high-cost special education students, high-cost career and technical programs, early childhood education programs, and transportation costs. Column **C** shows the House Finance Committee recommendation for distribution from high-cost special education and transportation funds; this includes the restoration of \$2.0 million for out-of-district transportation.

D. Column **D** shows the House Finance Committee's FY 2016 total education aid recommendation. The final aid amount is subject to change, based upon pending charter school approvals and any updates resulting from a recent Superior Court decision affecting regionalized school districts.

E. Column **E** is the FY 2015 enacted aid.

F. Column **F** is the difference between the House Finance Committee's FY 2016 recommendation shown in Column **D** and the FY 2015 enacted budget in Column **E**.

G. Column **G** is the Governor's FY 2016 recommended budget. It was based on June 30, 2014 student enrollment data and includes no funding for out-of-district transportation.

H. Column **H** is the difference between the House Finance Committee's FY 2016 recommendation, which includes the restoration of \$2.0 million for out-of-district transportation, shown in Column **D** and the Governor's FY 2016 recommendation shown in Column **G**.

	A	B	C	D
District	FY 2016 Formula Aid*	Group Home Aid	Categoricals	Total FY 2016 HFC*
Barrington	\$ 5,040,087	\$ -	\$ 117,009	\$ 5,157,096
Burrillville	12,982,749	283,374	35,091	13,301,214
Charlestown	1,706,421	-	-	1,706,421
Coventry	21,524,703	95,489	58,389	21,678,581
Cranston	49,798,241	46,354	728,183	50,572,778
Cumberland	16,552,780	-	137,164	16,689,944
East Greenwich	2,749,104	-	141,136	2,890,240
East Providence	30,348,208	510,748	235,859	31,094,815
Foster	1,181,172	-	25,683	1,206,855
Glocester	2,515,667	-	30,939	2,546,606
Hopkinton	5,470,735	-	-	5,470,735
Jamestown	438,478	-	17,774	456,252
Johnston	13,920,605	-	320,785	14,241,390
Lincoln	10,225,160	113,099	95,990	10,434,249
Little Compton	398,464	-	-	398,464
Middletown	8,369,412	302,018	51,852	8,723,282
Narragansett	2,134,161	-	20,647	2,154,808
Newport	10,402,340	184,024	10,855	10,597,219
New Shoreham	85,500	-	18,248	103,748
North Kingstown	10,631,130	-	31,418	10,662,548
North Providence	17,944,337	182,432	223,956	18,350,725
North Smithfield	5,683,082	101,850	39,636	5,824,568
Pawtucket	78,238,483	491,410	147,438	78,877,331
Portsmouth	4,212,562	536,183	49,026	4,797,771
Providence	220,885,590	1,083,736	764,352	222,733,679
Richmond	5,063,630	-	-	5,063,630
Scituate	3,909,685	-	65,159	3,974,844
Smithfield	5,089,386	219,020	39,790	5,348,196
South Kingstown	7,289,894	300,911	166,355	7,757,160
Tiverton	5,966,553	-	41,493	6,008,046
Warwick	36,095,190	247,344	163,365	36,505,899
Westerly	8,272,261	-	146,557	8,418,818
West Warwick	21,833,719	-	47,523	21,881,242
Woonsocket	53,126,130	54,653	52,917	53,233,700
Bristol-Warren	15,310,869	109,676	786,772	16,207,317
Chariho	191,602	-	1,131,087	1,322,688
Exeter-West Greenwich	5,387,085	252,851	590,140	6,230,077
Foster-Glocester	4,872,233	-	241,622	5,113,855
Central Falls	39,520,103	-	77,151	39,597,254
Total	\$ 745,367,511	\$ 5,115,172	\$ 6,851,360	\$ 757,334,044
<i>Adjusted Chariho</i>	12,432,387	-	1,131,087	13,563,474

* Based on current law. Final aid is subject to change, based upon pending charter school approvals and any updates resulting from a recent Superior Court decision affecting regionalized school districts.

<i>District</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>
	<i>FY 2015 Enacted</i>	<i>Total FY 2016 Change to Enacted</i>	<i>FY 2016 Governor</i>	<i>FY 2016 Total Change to Governor</i>
Barrington	\$ 4,701,418	\$ 455,678	\$ 5,201,902	\$ (44,806)
Burrillville	13,173,610	127,603	13,344,587	(43,373)
Charlestown	1,708,666	(2,245)	1,721,411	(14,990)
Coventry	21,039,824	638,756	21,824,571	(145,991)
Cranston	47,040,378	3,532,400	50,225,086	347,691
Cumberland	15,756,436	933,507	16,548,009	141,935
East Greenwich	2,469,555	420,686	2,862,681	27,559
East Providence	29,373,000	1,721,815	31,148,199	(53,384)
Foster	1,193,192	13,663	1,196,566	10,289
Glocester	2,640,483	(93,877)	2,541,121	5,485
Hopkinton	5,576,348	(105,613)	5,520,458	(49,723)
Jamestown	406,834	49,417	458,374	(2,122)
Johnston	13,192,809	1,048,580	13,771,349	470,041
Lincoln	9,855,862	578,387	10,486,716	(52,467)
Little Compton	401,928	(3,464)	401,954	(3,490)
Middletown	8,905,309	(182,026)	8,712,708	10,574
Narragansett	1,993,920	160,888	2,190,317	(35,510)
Newport	10,623,202	(25,983)	10,521,650	75,569
New Shoreham	91,103	12,645	103,010	739
North Kingstown	10,725,467	(62,919)	10,654,823	7,725
North Providence	16,607,860	1,742,865	18,161,926	188,799
North Smithfield	5,587,845	236,723	5,759,368	65,200
Pawtucket	74,842,935	4,034,396	77,428,354	1,448,977
Portsmouth	4,882,427	(84,656)	4,815,937	(18,166)
Providence	215,122,639	7,611,040	221,826,401	907,278
Richmond	5,205,437	(141,807)	5,082,617	(18,987)
Scituate	3,960,437	14,407	3,955,392	19,452
Smithfield	5,115,212	232,984	5,401,302	(53,106)
South Kingstown	7,977,157	(219,997)	7,633,379	123,782
Tiverton	5,828,165	179,881	6,022,278	(14,232)
Warwick	36,064,777	441,122	36,598,936	(93,037)
Westerly	7,704,193	714,625	8,426,238	(7,420)
West Warwick	21,027,603	853,639	21,820,351	60,891
Woonsocket	50,690,278	2,543,422	53,113,115	120,586
Bristol-Warren	16,749,945	(542,628)	16,229,214	(21,897)
Chariho	1,316,445	6,244	1,147,858	174,831
Exeter-West Greenwich	6,637,627	(407,550)	6,275,034	(44,957)
Foster-Glocester	5,204,461	(90,607)	5,157,147	(43,292)
Central Falls	39,085,004	512,250	39,379,823	217,430
Total	\$ 730,479,794	\$ 26,854,250	\$ 753,670,162	\$ 3,663,881
<i>Adjusted Chariho</i>	13,806,896	(243,422)	13,472,344	91,130

Total Funding to Charter and State Schools

- A.** Column **A** is the FY 2015 enacted formula aid.
- B.** Column **B** includes mid-year revisions to FY 2015 based on current law requirements that any changes in enrollment as of October 1 that are greater than 10.0 percent get adjusted in that year.
- C.** Column **C** is the base formula aid calculation for FY 2016. It uses March 14, 2015 enrollment and lottery data.
- D.** Column **D** is the difference between FY 2016 base funding and FY 2015 revised formula aid.
- E.** Column **E** shows the transition calculation. Charter and state schools that will receive more state funding will have the additional funding phased in over seven years and those that are going to receive less state funding will have that loss phased in over ten years.
- F.** Column **F** is the House Finance Committee's FY 2016 recommended formula aid. It is the transition calculation in Column **E** added or subtracted from the FY 2015 revised formula aid shown in Column **B**. Growth due to adding grades is paid in the year of the growth. The final aid amount is subject to change, based upon pending charter school approvals and any updates resulting from a recent Superior Court decision affecting regionalized school districts.
- G.** Column **G** is the difference between the fifth year of funding under the formula and total state formula aid shown in Column **C**.
- H.** Column **H** shows the Governor's FY 2016 recommended formula aid.
- I.** Column **I** is the difference between the House Finance Committee's recommendation shown in Column **F** and the Governor's recommendation shown in Column **H**.

<i>School</i>	<i>A</i> <i>FY 2015</i> <i>Enacted</i> <i>Formula Aid</i>	<i>B</i> <i>FY 2015</i> <i>Revised</i> <i>Formula Aid</i>	<i>C</i> <i>FY 2016 Base</i> <i>Formula</i> <i>Funding**</i>	<i>D</i> <i>Change to</i> <i>Enacted</i>	<i>E</i> <i>Transition</i> <i>= 1/3rd or</i> <i>1/6th*</i>
Academy for Career Exploration (Textron)	\$ 2,318,176	\$ 2,318,176	\$ 2,256,530	\$ (61,646)	\$ (10,274)
Achievement First	2,705,111	2,705,111	5,163,546	2,458,435	2,458,435
Beacon	1,679,403	1,679,403	1,944,354	264,951	264,951
Blackstone	1,652,884	1,652,884	2,642,238	989,354	989,354
Compass	534,940	534,940	385,043	(149,897)	(24,983)
Engineering Early College	-	-	1,060,052	1,060,052	1,060,052
Greene School	942,594	942,594	981,650	39,056	13,019
Highlander	3,754,605	3,754,605	4,426,538	671,933	671,933
Hope Academy	369,149	369,149	665,193	296,044	296,044
International	2,867,484	2,867,484	3,004,632	137,148	137,148
Kingston Hill	625,616	625,616	499,030	(126,586)	(21,098)
Learning Community	6,137,788	6,137,788	6,047,335	(90,453)	(15,075)
New England Laborers	1,194,388	1,194,388	882,417	(311,971)	(51,995)
Nowell	1,596,758	1,596,758	1,594,170	(2,588)	(431)
Nurses Institute	2,508,982	2,398,086	2,195,154	(313,828)	(52,305)
Paul Cuffee	7,962,689	7,962,689	7,890,799	(71,890)	(11,982)
RI Mayoral Academies Blackstone Prep.	9,068,092	9,068,092	11,030,068	1,961,976	1,961,975
RISE Mayoral Academy	-	-	523,340	523,340	523,340
Segue Institute	2,649,456	2,649,456	2,713,776	64,320	21,440
Southside Elementary	255,742	255,742	508,072	252,330	252,330
Times2 Academy	6,986,801	6,986,801	7,183,575	196,774	196,774
Trinity	1,755,462	1,755,462	2,189,101	433,639	433,639
Village Green	1,600,556	1,600,556	1,883,074	282,518	282,518
Charter Schools Subtotal	59,166,676	59,055,780	67,669,687	8,503,011	9,374,807
Davies Career and Tech	12,240,174	12,223,378	7,848,437	(4,391,737)	(600,021)
Met School	10,501,360	10,501,360	6,679,749	(3,821,611)	(636,935)
Urban Collaborative	574,513	574,513	1,439,781	865,268	281,690
Total	\$ 82,482,723	\$ 82,355,031	\$ 83,637,653	\$ 1,154,930	\$ 8,419,542

* Growth due to adding grades is all paid in the year of growth

** Based on current law. Final aid is subject to change, based upon pending charter school approvals and any updates resulting from a recent Superior Court decision affecting regionalized school districts.

<i>School</i>	<i>F</i> <i>FY 2016 HFC</i> <i>Aid**</i>	<i>G</i> <i>Change to</i> <i>Base</i> <i>Calculation</i>	<i>H</i> <i>FY 2016</i> <i>Governor</i> <i>Recommendation</i>	<i>I</i> <i>Change to</i> <i>Governor</i>
Academy for Career Exploration (Textron)	\$ 2,307,902	\$ 51,372	\$ 2,291,698	\$ 16,204
Achievement First	5,163,546	-	5,391,640	(228,094)
Beacon	1,944,354	-	2,044,695	(100,341)
Blackstone	2,642,238	-	2,678,946	(36,708)
Compass	509,957	124,914	509,620	337
Engineering Early College	1,060,052	-	1,060,052	-
Greene School	955,612	(26,038)	1,007,866	(52,254)
Highlander	4,426,538	-	4,453,429	(26,891)
Hope Academy	665,193	-	734,676	(69,483)
International	3,004,632	-	3,021,621	(16,988)
Kingston Hill	604,518	105,488	614,217	(9,699)
Learning Community	6,122,713	75,378	6,126,851	(4,138)
New England Laborers	1,142,393	259,975	1,156,423	(14,030)
Nowell	1,596,326	2,157	1,616,589	(20,263)
Nurses Institute	2,456,677	261,523	2,533,189	(76,512)
Paul Cuffee	7,950,707	59,908	7,953,844	(3,136)
RI Mayoral Academies Blackstone Prep.	11,030,068	-	10,937,966	92,102
RISE Mayoral Academy	523,340	-	652,514	(129,173)
Segue Institute	2,670,896	(42,880)	2,679,797	(8,901)
Southside Elementary	508,072	-	508,072	-
Times2 Academy	7,183,575	-	7,619,514	(435,939)
Trinity	2,189,101	-	2,160,875	28,226
Village Green	1,883,074	-	2,411,323	(528,249)
Charter Schools Subtotal	68,541,484	871,797	70,165,418	(1,623,934)
Davies Career and Tech	11,640,153	3,791,716	11,656,803	(16,650)
Met School	9,864,425	3,184,676	9,987,505	(123,080)
Urban Collaborative	856,203	(583,577)	849,196	7,007
Total	\$ 90,902,265	\$ 7,264,612	\$ 92,658,922	\$ (1,756,657)

*** Based on current law. Final aid is subject to change, based upon pending charter school approvals and any updates resulting from a recent Superior Court decision affecting regionalized school districts.*

Summary of Retirement Legislation

The budget includes legislation to codify the pension settlement agreement signed by all the parties (except all municipal police and Cranston fire) in April, 2015 and determined by the Court to be fair, adequate and reasonable in May, 2015. The legislation does not exclude any parties. It preserves over 90 percent of the 2011 pension reform savings. The major terms of the settlement are outlined below.

COLA

- Still suspended until system is 80% funded; intermittent COLAs every 4 years instead of every 5
- Two one-time payments of \$500 will be made to all current retirees
 - One paid the month following enactment and one paid one year later
- COLA Formula – remains compounded; base increased from \$25,000 to \$30,000, indexed, for current retirees until the system is 80% funded, formula uses both investment returns and inflation with a maximum of 3.5%
 - Currently based only on investment returns with 4% maximum

Benefits

- State employees, teachers and MERS general employees with 20+ Years of Service as of 6/30/2012 – revert to a defined benefit plan (no hybrid) with a 2% annual accrual and higher employee contribution rate:
 - 11% for state employees and teachers
 - 8.25% for MERS general employees (9.25% for COLA plans)
- Employer contribution to defined contribution (DC) plan
 - Employees with 15 – 20 years of service: increases from 1% to 1.5%
 - Employees with 10 – 15 years of service: increases from 1% to 1.25%
- DC Admin Fee – employees making less than \$35,000 will no longer be charged the \$40 annual fee
- Correctional Officers accrual rates for years 31-35: from 2% to 3%
- MERS Police and Fire accrual for those at least age 57 with at least 30 years: from 2% to 2.25%
- Anti-spiking, part-time component revised for lower income levels to allow for 5 year average instead of 10 year average

Retirement Age

- Unreduced retirement for state employees, teachers and MERS general: age 65 with 30 years of service; 64 with 31 years; 63 with 32 years; 62 with 33 years
- MERS Police/Fire: age 50 with 25 years of service or any age and 27 years of service
 - Members will pay additional 2% beginning July 1, 2015

Funding Plan

- For MERS plans and the local employer portion of teacher contributions, the unfunded liability may be re-amortized 4 additional years to 25 years

Cost

- FY 2017 state contribution increases \$16.3 million, \$12.6 million from general revenues
- Total unfunded liability goes from \$4.6 billion to about \$4.9 billion – 6.1% increase
- Funded ratio for state employees goes from 57.4% to 56.1%; teachers goes from 59.6% to 58.2%
- Aggregate average funded ratio for MERS general employees goes from 85.0% to 83.6%
- Aggregate average funded ratio for MERS police and fire goes from 82.3% to 79.2%

Combined Estimated Budgetary Impact on Local Employers						
Estimated Increases in Employer Retirement Contributions FY 2017						
MERS EMPLOYER and TEACHER CONTRIBUTION TOTALS						
Municipal	Current	Article 21	Increase	Pre-2011 RIRSA	Pre-RIRSA vs Current	Pre-RIRSA vs Art. 21
Barrington	\$ 5,334,803	\$ 5,305,160	\$ (29,643)	\$ 10,185,686	\$ 4,850,883	\$ (4,880,526)
Bristol/Warren	6,379,808	6,322,040	(57,768)	11,420,231	5,040,423	(5,098,191)
Burrillville	3,169,001	3,178,198	9,197	6,070,817	2,901,816	(2,892,619)
Central Falls	3,538,248	3,492,057	(46,191)	7,434,267	3,896,019	(3,942,210)
Chariho	5,697,984	5,630,715	(67,269)	11,480,007	5,782,023	(5,849,292)
Coventry	7,228,941	7,070,474	(158,467)	12,725,084	5,496,143	(5,654,610)
Cranston	17,584,868	17,805,290	220,422	34,903,001	17,318,133	(17,097,711)
Cumberland	6,755,798	6,614,281	(141,517)	11,671,666	4,915,868	(5,057,385)
East Greenwich	4,537,606	4,468,200	(69,406)	8,690,982	4,153,376	(4,222,782)
East Providence	10,097,449	9,857,723	(239,726)	16,285,701	6,188,252	(6,427,978)
Exeter/West Greenwich	2,818,437	2,767,873	(50,564)	5,886,504	3,068,067	(3,118,631)
Foster/Glocester	3,429,955	3,404,716	(25,239)	6,072,739	2,642,784	(2,668,023)
Jamestown	1,031,508	1,035,541	4,033	1,984,724	953,216	(949,183)
Johnston	5,496,837	5,399,116	(97,721)	9,515,863	4,019,026	(4,116,747)
Lincoln	4,794,288	4,699,931	(94,357)	8,209,213	3,414,925	(3,509,282)
Little Compton	401,758	392,622	(9,136)	698,126	296,368	(305,504)
Middletown	4,036,874	3,998,100	(38,774)	7,550,037	3,513,163	(3,551,937)
Narragansett	2,150,307	2,105,990	(44,317)	3,672,579	1,522,272	(1,566,589)
Newport	5,932,986	5,824,972	(108,014)	10,045,646	4,112,660	(4,220,674)
New Shoreham	564,445	565,794	1,349	976,631	412,186	(410,837)
North Kingstown	8,269,840	8,119,455	(150,385)	16,145,024	7,875,184	(8,025,569)
North Providence	5,419,870	5,212,809	(207,061)	9,661,655	4,241,785	(4,448,846)
North Smithfield	2,352,231	2,351,572	(659)	4,963,900	2,611,669	(2,612,328)
Pawtucket	11,744,759	11,581,695	(163,064)	22,770,758	11,025,999	(11,189,063)
Portsmouth	3,004,880	2,941,383	(63,497)	4,941,775	1,936,895	(2,000,392)
Providence	23,484,443	22,917,751	(566,692)	44,925,532	21,441,089	(22,007,781)
Scituate	2,321,916	2,292,492	(29,424)	3,732,967	1,411,051	(1,440,475)
Smithfield	3,892,076	3,943,849	51,773	7,560,490	3,668,414	(3,616,641)
South Kingstown	6,405,207	6,390,224	(14,983)	13,236,649	6,831,442	(6,846,425)
Tiverton	2,695,958	2,704,283	8,325	4,923,538	2,227,580	(2,219,255)
Warwick	12,179,574	11,885,674	(293,900)	24,116,933	11,937,359	(12,231,259)
Westerly	4,368,381	4,276,072	(92,309)	7,571,977	3,203,596	(3,295,905)
West Warwick	3,677,076	3,592,812	(84,264)	7,136,884	3,459,808	(3,544,072)
Woonsocket	9,139,400	9,216,952	77,552	18,501,305	9,361,905	(9,284,353)
<i>Subtotal Locals</i>	<i>\$ 199,937,512</i>	<i>\$ 197,365,816</i>	<i>\$ (2,571,696)</i>	<i>\$ 375,668,891</i>	<i>\$ 175,731,379</i>	<i>\$ (178,303,075)</i>
<i>Subtotal Charters Other LEA Groups</i>	<i>3,667,194</i>	<i>3,586,079</i>	<i>(81,115)</i>	<i>6,510,679</i>	<i>2,843,485</i>	<i>(2,924,600)</i>
Total - All	\$ 203,604,706	\$ 200,951,895	\$ (2,652,811)	\$ 382,179,570	\$ 178,574,864	\$ (181,227,675)

Tourism Taxes and Distribution

Hotel rooms and other temporary lodging rentals are subject to the state sales tax of 7.0 percent. The tax applies only to sales at retail; sales for resale are not subject to sales tax. Hotel room rentals are also subject to two hotel taxes: the 5.0 percent state hotel tax, which has multiple recipients, and a 1.0 percent local hotel tax to the city or town where the rented room is located. Both hotel taxes are collected by the hotel or lodging facility and remitted to the Division of Taxation. Hotel tax collections are distributed on a monthly basis.

The following table shows distribution of the 5.0 percent state hotel tax under current law.

5.0 Percent State Hotel Tax - Current Law						
Region	Regional Tourism Districts	Providence Warwick CVB	Convention Ctr.	Cities & Towns	General Revenues	Total
Warwick	31.0%	23.0%	0.0%	25.0%	21.0%	100.0%
Providence	31.0%	23.0%	0.0%	25.0%	21.0%	100.0%
Omni	31.0%	12.0%	30.0%	0.0%	27.0%	100.0%
Statewide	0.0%	7.0%	0.0%	25.0%	68.0%	100.0%
Aquidneck Island	47.0%	7.0%	0.0%	25.0%	21.0%	100.0%
All Other	47.0%	7.0%	0.0%	25.0%	21.0%	100.0%

The Governor's recommended FY 2016 budget includes legislation to modify the existing state hotel tax revenue distribution to fund state level tourism and marketing programs through the Rhode Island Commerce Corporation, effective July 1, 2015. Shares of the 5.0 percent state hotel tax are decreased for seven of the eight tourism districts; the difference in shares as well as all funds that were deposited as general revenues would be transferred to the Commerce Corporation for a state tourism effort. The following table shows the recommended allocation.

5.0 Percent State Hotel Tax - Gov. FY 2016 Proposed Allocation						
Region	Regional Tourism Districts	Providence Warwick CVB	Convention Ctr.	Cities & Towns	Commerce Corporation	Total
Warwick	15.0%	23.0%	0.0%	25.0%	37.0%	100.0%
Providence	15.0%	23.0%	0.0%	25.0%	37.0%	100.0%
Omni	15.0%	12.0%	0.0%	0.0%	73.0%	100.0%
Statewide	0.0%	7.0%	0.0%	25.0%	68.0%	100.0%
Aquidneck Island	47.0%	7.0%	0.0%	25.0%	21.0%	100.0%
All Other	25.0%	7.0%	0.0%	25.0%	43.0%	100.0%

The House Finance Committee concurs with funding for a state tourism and marketing campaign, but includes legislation to modify the existing state hotel tax revenue distribution, effective January 1, 2016. Additionally, the House Finance Committee recommends a lesser reduction in regional districts' shares, but holds no entity harmless, and includes changes to the share percentage for each district and to the Providence Warwick Convention and Visitors' Bureau share of hotel tax revenues collected in six of the eight districts.

The state hotel tax distribution allocation recommended by the House Finance Committee is shown in the following table.

5.0 Percent State Hotel Tax - House Finance Committee						
Region	Regional Tourism Districts	Providence Warwick CVB*	Convention Ctr.*	Cities & Towns	Commerce Corporation	Total
Warwick	28.0%	23.0%	0.0%	25.0%	24.0%	100.0%
Providence	28.0%	23.0%	0.0%	25.0%	24.0%	100.0%
Omni	28.0%	12.0%	0.0%	0.0%	34.0%	74.0%
Statewide	0.0%	5.0%	0.0%	25.0%	70.0%	100.0%
Aquidneck Island	42.0%	5.0%	0.0%	25.0%	28.0%	100.0%
All Other	42.0%	5.0%	0.0%	25.0%	28.0%	100.0%

*Drafting error in 2015-H 5900, Substitute A includes PWCVB share of hotel taxes collected from regional districts at 7.0 percent

The Governor's recommendation includes expanding the sales and hotel taxes base, including bed and breakfast inns with one or two rooms for rent; permitting the rental of rooms from unlicensed facilities, including homes, through online platforms; and subjecting the resale cost of rooms rented through online travel companies or resellers to all tourism taxes. Additionally, the rental of vacation or other non-owner occupied homes is subject to sales tax and the local 1.0 percent hotel tax, but not the 5.0 percent state hotel tax.

The combined impact of the Governor's proposed changes to tourism taxes and distribution is shown in the following table.

Governor Proposed Allocation FY 2016 Impact

Tourism Tax Recommendation	State Sales Tax	State Hotel Tax	State Combined	Commerce Corp.	Tourism Districts	Cities & Towns
Hotel Tax Reallocation and Redistribution	\$ -	\$ (3.8)	\$ (3.8)	\$ 6.0	\$ (2.2)	\$ -
Hotel Room Resale	0.8	-	0.8	0.2	0.2	0.1
Small B&Bs and Unlicensed Rentals	0.7	-	0.7	0.2	0.3	0.2
Vacation Homes	5.4	-	5.4	-	-	0.8
Total Impact	\$ 6.9	\$ (3.8)	\$ 3.1	\$ 6.4	\$ (1.7)	\$ 1.0

in millions

The House Finance Committee concurs with the proposed base expansion. The combined impact of the changes included in its recommended budget is shown in the following table.

House Finance Committee Allocation FY 2016 Impact

Tourism Tax Recommendation	State Sales Tax	State Hotel Tax	State Combined	Commerce Corp.	Tourism Districts	Cities & Towns
Hotel Tax Reallocation and Redistribution	\$ -	\$ (3.8)	\$ (3.8)	\$ 4.4	\$ (0.6)	\$ -
Hotel Room Resale	0.8	-	0.8	0.1	0.3	0.1
Small B&Bs and Unlicensed Rentals	0.7	-	0.7	0.1	0.3	0.2
Vacation Homes	5.4	-	5.4	-	-	0.8
Total Impact	\$ 6.9	\$ (3.8)	\$ 3.1	\$ 4.7	\$ (0.0)	\$ 1.0

in millions

Section IV

Adjustments to Governor's Revised Budget

FY 2015 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
Revenue Changes						
1	May Revenue Conference	105,519,010	-	-	-	105,519,010
2	AG Settlement - Verizon/Sprint	275,400	-	-	-	275,400
3	Hospital License Fee at 5.745%	1,149,395	-	-	-	1,149,395
	Total	106,943,805	-	-	-	106,943,805
Expenditures Changes						
Administration						
4	3rd Quarter Overspend - Snow Removal	881,525	-	-	-	881,525
5	IT Fund - Judiciary Case Management System	-	-	1,459,604	-	1,459,604
6	Capital - Pastore Center Parking	-	-	-	(80,000)	(80,000)
7	Capital - Pastore Center Utility Systems Water Tanks & Pipes	-	-	-	(50,000)	(50,000)
8	Capital - Mathias Building Renovations	-	-	-	(680,000)	(680,000)
9	Capital - Chapin Health Lab	-	-	-	(310,000)	(310,000)
10	Capital - Dunkin Donuts Center	-	-	-	(1,400,000)	(1,400,000)
11	Capital - Harrington Hall	-	-	-	225,000	225,000
12	Capital - Ladd Center Buildings Demolition	-	-	-	40,000	40,000
13	Capital - State House Energy Management Improvement	-	-	-	57,000	57,000
14	Capital - Zambarano Utilities and Infrastructure	-	-	-	110,000	110,000
15	Community Service Grants	(10,222)	-	-	-	(10,222)
16	School for the Deaf - Debt Service Shift to FY 2016	(1,180,000)	-	-	-	(1,180,000)
Executive Office of Commerce						
17	Turnover Savings	(114,330)	-	-	-	(114,330)
Labor and Training						
18	Capital - Center General Roof	-	-	-	1,000,000	1,000,000
19	Police and Fire Relief	135,724	-	-	-	135,724
20	Summer Youth Program	(431,444)	431,444	-	-	-
Department of Revenue						
21	Taxation - Federal Fishermen Disaster Funds	-	1,397,500	-	-	1,397,500
Office of the General Treasurer						
22	Unclaimed Property	-	-	4,403,240	-	4,403,240
23	Retirement System Contracted Legal and Audit	-	-	700,000	-	700,000
Commission for Human Rights						
24	Real Estate Taxes	10,010	-	-	-	10,010
Office of Health and Human Services						
25	Graduate Medical Education	1,000,000	1,001,201	-	-	2,001,201
26	Medical Assistance - May Caseload	(16,710,703)	(137,741,802)	-	-	(154,452,505)

FY 2015 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
Children, Youth and Families						
27	Third Quarter Report Overspend - Foster Care	1,000,000	(32,438)	-	-	967,562
28	Capital - Youth Group Homes Fire Code Upgrades	-	-	-	(590,000)	(590,000)
29	Capital - Training School Maintenance Building	-	-	-	(535,000)	(535,000)
30	Capital - Training School Repairs and Improvements	-	-	-	(1,113,586)	(1,113,586)
Health						
31	Cancer Screening Federal Match	-	21,908	-	-	21,908
32	Community Service Grant	(12,024)	-	-	-	(12,024)
33	Environmental Health Services Fund Correction	-	2,642,849	(2,642,849)	-	-
Human Services						
34	SNAP Penalty	341,675	-	-	-	341,675
35	Assisted Living State Supplemental Payment	23,914	-	-	-	23,914
36	Cash Assistance - May Caseload	(197,561)	(1,515,247)	-	-	(1,712,808)
37	Community Service Grants	(11,711)	-	-	-	(11,711)
38	General Public Assistance Hardship	(117,250)	-	-	-	(117,250)
39	Paratransit - Gas Tax Revenue Update	-	-	-	234,842	234,842
40	Veterans' Cemetery Survey	-	-	50,000	-	50,000
BHDDH						
41	Capital - Community Facilities Fire Code Upgrade	-	-	-	(240,000)	(240,000)
42	Capital - DD Waiver Private Fire Code	-	(99,880)	-	(100,000)	(199,880)
43	Capital - MH Community Facilities	-	-	-	(100,000)	(100,000)
44	Capital - Regional Center Rehabilitation	-	-	-	(100,000)	(100,000)
45	Eleanor Slater Hospital Overtime	240,000	240,288	-	-	480,288
46	Eleanor Slater Hospital License Fee Adjustment	23,796	23,825	-	-	47,621
47	Services for Dev. Disabled Adults Overspend	3,900,000	3,904,684	-	-	7,804,684
48	Unachieved Savings - Electronic Visit Verification	340,401	340,810	-	-	681,211
Governor's Commission on Disabilities						
49	Capital - Handicapped Accessibility	-	-	-	(250,000)	(250,000)
Elementary and Secondary Education						
50	Capital - Davies HVAC	-	-	-	(1,400,000)	(1,400,000)
51	Capital - Woonsocket Career and Technical	-	-	-	(1,000,000)	(1,000,000)
52	Davies - Medical Savings	16,796	-	-	-	16,796
53	Race to the Top	-	1,030,163	-	-	1,030,163
54	Teacher Retirement (3rd Quarter)	(384,367)	-	-	-	(384,367)
55	Turnover and Operations (3rd Quarter)	(458,712)	-	-	-	(458,712)

FY 2015 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
Higher Education						
56	Community Service Grants	(68,132)	-	-	-	(68,132)
57	Capital - CCRI Asset Protection Correction	-	-	-	48,306	48,306
Historical Preservation & Heritage Commission						
58	National Register of Historic Places Grant	-	4,500	-	-	4,500
Attorney General						
59	Turnover and Operations (3rd Quarter)	(184,000)	-	-	-	(184,000)
Corrections						
60	Capital - Bernadette Guay Building Renovations	-	-	-	(500,000)	(500,000)
61	Capital - Intake Service Center Renovations	-	-	-	(800,000)	(800,000)
62	Capital - Medium Infrastructure	-	-	-	(2,000,000)	(2,000,000)
63	Capital - Minimum Security Renovations	-	-	-	(3,000,000)	(3,000,000)
64	Capital - Women's Roof, Masonry and General Renovations	-	-	-	(500,000)	(500,000)
Judicial						
65	Veterans' Court Grant	-	218,803	-	-	218,803
66	Court Technology	-	-	473,625	-	473,625
Military Staff						
67	Google Funds	-	-	50,000	-	50,000
Public Safety						
68	Shift Fire Training Academy Positions (3.2 FTE) to General Revenues	308,351	-	(308,351)	-	-
69	Federal Funds Adjustments	-	161,491	-	-	161,491
Public Defender						
70	Turnover (3rd Quarter)	(100,000)	-	-	-	(100,000)
Environmental Management						
71	Capital - Blackstone Valley Bike Path	-	-	-	(659,170)	(659,170)
Coastal Resources Management Council						
72	Capital - South Coast Restoration Project	-	-	-	(582,432)	(582,432)
Transportation						
73	NHTSA Grant Awards	-	3,660,000	-	-	3,660,000
74	Federal Highway Projects	-	35,000,000	-	-	35,000,000
75	Gas Tax DOT Yield	-	-	-	1,758,209	1,758,209
76	Gas Tax RIPTA Yield	-	-	-	962,559	962,559
77	Gas Tax Turnpike and Bridge Yield	-	-	-	345,534	345,534
78	Highway Maintenance Account	-	-	-	(1,461,906)	(1,461,906)

FY 2015 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
79	Municipal Related Projects	-	-	1,250,000	-	1,250,000
Total		(11,758,264)	(89,309,901)	5,435,269	(12,670,644)	(108,303,540)

FY 2015 Changes to Governor

Revenue

- 1. May Revenue Conference.** The Revenue Estimating Conference concluded May 8 and revised the FY 2015 estimate to \$3,615.7 million, which is \$106.8 million more than the revenues included in the November estimate and \$105.5 million more than the Governor's budget revised for her changes included in the estimate.
- 2. AG Settlement -Verizon/Sprint.** The House Finance Committee includes \$275,400 in revenue from the recent settlement to resolve allegations that Sprint and Verizon placed charges for third-party services on cell phone bills that were not authorized by consumers.
- 3. Hospital License Fee at 5.745%.** The House Finance Committee includes \$1.1 million in additional revenues from increasing the licensing fee from 5.703 percent to 5.745 percent.

Administration

- 4. 3rd Quarter Overspend - Snow Removal.** The Department of Administration's third quarter report projected snow removal costs totaling \$1.0 million which is \$0.9 million more than enacted almost entirely from general revenues due to the severity of the last winter. The Department indicates that it is working with the Federal Emergency Management Agency to obtain a share of the snow removal costs associated with Blizzard Juno; however, the reimbursement is not likely to be received until FY 2016. The House Finance Committee recommends funding to cover the additional costs.
- 5. IT Fund - Judiciary Case Management System.** The House Finance Committee recommends use of \$2.4 million, including \$1.5 million in FY 2015 from the Information Technology Investment Fund for the Judiciary's case management system, which is a unified system with data flowing seamlessly through the judicial process with no duplication of data entry. It should be noted that the House Finance Committee does not concur with the Governor's proposal to alter the distribution of the tobacco settlement funds, allowing sufficient resources to be deposited into the Fund.
- 6. Capital - Pastore Center Parking.** The FY 2015 budget includes \$1.4 million from Rhode Island Capital Plan funds to construct additional parking spaces at the Pastore Center. The Department anticipates expenditures of \$1.3 million, \$80,000 less than the budget. The House Finance Committee reduces FY 2015 expenses by \$80,000 to reflect projected expenses. The Committee also recommends advancing \$1.1 million of project costs budgeted in FY 2018 and FY 2019 to FY 2016 and FY 2017 to reflect the Department's revised project schedule.
- 7. Capital - Pastore Center Utility Systems Water Tanks and Pipes.** The FY 2015 budget includes \$0.5 million from Rhode Island Capital Plan funds to identify and address deficiencies at the Pastore Center with respect to water supply and distribution. The Department anticipates expenditures of \$0.4 million, \$50,000 less than recommended. The House Finance Committee adjusts expenditures to reflect the savings.
- 8. Capital - Mathias Building Renovations.** The capital plan includes a total of \$5.9 million from Rhode Island Capital Plan funds, of which \$1.0 million is for FY 2015 for renovations to the Mathias Building. The Department projects expenditures of \$0.3 million in the current year and the House Finance Committee adjusts expenditures accordingly.

9. Capital - Chapin Health Lab. The capital plan includes a total of \$3.1 million from Rhode Island Capital Plan funds to renovate the Chapin Health Laboratory. The Governor requested an amendment to shift total project costs of \$1.1 million, including \$0.3 million from FY 2015 and \$0.8 million from FY 2016 to FY 2018 to reflect a revised project timeline. The House Finance Committee concurs.

10. Capital - Dunkin Donuts Center. The Department's FY 2016 through FY 2020 capital budget includes a total of \$10.6 million from Rhode Island Capital Plan funds for renewal and replacement expenses for the Dunkin Donuts Center, including \$1.7 million in FY 2015. The Governor requested an amendment to shift \$1.4 million from FY 2015 to FY 2017 to reflect a delay of the roof project due to the severity of the winter. The House Finance Committee concurs.

11. Capital - Harrington Hall. The capital plan includes \$3.4 million from Rhode Island Capital Plan funds to renovate Harrington Hall in the Pastore Center. The building was built in 1936, has a total square footage of 22,071 and is used as a homeless shelter for men. The Governor requested an amendment to provide an additional \$225,000 in FY 2015 to reflect actual expenditures. The House Finance Committee concurs.

12. Capital - Ladd Center Buildings Demolition. The capital plan includes \$1.3 million from Rhode Island Capital Plan funds in FY 2015 to finish the demolition of buildings at the former Ladd school properties in Exeter. The goal of the project is to demolish structures and backfill all foundations, landscape and provide for additional open space. The Governor requested an amendment to provide an additional \$40,000 in FY 2015 to reflect the Department's projected project costs. The House Finance Committee concurs.

13. Capital - State House Energy Management Improvement. The capital budget includes \$0.4 million from Rhode Island Capital Plan funds in FY 2015 for design and architectural work related to energy management plans for the State House. The Governor requested an amendment to provide an additional \$57,000 in FY 2015 and \$346,000 in FY 2016 to reflect anticipated costs of engineering and architectural services. The House Finance Committee concurs.

14. Capital - Zambarano Utilities and Infrastructure. The capital budget includes a total of \$3.9 million from Rhode Island Capital Plan funds for capital repairs to various buildings and equipment at the Zambarano Campus of the Eleanor Slater Hospital in Burrillville. The Governor requested an amendment to provide an additional \$1.4 million, including \$0.1 million in FY 2015 and \$1.2 million in FY 2016 to address environmental remediation issues cited by the Department of Environmental Management, and to replace the roof on the Eleanor Slater Hospital. The House Finance Committee concurs.

15. Community Service Grants. The budget includes \$10,222 from general revenues for a community service grant to the Center to Advance Minority Participation in Construction to support minority participation in the construction industry. The Commerce Corporation indicated that it was unable to reach the Center on numerous occasions. The House Finance Committee eliminates the grant and adjusts expenditures accordingly.

16. School for the Deaf - Debt Service Shift to FY 2016. The FY 2015 revised budget includes \$1.8 million from general revenues for debt service payments related to the new School for the Deaf constructed in 2010 for which the 2008 Assembly authorized \$33.3 million from Certificates of Participation. Subsequently, the Budget Office indicated that the debt service schedule requires that the

\$1.2 million related to the principal payment be made in FY 2016. The House Finance Committee concurs and adjusts expenditures in both years accordingly.

Executive Office of Commerce

17. Turnover Savings. The House Finance Committee recommends reducing general revenue expenditures by \$0.1 million to reflect turnover savings in the Executive Office of Commerce.

Labor and Training

18. Capital - Center General Roof. The Governor's capital budget includes \$868,891 from federal funds, restricted receipts and temporary disability insurance funds for repairs and renovations to the roof at the Center General Complex in FY 2015. The Governor requested an amendment to add \$1.0 million in FY 2015 and \$0.3 million in FY 2016 from Rhode Island Capital Plan funds to complete the roof project, as that funding was previously authorized, but inadvertently excluded. The House Finance Committee concurs.

19. Police and Fire Relief. When an eligible police officer or fire fighter dies in the line of duty, the surviving family is eligible for a one-time benefit payment under the Police and Fire Relief Program, managed by the Department. The Budget Office's third quarter report indicates the need for \$135,724 from general revenues for a one-time death benefit payment for a recent qualifying incident. The House Finance Committee recommends adding the funding.

20. Summer Youth Program. The House Finance Committee recommends shifting general revenue expenditures of \$0.4 million that the Department already spent for the summer youth employment program to available federal Temporary Assistance to Needy Families block grant funds consistent with prior practice.

Department of Revenue

21. Taxation - Federal Fishermen Disaster Funds. The Governor requested an amendment to add \$1.4 million from federal funds for FY 2015 for a federal grant program from the National Oceanic and Atmospheric Administration to provide financial assistance to fishermen affected by the Northeastern groundfish natural disaster. The funds were granted to the Department of Environmental Management, but will be distributed to qualifying tax filers by the Division of Taxation in FY 2015. The House Finance Committee concurs.

Office of the General Treasurer

22. Unclaimed Property. The House Finance Committee recommends adding \$4.4 million for the unclaimed property program expenses, including claims and the transfer to the state, for FY 2015 to reflect the estimate of the May Revenue Estimating Conference. This includes an additional \$1.3 million in transfer to the state General Fund for an FY 2015 transfer of \$12.3 million.

23. Retirement System Contracted Legal and Audit. The House Finance Committee concurs with the Governor's requested budget amendment to add \$700,000 from restricted receipts. The increase includes \$550,000 for special legal counsel associated with the current legal challenges to the changes made by the 2009 and 2011 Assemblies. The amendment also adds \$150,000 for costs associated with performing a municipal payroll audit during FY 2015.

Commission for Human Rights

24. Real Estate Taxes. The House Finance Committee concurs with the Governor's requested amendment to add \$10,010 from general revenues for added costs for the Commission for Human Rights' building lease. This reflects previously unbilled real estate tax increases for 2011 through 2014 that are owed under the terms of the lease.

Office of Health and Human Services

25. Graduate Medical Education. The House Finance Committee provides \$2.0 million, including \$1.0 million from general revenues, for graduate medical education funding for academic medical centers that meet certain criteria, including designation as a Level 1 trauma center. The Governor's budget had eliminated the general revenue funding.

26. Medical Assistance - May Caseload. The House Finance Committee reduces medical assistance expenses by \$154.5 million from all sources, of which \$137.7 million is from federal funds and \$16.7 million is from general revenues; the estimate lowers federal funds by \$114.5 million for costs related to the Medicaid expansion program.

Children, Youth and Families

27. Third Quarter Report Overspend - Foster Care. The Budget Office's third quarter report indicates overspending for foster care and adoption services resulting from an increased foster care and adoption census and less available from federal Title IV-E funds. The House Finance Committee adds \$1.0 million, primarily from general revenues, in FY 2015.

28. Capital - Youth Group Homes Fire Code Upgrades. The Governor's capital budget includes \$0.6 million from Rhode Island Capital Plan funds in FY 2015 for fire code upgrades to private group homes and residential facilities. The House Finance Committee recommends shifting funding to FY 2016 as the Department is currently in the process of reevaluating the project.

29. Capital - Training School Maintenance Building. The Governor's capital budget includes \$0.5 million from Rhode Island Capital Plan funds in FY 2015 for a pre-fabricated maintenance building to be built on the Rhode Island Training School campus. The Department has since indicated that it is working with the Department of Administration to identify a vacant, state-owned building for maintenance operations. The House Finance Committee recommends shifting funding to FY 2016.

30. Capital - Training School Repairs and Improvements. The Governor's capital budget includes \$1.4 million from Rhode Island Capital Plan funds in FY 2015 for various repairs and improvements to the Rhode Island Training School. The House Finance Committee recommends shifting \$1.1 million from FY 2015 to FY 2016 to reflect delays associated with winter weather.

Health

31. Cancer Screening Federal Match. The Governor's budget includes \$21,908 from general revenues for cancer screening. She requested an amendment to include a like amount from federal funds to reflect the required federal match. The House Finance Committee concurs.

32. Community Service Grant. The enacted budget includes \$12,024 from general revenues for a community service grant to the Rhode Island Blood Center, which the center used for pediatric services

including hemophilia and sickle cell anemia. The Department has indicated that the pilot program, which this grant supported, had ended. The House Finance Committee adjusts expenditures accordingly.

33. Environmental Health Services Fund Correction. Subsequent to the budget submission, the Governor requested an amendment to correctly show \$2.6 million of expenditures for the environmental health services program as federal funds; they were inadvertently budgeted as restricted receipts. The House Finance Committee concurs.

Human Services

34. SNAP Penalty. The Budget Office's third quarter report indicates the potential need for added general revenue expenditures of \$683,350 for the payment of the most recent Supplemental Nutrition Assistance Program penalty. This third penalty results from high error rates related to over and under payments for FFY 2013. Subsequently, the Department indicated it is likely that only half of the penalty will be assessed. The House Finance Committee recommends \$341,675 for FY 2015 based on this additional information.

35. Assisted Living State Supplemental Payment. The House Finance Committee concurs with the Governor's requested amendment to add \$23,914 from general revenues in both FY 2015 and FY 2016 to reflect that expenditures for certain assisted living residents are anticipated to be higher than budgeted. The Department makes additional state supplemental payments of \$206 per month to individuals who receive the state supplemental security income payment and live in certain state licensed assisted living facilities.

36. Cash Assistance - May Caseload. The House Finance Committee recommends a reduction of \$1.7 million, including \$0.2 million less from general revenues to adjust the FY 2015 budget for the May Caseload Conference estimates for cash assistance caseloads, including Rhode Island Works, subsidized child care, supplemental security income and general public assistance bridge programs.

37. Community Service Grants. The House Finance Committee recommends reducing community service grant expenditures by \$11,711 to reflect two grantees that did not request their funding in FY 2015. Retired Senior Volunteer Association, Inc. is in the process of closing and the Town of North Smithfield did not request its funds since the grant award is specifically for elderly transportation and the town did not provide that service in FY 2015.

38. General Public Assistance Hardship. The Governor's budget contains \$210,000 from general revenues for benefits related to the General Public Assistance Hardship program for FY 2015, which provides temporary support of \$100 per month to persons who do not qualify for the supplemental security income or Rhode Island Works programs. The state is reimbursed for a portion of expenses if a person begins receiving assistance through the supplemental security income program. The House Finance Committee recommends reducing the funding by \$117,250 to reflect the Department's maximum anticipated expenditures for this program in FY 2015.

39. Paratransit - Gas Tax Revenue Update. The Department of Human Services is responsible for the payment of paratransit services for the elderly. Primary support is from one-cent of the gas tax. The Governor's budget was based upon the November gas tax yield estimate. She subsequently requested an amendment to add \$0.2 million in FY 2015 and \$0.3 million in FY 2016 from gas tax proceeds based on the May estimate of the gas tax yield and required expenditures for the program; the House Finance Committee concurs.

40. Veterans' Cemetery Survey. The Governor requested an amendment to add \$50,000 from restricted receipts in FY 2015 to conduct a survey of certain cemetery land to formally chart and determine the number of burial plots that can be included on the land. Supporting documents to the Governor's recommendation include the intent to fund the project as requested; however, the funding was inadvertently omitted. The House Finance Committee adds the \$50,000.

BHDDH

41. Capital - Community Facilities Fire Code Upgrade. The Governor's FY 2016 through FY 2020 Capital Budget includes \$1.6 million from Rhode Island Capital Plan funds to install new and upgrade existing fire alarm and sprinkler systems throughout the community developmental disability and mental health facilities. This includes \$400,000 in FY 2015. The House Finance Committee reduces FY 2015 funding by \$240,000 to reflect current spending.

42. Capital - DD Waiver Private Fire Code. The Governor's FY 2016 through FY 2020 Capital Budget includes \$1.2 million to install and upgrade fire alarm and sprinkler systems in the private developmental disabilities residences. This includes \$0.6 million from Rhode Island Capital Plan funds and \$0.6 million from matching Medicaid funds. The House Finance Committee recommends reducing FY 2015 Rhode Island Capital Plan funding by \$0.1 million and federal funds by \$0.1 million to reflect current spending.

43. Capital - MH Community Facilities. The Governor's FY 2016 through FY 2020 Capital Budget includes \$2.0 million from Rhode Island Capital Plan funds for repairs to 22 state owned community facilities and seven state owned centers housing indigent mental health clients. This includes \$300,000 in FY 2015. The House Finance Committee reduces FY 2015 funding by \$100,000 to reflect current spending.

44. Capital - Regional Center Rehabilitation. The Governor's FY 2016 through FY 2020 Capital Budget includes \$2.0 million from Rhode Island Capital Plan funds for repairs and renovations to the 11 state owned regional workshop centers. This includes \$300,000 in FY 2015. The House Finance Committee reduces FY 2015 funding by \$100,000 to reflect current spending.

45. Eleanor Slater Hospital Overtime. The Governor requested an amendment to add \$0.5 million from all sources, including \$0.2 million from general revenues, for overtime costs incurred at Eleanor Slater Hospital during Blizzard Juno. The House Finance Committee concurs.

46. Eleanor Slater Hospital License Fee Adjustment. The House Finance Committee includes \$6.5 million for the FY 2015 hospital license fee for Eleanor Slater Hospital and increases the Department's budget by \$47,621 to make the payment. The fee, paid by both the community hospitals and the state, is increasing from 5.703 percent to 5.745 percent with an updated base year. There is also a corresponding revenue adjustment.

47. Services for Dev. Disabled Adults Overspend. The House Finance Committee adds \$7.8 million, including \$3.9 million from general revenues, for services provided to adults with developmental disabilities based on a January 1, 2014 rate increase for which the full impact was not properly reported or funded including services provided to individuals in FY 2014 but billed in the current year. The funding is consistent with the Governor's budget amendment and not related to services being provided in compliance with the consent decree.

48. Unachieved Savings - Electronic Visit Verification. The Governor requested an amendment to restore \$0.7 million in savings, including \$0.3 million from general revenues, from the Department implementing an electronic visit verification process in coordination with the Office of Health and Human Services. The initiative has been delayed and the House Finance Committee restores the savings.

Governor's Commission on Disabilities

49. Capital - Handicapped Accessibility. The Governor recommends \$0.9 million from Rhode Island Capital Plan funds for FY 2015 for accessibility and safety projects throughout the state. The House Finance Committee removes \$0.3 million based on projected expenditures.

Elementary and Secondary Education

50. Capital - Davies HVAC. The Governor recommends \$3.1 million from Rhode Island Capital Plan funds from FY 2015 through FY 2018 to repair the HVAC system at the Davies Career and Technical Center. The House Finance Committee recommends shifting expenditures of \$1.4 million from FY 2015 to FY 2016 through FY 2018 because of project delays. Total funding is as recommended.

51. Capital - Woonsocket Career and Technical. The Governor recommends \$3.2 million from Rhode Island Capital Plan funds from FY 2015 through FY 2017 to replace the HVAC system and roof at the Woonsocket Career and Technical School. The House Finance Committee recommends shifting \$1.0 million from FY 2015 to FY 2018 to reflect delays and anticipated expenditures. Total funding is as recommended.

52. Davies - Medical Savings. The House Finance Committee concurs with the Governor's requested amendment to restore \$16,796 eliminated to reflect statewide medical benefit savings for the Davies Career and Technical School. Its budget should not be reduced by the value of the statewide savings because it gets a single state allocation for the year pursuant to the education funding formula.

53. Race to the Top. Consistent with the Governor's requested amendment, the House Finance Committee recommends increasing federal funding for the Race to the Top – Early Learning Challenge grant by \$1.0 million in FY 2015 to reflect program expenditures that were expected to occur in FY 2016 but will begin in FY 2015.

54. Teacher Retirement (3rd Quarter). The Governor recommends \$89.0 million for FY 2015 to fund the state's share of the employer contribution for teacher retirement. Based on updated teacher payroll projections, the House Finance Committee recommends reducing the state's share by \$0.4 million consistent with the third quarter reports from the Department and Budget Office.

55. Turnover and Operations (3rd Quarter). The House Finance Committee recommends reducing general revenue expenditures by \$458,712 to reflect additional turnover and operating savings included in the third quarter reports issued by both the Department and the Budget Office.

Higher Education

56. Community Service Grants. The House Finance Committee recommends eliminating the \$68,132 community service grant to the Senior Standard Medical Information System as the company receiving the grant ceased operations in June 2014.

57. Capital - CCRI Asset Protection Correction. The House Finance Committee recommends adding \$48,306 from Rhode Island Capital Plan funds for asset protection projects at the Community College in FY 2015 to restore funding to the FY 2015 enacted level.

Historical Preservation & Heritage Commission

58. National Register of Historic Places Grant. The Governor requested an amendment to add \$4,500 from federal funds for FY 2015 for a grant from the National Park Service. Funds would be used by the Commission to increase the number of Rhode Island properties and landmarks listed on the National Register of Historic Places. The House Finance Committee concurs.

Attorney General

59. Turnover and Operations (3rd Quarter). The House Finance Committee assumes general revenue savings of \$0.2 million from turnover and other operations for the Office of the Attorney General based on the Office's projected expenditures from its third quarter report.

Corrections

60. Capital - Bernadette Guay Building Renovations. The Governor's capital budget includes a total of \$3.4 million from Rhode Island Capital Plan funds, of which \$750,000 is for FY 2015 for renovations to the basement and the heating, ventilation and air conditioning system. The House Finance Committee removes \$0.5 million from FY 2015 to reflect anticipated expenditures.

61. Capital - Intake Service Center Renovations. The Governor's capital budget includes \$9.7 million from Rhode Island Capital Plan funds, of which \$2.0 million is for FY 2015 to restore the exterior of the Intake Service Center. The House Finance Committee recommends total funding as recommended but shifts \$0.8 million from FY 2015 and \$0.2 million from FY 2016 to FY 2019 and FY 2020 to reflect an updated project schedule.

62. Capital - Medium Infrastructure. The Governor's capital budget includes \$20.9 million from Rhode Island Capital Plan funds, of which \$3.0 million is for FY 2015 for infrastructure improvements at the John J. Moran medium security facility. The House Finance Committee recommends total funding as recommended but shifts \$2.0 million from FY 2015 and \$1.5 million from FY 2016 to FY 2019 and FY 2020 to reflect an updated project schedule.

63. Capital - Minimum Security Renovations. The Governor's capital budget includes \$10.9 million from Rhode Island Capital Plan funds, of which \$3.0 million is for FY 2015 to construct a new support services facility, expand the minimum security kitchen area, and install new equipment to increase its capacity to serve, feed, and house a larger inmate population. The House Finance Committee recommends total funding as recommended but shifts \$3.0 million from FY 2015 to FY 2020 to reflect an updated project schedule.

64. Capital - Women's Roof, Masonry and General Renovations. The Governor's capital budget includes \$3.8 million from Rhode Island Capital Plan funds, of which \$1.0 million is for FY 2015 to complete ongoing renovations at the Dix facility. The House Finance Committee removes \$0.5 million from FY 2015 and adds \$250,000 to FY 2016 to reflect an updated project schedule and revised cost estimates.

Judiciary

65. Veterans' Court Grant. Consistent with the Governor's requested budget amendment, the House Finance Committee adds \$0.2 million from federal funds in FY 2015 to reflect a new grant award for the Veterans' Court, which functions as a specialized calendar within District Court. Funding will allow the Judiciary to expand operations to serve a larger population of veterans and provide additional services as part of a jail diversion program aimed at addressing veterans, charged primarily with misdemeanor offenses.

66. Court Technology. Consistent with the Governor's requested budget amendment, the House Finance Committee adds \$0.5 million from restricted receipts in FY 2015 to pay the vendor managing the Judiciary's case management system. This three year project includes the purchase of computers, servers and software to enable electronic filing for all courts through the internet, which will replace the current system which relies on duplicative data input and paper files. This is in addition to \$1.5 million for FY 2015 and \$0.9 million for FY 2016 that the House Finance Committee adds from the Information Technology Investment Fund reflected in the Department of Administration's budget.

Military Staff

67. Google Funds. Consistent with the Governor's requested budget amendment, the House Finance Committee adds \$50,000 from Google Asset Forfeiture funds in FY 2015 to reflect updated spending projections for the Military Staff. This reflects additional anti-drug activities being carried out by the Military Staff that can be allocated to these funds.

Public Safety

68. Shift Fire Training Academy Positions (3.2 FTE) to General Revenues. The Governor recommends \$308,351 from restricted receipts for FY 2015 to fund salaries and benefits for 3.2 full-time equivalent positions associated with the State Fire Training Academy. The current fee structure for Fire Training Academy and Uniform Testing Report sticker receipts suggests the allocation of these expenses is not sustainable after FY 2016. The House Finance Committee recommends shifting these staffing expenses to general revenues for FY 2015 and thereafter.

69. Federal Funds Adjustments. The Governor requested an amendment to add \$161,491 from federal funds for FY 2015 for four different grant programs. Funds will be used to support training programs in the Municipal Police Training Academy and for personnel costs associated with the administration of grants by the Public Safety Grant Administration Office and the Division of State Police. The House Finance Committee concurs.

Public Defender

70. Turnover (3rd Quarter). The House Finance Committee recommends general revenue turnover savings of \$100,000 based on the Office of the Public Defender's third quarter report.

Environmental Management

71. Capital - Blackstone Valley Bike Path. The House Finance Committee shifts \$0.7 million from Rhode Island Capital Plan funds from FY 2015 to FY 2017 to reflect the revised project schedule and anticipated expenditures for construction of the Blackstone Valley Bike Path and related work in the Blackstone Valley Corridor.

Coastal Resources Management Council

72. Capital - South Coast Restoration Project. The House Finance Committee shifts \$0.6 million of Rhode Island Capital Plan funds from FY 2015 to FY 2016 and FY 2017 to complete habitat restorations along the southern coast of Rhode Island and to maintain breachways. The funds will be used as state match for federal funds supporting dredging work in Winnapaug Pond and Ninigret Pond. The Coastal Resources Management Council indicates that the actual dredging work is expected to occur in FY 2016 and FY 2017.

Transportation

73. NHTSA Grant Awards. The Governor requested an amendment to add \$3.7 million from federal funds for FY 2015 to reflect funding from the National Highway Traffic Safety Administration. Funding will be used for statewide initiatives to address child safety, motorcycle safety, primary seatbelt safety and alcohol impaired driving. The House Finance Committee concurs.

74. Federal Highway Projects. The House Finance Committee concurs with the Governor's requested amendment to add \$35.0 million from federal funds for FY 2015 to reflect available funds from the Federal Highway Administration. The Governor's budget reflected a conservative estimate based on the shortfall in the Federal Highway Trust fund that was set to expire on May 31, 2015. It has been extended for two additional months.

75. Gas Tax DOT Yield. The House Finance Committee concurs with the Governor's requested amendment to increase gasoline tax expenditures for the Department of Transportation by \$1.8 million to reflect an upward revision of the gasoline tax yield estimate. The adjustment will increase the debt service payment for the Department's GARVEE bonds, which are paid for with the equivalent of two cents of the gasoline tax, and also increase available proceeds for operations in the Division of Maintenance by \$1.6 million.

76. Gas Tax RIPTA Yield. The House Finance Committee concurs with the Governor's requested amendment to increase available gasoline tax in the Department of Transportation to reflect an increased transfer to the Rhode Island Public Transit Authority of \$1.0 million to reflect an upward revision of the gasoline tax yield estimate.

77. Gas Tax Turnpike and Bridge Yield. The House Finance Committee concurs with the Governor's requested amendment to increase available gasoline tax in the Department of Transportation to reflect an increased transfer to the Rhode Island Turnpike and Bridge Authority of \$0.3 million to reflect an upward revision of the gasoline tax yield estimate.

78. Highway Maintenance Account. The House Finance Committee concurs with the Governor's requested budget amendment to decrease expenditures from the Rhode Island Highway Maintenance Account by \$1.5 million for FY 2015 based on revised estimates of revenues collected from emission inspection sticker fees, motor vehicle title fees and rental car surcharge fees.

79. Municipal Related Projects. The House Finance Committee concurs with the Governor's amendment to add \$1.3 million from restricted receipts based on work the Department has performed for municipalities during FY 2015. Total FY 2015 funding would be \$2.3 million.

Section V

Summary Tables

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Expenditures from All Funds

	FY 2015 Enacted	FY 2015 Committee	FY 2016 Recommended	FY 2016 Committee
General Government				
Administration	\$ 425,765,956	\$ 456,786,617	\$ 339,051,951	\$ 368,031,640
Business Regulation	12,976,430	13,817,345	14,729,029	14,620,512
Executive Office of Commerce	-	221,314	76,320,494	76,249,636
Labor and Training	511,579,990	488,707,875	445,208,317	443,730,008
Revenue	460,214,642	447,477,238	415,207,249	423,207,249
Legislature	38,016,750	40,748,731	41,154,944	41,154,944
Lieutenant Governor	1,089,434	1,064,842	1,292,621	1,192,621
Secretary of State	8,366,955	7,935,146	7,971,884	7,986,884
General Treasurer	35,241,893	40,769,417	34,430,778	39,094,693
Board of Elections	4,145,127	4,656,199	1,818,305	1,818,305
Rhode Island Ethics Commission	1,581,205	1,618,883	1,644,876	1,644,876
Governor's Office	4,527,562	4,655,727	4,903,467	4,903,467
Human Rights	1,480,179	1,542,465	1,548,010	1,548,010
Public Utilities Commission	8,459,886	8,430,886	8,684,685	8,684,685
Subtotal - General Government	\$ 1,513,446,009	\$ 1,518,432,685	\$ 1,393,966,610	\$ 1,433,867,530
Human Services				
Health and Human Services	\$ 2,391,411,846	\$ 2,366,140,844	\$ 2,429,810,398	\$ 2,386,103,953
Children, Youth and Families	210,636,391	225,388,934	212,844,162	216,592,410
Health	122,645,570	125,993,525	121,352,917	121,401,905
Human Services	649,786,890	626,692,236	620,393,325	622,403,505
BHDDH	365,509,826	373,191,765	366,867,639	370,920,694
Child Advocate	661,817	683,154	-	717,273
Deaf and Hard of Hearing	474,279	478,741	-	491,883
Commission on Disabilities	1,508,802	1,322,596	-	428,524
Mental Health Advocate	495,010	506,078	-	508,251
Subtotal - Human Services	\$ 3,743,130,431	\$ 3,720,397,873	\$ 3,751,268,441	\$ 3,719,568,398
Education				
Elementary and Secondary	\$ 1,246,096,357	\$ 1,249,608,269	\$ 1,302,876,096	\$ 1,309,191,905
Higher Education	1,080,789,192	1,075,676,716	1,087,759,178	1,090,159,436
Arts Council	2,914,959	2,972,986	3,681,407	3,681,407
Atomic Energy	1,271,174	1,605,088	1,337,169	1,337,169
HEAA	23,946,961	15,832,630	-	-
Historical Preservation	5,909,976	6,085,081	3,911,203	3,956,703
Subtotal - Education	\$ 2,360,928,619	\$ 2,351,780,770	\$ 2,399,565,053	\$ 2,408,326,620

Expenditures from All Funds

	FY 2015 Enacted	FY 2015 Committee	FY 2016 Recommended	FY 2016 Committee
Public Safety				
Attorney General	\$ 36,791,685	\$ 39,992,612	\$ 28,035,317	\$ 34,035,317
Corrections	209,326,500	206,546,663	212,575,670	211,025,689
Judicial	105,669,516	110,722,314	111,911,210	116,299,126
Military Staff	18,454,074	18,893,837	19,408,098	19,408,098
Public Safety	126,554,846	123,509,784	122,908,172	123,725,416
Public Defender	11,379,680	11,102,211	11,700,347	11,700,347
Emergency Management	20,622,227	23,770,923	18,537,918	18,537,918
Subtotal-Public Safety	\$ 528,798,528	\$ 534,538,344	\$ 525,076,732	\$ 534,731,911
Natural Resources				
Environmental Management	\$ 103,811,527	\$ 106,654,264	\$ 93,482,803	\$ 99,304,621
CRMC	4,959,681	9,923,794	5,347,608	5,669,383
Subtotal-Natural Resources	\$ 108,771,208	\$ 116,578,058	\$ 98,830,411	\$ 104,974,004
Transportation				
Transportation	\$ 525,120,546	\$ 489,454,123	\$ 458,868,000	\$ 463,816,478
Subtotal-Transportation	\$ 525,120,546	\$ 489,454,123	\$ 458,868,000	\$ 463,816,478
Total	\$ 8,780,195,341	\$ 8,731,181,853	\$ 8,627,575,247	\$ 8,665,284,941

Expenditures from General Revenues

	FY 2015 Enacted	FY 2015 Committee	FY 2016 Recommended	FY 2016 Committee
General Government				
Administration	\$ 268,843,237	\$ 250,073,307	\$ 173,930,982	\$ 197,494,291
Business Regulation	9,013,477	8,802,653	9,345,012	9,236,495
Executive Office of Commerce	-	221,314	62,236,691	62,165,833
Labor and Training	8,669,103	8,718,217	8,424,769	8,324,769
Revenue	107,798,690	107,304,673	105,198,446	113,198,446
Legislature	36,429,671	39,233,413	39,474,071	39,474,071
Lieutenant Governor	1,015,084	1,007,208	1,227,621	1,127,621
Secretary of State	7,337,203	7,296,007	6,936,530	6,951,530
General Treasurer	2,432,105	2,417,151	2,420,250	2,420,250
Board of Elections	4,145,127	4,656,199	1,818,305	1,818,305
Rhode Island Ethics Commission	1,581,205	1,618,883	1,644,876	1,644,876
Governor's Office	4,527,562	4,655,727	4,903,467	4,903,467
Human Rights	1,193,083	1,231,773	1,252,174	1,252,174
Public Utilities Commission	-	-	-	-
Subtotal - General Government	\$ 452,985,547	\$ 437,236,525	\$ 418,813,194	\$ 450,012,128
Human Services				
Health and Human Services	\$ 904,633,663	\$ 926,069,661	\$ 889,519,628	\$ 909,218,673
Children, Youth and Families	148,707,146	159,341,580	151,837,731	152,587,731
Health	22,957,920	22,829,506	25,840,318	25,835,956
Human Services	96,328,781	94,847,483	96,425,089	98,271,683
BHDDH	167,536,873	173,300,573	170,425,740	172,463,711
Child Advocate	611,817	633,154	-	672,273
Deaf and Hard of Hearing	394,279	398,741	-	411,883
Commission on Disabilities	358,275	357,141	-	383,056
Mental Health Advocate	495,010	506,078	-	508,251
Subtotal - Human Services	\$ 1,342,023,764	\$ 1,378,283,917	\$ 1,334,048,506	\$ 1,360,353,217
Education				
Elementary and Secondary	\$ 1,004,400,123	\$ 1,002,758,930	\$ 1,067,340,856	\$ 1,068,420,295
Higher Education	190,954,911	188,230,069	195,693,088	196,304,956
Arts Council	1,483,075	1,491,068	1,507,761	1,507,761
Atomic Energy	913,197	907,737	957,170	957,170
HEAA	147,000	147,000	-	-
Historical Preservation	1,320,610	1,206,107	1,355,972	1,380,972
Subtotal - Education	\$ 1,199,218,916	\$ 1,194,740,911	\$ 1,266,854,847	\$ 1,268,571,154

Expenditures from General Revenues

	FY 2015 Enacted	FY 2015 Committee	FY 2016 Recommended	FY 2016 Committee
Public Safety				
Attorney General	\$ 23,607,146	\$ 24,360,068	\$ 25,193,210	\$ 25,193,210
Corrections	187,745,480	196,263,428	200,075,231	200,225,250
Judicial	91,636,668	94,058,445	95,797,046	96,031,046
Military Staff	1,842,096	2,164,935	2,065,434	2,065,434
Public Safety	95,294,034	98,287,230	96,454,299	97,060,493
Public Defender	11,130,816	10,948,671	11,621,977	11,621,977
Emergency Management	1,959,858	1,861,076	1,766,002	1,766,002
Subtotal-Public Safety	\$ 413,216,098	\$ 427,943,853	\$ 432,973,199	\$ 433,963,412
Natural Resources				
Environmental Management	\$ 35,540,105	\$ 36,105,322	\$ 36,505,567	\$ 37,586,385
CRMC	2,185,538	2,312,843	2,433,260	2,433,260
Subtotal-Natural Resources	\$ 37,725,643	\$ 38,418,165	\$ 38,938,827	\$ 40,019,645
Transportation				
Transportation	\$ -	\$ -	\$ -	\$ -
Subtotal-Transportation	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,445,169,968	\$ 3,476,623,371	\$ 3,491,628,573	\$ 3,552,919,556

Expenditures from Federal Grants

	FY 2015 Enacted	FY 2015 Committee	FY 2016 Recommended	FY 2016 Committee
General Government				
Administration	\$ 51,493,455	\$ 89,252,942	\$ 43,302,629	\$ 43,302,629
Business Regulation	2,021,830	2,469,508	2,795,240	2,795,240
Executive Office of Commerce	-	-	10,983,803	10,983,803
Labor and Training	42,183,672	51,882,281	38,164,061	38,164,061
Revenue	5,113,145	6,089,666	1,315,154	1,315,154
Legislature	-	-	-	-
Lieutenant Governor	74,350	40,134	65,000	65,000
Secretary of State	-	34,123	-	-
General Treasurer	870,338	902,766	891,955	891,955
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	287,096	310,692	295,836	295,836
Public Utilities Commission	87,733	87,733	90,000	90,000
Subtotal - General Government	\$ 102,131,619	\$ 151,069,845	\$ 97,903,678	\$ 97,903,678
Human Services				
Health and Human Services	\$ 1,470,870,303	\$ 1,424,270,855	\$ 1,524,436,297	\$ 1,461,148,150
Children, Youth and Families	56,568,664	62,202,837	58,167,464	58,927,126
Health	65,094,393	69,625,405	63,405,159	65,752,434
Human Services	547,332,819	524,207,412	517,564,219	517,462,308
BHDDH	181,157,004	185,561,701	180,590,102	182,605,186
Child Advocate	50,000	50,000	-	45,000
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	141,350	305,524	-	35,459
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 2,321,214,533	\$ 2,266,223,734	\$ 2,344,163,241	\$ 2,285,975,663
Education				
Elementary and Secondary	\$ 208,495,934	\$ 214,845,235	\$ 202,962,314	\$ 203,962,314
Higher Education	5,092,287	5,099,787	15,442,544	15,092,544
Arts Council	799,348	735,546	775,353	775,353
Atomic Energy	-	351,171	54,699	54,699
HEAA	15,465,693	7,293,103	-	-
Historical Preservation	2,183,588	2,259,795	2,054,893	2,075,393
Subtotal - Education	\$ 232,036,850	\$ 230,584,637	\$ 221,289,803	\$ 221,960,303

Expenditures from Federal Grants

	FY 2015 Enacted	FY 2015 Committee	FY 2016 Recommended	FY 2016 Committee
Public Safety				
Attorney General	\$ 1,634,631	\$ 2,679,629	\$ 1,291,777	\$ 1,291,777
Corrections	1,654,703	2,009,400	1,337,381	1,337,381
Judicial	1,909,247	3,409,568	3,217,720	3,431,136
Military Staff	14,779,178	14,518,597	15,361,864	15,361,864
Public Safety	6,894,275	8,272,348	6,346,357	6,764,072
Public Defender	248,864	153,540	78,370	78,370
Emergency Management	18,273,640	21,438,224	16,551,541	16,551,541
Subtotal-Public Safety	\$ 45,394,538	\$ 52,481,306	\$ 44,185,010	\$ 44,816,141
Natural Resources				
Environmental Management	\$ 31,859,611	\$ 34,034,773	\$ 29,307,477	\$ 29,307,477
CRMC	1,774,143	7,110,951	2,614,348	2,614,348
Subtotal-Natural Resources	\$ 33,633,754	\$ 41,145,724	\$ 31,921,825	\$ 31,921,825
Transportation				
Transportation	\$ 352,114,755	\$ 309,680,767	\$ 263,615,422	\$ 263,615,422
Subtotal-Transportation	\$ 352,114,755	\$ 309,680,767	\$ 263,615,422	\$ 263,615,422
Total	\$ 3,086,526,049	\$ 3,051,186,013	\$ 3,003,078,979	\$ 2,946,193,032

Expenditures from Restricted Receipts

	FY 2015 Enacted	FY 2015 Committee	FY 2016 Recommended	FY 2016 Committee
General Government				
Administration	\$ 36,398,746	\$ 33,430,042	\$ 29,795,027	\$ 28,853,407
Business Regulation	1,941,123	2,545,184	2,588,777	2,588,777
Executive Office of Commerce	-	-	2,800,000	2,800,000
Labor and Training	41,540,583	51,418,162	23,130,150	21,495,150
Revenue	4,000,819	2,309,433	3,894,326	3,894,326
Legislature	1,587,079	1,515,318	1,680,873	1,680,873
Lieutenant Governor	-	17,500	-	-
Secretary of State	529,752	541,262	599,108	599,108
General Treasurer	31,718,842	37,230,506	30,899,755	35,263,670
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	8,372,153	8,343,153	8,594,685	8,594,685
Subtotal - General Government	\$ 126,089,097	\$ 137,350,560	\$ 103,982,701	\$ 105,769,996
Human Services				
Health and Human Services	\$ 15,907,880	\$ 15,800,328	\$ 15,854,473	\$ 15,737,130
Children, Youth and Families	2,448,750	2,840,143	2,838,967	2,838,967
Health	34,593,257	33,469,564	32,107,440	29,813,515
Human Services	1,797,309	3,074,518	2,076,036	2,076,036
BHDDH	9,608,663	8,790,976	9,180,797	9,180,797
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	80,000	80,000	-	80,000
Commission on Disabilities	9,177	9,931	-	10,009
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 64,445,036	\$ 64,065,460	\$ 62,057,713	\$ 59,736,454
Education				
Elementary and Secondary	\$ 26,953,972	\$ 27,384,533	\$ 28,948,926	\$ 28,948,926
Higher Education	644,000	644,000	653,200	653,200
Arts Council	-	-	-	-
Atomic Energy	-	-	-	-
HEAA	-	-	-	-
Historical Preservation	434,910	428,630	428,630	428,630
Subtotal - Education	\$ 28,032,882	\$ 28,457,163	\$ 30,030,756	\$ 30,030,756

Expenditures from Restricted Receipts

	FY 2015 Enacted	FY 2015 Committee	FY 2016 Recommended	FY 2016 Committee
Public Safety				
Attorney General	\$ 11,249,908	\$ 12,702,915	\$ 1,250,330	\$ 7,250,330
Corrections	398,879	404,403	47,058	47,058
Judicial	10,773,601	11,820,152	10,396,444	11,336,944
Military Staff	442,800	438,300	323,300	323,300
Public Safety	12,863,854	9,215,075	11,383,011	11,176,346
Public Defender	-	-	-	-
Emergency Management	221,729	216,680	220,375	220,375
Subtotal-Public Safety	\$ 35,950,771	\$ 34,797,525	\$ 23,620,518	\$ 30,354,353
Natural Resources				
Environmental Management	\$ 15,934,989	\$ 16,478,862	\$ 18,454,537	\$ 18,354,537
CRMC	250,000	250,000	250,000	250,000
Subtotal-Natural Resources	\$ 16,184,989	\$ 16,728,862	\$ 18,704,537	\$ 18,604,537
Transportation				
Transportation	\$ 12,352,761	\$ 2,250,000	\$ 1,000,000	\$ 1,000,000
Subtotal-Transportation	\$ 12,352,761	\$ 2,250,000	\$ 1,000,000	\$ 1,000,000
Total	\$ 283,055,536	\$ 283,649,570	\$ 239,396,225	\$ 245,496,096

Expenditures from Other Funds

	FY 2015 Enacted	FY 2015 Committee	FY 2016 Recommended	FY 2016 Committee
General Government				
Administration	\$ 69,030,518	\$ 84,030,326	\$ 92,023,313	\$ 98,381,313
Business Regulation	-	-	-	-
Executive Office of Commerce	-	-	300,000	300,000
Labor and Training	419,186,632	376,689,215	375,489,337	375,746,028
Revenue	343,301,988	331,773,466	304,799,323	304,799,323
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	500,000	63,754	436,246	436,246
General Treasurer	220,608	218,994	218,818	518,818
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	-	-	-	-
Subtotal - General Government	\$ 832,239,746	\$ 792,775,755	\$ 773,267,037	\$ 780,181,728
Human Services				
Health and Human Services	\$ -	\$ -	\$ -	\$ -
Children, Youth and Families	2,911,831	1,004,374	-	2,238,586
Health	-	69,050	-	-
Human Services	4,327,981	4,562,823	4,327,981	4,593,478
BHDDH	7,207,286	5,538,515	6,671,000	6,671,000
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	1,000,000	650,000	-	-
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 15,447,098	\$ 11,824,762	\$ 10,998,981	\$ 13,503,064
Education				
Elementary and Secondary	\$ 6,246,328	\$ 4,619,571	\$ 3,624,000	\$ 7,860,370
Higher Education	884,097,994	881,702,860	875,970,346	878,108,736
Arts Council	632,536	746,372	1,398,293	1,398,293
Atomic Energy	357,977	346,180	325,300	325,300
HEAA	8,334,268	8,392,527	-	-
Historical Preservation	1,970,868	2,190,549	71,708	71,708
Subtotal - Education	\$ 901,639,971	\$ 897,998,059	\$ 881,389,647	\$ 887,764,407

Expenditures from Other Funds

	FY 2015 Enacted	FY 2015 Committee	FY 2016 Recommended	FY 2016 Committee
Public Safety				
Attorney General	\$ 300,000	\$ 250,000	\$ 300,000	\$ 300,000
Corrections	19,527,438	7,869,432	11,116,000	9,416,000
Judicial	1,350,000	1,434,149	2,500,000	5,500,000
Military Staff	1,390,000	1,772,005	1,657,500	1,657,500
Public Safety	11,502,683	7,735,131	8,724,505	8,724,505
Public Defender	-	-	-	-
Emergency Management	167,000	254,943	-	-
Subtotal-Public Safety	\$ 34,237,121	\$ 19,315,660	\$ 24,298,005	\$ 25,598,005
Natural Resources				
Environmental Management	\$ 20,476,822	\$ 20,035,307	\$ 9,215,222	\$ 14,056,222
CRMC	750,000	250,000	50,000	371,775
Subtotal-Natural Resources	\$ 21,226,822	\$ 20,285,307	\$ 9,265,222	\$ 14,427,997
Transportation				
Transportation	\$ 160,653,030	\$ 177,523,356	\$ 194,252,578	\$ 199,201,056
Subtotal-Transportation	\$ 160,653,030	\$ 177,523,356	\$ 194,252,578	\$ 199,201,056
Total	\$ 1,965,443,788	\$ 1,919,722,899	\$ 1,893,471,470	\$ 1,920,676,257

Full-Time Equivalent Positions

	FY 2015 Enacted	FY 2015 Committee	FY 2016 Recommended	FY 2016 Committee
General Government				
Administration	710.7	710.7	710.7	711.7
Business Regulation	94.0	98.0	99.0	98.0
Executive Office of Commerce	-	5.0	18.6	18.6
Labor and Training	410.0	410.0	410.0	410.0
Revenue	505.0	505.0	514.5	514.5
Legislature	298.5	298.5	298.5	298.5
Lieutenant Governor	8.0	8.0	8.0	8.0
Secretary of State	57.0	57.0	57.0	57.0
General Treasurer	83.0	83.0	83.0	84.0
Board of Elections	11.0	11.0	11.0	11.0
Rhode Island Ethics Commission	12.0	12.0	12.0	12.0
Governor's Office	45.0	45.0	45.0	45.0
Human Rights	14.5	14.5	14.5	14.5
Public Utilities Commission	50.0	50.0	50.0	50.0
Subtotal - General Government	2,298.7	2,307.7	2,331.8	2,332.8
Human Services				
Health and Human Services	184.0	184.0	202.0	187.0
Children, Youth and Families	670.5	672.5	672.5	672.5
Health	491.3	491.3	488.6	490.6
Human Services	959.1	959.1	959.1	959.1
BHDDH	1,422.4	1,420.4	1,421.4	1,421.4
Child Advocate	6.0	6.0	-	6.0
Deaf and Hard of Hearing	3.0	3.0	-	3.0
Commission on Disabilities	4.0	4.0	-	4.0
Mental Health Advocate	3.7	3.7	-	4.0
Subtotal - Human Services	3,744.0	3,744.0	3,743.6	3,747.6
Education				
Elementary and Secondary	340.9	344.4	339.4	337.4
Higher Education	4,247.0	4,249.2	4,264.2	4,259.2
Arts Council	6.0	6.0	6.0	6.0
Atomic Energy	8.6	8.6	8.6	8.6
Higher Education Assistance Authority	22.0	22.0	-	-
Historical Preservation	16.6	16.6	16.6	16.6
Subtotal - Education	4,641.1	4,646.8	4,634.8	4,627.8

Full-Time Equivalent Positions

	FY 2015 Enacted	FY 2015 Committee	FY 2016 Recommended	FY 2016 Committee
Public Safety				
Attorney General	236.1	236.1	236.1	236.1
Corrections	1,419.0	1,419.0	1,419.0	1,419.0
Judicial	723.3	723.3	723.3	724.3
Military Staff	85.0	85.0	92.0	92.0
Public Safety	633.2	633.2	633.2	633.2
Public Defender	93.0	93.0	93.0	93.0
Emergency Management	32.0	32.0	32.0	32.0
Subtotal-Public Safety	3,221.6	3,221.6	3,228.6	3,229.6
Natural Resources				
Environmental Management	399.0	399.0	399.0	399.0
CRMC	29.0	29.0	29.0	29.0
Subtotal-Natural Resources	428.0	428.0	428.0	428.0
Transportation				
Transportation	752.6	752.6	752.6	752.6
Subtotal-Transportation	752.6	752.6	752.6	752.6
Total Positions	15,086.0	15,100.7	15,119.4	15,118.4

Section VI

Article Explanations

Explanations of Budget Articles

2015-H 5900, Substitute A

Article 1

Section 1. Appropriations. This section of Article 1 contains the appropriations for FY 2016.

Section 2. Line Item Appropriations. This section establishes that each line in Section 1 of Article 1 constitutes an appropriation.

Section 3. Transfer of Functions. This section authorizes the Governor to transfer appropriations and full-time equivalent position authorizations associated with transfers of functions.

Section 4. Contingency Fund. This section allows for expenditures from the contingency account located within the Office of the Governor's budget for unexpected and unbudgeted statewide expenditures. The Governor must approve all expenditures and transfers from this account.

Section 5. Internal Service Funds. This section authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions and other governmental units on a cost reimbursement basis.

Section 6. Legislative Intent. This section authorizes the chairpersons of the finance committees of the two chambers to provide a "statement of legislative intent" for specifying the purpose of the appropriations contained in Section 1 of this article.

Section 7. Temporary Disability Insurance Funds. This section appropriates all funds required for benefit payments from the Temporary Disability Insurance Fund and the Temporary Disability Insurance Reserve Fund for FY 2016.

Section 8. Employment Security Funds. *This section appropriates all funds required for benefit payments to the unemployed from the Employment Security Fund for FY 2016.*

Section 9. Lottery. This section appropriates to the Lottery Division any funds required for the payment of prizes and commissions.

Section 10. Full-Time Equivalent Positions. This section of Article 1 limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2016. It also provides that state employees whose funding is from non-state funds that are time limited shall receive appointments limited to the availability of the non-state funding source. In addition, this section provides that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization. Total staffing is 15,118.4 full-time equivalent positions, which is 32.4 positions more than the FY 2015 enacted budget.

Section 11. Multi-Year Appropriations. This section makes multi-year appropriations for a number of capital projects included in the FY 2016 through FY 2020 Capital Budget that are funded from Rhode Island Capital Plan funds. The FY 2016 and multi-year appropriations supersede appropriations made for capital projects in Section 11 of Article 1 of the FY 2015 Appropriations Act.

Explanations of Budget Articles

Section 12. Reappropriations. This section provides that any unexpended and unencumbered funds for Rhode Island Capital Plan fund projects may be reappropriated at the recommendation of the Governor in FY 2016. However, any such reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act. Unexpended funds of less than \$500 can be reappropriated at the discretion of the state Budget Officer.

Section 13. Rhode Island Housing and Mortgage Finance Corporation. This section requires that the Rhode Island Housing and Mortgage Finance Corporation provide from its resources an appropriate amount to support the Neighborhood Opportunities Program. The Corporation is also required to provide to the director of the Department of Administration, the chair of the Housing Resources Commission and both chairs of the House and Senate Finance Committees a report detailing the amount of funding and information such as the number of housing units created.

Section 14. Effective Date. This section of Article 1 establishes July 1, 2015 as the effective date of the article.

Article 2. Public Corporation Debt Management

The Public Corporation Debt Management Act requires that all new non-general obligation debt authorizations be approved by the General Assembly, except in certain circumstances. This article contains authorization of \$5.1 million from revenue bonds for improvements to water distribution and storm water management systems, gas, electric, roadways, walkways and parking lots for the University of Rhode Island's fraternity circle. Annual debt service would be \$0.4 million supported by general revenues, tuition and fees; total debt service payments would be \$8.1 million.

Article 2 also authorizes the Rhode Island Turnpike and Bridge Authority to issue \$65.0 million from revenue bonds in order to renovate, repair, upgrade and make improvements to the Pell Bridge, Jamestown Verrazzano Bridge, Sakonnet River Bridge, and Mount Hope Bridge. Annual debt service is estimated to be \$5.1 million; total debt service payments would be \$152.3 million.

Article 3. State Leases

Current law requires departments to obtain legislative approval before entering into a long-term lease agreement or extensions of existing leases of office and operating space which carries a term of five years or longer, or exceeds \$500,000 in value. This article includes joint resolutions to seek General Assembly approval for six long-term lease agreements for several agencies, including the Departments of Children, Youth, and Families, Human Services, Environmental Management; Office of the Public Defender and the Secretary of State. The costs are estimated at \$6.0 million annually. The FY 2016 budget includes \$6.0 million for these current leases. The article takes effect upon passage.

Article 4. Division of Motor Vehicles

Article 4 amends current law to delay the mandatory reissuance of fully reflective license plates from September 1, 2015 to July 1, 2016. The reissuance has been delayed twice previously, from September 1, 2011 to September 1, 2013 and again to September 1, 2015. The article maintains the allowance in current law that allows the new plates to be issued at the time of initial registration and upon the renewal of the registration. The Budget includes \$3.0 million for FY 2016 to allow the Division of

Explanations of Budget Articles

Motor Vehicles to begin printing and stocking sets of plates prior to FY 2017. Any unspent funds will be reappropriated to the following year. The article takes effect upon passage.

Article 5. Reinventing Medicaid

This article amends state statute and includes resolution language that is needed to make the changes that are part of the Reinventing Medicaid initiative. This includes expanding community based opportunities such as access to assisted living and adult supportive residences for those enrolled in Rhody Health Options, adding a new Supplemental Security Income payment, seeking federal approval to address beneficiary choice, and enrolling all eligible individuals in Rhody Health Options. It also makes payments to assisted living facilities and adult day care locations based on the needs of an individual and eliminates the statutory caps for early intervention and applied behavioral analysis covered through commercial insurance.

The article includes the FY 2016 and FY 2017 payment to be made to the community hospitals for uncompensated care. It sets the FY 2016 hospital license fee at 5.862 percent and the FY 2015 rate at 5.745 percent and makes graduate medical education payments in FY 2015 and FY 2016. It eliminates the scheduled increase in hospital rates and further reduces them by 2.5 percent.

The article also eliminates the annual nursing home adjustment and acuity adjustment and reduces rates by 2.0 percent. The article also ensures compliance with new payment opportunities under Medicare for certain rehabilitation and nursing services, establishes thresholds for rates paid by the managed care plan to nursing facilities through the Integrated Care Initiative, and expands the ability of nursing facilities to collect unpaid debt and discharge residents for non-payment.

The article also updates the responsibilities assigned to the Office of Health and Human Services, and requires additional information for the estate recovery reports. Finally, it includes the necessary resolution language to make changes through the Medicaid waiver.

Article 6. Education

Article 6 requires that, beginning in August 2016, all school districts offer full-day kindergarten to every eligible student in order to qualify for any state education aid. For FY 2016, the budget provides funding to municipalities that would not otherwise offer full-day kindergarten to support transition expenses in the 2015-2016 school year. Funding will be based on twice the half-day kindergarten enrollment as of March 2015. The budget includes \$1.2 million for these transition expenses.

Article 7. Higher Education Assistance Authority

Article 7 transfers all of the powers, duties, authority and resources of the Rhode Island Higher Education Assistance Authority to the Council for Postsecondary Education and the Office of the General Treasurer and establishes a new Division of Higher Education Assistance in the Office of Postsecondary Commissioner. The budget reflects the transfer of \$18.3 million and 10.0 full-time positions to the Office of Postsecondary Commissioner and 1.0 position and \$0.3 million to the Office of the General Treasurer. The Authority and its corporate existence will be terminated on July 1, 2015.

Explanations of Budget Articles

The article also replaces the state's need based scholarship grant program formula and eligibility requirements with a more flexible state grant program under the direction of the Commissioner of Postsecondary Education. It provides that the lesser of 20.0 percent or \$2.0 million annually be allocated to students attending independent, non-profit higher education institutions in Rhode Island with the remaining funding limited to public higher education institutions in Rhode Island. It also requires the Commissioner of Postsecondary Education to submit a plan with the budget detailing how the grant funds will be distributed to students for each institution participating in the program.

Article 8. Municipalities

Section 1 establishes a deadline for reimbursement to the Town of Jamestown and the City of Newport for toll costs incurred by public safety personnel in the fulfillment of their duties. Under current law, both municipalities must reimburse their public safety personnel for tolls paid and may apply to the state for subsequent reimbursement; there is no time limit on reimbursement requests. This section permits reimbursements only for the fiscal year prior to the request. No reimbursements have been requested by either municipality since FY 2012.

Section 2 of this article permits municipal governments to authorize bonds for qualified construction projects financed via the Efficient Buildings Fund and the School Building Authority Capital Fund, without charter or referendum approval from July 1, 2015 to June 20, 2016.

Article 9. School Building Authority Capital Fund

This article creates a school building authority within the Department of Elementary and Secondary Education and outlines its roles and responsibilities, which include overseeing the existing school construction program and also the new School Building Authority Capital Fund. It also establishes a seven member advisory board to advise the Authority and includes the Director of the Department of Administration serving as chair, the General Treasurer, a member of the Governor's staff, and four members of the public with expertise in education, construction, real estate and/or finance, to be appointed by the Governor.

The article establishes the School Building Authority Capital Fund to be transferred to and administered by the Rhode Island Health and Educational Building Corporation. The Budget includes \$20.0 million from the debt service restructuring savings to start the Fund. Any proceeds from future school construction bond refunding shall be designated to the Fund. The article also allows for up to \$500,000 to be loaned from the Fund to a municipality without local voter approval. The article exempts projects funded from the School Building Authority Capital Fund from General Assembly approval, currently required for other projects.

The article also changes the five-member Board of Directors at the Rhode Island Health and Educational Building Corporation to a seven-member board appointed by the Governor, and prohibits any compensation for board members after July 1, 2015.

Article 10. Revised Budget

Section 1. Revisions to Appropriations. This section of Article 10 contains the revised appropriations for FY 2015.

Explanations of Budget Articles

Section 2. Line Item Appropriations. This section establishes that each line of Section 1 in Article 10 constitutes an appropriation.

Section 3. Internal Service Funds. This section authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions and other governmental units on a cost reimbursement basis.

Section 4. Full-Time Equivalent Positions. This section limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2015. In addition, state employees whose funding is from non-state funds that are time limited shall receive appointments limited to the availability of the non-state funding source. This section also contains the usual provision that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization. Total staffing is 15,100.7 full-time equivalent positions, 14.7 positions more than enacted.

Section 5. Bond Premiums. This section of Article 10 transfers \$6.4 million of bond premium proceeds that were deposited into the Rhode Island Capital Plan Fund to be transferred to the Municipal Road and Bridge Revolving Fund on or before June 30, 2015.

Section 6. Effective Date. This section of Article 10 establishes an effective date upon passage of the article.

Article 11. Taxes and Revenues

Section 1. Enterprise Zone Wage Credit. This section limits the Enterprise Zone Tax Credit to businesses that have received certification prior to July 1, 2015. Under current law, a qualified business in an enterprise zone is allowed a credit against its corporate income tax liability for wages paid to employees hired to meet the 12 month, 5.0 percent jobs growth requirement.

Sections 2 through 4. Tourism Taxes. These sections expand the definition of hotel to include small bed and breakfast facilities with less than three rooms for rent, and unlicensed rental facilities offered for rent via an online or other platform. Rental of rooms from these types of lodging facilities are subject to all sales and hotel taxes. The resale cost of rooms rented via online travel companies and room resellers is also subjected to all sales and hotel taxes. The rental of vacation homes is subject only to the state sales tax and local 1.0 percent hotel tax. The Budget assumes a combined total of \$6.9 million in new sales tax revenues from the expansion of the definition of hotel, including \$0.7 million from the rental of rooms from small bed and breakfasts and other unlicensed rentals and \$5.4 million from the rental of vacation homes.

These sections also modify the existing state hotel tax revenue distribution to fund state level tourism and marketing programs through the Rhode Island Commerce Corporation. Shares of the 5.0 percent state hotel tax are decreased for all eight regional tourism districts in the state and the Providence Warwick Convention and Visitors Bureau, effective January 1, 2016. The difference in shares, as well as all funds that would be otherwise deposited as general revenues, are transferred to the Commerce Corporation.

Section 5. Performance Based Tax Collection Contracts. This section amends current law to permit the Division of Taxation to contract with a third party for the review of tax data and collection of taxes,

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interest, penalties, or a reduction in claimed refunds. Contractors are prohibited from conducting field audits under this section, and contracts are to be paid on a contingency fee basis, for services rendered, as a percentage of the actual amount of revenues collected. The section additionally establishes annual reporting requirements for the Division, including the number of contingency fee contracts, the total amount of revenues collected, and the percentage fee for each contract.

Section 6. Real Estate Conveyance Tax. Section 6 of Article 11 establishes a tax of \$2.30 per \$500 of property value on the sale of a controlling interest in a business entity that holds interest in the property, consistent with the current law tax on purchase or transfer of real estate at the time of the property's conveyance. The change essentially extends the real estate conveyance tax and its current distribution of proceeds to these transactions. The Budget includes \$0.7 million of associated revenues.

Section 7. Sales Tax Exemptions. Section 7 of Article 11 amends current law to exempt electricity, gas, and heating fuels purchased by commercial or business users from sales tax, effective July 1, 2015. Under current law, sales of electricity, natural gas, and heating fuels are exempt for residential purchasers and by commercial purchasers for manufacturing uses. This section additionally makes permanent the exempting of retail sales of wine and spirits from sales tax, which had been scheduled to sunset on June 30, 2015.

Section 8. Permanent Restructuring of Alcohol Taxes. This section eliminates the June 30, 2015 sunset of the pilot alcohol taxes program under current law. The 2013 Assembly enacted legislation increasing the excise tax on beer from \$3.00 per barrel to \$3.30, spirits from \$3.75 per gallon to \$5.40 and wine from \$0.60 to \$1.40 per gallon from July 1, 2013 through April 1, 2015; the 2014 Assembly extended the change through the end of FY 2015.

Section 9. Managed Audit. This section amends current law to permit the Division of Taxation to establish managed self-audit agreements with businesses for the review of records to determine any tax liability owed on purchased inventory or assets or any other category included in the managed audit by the Division. Participants would receive reduced interest and no penalties on any taxes owed, except in cases of fraud, willful negligence, or failure to pay any taxes deemed owed in the course of the managed audit. The Budget includes \$0.5 million in associated sales tax revenue.

Sections 10 and 11. Cigarette Tax. These sections increase the cigarette tax from \$3.50 to \$3.75 per pack and include an inventory tax on cigarettes on hand upon which the existing rate was paid for the tax stamps. Whenever rates change, a tax on the differential rate, often called an inventory or floor tax, on existing inventory that had been taxed at the old rate is levied. The sections include a floor tax adjustment of \$0.25 per stamped but unsold pack on hand on August 1, 2015. The FY 2016 budget assumes \$7.1 million in sales and tobacco tax revenues associated with this increase.

Section 12. EITC/Social Security. This section of Article 11 modifies the Earned Income Tax Credit for low and moderate wage earners to equal 12.5 percent of the federal credit, effective January 1, 2016. The 2014 Assembly enacted changes enhancing the value of the credit, including altering the rate to 10.0 percent of the federal credit and making it 100 percent refundable. The FY 2016 budget assumes an associated revenue loss of \$3.0 million. The impact annualizes to \$6.4 million in FY 2017.

Section 12 also exempts Social Security benefits from state personal income tax for single and head of household filers who have reached full social security retirement age and have federal adjusted gross

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incomes of \$80,000 or less and married joint and qualifying widow or widower filers with federal adjusted gross incomes of \$100,000 or less. Under current law, Social Security benefits are taxable at the state level if they are taxable at the federal level. The Budget assumes a revenue loss of \$9.3 million for FY 2016; the loss annualizes to \$19.5 million for FY 2017.

Sections 13 and 14. Outpatient and Imaging Services. Sections 13 and 14 of Article 11 amend current law to eliminate the 2.0 percent surcharge applied to both outpatient and imaging service facilities' net patient revenues. The Budget assumes an associated revenue loss for FY 2016 of \$2.3 million.

Section 15. Minimum Corporate Tax. This section reduces the minimum corporate tax from \$500 to \$450 per year, effective January 1, 2016. The fiscal impact for this reduction is a revenue loss of \$1.6 million for FY 2016; the loss annualizes to \$3.3 million for FY 2017.

Sections 16 through 21. Newport Grand. These sections permit the Lottery Division to enter into a fourth amendment of the master contract with Newport Grand. This amendment lowers the number of full-time equivalent positions required at the facility from 180 to 100, allows the facility's operations license to be passed to a successor company, and provides an additional 1.9 percent of net terminal income to the facility for FY 2016 and FY 2017. The FY 2016 budget assumes a loss of \$0.8 million associated with the increase in the facility's share; the additional funds must be spent on marketing expenditures.

Section 22. Effective Date. This section establishes August 1, 2015 as the effective date for sections 10 and 11; sections 12 and 15 are effective for the tax year beginning January 1, 2016. The remainder of the article is effective July 1, 2015.

Article 12. State Police Pensions

Article 12 establishes a new trust fund to pay for State Police pensions for those hired on or before July 1, 1987 whose pensions are currently paid on a pay-as-you-go basis. The trust will be seeded with \$15.0 million of the \$45.0 million from Google settlement funds and \$16.6 million from general revenues. The budget assumes \$1.0 million in savings from the estimated \$17.6 million that would be needed for the pay-as-you-go appropriation. Savings over the life of the trust would be \$172.2 million.

Article 13. Budget Accounts

Article 13 exempts the following accounts from the state's indirect cost recovery charge: miscellaneous donations and grants from nonprofit organizations to the Department of Health, state loan repayment match in the Department of Health, the Rhode Island Health Benefits Exchange, defined contribution administration, judiciary technology surcharge account, and the national school breakfast and lunch program at the Davies Career and Technical Center.

Article 13 also removes the requirement that final revenues exceeding budgeted estimates be transferred to the Retirement System to pay down the unfunded liability. This is retroactive to July 1, 2014. The FY 2015 final budget recognizes \$13.8 million in additional revenue from repealing that requirement because this is the amount that should be transferred based on the FY 2014 audited closing.

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Article 14. Infrastructure Bank

This article renames the Clean Water Finance Agency as the Rhode Island Infrastructure Bank, effective September 1, 2015, expands the Agency's purview to include renewable energy and efficiency projects, and authorizes the Bank to create an Efficient Buildings Fund, which will provide technical, funding and administrative support to public entities for efficient and renewable energy upgrades to public buildings and infrastructure. To the extent possible, it encourages use of project labor agreements for projects over \$10.0 million and local hiring. The Efficient Buildings Fund would be seeded with proceeds of \$3.0 million from the Regional Greenhouse Gas Initiative and \$2.0 million from the Energy Revolving Loan Fund.

The article establishes a Brownfields Revolving Loan Fund, which will provide financial assistance to municipalities, individuals, or corporations that would remediate or develop a brownfields site.

The article expands the Property Assessed Clean Energy Program to commercial property owners and allows the program to be administered by the Infrastructure Bank. The legislation allows the Infrastructure Bank to create one or more loan loss reserve funds to serve as security for debt in the event of foreclosure or other circumstances.

The article extends the efficiency surcharges by 12 years and includes a one-time allocation of 2.0 percent of 2014 program collections to the Infrastructure Bank. It also allows the Infrastructure Bank to obtain a share of the 10.0 percent for administrative costs associated with the Renewable Energy Fund.

The article also adds a green strategic advisory council, consisting of eight members to advise the Board. The article takes effect upon passage.

Article 15. Government Organization

Article 15 contains legislation to increase the number of judges in the District Court from 12 to 13 and establish a veterans' treatment calendar in the District Court. The Veterans' Court is currently operating; however, the legislation officially establishes this court in statute by adding language regarding the purpose and execution of the Veterans' Court calendar.

It provides a four month extension to the requirement for the Department of Administration to refer by the last day in April, proposed salaries for cabinet directors to the General Assembly, which will take effect in 30 days unless they are rejected by formal action by the General Assembly. The public hearing process would be extended to July and the referral of proposed salaries to the Assembly would be extended to August 30.

It amends the unclassified service to add certain positions in several departments and reorganizes the Department of Transportation in accordance with a project management-based program.

Article 16. Bays, Rivers and Watersheds Coordination Team

Article 16 abolishes the Bays, Rivers and Watersheds Coordination Team, which is responsible for the coordination of the environmental agencies in the state to restore and develop both freshwater and

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marine waters and watersheds. The work is funded by an \$80,000 transatlantic cable fee, a \$1 per 100 gallons charge on septage disposal in the state and a \$250,000 annual allocation from the Oil Spill, Prevention, Administration and Response Fund. The restricted receipts would now be utilized by the Department of Environmental Management for efforts relating to watershed and marine monitoring, water pollution abatement, and climate change.

Article 17. Child Care

Article 17 increases the weekly payment rates for infant/toddler care provided through the subsidized child care program by \$10 for family and non-licensed providers, and then increases all weekly rates for all age groups and for all participating child care providers by 3.0 percent. The budget adds \$2.2 million, including \$1.7 million from general revenues to reflect this increase.

The article also eliminates the June 30, 2015 expiration date and permanently extends the child care program allowing families with income at or below 180 percent of poverty who are participating in certain job readiness programs access to subsidized child care if child care is required for their participation. The budget includes \$0.2 million from federal sources in the Department of Human Services to fund the program.

Article 18. Health Reform Assessment

This article amends current law to establish the health benefits exchange into general law as a division within the Department of Administration. It authorizes HealthSource RI to operate a state-based exchange to meet the minimum requirements of the federal act. It authorizes an assessment be charged by the Department, which cannot be more than the revenues that would be raised through the federally facilitated marketplace upon those insurers offering products on the exchange. The assessment is estimated to generate \$7.1 million in calendar year 2016, of which \$3.6 million is budgeted for FY 2016. The Budget also includes \$2.6 million from general revenues to be used in conjunction with the revenues from the assessment for the operations of HealthSource RI.

The article also requires HealthSource RI to provide a monthly report to the chairpersons of the House Finance and Senate Finance Committees including actual enrollment data by market and insurer. It further requires HealthSource RI to annually audit its functions and operations. The article takes effect on January 1, 2015.

Article 19. Commerce Corporation and Economic Development

Section 1. Municipal Building and Fire Code Inspections. This section of the article mandates that projects receiving Commerce Corporation incentives be subject only to state building code and the state fire code with the inspections done by the state.

Section 2. Rhode Island Film and Television Office. This section of the article amends current law to effectuate the transfer of the Rhode Island Film and Television Office from the Department of Administration to the Executive Office of Commerce.

Section 3. Rebuild Rhode Island Tax Credit. Section 3 of Article 19 establishes the Rebuild Rhode Island tax credit program, effective July 1, 2015. Credits valued between 20.0 and 30.0 percent of

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qualified project costs up to a maximum of \$15.0 million are available to projects that have demonstrated a gap between available funding and total estimated project cost. Projects' incorporation of historical structures, affordable housing, public transit, and other factors may receive increased credits, at the discretion of the Commerce Corporation. Beginning in FY 2017, the Corporation and the Division of Taxation will report annually on credits assigned, credits taken, and the measurable impacts of the program. The program will sunset on December 31, 2018; no credits will be assigned to any projects after that date. The FY 2016 budget includes \$2.0 million from general revenues for credits in FY 2016. The five-year forecast projects an associated FY 2017 revenue loss of \$7.1 million, which grows to \$25.1 million by FY 2020; \$12.1 million of that was to come from refinancing proceeds.

Section 4. Tax Increment Financing Program. Section 4 of Article 19 creates a tax increment financing program, under which the Commerce Corporation may contract with developers to develop or redevelop specific areas in qualifying communities in exchange for payments or tax exemptions of up to 75.0 percent of state revenues realized as a result of the redevelopment project. Contracts may only be undertaken if a developer can prove a gap between available project funding and total estimated project cost. The Division of Taxation is required to assist the Commerce Corporation in the determination of all state revenues collected as a result of the project. Agreements between the Commerce Corporation and a developer cannot exceed a 20-year period. Beginning in FY 2017, the Corporation will report annually to the Governor, the Speaker of the House of Representatives, and the President of the Senate on agreement totals, schedules for payment, and the measurable impacts of the program. The program will sunset on December 31, 2018; the Corporation may not enter into any agreement with developers for incentives after that date.

Section 5. Tax Stabilization Incentives. Section 5 of Article 19 establishes a state aid program to incentivize municipalities to enter into tax stabilization agreements with developers in exchange for the development or redevelopment of specific areas in qualifying communities. The section allows the Commerce Corporation to provide qualifying municipalities reimbursements up to 10.0 percent of property tax revenues that would have otherwise been collected, if the developed property were not party to a tax stabilization agreement. The Commerce Corporation may not enter into any agreements with municipalities for incentives after December 31, 2018.

Section 6. First Wave Closing Fund. This section of the article establishes the First Wave Closing Fund, which would provide financing to ensure that certain transactions that are critical to the state's economy occur, subject to the Commerce Corporation's Board approval. The funds can be used for working capital, equipment, furnishings, fixtures, construction, rehabilitation, purchase of property, or other purposes approved by the Corporation. The legislation requires that the Commerce Corporation publish a report on the fund, which is due 60 days after the end of the fiscal year. The report shall be provided to the Speaker of the House of Representatives and the President of the Senate. The Budget includes \$5.0 million from the debt restructuring savings to fund this initiative. The program sunsets on December 31, 2018; the Corporation may not enter into any agreement for financing after that date.

Section 7. I-195 Redevelopment Project Fund. This section of the article creates the I-195 Redevelopment Project Fund, which would be administered by the I-195 District Commission. The Fund would be used to provide developers and businesses with financing for capital investment, including land acquisition in order to promote the development of the land. The legislation allows the Commission to adopt rules and regulations to implement the program. The legislation further requires that the Commission publish a report on the fund, which is due 60 days after the end of the fiscal year. The

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report shall be provided to the Speaker of the House of Representatives and the President of the Senate. The Budget includes \$25.0 million from the debt restructuring savings to fund this initiative. The program sunsets on December 31, 2018; the Corporation may not enter into any agreement for funding or incentives after that date.

Section 8. Small Business Assistance Program. This section creates a Small Business Assistance Program for businesses with less than 200 employees that are having difficulties obtaining financing from traditional lending organizations. It includes a \$750,000 maximum amount that any one business can obtain from the fund. The legislation enables the Commerce Corporation to partner with an outside lending organization to administer the program funds. The legislation requires that 10.0 percent of funding must be set-aside for a microloan program to be administered by a third party with expertise in microloans. Microloans would be made in principal amounts of \$2,000 to \$25,000. The legislation further requires that the Commerce Corporation publish a report on the fund, which is due 60 days after the end of the fiscal year. The report shall be provided to the Speaker of the House of Representatives and the President of the Senate. The program sunsets on December 31, 2018; the Corporation may not enter into any agreement for funding or incentives after that date.

Section 9. Stay Invested In RI Wavemaker Fellowship. This section creates a loan repayment tax credit program for graduates of accredited institutions of higher education who receive an associate's, bachelor's or master's degree and who remain in or become a resident of and employed in the state in the fields of life, natural or environmental sciences; computer, information or software technology; engineering or industrial design; and medicine or medical device technology. The amount of the tax credit is up to a maximum of \$1,000 for an associate's degree, \$4,000 for a bachelor's degree and \$6,000 for a graduate degree for up to four years. The legislation requires that the Commerce Corporation reserve 70.0 percent of the awards per calendar year to permanent residents of the state. It also requires that recipients must work at least 35 hours per week for an employer located in the state, which is defined as having at least 51.0 percent of its employees located in the state. The Commerce Corporation's budget includes \$1.8 million to fund the program. Beginning in FY 2017, the Corporation will publish an annual report of recipients and the companies at which they work.

Section 10. Main Street RI Streetscape Improvement Fund. This section authorizes the Commerce Corporation to award loans, matching grants and other forms of financing to enhance sidewalks, signage of public space and lighting in order to create an attractive environment in local business districts. The budget includes \$1.0 million in FY 2016. The Governor indicates an intent to recommend \$1.0 million in FY 2017. The legislation further requires that the Commission publish a report on the fund, which is due 60 days after the end of the fiscal year. The report shall be provided to the Speaker of the House of Representatives and the President of the Senate. The program sunsets on December 31, 2018; the Corporation may not enter into any agreement for incentives after that date.

Section 11. Innovation Initiative. This section establishes an Innovation Initiative for small businesses with less than 500 employees to purchase research and development support from the state's institutions of higher education and other providers. The Budget provides \$0.5 million from general revenues in FY 2016 to create a voucher program that would allow small businesses to earn \$5,000 to \$50,000. The Governor indicates an intent to recommend \$0.5 million in FY 2017. The legislation further requires that the Commerce Corporation publish a report on the fund, which is due 60 days after the end of the fiscal year. The report shall be provided to the Speaker of the House of Representatives

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and the President of the Senate. The program sunsets on December 31, 2018; the Corporation may not enter into any agreement for incentives after that date.

Section 12. Industry Cluster Grants. Section 12 creates an Industry Cluster Grants Program and includes \$2.0 million from general revenues, including \$750,000 in FY 2016 for the Commerce Corporation to provide startup and technical assistance grants ranging from \$75,000 to \$250,000; and to provide competitive grants ranging from \$100,000 to \$500,000 for activities within an industry cluster and to close industry cluster gaps. The legislation further requires that the Commission publish a report on the fund, which is due 60 days after the end of the fiscal year. The report shall be provided to the Speaker of the House of Representatives and the President of the Senate. The program sunsets on December 31, 2018; the Corporation may not enter into any agreement for grants or incentives after that date.

Section 13. Anchor Tax Credit. Section 13 of Article 19 establishes the Anchor Institution Tax Credit program, establishing a credit of an unspecified amount that may be applied against corporate income tax liability for up to five years by qualifying businesses that have successfully solicited the relocation of a separate business to the state or the relocation of at least ten employees of that separate business on a permanent basis. No more than 75.0 percent of the total funds allowed for the program in a fiscal year may be assigned to a single recipient. The Budget dedicates \$5.7 million from debt refinancing proceeds between FY 2016 and FY 2017 for this purpose. The program will sunset on December 31, 2018; no credits will be assigned to any projects after that date.

Section 14. Small Business Innovation Research. The 2013 Assembly adopted legislation establishing the Innovate Rhode Island Small Business Program. It also established a bioscience and engineering internship program, allowing the Science and Technology Advisory Council to provide eligible businesses with grants to offset costs associated with applying to the U.S. Small Business Administration for Small Business Innovation Research grants or the Small Business Technology Transfer Research grants and also established a matching loan program for phase II proposals. This section of the article removes the matching loan provision for phase II proposals. It also increases the maximum grant amount from \$100,000 to \$150,000.

Section 15. Jobs Credit. This section establishes the Rhode Island New Qualified Jobs Incentive Act of 2015, which provides an annual reduction in tax liability for qualifying businesses for new full-time employees hired before December 31, 2018. Qualified businesses may receive credits from \$2,500 up to \$7,500 per new full-time job, subject to certain criteria including the creation of new jobs in targeted industries, jobs created in specific communities, and jobs created by businesses that relocate from out-of-state. Credits may not exceed the income tax withholdings of the employees in the new jobs. The program will sunset on December 31, 2018; no credits will be assigned to any projects after that date.

Section 16. Reporting Requirements. This section amends current law to include the Rebuild Rhode Island tax credit program, Stay Invested in RI Wavemaker Fellowship tax credit program, Anchor Institution tax credit program, and Rhode Island New Qualified Jobs Incentive Act tax credit program in the tax credit and incentive evaluation process established by the 2013 Assembly.

Section 17. Effective Date. This section sets the effective date of the article upon passage.

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Article 20. Professional Licenses

This article repeals 27 professional license and permit requirements; 21 of which are administered by the Department of Health, four by the Department of Business Regulation, and one each by the Department of Environmental Management and the Department of Elementary and Secondary Education. It eliminates the licensure requirement for line cleaners, auctioneers, athletic coach, fur buyer, manicurist instructor, hairdresser/cosmetologist and manicurist instructors and several others. This is estimated to reduce revenues by \$0.2 million in FY 2016. The article takes effect upon passage with the exception of Section 17, which takes effect on January 1, 2016.

Article 21. Pensions

The budget includes legislation to codify the pension settlement agreement signed by all the parties (except all municipal police and Cranston fire) in April 2015 and determined by the Court to be fair, adequate and reasonable in May 2015. The legislation does not exclude any parties. It preserves over 90 percent of the 2011 pension reform savings. The changes include providing a cost-of-living increase every four years instead of every five as well as two, one-time \$500 payments to all current retirees. It changes the formula for calculating the cost-of-living increase to use both investment returns and the consumer price index with a maximum of 3.5 percent; currently it is only based on investment returns with a 4.0 percent maximum. It also increases the base used for cost-of-living calculations from \$25,000 to \$30,000 for current retirees.

It returns state employees, teachers and Municipal Employees Retirement System (MERS) general employees with at least 20 years of service as of June 30, 2012 to a defined benefit plan with a 2.0 percent annual accrual and higher employee contribution rate. It also increases the state's contribution to the defined contribution plan for those with between 10 and 20 years of service as of June 30, 2012. It also contains increases in accrual rates for correctional officers and Municipal Employees Retirement System public safety employees.

It includes adjustments to the retirement age for all groups and allows local municipalities to re-amortize the unfunded liability four additional years to 25 years for MERS plans and the local employer portion of teacher contributions.

There is no assumed impact to the FY 2016 budget; the FY 2017 budget would require an additional \$12.6 million from general revenues.

Article 22. Effective Date

Article 22 provides that the act shall take effect on July 1, 2015, except where a provision within an article specifies a retroactive or prospective effective date.

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