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# **Section I**

## **Budget at a Glance**

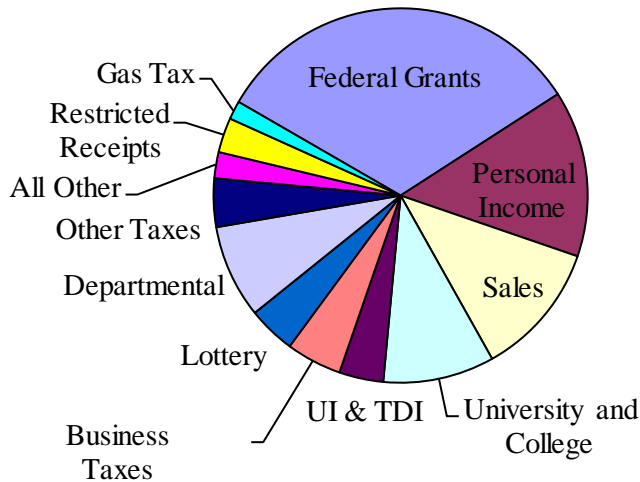
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## Governor's FY 2019 Budget at a Glance

The Governor's budget recommendations for FY 2019, along with her revisions to the FY 2018 enacted budget, are contained in 2018-H 7200, introduced on January 18, 2018. This was in compliance with the law requiring the budget be submitted by the third Thursday in January. Most required supporting documents were not made available that day, with the exception of the executive summary. Draft documents were made available during the weeks that followed. The Capital Budget was not available until the first week of February.

**Sources of Funds**



### Budget Issues

- **FY 2019 Gap.** The Budget Office originally estimated that in preparing the FY 2019 budget, the Governor faced a projected revenue-expenditure gap of about \$237 million. This was significantly larger than the House Fiscal Staff's June projections because it assumed lower revenues and not achieving the \$25 million savings target in the enacted budget. By November it was clear that agency overspending and increased caseload costs would outstrip increased resources available from the FY 2017 closing and revised consensus revenue estimates. Lack of authorization for the Children's Health Insurance Program also contributed to the gap. The House Fiscal Staff estimated in December that those factors meant a roughly \$55 million current year deficit would have to be solved as well as a now \$180 million issue for FY 2019. This represents approximately 4.6 percent of general revenue expenditures. This differs from the Budget Office's updated estimate of \$260 million across the two years, again largely because of its treatment of the \$25 million of enacted budget savings as one-time.

The Governor's budget solves about half of the current year problem with increased revenues along with new proposals to rein in overspending in human services agencies. Her FY 2019 budget proposal relies on new revenues for almost 40 percent of the solution and reductions to human services spending for nearly half of it.

- ***Out-Year Projections.*** The out-years continue to be significantly unbalanced as projected expenditure growth continues to outpace revenue growth. The forecast included with the Budget estimates an \$86.2 million gap for FY 2020, equating to 2.2 percent of useable revenues, that grows to \$227.0 million in FY 2023, 5.5 percent of useable revenues. The FY 2020 gap includes the impact of the use of one-time items in the resolution of the current budget gap as well as growth in local aid based on the ongoing car tax phase-out. The estimate also reflects the growing impact of casino gaming in Massachusetts with the offsetting impacts of the new Tiverton Casino as well as the Governor's proposal regarding sports wagering. It appears that these estimates may not completely account for certain proposals with growing out year expenses including school construction and new programs for the Department of Children, Youth and Families.
- ***Budget Assumptions.*** The Governor's budget follows the traditional Rhode Island budgeting practice of assuming passage of legislation submitted with the budget and approval by requisite federal agencies of changes under their purview. Should any of that legislation not pass, the budget will be significantly unbalanced. In a significant departure from prior practice, the budget also assumes specific and favorable action by all three branches of the federal government. This accounts for \$59.0 million of the Governor's budget solution, with no identified alternatives. Days after the budget submission, Congress passed and President Trump signed legislation reauthorizing the Children's Health Insurance Program, ensuring the availability of \$35.5 million of the funding assumed. The Supreme Court has yet to act on its sports wagering case.
- ***Undistributed Savings.*** The FY 2018 enacted budget includes \$25.0 million of statewide general revenue savings in the Department of Administration for later distribution. The calculation equated to a reduction of approximately five percent to expenditures for salaries and benefits and a one percent reduction to contracted services and other operating costs within the executive branch, excluding the Department of Corrections, Eleanor Slater Hospital and Public Higher Education. While that calculation was a reference point rather than a mandate, the expectation was for administrative efficiencies within the authority of the Governor to execute. The Governor's revised budget includes a series of recommended reductions that reach the \$25.0 million with nearly one third of that coming from human services program expenses. There are also significant savings taken in the higher education budget. A little over one third of the savings appear to have come from personnel reductions. The remaining includes utility savings, cost shifts, one-time items and other program reductions.

## **Taxes and Revenues**

### ***Tax Changes***

- ***Cigarette Tax.*** The Governor's budget assumes \$3.9 million in revenues from her proposal to increase the cigarette excise tax by \$0.25 per pack, to \$4.50 per 20-pack, effective August 1, 2018.
- ***Other Tobacco Products Tax.*** The Governor's budget assumes \$2.3 million in revenues associated with proposed legislation to impose the other tobacco products tax on electronic nicotine delivery systems, require other tobacco products dealers to purchase from a state-licensed supplier, and raise the per cigar tax from \$0.50 to \$0.80.
- ***Sales and Use Tax on Software as a Service.*** The Governor's budget assumes \$4.8 million in revenues associated with expansion of the state sales and use tax to include online third-party hosted subscription services, effective July 1, 2018.

- ***Sales and Use Tax on Security Services.*** The Governor’s budget assumes \$9.7 million in revenues associated with the proposed expansion of the state sales and use tax to include security services, such as investigation, guard and armored car services, effective July 1, 2018.

### ***Enhanced Compliance and Collections***

- ***Division of Taxation Restructuring.*** The Governor’s budget assumes a total of \$13.5 million in additional personal income, business, sales and use tax revenues and associated fines and fees from restructuring the Division of Taxation. The Governor recommends 22.0 full-time equivalent positions. Accounting for \$3.5 million in technology support and staffing costs, the net budget impact is \$10.0 million.
- ***Division of Collections.*** The Governor’s budget assumes a total of \$1.3 million in additional enhanced collections of fines and fees from establishing a Division of Collections within the Department of Revenue. The Governor recommends 7.0 full-time equivalent positions. Accounting for \$0.6 million in staffing and contracted services costs, the net budget impact is \$0.8 million.
- ***Inspection Violations.*** The Budget counts on \$2.6 million from fines that would be paid for reinstatement of registrations suspended based on expired inspections. The Division of Motor Vehicles now has the technology to know when inspections expire without update. The supporting documents refer to the revenues as a place holder pending a decision by the Assembly on the amount of the fee. However, the budget assumes the full amount of the original revenue estimate that used the \$250 reinstatement fee. The budget does not appear to include any new resources to implement the proposal. The Department of Revenue had requested about \$250,000 to do so.

### ***Lottery Revenues***

- ***Sports Betting.*** The Governor’s budget assumes \$23.5 million from the legalization of sports betting, restricted to the state’s casinos beginning October 1, 2018, in anticipation of a pending United States Supreme Court decision.
- ***Lottery Gaming Innovation Pilot Initiatives.*** The Governor’s budget assumes \$4.1 million from new gaming initiatives such as stadium gaming, effective July 1, 2018.
- ***Twin River.*** The Governor’s FY 2018 revised budget includes \$2.0 million that Twin River is expected to transfer to the Lottery based on a recent agreement reached.
- ***Rhode Island Lottery.*** The Governor’s FY 2018 revised budget assumes a reduction in Lottery expenses that will increase the transfer to the state by \$0.6 million in FY 2018.

### ***Fee Changes***

- ***Insurance Claims Adjusters’ Fee.*** The Governor’s budget assumes \$3.0 million in new revenues from increasing the insurance claims adjusters’ fee from \$150 to \$250; the fee is biennial. Rhode Island is only one of eight states to assess the fee; most insurance adjusters are from out-of-state, and the fee is paid by the company.
- ***Mutual Funds Fees.*** The Governor’s budget assumes \$4.6 million in new revenues associated with increasing the upper limit fee cap on closed-end funds from \$1,000 to \$1,500 and increasing open-end mutual fund fees from \$1,000 to \$1,500. Currently, Massachusetts charges fees of 0.05 percent of the total offer

between \$300 and \$1,500 for closed-end funds, and \$2,500 for its initial registration and \$1,250 for subsequent renewals for open-end funds; Connecticut charges a maximum of \$500 for both types of funds.

- ***Real ID Duplicate License Fees.*** The Governor's budget assumes \$2.1 million in revenues associated with issuing duplicate credentials compliant of federal Real ID requirements and exempts this fee from being transferred to the transportation fund. It also assumes these collections will offset a recommendation for 32.0 new positions for implementation.
- ***Duplicate License Fees.*** The Governor's budget assumes \$1.0 million in revenues from increasing the cost, from \$5 to \$25, for any duplicate license issued for routine information updates such as name or address and exempting this fee from being transferred to the transportation fund.
- ***Small Business Omnibus Initiative.*** The Governor recommends four initiatives, including eliminating business licensing fees associated with hair design shops and retail frozen desserts processing, reducing the wholesale food processing licensing fee from \$500 to \$300, and extending the certified food safety license from three to five years. The recommended budget lowers expected revenues by \$0.3 million to reflect these changes.

### ***Transfers from Quasi-Public Corporations***

- ***Transfer Alternatives.*** The Governor's budget relies on \$26.5 million in new transfers from quasi-public agencies to cover the spending gaps in both the current year as well as FY 2019. In violation of Section 35-3-7 of the General Laws, the budget does not contain any alternatives for these transfers. The Executive Summary contains the now common language indicating the Governor's hope that the revenue estimates are better in May and these transfers can be avoided. The 2017 Assembly added the requirement for alternatives to solicit concrete proposals that can be considered as part of the budget hearings.
- ***RI Infrastructure Bank Transfer.*** The enacted budget includes a \$3.5 million transfer from the Rhode Island Infrastructure Bank to state general revenues by June 30, 2018. The Governor proposes to increase this amount to \$8.5 million.
- ***RI Resource Recovery Corporation Transfer.*** The Governor proposes that the Rhode Island Resource Recovery Corporation transfer \$3.0 million to state general revenues by June 30, 2018 and another \$3.0 million by June 30, 2019.
- ***RI Health and Educational Building Corporation Transfer.*** The Governor's revised budget includes the enacted transfer of \$6.0 million from the Rhode Island Health and Educational Building Corporation to state general revenues by June 30, 2018.
- ***RI Housing Transfer.*** The Governor proposes that Rhode Island Housing transfer \$6.0 million, \$5.0 million more than enacted, to state general revenues by June 30, 2018, and transfer another \$5.0 million to state general revenues by June 30, 2019.
- ***RI Student Loan Authority Transfer.*** The Governor proposes that the Rhode Island Student Loan Authority transfer \$3.0 million to state general revenues by June 30, 2018.
- ***RI Turnpike and Bridge Authority Transfer.*** The Governor proposes that the Rhode Island Turnpike and Bridge Authority transfer \$1.5 million to state general revenues by June 30, 2018.

## ***Other Revenues***

- ***Hospital Licensing Fee.*** The Governor's budget includes \$182.0 million in revenues from extending the hospital licensing fee into FY 2019 using the same two-tiered fee as included in FY 2018. The licensing fee appears annually in the Appropriations Act.
- ***Motor Vehicle Fee Transfer Adjustment.*** The Governor proposes altering the transfer of transportation related fees collected by the Division of Motor Vehicles to the Highway Maintenance Account from 80.0 percent to 60.0 percent for FY 2018. The revised budget assumes \$10.3 million in additional general revenues from this. It retains the current law provision that funds collected in FY 2019 and after would be transferred to the account.
- ***Medical Marijuana Program Expansion.*** The Governor's budget assumes \$5.1 million in sales and use tax, and other surcharges and fees from establishing 12 new compassion centers, authorizing temporary medical marijuana eligibility to include acute pain, allowing Massachusetts and Connecticut medical marijuana cardholders to purchase at Rhode Island compassion centers and establishing a license for medical marijuana manufacturing and research and development. The additional revenues are inclusive of a \$2.6 million increase of the annual transfer to state general revenues of any remaining medical marijuana related receipts collected by the Departments of Business Regulation and Health after expenses are covered.
- ***Department of Business Regulation Receipts.*** The Governor's revised budget proposes that the Department of Business Regulation transfer \$1.6 million of surplus fee revenues, in the amounts of \$0.8 million each from the Divisions of Insurance Regulation and Commercial Licensing, Gaming and Athletics for FY 2018. These revenues appear to represent unused balances in restricted receipt accounts.
- ***Water Quality Surcharges.*** The Governor's revised budget assumes a transfer of \$1.1 million to state general revenues from residual water quality protection surcharges that had been collected by the Water Resources Board Corporate. The Board Corporate has been dissolved and its functions were absorbed by the Clean Water Finance Agency, now the Rhode Island Infrastructure Bank.

## ***Tax Credits and Incentives***

- ***Refundable Manufacturing Investment Tax Credit Fund.*** The Governor's budget includes \$0.3 million from general revenues to establish a refundable tax credit up to \$0.1 million for qualifying investments in equipment, training and business capital.
- ***Rebuild Rhode Island Tax Credit.*** The Governor's budget includes a new \$15.5 million from general revenues to continue funding for the Rebuild Rhode Island Tax Credit program. This would bring total funds committed to these tax credits, which are redeemed over time, to \$51.0 million. The total amount of credits that can be awarded under the program is \$150 million; approximately \$90 million has been committed as of January 2018. The Governor also recommends expanding eligibility for the program and repealing the December 31, 2018 sunset provision.
- ***Qualified Jobs Tax Credit.*** The Governor's budget includes legislation to establish a lower job creation threshold for manufacturers to participate in the Qualified Jobs tax credit program. The minimum new jobs would be the lesser of 10.0 percent of existing full-time jobs or 100, effectively requiring the creation of only one job in the case of small employers. The current minimum is 10 jobs for employers in targeted industries.
- ***Wavemaker Fellowships.*** The Governor's budget includes \$1.6 million from general revenues for continued funding of the student loan forgiveness program enacted by the 2015 Assembly. It provides up to four years of loan forgiveness for an associate, bachelor or a graduate degree in the fields of natural or

environmental sciences, computer technology, engineering or medicine. Recipients must work at least 35 hours per week for an employer located in the state; two-thirds of the awardees must be permanent residents of the state. The Governor's budget also recommends repealing the December 31, 2018 sunset provision.

- ***Job Training Tax Credit Repeal.*** The Governor's budget assumes \$0.5 million in additional revenues by ending the tax credit which provides qualifying employers with credits against their state tax obligations for expenses associated with offering training to their employees. The provision states that no credits will be awarded for tax years beginning on or after January 1, 2018. This repeal is related to a separate proposal to establish permanent funding for Real Jobs Rhode Island. The Governor also recommends a \$450,000 appropriation from general revenues to Real Jobs to reflect reinvestment of those resources.

## **Business and Commerce**

- ***Air Service Development.*** The Governor's budget adds \$0.5 million from general revenues to provide direct incentives, revenue guarantees, and/or other support for additional air service routes to major metropolitan areas. The FY 2017 and FY 2018 budgets provided \$2.0 million. The Air Service Development Council has partnered with the Rhode Island Airport Corporation to provide reimbursements for qualifying marketing expenses, and has committed all of the fund's resources.
- ***Commerce Corporation - Operations.*** The Governor's revised budget includes \$7.2 million, \$250,000 less than enacted from general revenues for FY 2018 to support general operations of the Corporation.
- ***Experimental Program to Stimulate Competitive Research (EPSCoR).*** The Governor recommends \$0.9 million for FY 2018 and FY 2019 for the National Science Foundation's Experimental Program to Stimulate Competitive Research. This is \$250,000 less than enacted to reflect actual costs of participation.
- ***First Wave Closing Fund.*** The Governor's budget adds \$1.0 million for the program authorized by the 2015 Assembly to provide financing to ensure that certain transactions that are critical to the state's economy occur, subject to the Commerce Corporation's Board approval. Through FY 2018, a total of \$15.3 million has been appropriated to this fund. Commitments made through the end of 2017 total \$1.9 million. The Governor also recommends repealing the December 31, 2018 sunset provision.
- ***I-195 Redevelopment Project Fund.*** The Governor's budget includes an additional \$1.0 million from general revenues to provide developers and businesses with financing for capital investment, including land acquisition to promote the development of the former I-195 land, administered by the I-195 Redevelopment District Commission. The Governor also recommends repealing the December 31, 2018 sunset provision.
- ***Industry Cluster Grants.*** The Governor's budget includes \$0.1 million for the Industry Cluster Grants program, which enables 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 Governor also recommends repealing the December 31, 2018 sunset provision.
- ***Innovate RI Small Business Programs.*** The Governor's budget includes the enacted level of \$1.0 million to support Small Business Innovation Research grants and the Bioscience and Engineering Internship Programs.
- ***Innovation Initiative.*** The Governor's budget includes \$1.0 million from general revenues for Innovation Initiative grants and vouchers for businesses with less than 500 employees. Vouchers of up to \$50,000 may be given for research and development assistance from a Rhode Island university, research center, or medical center, or to a small business manufacturer for internal research and development. Grants may be given to



organizations that offer technical assistance to businesses or to businesses in targeted industries. Grants must be matched by funds from a private sector or non-profit partner. The Governor also recommends repealing the December 31, 2018 sunset provision.

- **Main Street Streetscape Improvement Fund.** The Governor recommends providing an additional \$0.5 million for the Main Street Streetscape Improvement Fund for FY 2019. The FY 2016, FY 2017, and FY 2018 budgets provided a total of \$2.5 million for the fund and authorized 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 also recommends repealing the December 31, 2018 sunset provision.

- **Manufacturing Site Readiness.** The Governor’s budget includes \$0.2 million from general revenues for a new program, administered by the Commerce Corporation, to develop an inventory of potentially “pad ready” industrial sites capable of supporting large scale facilities, including manufacturers and distribution centers.

- **Municipal Technical Assistance Grants.** The Governor’s budget includes \$200,000 from general revenues and legislation to establish a fund to provide technical assistance to municipalities to evaluate and streamline municipal zoning, planning and permitting codes to foster economic development.

- **P-Tech Initiative.** The Governor’s budget includes \$0.2 million for the P-Tech Initiative, which establishes partnerships between high schools, higher education institutions, and employers to offer courses towards high school diplomas and associate’s degrees. The FY 2016 and FY 2017 budgets included a total of \$2.1 million for the program. The Commerce Corporation has awarded funding to six school districts, and provided administrative support to the Community College of Rhode Island, totaling \$1.3 million in awards. The Governor’s recommendation would bring available resources to \$0.8 million after administrative costs. This would fund the program at approximately four new districts. The Governor’s budget also recommends repealing the December 31, 2018 sunset provision.

- **Polaris Manufacturing Extension Partnership.** The Governor’s budget includes an additional \$100,000 to provide a total of \$350,000 from general revenues to support Rhode Island manufacturers by continuing to deploy technical experts to provide LEAN training facilities layout and provide assistance in manufacturing optimization. Polaris Manufacturing Extension Partnership is a Providence-based nonprofit organization. It receives funding from the National Institute of Standards and Technology to subsidize its consulting services to make them more affordable to smaller manufacturing business owners, and fund awareness activities and educational seminars.

- **Real Jobs Rhode Island.** The Governor recommends codifying the Real Jobs Rhode Island program into law within the Governor’s Workforce Board of the Department of Labor and Training. This would establish it as the primary program by which the state creates, coordinates, and supports industry-led partnerships to help fill immediate job openings, up-skill existing employees, and address future workforce needs. The Governor’s budget amends the Job Development Fund to allow a portion of the fund to support employment security and employment services so that Real Jobs has long term funding. The Governor also recommends a change to the job development assessment that effectively allows the equivalent of the Employment Security Trust Fund’s prior year investment earnings to be redirected to the Job Development Fund. The Governor recommends a \$450,000 general revenue appropriation as well, reflecting the revenues added from her proposal to repeal the Job Training Tax Credit.

- **Small Business Assistance Program.** The Governor’s budget includes \$0.5 million from general revenues to recapitalize the Small Business Assistance Program for businesses with less than 200 employees that are having difficulties obtaining financing from traditional lending organizations. The

Governor's budget also increases the amount to be reserved for microloans from 10.0 percent to a maximum of 25.0 percent and repeals the December 31, 2018 sunset provision.

- ***Small Business Development Center.*** The Governor's budget includes the enacted amount of \$350,000 from general revenues for the Small Business Development Center at the University of Rhode Island.
- ***Supply RI.*** The Governor's budget includes \$0.5 million from general revenues to create a program that connects small suppliers with the state's largest commercial purchasers by developing infrastructure to facilitate engagements.
- ***Quonset Infrastructure.*** The Governor's budget includes \$14.0 million from Rhode Island Capital Plan funds for infrastructure improvements at the Quonset Business Park, including increasing roadway crossing capacity and utility relocation for additional future development of heavier shipping weights. The Governor recommends \$4.0 million in each FY 2019 and FY 2020, and \$6.0 million in FY 2021.
- ***38 Studios Debt Service.*** The Governor's budget includes no state support for debt service relating to 38 Studios; the debt service will be paid with settlement funds that the Commerce Corporation received.
- ***Garrahy Garage Debt Service.*** The Budget includes \$2.5 million from general revenues to cover the first-year debt service relating to the Garrahy Garage project. The 2014 Assembly authorized the Convention Center Authority to issue up to \$45.0 million for the construction of the garage and the 2016 Assembly amended the authorization to allow the borrowing to occur if the Authority has three purchase and sale agreements or Wexford Science and Technology agrees to lease no less than 400 parking spaces. Revenues are expected to lower the debt service in FY 2020 and beyond.
- ***Historic Tax Credit Trust Fund Debt Service.*** The Governor recommends \$31.1 million and \$12.9 million from general revenues in FY 2018 and FY 2019, respectively, to fund debt service for historic tax credits. Funding in FY 2019 is \$6.9 million less than prior projections. Slower project completions and available funds in the Trust Fund allow for a delay in new debt issuance.

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

- ***Distressed Communities Relief Fund.*** The Governor recommends the enacted level of \$12.4 million for the Distressed Communities Relief Fund; there is a redistribution of funding among qualifying communities based on updated tax levies. In the first year a community qualifies, it receives a transition payment of half its proportional share; in the year a community no longer qualifies, it also receives a transition payment of half its proportional share. The FY 2019 recommendation reflects the inclusion of Cranston as a qualifying community. Cranston will receive a transition payment.
- ***Motor Vehicles Excise Tax.*** The Governor's budget funds the Motor Vehicles Excise Tax and phase-out program at \$34.5 million for FY 2018 and \$54.7 million for FY 2019. The recommendation represents \$1.5 million less for FY 2018 and \$18.7 million more for FY 2019 based on updated estimates of the cost. The 2017 Assembly restarted the phase-out, which had been frozen for several years. For FY 2019 the changes include increasing the minimum exemption from \$1,000 to \$2,000, lowering the assessed value from 95.0 percent to 90.0 percent, and lowering the tax rate cap from \$60 to \$50, per \$1,000. As of FY 2018, cars older than 15 years are no longer taxed.
- ***Payment in Lieu of Taxes Program.*** The Governor recommends \$46.1 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. 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 recommendation is \$0.9 million more than enacted and represents full funding for the program.

- **Library Resource Sharing Aid.** The Governor recommends the enacted amount of \$9.4 million for state support of public libraries. Current law allows 25.0 percent reimbursement of second prior year expenditures, subject to appropriation. The funds represent 22.3 percent.
- **Library Construction Aid.** The Governor recommends \$2.2 million to fully fund library construction aid requirements. The state reimburses libraries up to half the total costs for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project. The three-year moratorium on the acceptance of applications for library construction aid projects ended June 30, 2014.
- **Property Valuation Reimbursement.** The Governor recommends \$0.9 million for FY 2018 and \$1.6 million for FY 2019 to reimburse communities conducting property valuation updates. Current law requires that municipalities complete full revaluations every nine years with statistical updates every third and sixth year following a full revaluation.
- **Airport Impact Aid.** The Governor recommends the enacted level of \$1.0 million for FY 2018 to the Commerce Corporation so that the Airport Corporation can provide impact aid payments to the seven communities that host the six state airports. The community payments are made proportionately based on the number of total landings and takeoffs.

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

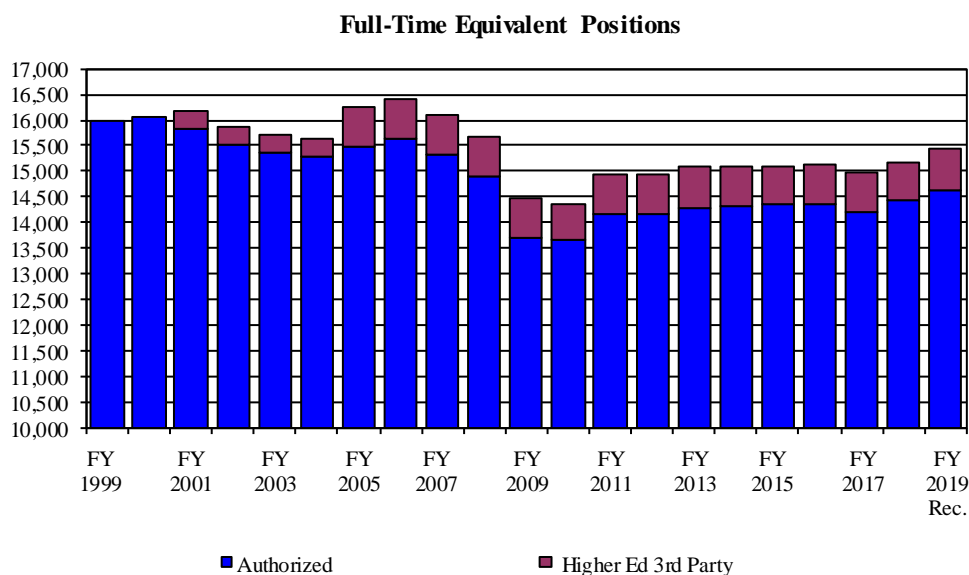
- **Funding Formula Assumptions.** The Governor funds the eighth year of the education funding formula adopted by the 2010 Assembly. The calculation for FY 2019 uses March 15, 2017 student enrollment data adjusted for FY 2019 projected charter school enrollments, a per pupil core instruction amount of \$9,422 and state share ratio variables updated with June 30, 2017 data. Funding increases for districts that received more state support have been fully phased-in, and aid to districts that are receiving less state funding is still being phased in over ten years. Aid amounts are subject to final student enrollment data collected in March 2018.
- **FY 2019 Formula Education Aid.** The Governor recommends \$922.2 million for school formula aid for school districts, including Central Falls, the Metropolitan Career and Technical School, Davies Career and Technical School and charter schools pursuant to the funding formula. This is \$11.0 million more than enacted and fully funds current estimates for the core formula.
- **State Schools Supplemental Funding.** The Governor's budget includes \$5.3 million in supplemental funding to the Davies Career and Technical School and the Metropolitan Career and Technical School to mitigate some of the losses in funding from the implementation of the funding formula and recognizes the additional costs associated with running a stand-alone school that offers both academic and career and technical education. Davies would receive \$4.0 million and the Met School the remaining \$1.3 million. The recommendation is \$1.4 million more than enacted.
- **Early Childhood Funds.** The education funding formula allows for additional resources from the state to increase access to voluntary, free, high-quality pre-kindergarten programs. The Governor recommends \$6.2 million from general revenues and \$1.1 million from the Permanent School Fund for FY 2019. This is \$1.1 million more than enacted and represents the match committed on a \$5.6 million federal grant award.

- **English Language Learners Funds.** The Governor’s budget includes \$2.5 million to support English language learners that are in the most intensive programs. The funding is calculated at the level of 10.0 percent of the core instruction amount, applied to students in the most intensive English learner programs. Funds may only be used on evidence-based programs proven to increase outcomes for English learners and are monitored by the Department of Elementary and Secondary Education.
- **Career and Technical Education Funds.** The education funding formula allows for additional resources from the state to help meet the initial capital investment needs to transform existing or create new comprehensive career and technical education programs and offset the higher than average costs of maintaining highly specialized programs. The Governor recommends \$4.5 million for FY 2019, which is consistent with the enacted budget.
- **School of Choice Density Aid.** The Governor’s budget includes \$0.5 million for the density aid category which provides additional state support for those districts who have at least 5.0 percent of their students enrolled at a school of choice, which includes charter schools or state schools. This is \$0.4 million less than the enacted level, reflecting the final year of a phased down, three-year program. For FY 2019, eight districts would be eligible for this funding, which provides \$50 per pupil for every student sent to a charter or state school. For FY 2017, six districts received \$175 per student from density aid funding and for FY 2018, seven districts received \$100 per student.
- **Special Education Funds.** The education funding formula allows for additional resources from the state for high-cost special education students when those costs exceed five times the district’s combined per pupil core instruction amount and student success factor amount. The Governor recommends \$4.5 million for FY 2019, consistent with the enacted budget.
- **Non-Public School Transportation Funds.** The education funding formula allows for additional resources from the state to districts for some out-of-district non-public school transportation costs. The Governor recommends \$3.0 million for FY 2019, which is consistent with the FY 2018 enacted level.
- **Regional District Transportation Funds.** The education funding formula allows for additional resources from the state to districts for some transportation costs within regional school districts. The Governor recommends \$3.8 million for FY 2019, which is consistent with the FY 2018 enacted level.
- **School Construction Aid.** The Governor recommends a total of \$80.0 million to fund projected costs of school housing aid to local districts for FY 2019. This includes \$69.4 million for the traditional program and \$10.6 million for the School Building Authority. Total funding is consistent with the enacted budget; however, funds are shifted between programs based on anticipated reimbursements from the traditional program. These costs are likely to increase significantly in FY 2021.
- **School Construction Changes.** The Governor proposes temporarily enhancing school housing aid reimbursements in order to encourage new school construction and renovation projects. Districts would be eligible for up to 20.0 percent increases for projects that address health and safety deficiencies, specific high-demand subject areas, replacing facilities, and consolidating facilities. Charter schools would be eligible to receive these new incentives and would receive an increase in their minimum share ratio from 30.0 percent to 35.0 percent. The incentives require minimum project costs; some projects must begin by December 30, 2022 and others by December 30, 2023. The likely increase in the costs for the traditional aid program from the enhanced reimbursements are not reflected in the out-year projections.
- **School Construction Bond.** The Governor recommends \$250.0 million of new general obligation bonds to be submitted to the voters on the November 2018 ballot for public school construction and repairs. No more than \$100.0 million in bonds would be issued per year.

- **School Construction Personnel.** The Governor recommends shifting the \$486,336 cost for 3.0 full-time equivalent positions currently responsible for administering the school construction aid program from general revenues to restricted receipts from the Rhode Island Health and Educational Building Corporation. She also recommends adding a new director of school construction services also to be supported by the Corporation’s funds.
- **Recovery High School.** Consistent with the enacted budget, the Governor’s budget provides \$0.5 million from general revenues to support the state’s recovery high school, which provides programs to students recovering from substance abuse.
- **Textbook Reimbursement.** The Governor recommends the enacted level of \$240,000 for reimbursements allowed under the textbook reimbursement program. Under current law, the state reimburses districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12<sup>th</sup> grade.
- **School Breakfast.** The Governor recommends the enacted level of \$270,000 from general revenues for the administrative cost reimbursements to districts for the school breakfast program. Food is paid from federal sources.
- **Teacher Retirement.** Pursuant to Rhode Island General Law, Section 16-16-22, the state funds 40.0 percent of the employer’s share of retirement contributions on behalf of teachers who are members of the teacher retirement system. The Governor recommends \$107.1 million from general revenues, or \$5.3 million more than enacted for the state’s share.

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

- **Personnel.** The Governor recommends \$2,040.4 million for personnel expenditures and 15,426.5 full time equivalent positions, including 788.8 higher education positions dedicated for research or supported by other third-party funds. The expenditures include salaries and benefits, as well as contracted services. The recommendation is \$60.8 million and 266.3 positions more than the FY 2018 enacted budget including \$50.5 million more for salaries and benefits and \$10.3 million more for contracted services.



There are a number of changes in budget presentation that affect comparisons to the enacted budget. The most significant is the conversion of nearly \$50 million of salaries and benefits expenses to operating costs through the use of newly proposed internal service funds for certain centralized services. These costs will now appear in user agencies, rather than the Department of Administration.

The Governor recommends staffing of 15,426.5 full-time equivalent positions for FY 2019, 266.3 positions more than the authorized level. Her revised recommendation includes an additional 26.0 positions for FY 2018. The staffing authorization increase includes dozens of new positions at the Department of Revenue for several initiatives, nearly one hundred new higher education positions as well as new troopers, correctional officers, highway and bridge maintenance and higher education staff.

As of January 20, there were 13,952.7 positions filled, leaving 1,207.5 non-research vacancies. In FY 2017, the state averaged 13,809.6 filled positions, reflecting an average of 1,023.0 non-research vacancies. In FY 2016, the state averaged 13,689.6 filled positions reflecting an average of 1,249.9 non-research vacancies.

- **Centralized Services.** The 2017 Assembly authorized the establishment of internal service funds for centralized services including information technology, capital asset management and maintenance, and human resources to maximize available non-general revenue sources. Prior to this change, these costs were budgeted in the Department of Administration. The state uses internal service funds to reimburse one agency for services provided to another. Agencies receiving these services will reimburse the internal service funds for the costs. The Governor's budget includes savings from all sources of \$0.5 million for FY 2018 and \$1.2 million for FY 2019. The methodology for these changes and savings has not been provided.

- **Medical Benefit Savings.** The Governor's revised budget includes medical benefit savings of \$5.4 million, including \$2.5 million from general revenues, from updating the medical benefit rates and savings from lower claims experience. The FY 2019 recommendation includes \$3.0 million in savings of which \$1.5 million is from general revenues, from updating rates.

- **Voluntary Retirement Incentive Benefit Adjustments.** Based on the impact to the Retirement System and the assessed fringe benefit fund, being used to pay the voluntary retirement incentive, the Governor's budget includes an additional \$3.9 million from general revenues in associated benefit rate increases. No comprehensive information has been provided on how much savings is assumed to offset this cost.

- **LEAN Process Improvement Projects.** The Governor's budget includes \$50,000 from general revenues to fund LEAN process improvement projects to improve operational efficiency in the Department of Administration's budget.

- **Contract Savings.** The Governor's budget assumes general revenue savings of \$3.0 million from a contract procurement analysis. The Department of Administration will conduct an analysis of previous contracts to identify opportunities to enhance the state's buying power and reduce costs associated with procuring goods and services. The analysis will also review pricing opportunities, requests for proposals management and contract negotiations.

- **Statewide Insurance Savings.** The Governor recommends general revenue savings of \$1.0 million from claims administration improvements within Workers' Compensation and reducing over-insurance for property, liability, and casualty.

- **Capital Projects.** The Governor proposes implementing an indirect cost recovery charge of up to 10.0 percent of Rhode Island Capital Plan funded project expenditures for funding "direct project management costs of state employees." The Governor's budget includes general revenue savings of \$3.7 million from this proposal.

- **City Year.** The Budget includes the enacted amount of \$100,000 from general revenues to City Year for the Whole School Whole Child Program, which provides individual support to at-risk students.
- **Work Immersion/Non-Trade Apprenticeship Program.** The Governor recommends increasing the flexibility of the work immersion/non-trade apprenticeship program by allowing the Governor’s Workforce Board to determine how to best reimburse employers, removing the tiered reimbursement structure, and removing the statutory cap on the allowable reimbursement period. Additionally, the program would be open to students currently enrolled in high school.
- **Workplace Fraud Unit Staff Enhancement.** The Governor recommends \$0.9 million from restricted receipts to fund new positions within the current authorization to enhance workplace fraud oversight in the Department of Labor and Training. The restricted receipts will consist of the expected increase in fines and penalties levied by the additional staff.
- **Supportive Employment.** The Governor recommends \$0.4 million from general revenues to assist residents in recovery from opioid addiction to access supportive employment services offered by the Department of Labor and Training and the Governor’s Workforce Board.
- **Unemployment Insurance Benefits.** The Governor’s budget includes \$159.2 million in FY 2019 from the Unemployment Insurance Trust Fund for the payment of unemployment insurance benefits. This is \$2.0 million less than enacted to reflect current benefit recipients.
- **Temporary Disability Insurance Benefits.** The Governor recommends \$178.0 million from the Temporary Disability Insurance Trust Fund for benefit payments that protect eligible workers against wage loss resulting from a non-work related illness or injury. This is \$5.0 million more than enacted, based on updated data.
- **Temporary Caregiver Insurance Benefits.** The Governor recommends \$14.0 million from the Temporary Disability Insurance Trust Fund for the payment of benefits. This is \$0.5 million less than enacted, based on updated data.
- **Police and Fire Relief Fund.** The Governor’s budget includes \$3.8 million from general revenues for the Police and Fire Relief program for annuity payments and in-state tuition to eligible spouses, domestic partners and dependents of certain injured or deceased police officers and firefighters. This is \$0.1 million less than enacted, based on current projections.
- **Contingency Fund.** The Governor’s budget includes the enacted amount of \$250,000 for the Governor’s Contingency Fund. The FY 2018 revised budget adds \$67,089 in unused funds reappropriated from FY 2017.
- **Cyber Security Testing.** The Governor recommends \$120,000 over FY 2018 and FY 2019 for security testing to assess the overall security of the Central Voter Registration System to protect against possible data breaches.
- **E-Poll Books.** The Governor recommends \$0.4 million from the Information Technology Investment Fund to lease 1,400 e-poll books. The Governor recommends \$0.3 million to begin the lease in her revised FY 2018 recommendation. The 2016 Assembly authorized the purchase of 200 e-poll books with \$195,000 from general revenues. The lease is for five years at a cost of \$2.0 million.
- **Public Financing of Elections.** The Governor recommends \$2.6 million from general revenues for the Matching Public Funds campaign finance program, required by Rhode Island General Law, Section 17-25-19. General officers are elected every four years, and the Board of Elections is responsible for administering

and carrying out the mandates of the Campaign Contributions and Expenditures Act and the state's Matching Public Funds program.

- ***Election Expenses.*** The Governor recommends \$2.0 million from general revenues for the Board of Elections and Secretary of State for anticipated costs associated with the 2018 election cycle, including ballot printing and delivery.
- ***Rhode Island Historical Society.*** The Governor includes the enacted level of \$125,000 in general revenue support for the Rhode Island Historical Society.
- ***Newport Historical Society.*** The Governor includes the enacted level of \$18,000 in general revenue support for the Newport Historical Society.
- ***License Plate Reissuance.*** The Governor proposes a one year delay in the start of license plate reissuance until January 2020. The budget excludes revenues and expenses to account for the delay.
- ***Taxpayer Portal Savings.*** The Governor's budget assumes savings of \$0.5 million associated with the launch of a taxpayer portal and an increase in electronic filing.
- ***DOR Restructuring Staff.*** The Governor's budget includes \$3.5 million from general revenues for staffing and operation costs for 22.0 new positions to support enhanced revenue collections through improved discovery, collections and audits. The net budget impact is \$10.0 million.
- ***Division of Collections Staff.*** The Governor's budget includes \$0.6 million from general revenues to support operations and staffing costs for 7.0 new positions at the Department of Revenue to establish a new Division of Collections to centralize all of the collection activities of the state's departments. The net budget impact is \$0.8 million.
- ***DMV Staff.*** The Governor's budget includes \$2.1 million from general revenues for 32.0 new positions to support the implementation of federal Real ID requirements. The Department of Homeland Security has granted the state an extension for compliance from January 22, 2018 to October 10, 2018. The recommended budget assumes revenue collections will offset staffing costs. The plan for implementation is not clear.
- ***Tiverton Casino Compliance Staff.*** The Governor's budget includes \$1.5 million from lottery funds for staffing costs of 23.0 new positions for operations at the Tiverton Casino anticipated to open by November 2018, consistent with the adopted estimate of the November Estimating Conference.
- ***Affordable Housing and Blight.*** The Governor's budget includes \$40.0 million from general obligation bond funds approved by the voters in November 2016 to provide funding for affordable housing support, including rehabilitation of existing structures and new construction. The Budget also includes \$10.0 million from general obligation bonds the voters approved on the November 2016 ballot to improve properties that are blighted or in need of revitalization, including residential, commercial, and public properties.
- ***Quonset Piers.*** The Governor's budget includes a total of \$90.0 million for extension and renovation of the Quonset Business Park's piers. This includes \$50.0 million of general obligation bond proceeds approved by the voters on the November 2016 ballot, \$21.0 million from revenue bonds authorized by the 2016 Assembly to be issued by the Quonset Development Corporation along with \$4.0 million from the Corporation's resources, and \$15.0 million from Rhode Island Capital Plan funds.



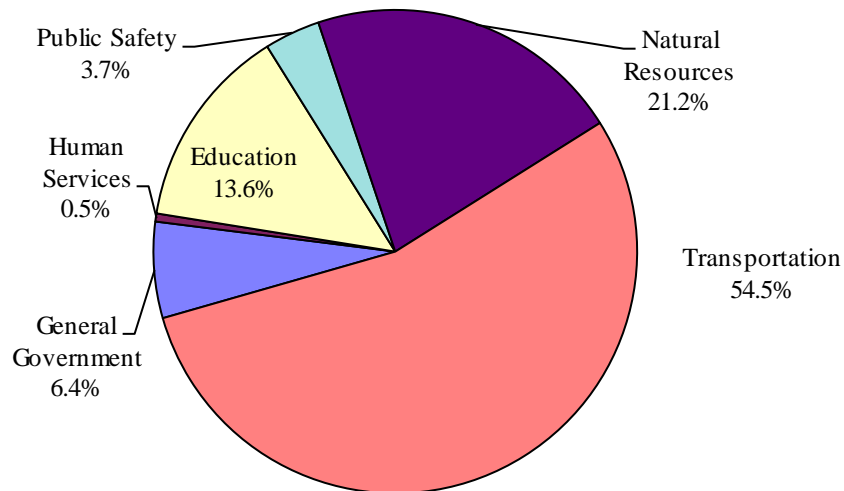
- ***Integrated Tax System Support.*** The Governor’s budget includes \$2.6 million from general revenues for ongoing technical support and maintenance and \$20.3 million from Certificates of Participation authorized by the 2012 Assembly for the Department of Revenue’s new integrated tax system to consolidate separate Division of Taxation programs and functions into a single computer system.
- ***Port of Providence.*** The Governor’s budget includes \$20.0 million from general obligation bond funds approved by the voters on the November 2016 ballot to increase terminal capacity at the Port of Providence by funding the acquisition of up to 25 acres of land located between Allens Avenue in the City of Providence and the Providence River and associated infrastructure improvements.
- ***Innovation Campus Bond.*** The Governor’s budget includes \$20.0 million from general obligation bonds approved by the voters on the November 2016 ballot for the construction of one or more innovation campuses affiliated with the University of Rhode Island. The minimum award will be \$5.0 million, and applicants must provide a match to state project funding of at least one to one. The request for proposal was released during the fall of 2017 and awards are anticipated to be announced in Spring of 2018.
- ***Creative and Cultural Economy Bond.*** The Governor’s capital budget includes \$35.0 million from general obligation bonds approved by the voters on the November 2014 ballot for renovations to public and nonprofit theaters and performance spaces with \$5.0 million of that reserved for qualifying projects at historic sites. The program is administered by the Rhode Island State Council on the Arts in consultation with the Historical Preservation and Heritage Commission.
- ***Water Resources Board to PUC.*** The Governor proposes to transfer the Water Resources Board to the Public Utilities Commission and assumes savings of \$0.4 million from general revenues in both FY 2018 and FY 2019. Operating costs for the Water Resources Board would be charged to regulated water suppliers. The Public Utilities Commission currently regulates six water suppliers.
- ***Building, Design and Fire Professionals.*** The Governor proposes to consolidate professions relating to building and construction design, inspection, and enforcement of building and fire codes. The Budget reflects the transfer of several programs to the Department of Business Regulation. These include the State Fire Marshal from the Department of Public Safety, the Building Code Commission, Contractors’ Registration and Licensing Board, and the Fire Code Safety Board of Appeal and Review from the Department of Administration.
- ***Health Professional Licensing to Business Regulation.*** The Governor proposes transferring the licensure of several professionals from the Department of Health to the Department of Business Regulation. These include: athletic trainers, hearing aid dealers, interpreters for the deaf, manicurists, barbers and hairdressers, embalmers as well as several others.

#### **Capital (See Section IV: Capital Budget)**

- ***Outlays and Funding.*** The FY 2019 through FY 2023 plan includes \$4,861.1 million of outlays on \$12,402.1 million of project estimates. Average outlays would be \$972.2 million per year for the five-year period with \$785.2 million required at the end of the period to complete the projects. In a change in presentation, this year’s capital budget does not reflect debt service payments supported by Federal Highway Administration funds or gas tax. This corrects the prior practice of double-counting this expense.
- ***General Obligation Bonds Referenda.*** Financing the five-year plan is based on \$556.7 million of general obligation bond debt issuances. This includes \$368.5 million from new general obligation bonds to be presented to the voters on the November 2018 ballot. Consistent with last year, but in a departure from past practice, the budget does not assume any new referenda will go before the voters in November

2020 or November 2022. The average bond referenda over the past five elections was \$189.3 million and the voters approved \$227.5 million on the November 2016 ballot. The impact of future referenda is excluded from any bond or debt projections in the plan. The current proposal increases the five-year average to \$244.5 million.

### FY 2019 - FY 2023 Capital Projects by Function



- Other Debt Approvals.** The Governor recommends \$19.8 million to be approved by the 2018 Assembly under the Public Debt Management Act for three projects at the University. This includes \$11.0 million for repaving, hardscape and landscape, \$6.5 million for the first phase of utility infrastructure upgrades, and \$2.3 million for the second phase of fire safety and protection projects for auxiliary enterprises.
- Financing.** Paying for the five-year outlays includes \$1,228.2 million from debt financing and \$3,632.9 million from current or pay-go sources. Pay-go represents 74.7 percent with debt funding being 25.3 percent.
- Debt Levels.** Total net tax supported debt decreases during the period through FY 2023 by \$120.9 million from \$1,849.9 million to \$1,648.5 million. Past practice indicates that debt levels will be significantly higher as more projects are added within the five-year period of this capital budget and as noted previously, the plan identifies no new general obligation bond funded debt.
- Debt Ratios.** Net tax supported debt would decrease from 3.2 percent of personal income reported for FY 2017 to 2.4 percent in FY 2023 assuming that the capital budget is not increased. However, as with debt levels, past practice indicates it is likely to be higher than projected especially since, as previously noted, the budget does not assume any new referenda will go before the voters in November 2020 or November 2022.
- Rhode Island Capital Plan Fund.** The plan relies heavily on the use of Rhode Island Capital Plan funds, an important source of pay-go funds designed to reduce the need for borrowing. Total outlays for the five-year period are \$623.4 million. It should be noted that the Governor's capital budget removes \$11.9 million in approved Rhode Island Capital Plan funding for three projects under the purview of the Department of Environmental Management; the Governor's recommendation for new general obligation bond funds backfills that reduction.

## Health and Human Services

- ***Unified Health Infrastructure Project.*** The Governor provides funding totaling \$72.3 million in FY 2018 and \$44.2 million in FY 2019 for direct support and expenses of the Unified Health Infrastructure Project in the Executive Office of Health and Human Services and Department of Human Services' budgets. This includes \$11.4 million in FY 2018 and \$6.8 million in FY 2019 from state sources. The FY 2019 total also assumes \$7.0 million from the contractor. The balance in both years is from federal sources.
- ***Children's Health Insurance Program Funding.*** The Governor's budget includes general revenue savings of \$7.0 million for FY 2018 and \$28.5 million for FY 2019 assuming Congress will reauthorize the Children's Health Insurance Program which had not occurred as of the budget submission. The November caseload conference estimate included the enhanced federal Medicaid funding for FY 2018 only through March 2018 because the federal program has effectively expired. The program was reauthorized on January 22.
- ***Managed Care Organizations Reimbursements.*** The Governor's budget proposes savings of \$70.0 million, including \$23.7 million from general revenues, from reducing reimbursements made to the managed care plans through a variety of measures. There is an offsetting revenue loss of \$1.4 million from this proposal.
- ***Nursing Facilities Rates.*** The Governor's budget includes savings of \$5.4 million, \$2.6 million from general revenues, by limiting the October 1, 2018 rate increase to 1.0 percent instead of the 2.7 percent included in the November caseload estimate. This reflects expenses in both the fee-for-service and Rhody Health Options programs. There is an offsetting revenue loss of \$0.3 million from this proposal.
- ***Long Term Care Services and Supports.*** The Governor's budget includes savings of \$14.9 million, including \$10.0 million from general revenues, from an undefined "redesign" of Rhody Health Options managed care program that provides services to individuals eligible for Medicare and Medicaid and providing home and community care services through the Community First Choice option, effective January 1, 2019. This savings is net of \$0.5 million in administrative expenses included to implement the proposal. There is an offsetting revenue loss of \$0.3 million from this proposal, making the general revenue impact \$9.7 million for FY 2019. The savings for FY 2020 should annualize to approximately \$20 million.
- ***Nursing Home Eligibility Processes.*** The Governor's budget includes savings of \$10.5 million, of which \$5.0 million is from general revenues, from instituting changes to the eligibility process for nursing home care including asset verification transfers and elimination of the allowance for 90 days of retroactive coverage effective January 1, 2019. This savings is net of \$0.6 million in new staff expenses included to implement the proposal; it does not appear to include possible software or other costs to change the current system. There is an offsetting revenue loss of \$0.2 million from this proposal making the general revenue impact \$4.4 million for FY 2019. The savings for FY 2020 should annualize to approximately \$9 million.
- ***Sullivan/Perry Long Term Care Funding.*** The Governor's FY 2018 and FY 2019 budgets do not include the \$6.2 million, of which \$3.1 million is from general revenues, that was in the enacted budget for home and community care services. Funding was added to comply with the Sullivan/Perry provision of state law that invests resources in the services if there was a reduction in the statewide nursing home census. The enacted budget did include a separate \$5.2 million appropriation for a wage increase for home health and personal care attendants. The Governor's recommendation suggests the Sullivan/Perry funding be used for that purpose.
- ***Hospital Rates.*** The Governor's budget includes savings of \$15.5 million, \$5.4 million from general revenues, from freezing hospital rates at the FY 2018 level. There is a statutory requirement for an annual

price adjustment, and the November caseload estimate includes a 2.8 percent increase for inpatient services and 1.8 percent for outpatient services.

- ***Graduate Medical Education.*** The Governor proposes eliminating the \$4.0 million state payment to Lifespan for graduate medical education activities for FY 2018. For FY 2019, the budget includes a total of \$1.5 million from state and federal funds for a Graduate Medical Education pool available to all teaching hospitals with a focus on improving mental health and substance abuse treatment and training.
- ***Inpatient Upper Payment Limit Reimbursement.*** The Governor's budget includes savings of \$14.1 million, including \$5.6 million from general revenues, in FY 2019 from eliminating the inpatient upper payment limit reimbursement made to community hospitals for Medicaid services based on Medicare rates. The outpatient payment totaling \$6.4 million, including \$2.6 million from general revenues, would be continued.
- ***Recovery Navigation Program.*** The Governor's budget funds the Recovery Navigation Program, operated by the Providence Center, through March 2018 using general revenues and federal substance abuse block grant funds. The budget does not include funding for April, May and June. The budget also does not fund the program for FY 2019. The enacted budget includes \$0.2 million from general revenues. The Executive Office of Health and Human Services has sought approval to leverage Medicaid for this program but has not yet received it, and no general revenues have been recommended in anticipation of such an approval.
- ***Cortical Integrated Therapy.*** The Governor's budget includes savings of \$0.8 million for FY 2018 and \$1.0 million for FY 2019 from eliminating payments for cortical integrated therapy services. The Executive Office of Health and Human Services notified the provider that as of November 1, 2017, the services would no longer be reimbursed.
- ***Mental Health Parity Study.*** The Governor adds \$150,000 from general revenues in the Executive Office of Health and Human Services' budget for a study to compare mental health coverage to primary care coverage offered by commercial health plans.
- ***Non-Emergency Transportation Services.*** The Governor's budget includes savings of \$9.2 million, including \$3.5 million from general revenues, from changing the current contract with Logisticare or reprocurring and reducing payments made for transportation services effective January 1, 2019. The savings is net of funding for a new position to manage the contract changes. This appears to reflect an annualized savings in excess of 50 percent of program costs.
- ***Co-Payments for Adults.*** The Governor's budget proposes savings of \$9.9 million, including \$2.9 million from general revenues, from instituting co-payments for non-elderly non-disabled adults, including parents enrolled in RItE Care, for non-emergency visits to emergency rooms, non-preventive physician visits and prescription drugs. The total savings is net of \$1.0 million added for administrative costs related to the proposal, including two new positions and system changes that would be required. However, the savings appear to be based on an effective date of July 1, 2018. There is also an offsetting revenue loss of \$0.2 million from this proposal.
- ***Revenue Maximization.*** The Governor's budget includes savings of \$1.7 million, including \$1.3 million from general revenues, from expanding the RItE Share program to cover those enrolled in Rhody Health Partners who have access to employer sponsored insurance, moving parents who were covered under RItE Care to the expansion program when they no longer have a dependent child, and having disabled children remain on parents' commercial coverage through age 26. The savings assumes an effective date of January 1, 2019 and is net of the costs for two new positions to implement the proposals.

- ***Developmental Disabilities Services.*** The Governor’s budget includes \$209.5 million, of which \$99.3 million is from general revenues for services to developmentally disabled adults in the privately-operated system for FY 2019. She includes \$227.8 million, including \$110.2 million from general revenues for FY 2018 which is \$11.3 million above the enacted budget based on current spending. Her FY 2019 recommendation is \$18.3 million below the revised budget, including \$10.9 million less from general revenues and assumes savings from the Department reviewing its assessment tool and using other payment models.
- ***Eleanor Slater Hospital.*** The Governor provides \$116.6 million, including \$55.5 million from general revenues for FY 2018 and \$115.5 million, including \$54.6 million from general revenues, for FY 2019 to support the operations at Eleanor Slater Hospital. The FY 2018 enacted budget includes savings of \$11.1 million from reorganization of the state-run hospital, including \$5.2 million from general revenues. For FY 2018, \$2.6 million from general revenues is added and \$2.1 million is added for FY 2019.
- ***Eleanor Slater Hospital – Zambarano Unit.*** The Governor’s budget includes general revenue overtime savings of \$0.5 million for FY 2018 and \$1.0 million for FY 2019 from consolidating patient units at the Burrillville campus of the state-run hospital.
- ***Eleanor Slater Hospital – Patient Transfer.*** The Governor’s budget includes general revenue savings of \$46,000 for FY 2018 and \$234,330 for FY 2019 from transferring patients at the state-run hospital to other residential settings; the number of patients and those other settings have not been identified. This represents the cost differential between the hospital and another setting for which costs would likely appear in another part of the state budget.
- ***Behavioral Healthcare Link.*** The Governor’s budget includes \$650,000 from general revenues to establish a Behavioral Healthcare Link, which is a statewide resource to provide 24-hour community based assessment and treatment for those experiencing a behavioral health care crisis.
- ***Children’s Rights Settlement.*** The state recently settled its lawsuit with Children’s Rights. The preliminary settlement documents contain a series of agreements to changes in process and practice at the Department of Children, Youth and Families. Beyond the agreement for the Governor to advocate for a foster care rate increase, the documents do not cite a cost. The FY 2017 audited financial statements released in early January account for a \$3.5 million payable in anticipation of this settlement and the need to pay legal costs. The Governor adds a 0.6 position for the Child Advocate to assist that office in discharging duties as part of the team monitoring the Department’s compliance.
- ***Foster Care Rates.*** The Governor’s budget includes \$1.4 million, including \$1.1 million from general revenues to increase rates paid for foster care placements. This is consistent with language in the preliminary settlement of the lawsuit with Children’s Rights. The funding is intended to build additional foster care capacity in support of the Department’s efforts to reduce congregate care placements.
- ***Voluntary Extension of Care Program.*** The Governor proposes \$1.7 million from general revenues to expand existing programs for youth age 18 to 21 formerly in foster care.
- ***Head Start Program.*** The Governor includes the enacted amount of \$1.2 million from general revenues for the state’s support for Head Start.
- ***Rhode Island Alliance of Boys and Girls Clubs.*** The Governor includes the enacted level of \$250,000 from general revenues for the Boys and Girls Club Project Reach program, which provides homework assistance and afterschool activities.

- **Day One.** The Governor includes the enacted level of \$217,000 from general revenues for outreach and supportive services programs relating to sexual assault prevention provided through Day One.
- **Institute for the Practice and Study of Non-Violence.** The Governor includes the enacted level of \$200,000 from general revenues to support the Institute's Violence Reduction Strategy program.
- **Rhode Island Community Food Bank.** The Governor includes the enacted level of \$175,000 from general revenues for food collection and distribution through the community food bank.
- **Community Action Agencies.** The Governor includes the enacted level of \$520,000 to support services provided by the state's community action agencies.
- **Crossroads.** The Governor includes the enacted level of \$300,000 from general revenues to support activities provided by Crossroads Rhode Island that address homelessness and other related issues.
- **Domestic Violence Prevention Activities.** The Governor includes the enacted level of \$300,000 from general revenues for domestic violence prevention activities contracted through the Rhode Island Coalition Against Domestic Violence and distributed to domestic violence shelters in the state.
- **Senior Center Support.** The Governor includes \$800,000 from general revenues to support the state's senior centers through a grant process, which is \$400,000 more than enacted.
- **Meals on Wheels/Elderly Nutrition Services.** The Governor includes the enacted level of \$530,000 from general revenues to support Meals on Wheels.
- **Respite Care.** The Governor includes the enacted level of \$140,000 for the Diocese of Providence to support the respite care program.
- **Elder Housing Security.** The Governor includes the enacted level of \$85,000 from general revenues to implement security housing measures in elderly housing complexes.
- **Long Term Care Ombudsman.** The Governor includes the enacted level of \$169,086 for the long term care ombudsman, including \$86,750 from general revenues. The Alliance for Better Long Term Care advocates on behalf of residents of nursing homes, assisted living residences and certain other facilities, as well as recipients of home care services.
- **Child Care Pilot.** The Governor includes \$200,000 from general revenues for a pilot program for eligible low-income parents to receive child care assistance while they are enrolled in qualified state public institutions of higher education or in workforce training programs that lead to employment.
- **Child Care Rates.** The Governor's budget establishes a tiered system of reimbursement for child care providers, reflecting the quality rating the provider has achieved in the Bright Stars system. Those providers with higher Bright Stars rankings will receive additional funding compared to those in the lower tiers. The budget includes an additional \$1.5 million to support this new system of reimbursement. The proposal also appears to raise all base child care rates by linking minimum reimbursement to a recent market survey, the funding impact of which is unclear.
- **Veterans' Programs and Services.** The Governor includes the enacted level of \$200,000 from general revenues to support various veterans' programs and services with the Office of Veterans' Affairs determining how the funding is allocated.

- ***Vital Records System Upgrade.*** The Budget assumes use of \$1.6 million from the Information Technology Investment Fund to upgrade the Department of Health’s vital records system.
- ***Hospital Reorganization.*** The Governor recommends \$23.8 million from Rhode Island Capital Plan funds to consolidate hospital operations for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The Governor assumes operating savings of \$3.0 million, including \$1.4 million from general revenues, from closing the Pinel building, which houses the forensic population, and relocating patients from the Adolph Meyer building and moving them into the Roosevelt Benton facility and Regan building. These changes will allow the downsizing of the hospital footprint and reorganization of its operations.
- ***State Medical Examiners New Facility.*** The Governor recommends \$15.7 million from Rhode Island Capital Plan funds to renovate the Board of Elections’ current office building to house the operations of the Office of State Medical Examiners.

## Education

- ***Public Higher Education.*** The Governor’s budget includes \$1,199.3 million for Public Higher Education institutions including debt service. This is \$19.2 million more than enacted from all funds. The Governor’s budget includes \$228.0 million from general revenues, which is \$7.1 million more than enacted. Excluding debt service, the general revenue increase is \$5.2 million more than enacted, of which \$3.6 million is for the second year of the Rhode Island Promise Scholarship.
- ***Public Higher Education Tuition and Fees.*** The Governor’s budget assumes no in-state tuition or mandatory fee increases consistent with Board approved rates. Those rates assumed \$9.0 million in new unrestricted state support; the Governor’s budget provides the institutions with \$2.8 million of that.
- ***RI Promise Scholarship.*** The Governor’s budget includes \$6.4 million for the second year of funding for the Rhode Island Promise Scholarship program. The 2017 Assembly established a new Rhode Island Promise Scholarship program to provide two years of free tuition and mandatory fees at the Community College for qualifying Rhode Island students. The program is intended to be a “last dollar scholarship,” meaning that after a student exhausts all other sources of student aid the program covers the remainder of their tuition bill. Other non-mandatory fees are not covered by this program. Recipients are required to maintain a 2.5 grade point average and must commit to remaining in Rhode Island after graduation. The program is being implemented for four cohorts of students beginning in FY 2018 with the last cohort entering in the fall of 2020.
- ***Westerly Higher Education and Job Skills Center.*** The Governor’s budget includes \$2.0 million from restricted receipts to support the operations and staffing costs of the Center, \$0.5 million more than enacted. Recommended staffing would increase from 3.0 full-time equivalent positions to 5.0.
- ***Northern RI Education Center.*** The Governor recommends \$4.0 million from Rhode Island Capital Plan funds to replicate the public-private education model being used at the Westerly Higher Education and Jobs Skills Center in northern Rhode Island. Rhode Island Capital Plan funds would be used to construct one or more education centers; it is unclear if there are private funds available as there were when the Westerly center was constructed.
- ***Horace Mann Hall Renovation.*** The Governor recommends \$25.0 million of new general obligation bonds to be submitted to the voters on the November 2018 ballot for renovations to Horace Mann Hall at Rhode Island College.

- ***URI Narragansett Bay Campus Renewal.*** The Governor recommends \$45.0 million of new general obligation bonds to be submitted to the voters on the November 2018 ballot to renovate or replace the buildings, laboratories and infrastructure at the University's Narragansett Bay Campus. Improvements would also be done to the waterfront research vessel dock, roadways and walkways.
- ***URI Repaving, Hardscape and Landscape.*** The Governor's budget includes authorization for Assembly approval of \$11.0 million from revenue bonds for the repaving and reconstruction of major parking facilities, internal roadways, walkways and associated infrastructure on the University's Kingston, Narragansett Bay, and Alton Jones campuses.
- ***URI Utility Infrastructure Upgrade Phase I.*** The Governor's budget includes authorization for Assembly approval of \$6.5 million from revenue bonds for upgrades to utility-related infrastructure on the Kingston Campus, including steam, water, sanitary, electrical, and storm water systems.
- ***URI Fire Safety and Protection Auxiliary Enterprises Phase II.*** The Governor's budget includes authorization for Assembly approval of \$2.3 million for the second phase of fire safety enhancements to the University's auxiliary enterprise buildings. The 2008 Assembly authorized \$19.4 million from revenue bonds for the first phase of this project which is almost complete.
- ***URI Fine Arts Center.*** The Governor's capital budget recommendation includes \$11.0 million from Rhode Island Capital Plan funds for the University's fine arts center renovation project over four years. The University's request includes \$63.2 million over that same period.
- ***Information Technology Support.*** The Governor's budget removes the \$0.7 million in the Office of Postsecondary Commissioner's budget that is distributed to the institutions to use for upgrades, updates and expansions to their different information technology systems.
- ***Shepard Parking.*** The Governor's budget reduces funding for student parking at the Shepard building for both FY 2018 and FY 2019, which shifts the expense to the University of Rhode Island. Supporting documents indicate that the University should either fund the expense through its existing resources or make up the additional cost by beginning to charge students attending the Providence Campus a per semester fee of \$115 for those that choose to park in the Convention Center. This proposal was identified as part of the effort to achieve \$25.0 million in undistributed savings included in the FY 2018 enacted budget. It saves \$57,175 in FY 2018 and \$114,350 in FY 2019.
- ***Dual Enrollment Initiative.*** The Governor's FY 2019 budget includes \$1.8 million from tuition savings fees for the dual and concurrent enrollment initiative to allow qualified high school students to earn college credit at no cost to the student. The recommendation is \$0.5 million more than enacted from tuition savings fees. The Governor's revised recommendation for \$2.6 million is \$1.3 million more than enacted. About half of that increase appears to be for overspending from FY 2017.
- ***Last Dollar Scholarship.*** The Governor's budget includes the enacted level of \$10.1 million from tuition savings fees and federal loan reserve funds for the Last Dollar Scholarship program for students with proven academic performance and financial need to attend Rhode Island's public higher education institutions. Loan reserve funds are a finite resource.
- ***Guaranty Agency Operations.*** The Governor's budget assumes that the guaranty agency operations are transferred to a non-governmental successor agency by the end of FY 2018 to preserve resources for scholarships. It should be noted that the Governor's budget continues to fund non-guaranty agency operating functions from these resources, impacting availability for scholarships.



- **WaytoGoRI Web Portal.** The Governor removes the \$650,000 in the enacted budget from guaranty agency reserve funds for operation of the WaytoGo Rhode Island web portal system. WaytogoRI.org is a free, internet-based program that introduces elementary age students to possible career paths, prepares middle school students for high school, and offers services to prepare high school students for college or career opportunities. The contract with the vendor ends on August 31, 2018 and the Office of Postsecondary Commissioner does not plan to renew it.
- **College Crusade Support.** The Governor's budget includes the enacted amount of \$3.5 million to support the operations and scholarship programs offered by the College Crusade of Rhode Island, including \$3.1 million from the GEAR-UP federal grant and \$0.4 million from general revenues. The federal grant provides funds to states and nonprofits to support eligible low-income and disabled students in pursuit of secondary school diplomas and to prepare for postsecondary education. The \$0.4 million from general revenues supports staffing and office space.
- **Best Buddies Program.** The Governor's budget includes the enacted amount of \$30,000 from general revenues for Best Buddies Rhode Island to support programs for children with developmental disabilities.
- **Special Olympics Rhode Island.** The Governor's budget includes the enacted amount of \$50,000 from general revenues for Special Olympics Rhode Island to support its mission of providing athletic opportunities for individuals with intellectual and developmental disabilities.
- **Atomic Energy Reactor Fees.** The Governor proposes that reactor fee revenues go to a restricted receipt account to be used to maintain the Atomic Energy Commission's equipment. Reactor fees are currently deposited as general revenues and have averaged approximately \$20,000 annually over the past five years.
- **Telecommunications Education Access Fund.** The Governor recommends \$1.6 million in FY 2019, including \$0.4 million from general revenues, to support the Telecommunications Education Access Fund. This general revenue recommendation is consistent with the enacted budget. This fund provides financial assistance to qualified libraries and schools to acquire, install, and use telecommunications technologies to access the Internet. This fund is supported by a \$0.26 monthly surcharge levied upon each residence and business telephone access line.
- **Principal Empowerment and Training Fund.** The Governor's budget includes \$0.5 million from general revenues for a professional development initiative for principals, consistent with the enacted budget.
- **Third Grade Reading Action Plan.** The Governor's budget includes \$100,000 from general revenues to fund a new investment in high quality early learning curriculum and provide support to educators to ensure coherence among curriculum practices in the early education grades. Of this, \$50,000 will be used to purchase material and provide coaching services, and \$50,000 will be used for curriculum development and tools to implement the curriculum.
- **Computer Science Education.** The Governor's budget includes \$260,000 from general revenues to expand access to computer science courses for elementary and secondary students, \$50,000 more than the enacted budget.
- **PSAT/SAT.** The Governor's budget includes \$650,000 from general revenues and \$133,600 from federal funds to provide the SAT and PSAT for free to all Rhode Island public school students. This is \$150,000 more from general revenues than enacted.
- **Advanced Placement Tests.** The Governor's revised FY 2018 budget includes \$115,000 from general revenues for the advanced placement test fee-waiver program. Combined with a waiver available through

the College Board, this program allows eligible low-income students to pay a reduced fee of \$15 per advanced placement test, \$79 less than the standard fee of \$94 per test.

- ***Serve RI.*** The Governor's budget includes \$3.5 million from federal funds reflecting the state assuming responsibility for administering the Serve RI program, previously run by the Rhode Island Commission for National Community Service. Funding supports the AmeriCorps program in the state, including AmeriCorps Vista and City Year. The Governor also provides authorization for a new full-time equivalent position to administer the program.
- ***Advanced Coursework Network.*** The Governor recommends \$450,000 to support the advanced coursework network. This is \$100,000 less than enacted in the FY 2018 budget and includes \$150,000 from general revenues and \$300,000 from permanent school funds. The program allows middle and high school students in participating districts to access career preparatory as well as college credit bearing courses from a network of providers including postsecondary institutions, community organizations, and local education authorities.
- ***Hasbro Children's Hospital.*** The Governor's budget includes the enacted level of \$90,000 from general revenues to support the hospital school at Hasbro Children's Hospital.
- ***Child Opportunity Zones.*** The Governor's budget includes the enacted level of \$245,000 from general revenues to support child opportunity zones through agreements with the Department of Elementary and Secondary Education to strengthen education, health and social services for students and their families as a strategy to accelerate student achievement.
- ***Arts Funds.*** The Governor includes the enacted level of \$0.8 million from general revenues for the Rhode Island State Council on the Arts' grant awards.
- ***Waterfire Providence.*** The Governor's budget includes the enacted level of \$375,000 to support operational costs of Waterfire Providence art installations.
- ***Fort Adams.*** The Governor's budget includes the enacted level of \$30,000 to support Fort Adams Trust Restoration activities.

## **Public Safety**

- ***Prison Population.*** The Governor's budget assumes a prison population of 2,865, which is 135 fewer inmates than the enacted population of 3,000. It also assumes a revised population of 2,853 for FY 2018, which is 147 less than enacted. Through the first six months of FY 2018, the average inmate population is 2,862.
- ***Department of Justice Lawsuit.*** In February 2014, the U.S. Department of Justice filed suit against the Department of Corrections alleging that recruitment examinations are biased towards minorities. The parties agreed to a settlement in September 2017. A total of \$1.0 million is included over FY 2018 and FY 2019 based on this agreement. This includes \$250,000 in each FY 2018 and FY 2019 to develop a new exam. The Governor's budget includes \$0.3 million and authorization for 3.0 new full-time equivalent correctional officer training instructor positions, \$0.4 million in settlement payouts, and \$0.1 million in legal costs. The Department also agreed to seek to hire 70 recruits, an increase from the planned 50. That cost is not included in the total as the cost will likely be offset by overtime savings.
- ***Correctional Officer Training Class.*** The Governor's budget includes \$0.1 million for recruitment costs for class 83, which will occur in June delayed from the fall. As part of the United States Department

of Justice settlement agreement, the new training class is being extended from 9 to 12 weeks and the number of recruits is increasing from 50 to 70.

- **Discharge Planning.** The Governor's budget includes \$1.4 million for contracted discharge planning services, which is \$135,000 more than enacted. The Department of Corrections has regional contracts for inmates ready to be released into the communities. The Department is currently out to bid for these services and the budget request assumes that there will be an increase based on a prevailing wage provision added into the request for proposals. The Governor's revised budget includes an increase of \$111,000.
- **Cognitive Behavior Therapy.** The Governor's budget includes \$1.1 million from general revenues to support the Department of Correction's cognitive behavioral therapy program. This includes \$600,000 in contracted cognitive behavioral training and \$0.5 million for 4.0 probation and parole officers hired in FY 2017.
- **Medication Assisted Treatment Program.** The Governor recommends the enacted level of \$2.0 million for the medication-assisted treatment of opioid users in the Adult Correctional Institutions from the Department of Corrections. The program supports screening for opioid use disorders and conducting assessments of new inmates to determine treatment options. It also starts medication-assisted treatment prior to release with community referral for ongoing treatment.
- **Correctional Facilities Study.** The Governor's revised budget adds \$0.8 million of additional Rhode Island Capital Plan funds for a correctional facilities study originally funded at \$250,000 for FY 2017. The plan is to examine various options to optimize the functioning of the Department's facilities.
- **High Security Overtime Savings.** The Governor's budget includes general revenue overtime savings of \$1.5 million partially based on a plan to close housing modules in High Security by transferring some inmates to the Department's other facilities. As of December, High Security was at 64.5 percent of its operational capacity with 89 inmates. This appears to be linked to the outcome of a facilities study for which a considerable increase in funding is recommended in the current year.
- **High Security Renovations.** The Governor's budget includes \$1.0 million from Rhode Island Capital Plan funds for FY 2019 to improve operating efficiencies through module combination and other renovations as part of the initiative to save \$1.5 million in overtime savings noted above.
- **Medium Security Renovations.** The Governor includes \$31.6 million from Rhode Island Capital Plan funds programmed through FY 2023 for infrastructure improvements at the John J. Moran medium security facility. This includes the expansion of available space for dining areas, kitchen, and laundry, and other inmate programs and recreational activities.
- **Corrections Asset Protection.** The Governor includes \$17.0 million from Rhode Island Capital Plan funds for FY 2019 through FY 2023 for asset protection projects at correctional facilities.
- **Indigent Defense Program.** The Governor's budget includes \$4.0 million from general revenues for the Judiciary's indigent defense program, which is \$0.2 million more than enacted.
- **Rhode Island Legal Services.** The Governor's budget includes the enacted level of \$90,000 from general revenues for Rhode Island Legal Services to provide housing and eviction defense to indigent individuals.
- **Rhode Island Coalition Against Domestic Violence.** The Governor's budget includes \$230,000 from general revenues for the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project, consistent with the enacted budget.

- ***Superior Court Diversion Program.*** The Governor recommends \$50,000 from general revenues for additional risk assessments as part of a new Superior Court diversion program. The additional assessments are for defendants who score as high risk on a risk screen required by a 2017 law.
- ***Veterans' Treatment Court.*** The Governor's budget includes an additional \$144,390 from general revenues for the Veterans' Treatment Court in FY 2019. A three-year federal grant that supports the court's operations is expiring in FY 2018.
- ***Judicial Asset Protection.*** The Governor recommends \$5.0 million from Rhode Island Capital Plan funds for FY 2019 through FY 2023 for asset protection projects at Judicial buildings, including security upgrades, courtroom restoration, fire suppression and alarm system upgrades, interior refurbishments to public areas and office spaces, cellblock upgrades, and elevator upgrades.
- ***Judicial Complex Restoration.*** The Governor recommends \$3.8 million from Rhode Island Capital Plan funds for FY 2019 through FY 2023 for the restoration of the Licht Judicial Complex.
- ***Judicial HVAC.*** The Governor recommends \$5.0 million from Rhode Island Capital Plan funds for FY 2019 through FY 2023 for replacement, restoration, and cleaning of the heating, ventilation and air conditioning systems for all judicial complexes.
- ***Noel Judicial Shelled Courtrooms.*** The Governor recommends \$10.0 million from Rhode Island Capital Plan funds for the build out of the shelled courtrooms and administrative space at the Noel Judicial Complex to relieve overcrowding at the Garrahy Judicial Complex. The work also involves the construction of a new parking lot to accommodate the need for additional parking for the added courtrooms.
- ***Rhode Island Statewide Communications Network.*** The Governor's capital recommendation includes \$10.0 million from all sources through FY 2021 for the Rhode Island Statewide Communications Network. This includes \$7.5 million from Rhode Island Capital Plan funds and \$2.5 million from federal sources. The Budget also includes general revenues of \$1.1 million in FY 2018 and \$1.2 million in FY 2019 for the contract with Motorola to maintain the radio system.
- ***Middletown Armory.*** The Governor's capital budget includes \$2.9 million from federal funds for FY 2018 and FY 2019 for a new project to construct additional armory and storage space at the Middletown Armory.
- ***National Guard Firefighters.*** The Governor's budget adds \$0.5 million and \$0.2 million from general revenues in FY 2018 and FY 2019, respectively, to replace federal funds for the Rhode Island National Guard firefighters program. There was a significant increase in the number of firefighters who under state law continue to receive their regular pay. The federal government funds most of the costs of the program but will not cover payments to those not working because they are on injured on duty status. The FY 2019 recommendation assumes reform of injured on duty laws as it relates to state employees.
- ***Injured on Duty Reform.*** The Budget assumes savings of \$0.6 million from general revenues, \$0.3 million each for the Military Staff and the Department of Public Safety, from passing legislation to amend injured on duty laws to allow an independent medical examiner to certify that a person has reached the medical improvement triggering the 60-day clock to apply for accidental disability. Under current law it must be the treating physician that makes the certification. The legislation also amends the accidental disability law to require use of application and processing rules for injured on duty benefits for state employees that qualify for them, rather than a separate accidental disability procedure.
- ***E-911 Telecommunicators.*** The Budget includes \$0.2 million from general revenues to fund 2.0 new telecommunicator positions.

- **57<sup>th</sup> State Police Training Academy.** The Governor's budget includes \$0.1 million from Google settlement funds in FY 2018 to support recruitment and testing of candidates for the 57<sup>th</sup> State Police training academy. The Budget includes \$3.2 million from general revenues and Google settlement funds to conduct the academy as well as salary and benefit costs for an anticipated 30 graduates. Training would begin in FY 2019 and members would be sworn in during January 2019.
- **New Capitol Police Screeners.** The Budget includes \$0.1 million from general revenues to fund 2.0 new screener positions to assist Capitol Police with security at state buildings.
- **Capitol Police Recruitment.** The Budget includes \$11,625 from general revenues for the recruitment of new Capitol Police officers.
- **Naloxone.** The Budget assumes use of \$12,000 from Google settlement funds for the State Police to purchase Naloxone.
- **Master Plan for State Police.** The Budget includes a total of \$0.3 million from Rhode Island Capital Plan funds in both FY 2018 and FY 2019 for the State Police to conduct a master plan of its properties.
- **Municipal Police Training Academy.** The Governor proposes legislation authorizing the Municipal Police Training School to charge tuition and a physical training test fee to each applicant. The amounts would be determined through rules and regulations. The Budget assumes receipts of \$0.3 million, which would be used to support operating costs of the Academy. She also proposes moving all municipal police training to Camp Fogarty in East Greenwich and includes a general revenue savings of \$19,475 from lease payments to the Community College of Rhode Island for use of classroom and office space.
- **Public Defender.** The Governor's budget includes \$0.2 million from general revenues for two new attorney positions in FY 2019 in an effort to relieve the caseload burden in the Office of the Public Defender.
- **Transition Employment.** The Governor's budget includes the enacted amount of \$300,000 from general revenues for a second year of the Pay for Success transition employment program, which is intended to increase employment and reduce recidivism of formerly incarcerated individuals.

## Environment

- **Host Beach Communities.** The Governor recommends \$0.4 million in both FY 2018 and FY 2019, which is \$56,234 less than enacted, for payments to host beach communities reflecting anticipated payments based on actual 2017 collections.
- **Food Safety Modernization Act.** The Governor recommends \$0.2 million from federal funds for two new positions within the Department of Environmental Management's current authorization to implement the Food Safety Modernization Act, a law which regulates the way foods are grown, harvested, and processed.
- **DOT Recreational Projects.** The Governor recommends an increase of \$1.2 million for recreational projects for the Department of Environmental Management funded by a transfer of federal funds from the Department of Transportation. These include maintenance of state trails, purchases of equipment and materials, and funding for materials for local communities to maintain state trails.
- **Clean Diesel.** The Governor's FY 2019 recommended budget eliminates the enacted level of \$1.0 million from general revenues for the Clean Diesel Program, which aims to reduce emissions from heavy-

duty diesel engines and help companies improve supply chain efficiency. The Governor proposes reducing the program's funding to \$250,000 in her FY 2018 revised recommendation.

- ***Green Economy and Clean Water Bond.*** The Governor recommends \$48.5 million of new general obligation bonds to be submitted to the voters on the November 2018 ballot to be used for environmental and recreational purposes within the Department of Environmental Management. Proposed projects include improvements to state-owned recreational facilities, grants for coastal resiliency, as well as state-owned dam and bikeway repair. The recommendation supplants \$11.9 million in the approved plan from Rhode Island Capital Plan funds with the proposed bond proceeds.
- ***Local Agriculture and Seafood Program.*** The Governor recommends the enacted amount of \$0.1 million for the local agriculture and seafood program to allow small businesses in the food sector to receive grants. Funding is matched by private sources.
- ***Conservation Districts.*** The Governor recommends the enacted level of \$50,000 from general revenues in FY 2019 for regional conservation districts. The districts are quasi-public subdivisions of state government, governed by volunteer boards of directors from the communities.
- ***StormTools.*** The Governor recommends \$50,000 from general revenues to support the maintenance and hosting of StormTools, a web-based tool developed by the Coastal Resources Management Council and University of Rhode Island, which shows detailed risks and maps associated with any property in the coastal zone resulting from storm activity.
- ***Beach Profile Monitoring.*** The Governor recommends \$15,000 from general revenues for monitoring shoreline migration off the shore barrier at Charlestown in order to better predict potential risks and damages resulting from beach erosion.
- ***World War II State Park Improvements.*** The Governor includes \$250,000 from general revenues in FY 2019 for the fourth year of a five-year initiative to transfer maintenance and operation of the Park from the state to the City of Woonsocket following the completion of the capital project.
- ***State Piers.*** The Governor's capital budget includes \$5.0 million from Rhode Island Capital Plan funds from FY 2019 through FY 2023 for marine infrastructure and pier development at sites critical to Rhode Island's tourism and fishing economy.
- ***Galilee Piers.*** The Governor's capital budget includes \$4.4 million from Rhode Island Capital Plan funds and federal sources for infrastructure improvements at the Port of Galilee from FY 2019 through FY 2023.
- ***Natural Resources Offices/Visitor's Center.*** The Governor's capital budget includes \$4.5 million from Rhode Island Capital Plan funds in FY 2019 for the construction of a new office facility for the Natural Resources Office/Visitor's Center in the Arcadia Management Area at Browning Mill Pond in the town of Richmond.

## **Transportation**

- ***Motor Vehicle Fee Transfer Adjustment.*** The Governor proposes to reduce the transfer of transportation related fees collected by the Division of Motor Vehicles to the Highway Maintenance Account from 80.0 percent to 60.0 percent for FY 2018. The revised budget assumes \$10.3 million in general revenues from this. All funds collected in FY 2019 and after would be transferred to the account.

- ***Toll Revenue.*** The Budget assumes toll revenues of \$4.0 million in the current year, based on two gantries being operational and \$41.0 million in FY 2019 from all 14 gantries being operational.
- ***Rhode Island Public Transit Authority Transfer.*** The Budget includes a transfer of \$9.6 million from the Highway Maintenance Account to the Rhode Island Public Transit Authority in FY 2019. This includes the enacted amount of \$5.0 million that the 2017 Assembly provided to fund the free-fare program for low income seniors and persons with disabilities and debt service.
- ***Department of Transportation Staffing.*** The Governor recommends an additional 45.0 full-time equivalent positions for the Department of Transportation, reflective of the Department's plan to perform more operations in-house. The positions include highway and bridge operators and laborers. These are offset by the reduction of 25.0 unidentified positions.
- ***Winter Maintenance.*** The Governor's budget assumes \$18.9 million of winter maintenance expenditures in FY 2019, \$0.7 million less than enacted. The revised budget includes \$17.0 million.
- ***Utility Access Permit Fees.*** The Governor recommends that the Department of Transportation institute a permit fee paid by utility companies requesting access to Department of Transportation rights-of-way. This would be accomplished through rules and regulations. The Budget assumes receipts of \$500,000, which would be deposited into the Intermodal Surface Transportation Fund.
- ***Highway Drainage.*** The Governor's capital budget includes \$5.0 million from highway maintenance funds for catch basin inspection and cleaning. The Department is currently required by a consent decree with the U.S. Department of Justice to maintain storm drains and address pollutants that are going into the Narragansett Bay and other waterways. Pursuant to the consent decree, the Department of Transportation must inspect and clean the state's 25,000 catch basins annually.
- ***Local Roads and Infrastructure.*** The Governor recommends one-time funding of \$10.0 million from Rhode Island Capital Plan funds for FY 2019 for pavement repairs of state-owned local roads and other infrastructure.
- ***Providence Transit Connector.*** The Governor's capital budget includes a total of \$2.0 million from Rhode Island Capital Plan funds, including \$0.5 million in FY 2018 and \$1.6 million in FY 2019 to provide matching funds to improve the transit corridor between Kennedy Plaza, the Providence Train Station and other hubs. The Rhode Island Public Transit Authority was awarded a \$13.0 million federal grant for this purpose.
- ***Pawtucket Bus Hub and Transit Corridor.*** The Governor's capital budget includes \$7.1 million, including \$1.3 million from Rhode Island Capital Plan funds, to match federal funds for the Rhode Island Public Transit Authority to build a transit hub adjacent to the new commuter rail station on the Pawtucket/Central Falls border.
- ***College Hill Bus Tunnel.*** The Governor recommends a total of \$1.9 million from Rhode Island Capital Plan funds over FY 2020 through FY 2022 to match federal funds to make structural and drainage repairs, and safety improvements to the College Hill Bus Tunnel.

