

Governor's FY 2013 Budget at Second Glance

The *Governor's FY 2013 Budget at Second Glance* amends the *Governor's FY 2013 Budget at First Glance* provided to the House on February 1. It includes new information and changes to the earlier information. New and changed material is printed in dark blue ink. This *Second Glance* also includes a section summarizing the articles contained in 2012-H 7323. It also includes full reports of the Education and Local Aid proposals contained in the FY 2013 budget as well as the FY 2012 revised recommendation. Staff will provide a final Budget at a Glance next week which will be included as part of the full Staff Budget Analysis, which will also be available electronically next week.

On January 31, Governor Chafee released his FY 2013 budget recommendations in a televised address to the General Assembly. The Governor's official FY 2013 Budget submittal was not introduced at that time. The General Assembly extended the deadline for his budget submittal by 12 days from January 19 to January 31. Bound copies of all supporting documents have not been provided at this time, with the capital budget still outstanding. The Budget Office has made an electronic version of that document available.

FY 2013	General Revenue	Federal	Restricted	Other	All Funds
FY 2012 Enacted	\$ 3,142,501,188	\$ 2,606,487,980	\$ 189,639,221	\$ 1,763,594,386	\$ 7,702,222,775
Governor	3,269,153,035	2,594,212,185	224,124,174	1,855,945,563	7,943,434,957
Change to Enacted	\$ 126,651,847	\$ (12,275,795)	\$ 34,484,953	\$ 92,351,177	\$ 241,212,182
Percent Change	4.0%	-0.5%	18.2%	5.2%	3.1%

Budget Issues

- ***FY 2013 Gap.*** House Fiscal Staff estimates that in preparing the FY 2013 budget, the Governor faced a projected revenue-expenditure gap of \$130 million, which would grow to over \$270 million by FY 2017. This was somewhat lower than Staff's FY 2012 forecast in the FY 2012 enacted budget, mainly because of pension reform adopted in November 2011. However, revisions and corrections to expenditure assumptions and a more pessimistic November 2011 economic forecast offset much of those savings. The Governor's budget appears to have resolved this gap with increased revenues, some of a limited or one-time nature along with expenditure reductions.
- ***Budget Assumptions.*** His 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.
- ***Out-Year Projections.*** The out-years appear to be significantly unbalanced. The forecast included with the Budget estimates a \$103.6 million gap for FY 2014, 3.1 percent of useable revenues, that grows to \$464.4 million in FY 2017, 12.0 percent of useable revenues. The FY 2014 gap is due to the use of one-time items in the resolution of the current budget gap as well as commitment of future expenses not reflected in FY 2013. Beginning in FY 2014 the estimate reflects the potential impact of casino gaming in Massachusetts. Those losses account for nearly one-third of the FY 2017 gap.
- ***Supplemental Pension System Contributions.*** The Budget includes legislation removing the requirement that the Governor include an appropriation to the retirement system equal to 20.0 percent of the state's savings from reductions in the prior year retirement rates to reduce the unfunded liability.

The FY 2013 rates are lower than FY 2012, therefore an estimated \$4.4 million, including \$3.6 million from general revenues, would otherwise have to be appropriated to the retirement system.

Taxes and Revenues

Sales Taxes

- ***Meals and Beverages Tax Increase.*** The Budget includes \$39.5 million in revenues from the Governor's proposal to increase the Meals and Beverage Tax from 1.0 cent to 3.0 cents of gross receipts from retail sales of meals and beverages in or from eating and/or drinking establishments. Municipalities will continue to receive their quarterly payment from the first 1.0 cent from the Division of Taxation. Including the 7.0 percent sales tax, the total tax would be 10.0 percent.
- ***Vacation Homes and Bed and Breakfast Inns.*** The Governor proposes legislation to subject rentals of vacation homes and rooms at bed and breakfast inns with at least one bedroom for rent to the state's occupancy tax of 5.0 percent, the local occupancy tax of 1.0 percent and the state sales tax of 7.0 percent. Rentals would include those that are rented for more than 15 days per year. The Budget assumes revenues of \$1.9 million; an additional \$0.5 million would be passed through to host municipalities like other hotel tax revenue.
- ***Cigarette Tax.*** The Budget includes \$1.8 million in revenues from the Governor's proposal to increase the cigarette tax by \$0.04 per pack to \$3.50 per 20-pack, effective July 1, 2012.
- ***Cigar Tax Increase.*** The Budget includes \$0.4 million in revenues from the Governor's proposal to increase the maximum tax on cigars from \$0.50 to \$1.00 for each cigar. Cigars would continue to be taxed at 80 percent of cost; thus this affects only cigars with a wholesale cost of more than \$0.625 per cigar.
- ***Redefine Little Cigars.*** The Governor proposes legislation to change the definition of little cigars to ensure they remain subject to the cigarette sales tax. Currently, many little cigars exceed the weight threshold in statute, which allows them to be taxed like other cigars, which is 80.0 percent of their wholesale cost up to a maximum of \$0.50 per cigar. The Budget assumes new revenues of \$2.1 million from this change.
- ***Clothing and Footwear Items over \$175.*** The Budget includes \$13.3 million from repealing the sales tax exemption on clothing and footwear that costs more than \$175 per item, effectively July 1, 2012. It also assumes loss of \$1.8 million of voluntary payments from remote sellers in anticipation that the proposal for a tiered tax on this item would put the state out of compliance with the Streamlined Sales and Use Tax Agreement. The net impact is \$11.5 million in new revenue.
- ***Taxicab and Limousine and Other Road Transportation.*** The Budget includes \$3.3 million in revenues by subjecting taxicab, limousine and other road transportation services to the sales and use tax, effective July 1, 2012.
- ***Moving, Storage and Freight Services.*** The Budget includes \$10.8 million by subjecting moving, storage, warehousing and freight services to the sales and use tax, effective July 1, 2012.
- ***Pet Care Services.*** The Budget includes \$1.3 million in revenues by subjecting pet care services to the sales and use tax, effectively July 1, 2012. This excludes veterinary services and laboratory testing.

- **Car Washes.** The Budget includes \$1.3 million in new revenues by subjecting car washes to the sales and use tax, effective July 1, 2012.

Other Taxes and Fees

- **Motion Picture Tax Credit.** The Governor proposes legislation to extend the motion picture tax credit to documentary productions meeting specific guidelines. The legislation decreases the minimum production budget, including pre and post production, from \$300,000 to \$100,000. It transfers the final review and approval of the tax credits from the Film and Television Office to the Division of Taxation. The legislation also sunsets the issuance of new credits on or after July 1, 2019. There is no change in the \$15 million cap on the program and thus no fiscal impact.
- **Hospital Licensing Fee.** The Governor's budget includes \$143.8 million in revenues from extending the hospital licensing fee into FY 2013. The licensing fee appears annually in the Appropriations Act.
- **Telecommunications Education Access Fund.** The Governor recommends legislation to reduce the assessment for the Telecommunications Education Access Fund from \$0.26 to \$0.15 per line effective July 1, 2012 and expand it to include wireless lines. This is expected to generate an additional \$0.7 million in restricted receipts in FY 2013 to substitute for the current \$0.4 million in state support and \$0.1 million in general revenues from indirect cost recovery. Although wireless customers are not currently charged for this expense, they do pay a different \$0.26 charge that goes to general revenues. That fee had initially been imposed to support geo-coding the state for 911 calls.
- **Motor Vehicle Fees.** The 2011 Assembly enacted legislation establishing a transportation trust fund that would be funded through incremental increases of license and registration fees as part of a plan to reduce the state's reliance on borrowing for transportation. The incremental increases would begin in FY 2014 and reach their peak in FY 2016, when they will generate approximately \$20 million annually. The Governor proposes to accelerate the fee increases, such that they are fully implemented on January 1, 2013 and allow the Department of Transportation to use the proceeds for operating costs. The budget assumes this generates \$13.6 million in FY 2013 and the full annual value in FY 2014.
- **School Bus Re-inspection.** The Budget assumes \$58,650 from the imposition of a new \$100 fee for the re-inspection of a school bus, in the event the initial inspection is failed.
- **Beverage Containers.** The Governor proposes legislation to extend the \$0.04 per case litter control fee to all beverage containers and assumes revenues of \$0.2 million. The current definition excludes sports drinks, fruit beverages and ready to drink tea and coffee.
- **Department of Health Fees.** The FY 2013 Budget includes \$1.5 million of additional general revenues by [changing](#) dozens of fees collected by the Department of Health. The increases affect fees for licenses and license renewals; these require either statutory or regulatory changes.

Enhanced Collections

- **Tax Amnesty.** The Budget assumes \$10.9 million in one-time revenues from a 75 day tax amnesty, effective September 1 through November 15, 2012 for all taxes owed for periods on or before December 31, 2011. Filers will not be subject to penalties or prosecution and will pay 12.0 percent

interest from the date the taxes were owed until payment. Filers may enter into a tax payment plan with the tax administrator, or pay one-half of the amount owed immediately, 25.0 percent the following month, and 25.0 percent the month after that. The Governor also includes expenditures of \$0.3 million for advertising expenses relating to the Tax Amnesty, making the net revenue impact \$10.6 million.

- ***Eliminate Tax Preparation Assistance.*** The Governor proposes to stop providing tax preparation services to the taxpayers and reclassify the staff that did so as revenue agents. He assumes the redirected efforts will produce revenues of \$1.3 million. Taxpayers have received free tax preparation services from the Division of Taxation for the past 20 years. In 2011, approximately 6,000 taxpayers obtained this service from the Division.
- ***Tobacco Enforcement Task Force.*** The Budget assumes \$2.9 million from enhanced tobacco collections from adding 4.0 new tax investigator positions, for a net impact of \$2.6 million in revenue.

Other Revenues

- ***Bond Premiums.*** The Governor proposes to transfer \$12.6 million of bond premium proceeds paid by buyers of state debt in exchange for higher yield from the Rhode Island Capital Plan Fund. Of this amount, \$6.0 million would be transferred to the General Fund with the remaining \$6.6 million transferred to the Technology Investment Fund.
- ***Transfer from Narragansett Bay Commission for Debt Service.*** The Governor proposes that the Narragansett Bay Commission transfer \$3.1 million to the state General Fund by June 30, 2013. This amount reflects the cost to the state in FY 2013 for general obligation bonds that have been issued on the Commission's behalf. The June 30, 2011 audit shows that the Commission has cash assets of \$14.7 million and an unrestricted balance of \$71.8 million. The transfer would be made from the Commission's unrestricted balance.

Local Government

- ***Distressed Communities Relief Fund.*** The Governor provides \$10.4 million in FY 2013 to fund the Distressed Communities Relief Program at the enacted amount. Communities' aid distribution is based on updated qualifying tax levies. Updated data shows that Cranston now qualifies for distressed aid in FY 2013. Communities entering and exiting the program receive 50.0 percent of what would otherwise be full funding under the formula.
- ***Payment in Lieu of Taxes Program.*** The Budget includes \$33.1 million to fund the Payment in Lieu of Taxes program at the enacted level. This program reimburses cities and towns for property taxes that would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law. Reimbursement is 27.0 percent of the forgone tax, subject to appropriation. Distributions to communities reflect updated data and a ratable reduction to the appropriation. The recommendation represents a reimbursement of 21.4 percent of the value.
- ***Motor Vehicles Excise Tax.*** The Budget funds the Motor Vehicles Excise Tax program at the enacted amount of \$10.0 million. The 2010 Assembly enacted legislation mandating a \$500 exemption for which the state will reimburse municipalities an amount subject to appropriation. The legislation

allows municipalities to provide an additional exemption; however, that additional exemption will not be subject to reimbursement.

- **Library Resource Sharing Aid.** The Governor recommends \$8.8 million to fund library operating aid at the enacted level. The recommendation for FY 2013 is \$1.1 million or 10.5 percent less than allowed under current law, which requires 25.0 percent reimbursement of second prior year expenditures. Community distributions reflect updated data and a ratable reduction to the appropriation.
- **Library Construction Aid.** The Governor provides \$2.8 million to fully fund library construction aid requirements in FY 2012 and \$2.5 million in FY 2013. 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 2011 Assembly adopted legislation to set a three-year moratorium on the acceptance of applications for library construction aid projects.
- **Property Valuation Reimbursement.** The Governor provides full funding of \$1.0 million in FY 2012 and \$1.6 million in FY 2013 to reimburse communities conducting property valuation updates.
- **Airport Impact Aid.** The Governor provides the enacted level of \$1.0 million in both FY 2012 and FY 2013 to the Economic Development 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 proportionally based on the number of total landings and takeoffs.
- **Municipal Investigative Auditors.** The Budget includes 1.0 full-time municipal investigative auditor in FY 2012 and \$0.7 million in FY 2013 to fund 6.0 full-time municipal investigative auditors. The positions will be responsible for analyzing municipal audits, as it relates to pension and other post-employment benefit obligations to determine the fiscal health of municipalities. The positions will also be responsible for reviewing municipal accounting procedures and training staff members in the use of accepted auditing principles.
- **Municipal Actuarial Studies.** The revised budget includes \$234,000 for the state's 50.0 percent share of municipal actuarial studies for FY 2012. Pension legislation passed in the fall requires local plans to complete actuarial review by April 1, 2012, with the state reimbursing communities for half the cost.
- **Central Falls Receivership.** The Budget includes general revenue expenditures of \$1.1 million in FY 2012 and \$0.3 million in FY 2013 for various costs, primarily for legal services pertaining to the non-judicial receivership for Central Falls. The FY 2012 value is \$0.4 million more than enacted.
- **Central Falls Stabilization Payment.** The Governor recommends \$2.6 million in FY 2012 to the City of Central Falls to fund the agreement reached with the City's police and fire retirees. If approved by the Assembly, the one-time expense would provide supplemental payments to the retirees from FY 2012 through FY 2016, whose pensions were reduced by up to 55.0 percent before the bankruptcy. After this period, additional appropriations would be needed from the City; otherwise the retirees would receive reductions in their pension payments.

Education Aid

- ***FY 2013 Formula Education Aid.*** The Governor recommends \$753.0 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 new funding formula. This is \$31.6 million more than enacted and includes \$21.6 million to fund the second year of the funding formula and an additional \$11.0 million to accelerate the phase in of funding for communities that are considered underfunded. The Governor's recommendation reflects \$32.0 million from general revenues to replace a like amount of federal Education Jobs funds that were used in lieu of general revenues for FY 2012 aid.
- ***Funding Formula Assumptions.*** The Governor funds the second year of the education funding formula adopted by the 2010 Assembly. The calculation for FY 2013 uses June 30, 2011 student enrollment data adjusted for FY 2013 projected charter school enrollments, a per pupil core instruction amount of \$8,679 and state share ratio variables updated with June 30, 2011 data. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years, adjusted for the infusion of \$11.0 million to accelerate this, and districts that are going to receive less state funding will have that loss phased in over ten years. Aid amounts are subject to final student enrollment data collected in March 2012.
- ***Education Jobs Funds.*** Similar to FY 2012, the Governor uses \$0.5 million from additional federal Education Jobs funds that districts will receive for use in FY 2012 in lieu of general revenues for FY 2013 school formula aid.
- ***Central Falls Stabilization Fund.*** The funding formula legislation includes a transition fund to stabilize the Central Falls school district until the city can begin paying its local share. The Governor recommends legislation that clarifies the method for calculating the amount to be put into the fund and requires that the fund be supported through a reallocation of current resources to the school district and that the state does not have to provide new funding.
- ***Regionalization Bonus.*** The education funding formula requires additional funding from the state for a limited two-year bonus for regionalized districts. The Governor recommends \$0.4 million to fund this.
- ***Special Education Categorical Funds.*** The education funding formula allows for additional funding 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 \$500,000 for FY 2013.
- ***Early Childhood Categorical Funds.*** The education funding formula allows for additional funding from the state to increase access to voluntary, free, high-quality pre-kindergarten programs. The Governor recommends \$1.5 million for FY 2013. Initially, funding will go to 17 communities with concentrations of children from low-income families as determined by the Department of Elementary and Secondary Education.
- ***Transportation Categorical Funds.*** The education funding formula allows for additional funding from the state to districts for transportation costs. The Governor recommends \$2.0 million for FY 2013 for the second year of funding. This is projected to be phased in over 10 years. The state will provide funding to mitigate the excess costs associated with transporting students to out-of-district non-public schools and within regional school districts.

- ***Career and Technical Education Categorical Funds.*** The education funding formula allows for additional funding 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 \$3.0 million for FY 2013.
- ***Permanent School Fund.*** The Governor recommends making the \$0.2 million from the Permanent School Fund that is currently provided to only the Central Falls School District available for education aid to be distributed at the discretion of the Department of Elementary and Secondary Education. The budget anticipates all of the persistently lowest achieving districts may be eligible for some funding. This is money received into the Permanent School Fund from duties paid to the state by auctioneers.
- ***School Construction Aid.*** The Governor recommends \$74.6 million to fund projected costs of school housing aid to local districts for FY 2013, which is \$4.8 million more than the FY 2012 entitlement. The final FY 2012 cost is \$2.7 million less than enacted.
- ***School Construction Aid Minimum Share.*** The Governor proposes legislation to roll back the state's minimum housing aid participation to 35.0 percent. The funding formula legislation includes a two-year phased increase in the state's minimum housing aid participation to provide that no local district receives less than a 40.0 percent state reimbursement by FY 2013 for projects completed after June 30, 2011. The minimum had been 30.0 percent and was 35.0 percent for FY 2012. The Budget assumes savings of \$440,000 from maintaining the minimum state share at 35.0 percent.
- ***Charter School Construction Aid.*** The Governor proposes legislation to set the state reimbursement for charter school construction projects at the three year weighted average share ratio of the sending districts. Unless sponsored by a school district, charter schools are currently eligible for a 30.0 percent reimbursement. There is no impact on the FY 2013 budget as it affects future projects. Governor Chafee also proposed this as part of his FY 2012 budget; it was not enacted.
- ***Group Home Aid.*** The Governor's budget reflects group home aid consistent with current law that requires that aid be paid for all beds opened as of December 31, 2011. The FY 2013 budget is \$420,000 less than the FY 2012 enacted budget.
- ***Textbook Reimbursement.*** The Governor recommends eliminating funding for reimbursements allowed under the textbook loan program for FY 2013; the enacted budget includes \$240,000. 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 12th grade. Local districts would still provide the books.
- ***School Breakfast.*** The Governor eliminates the administrative cost reimbursement to districts for the school breakfast program for which the enacted budget includes \$270,000. Administrative costs would shift to districts; food is paid from federal sources.

Housing and Economic Development

- ***Affordable Housing.*** The Governor recommends a \$25.0 million bond referendum for the November 2012 ballot for affordable housing projects. This assumes use of \$5.0 million each from FY 2014 through the post-FY 2017 period. This new bond authorization will be used [by the Housing](#)

Resources Commission to provide state funds to promote affordable housing through redevelopment of existing structures, new construction or foreclosure assistance.

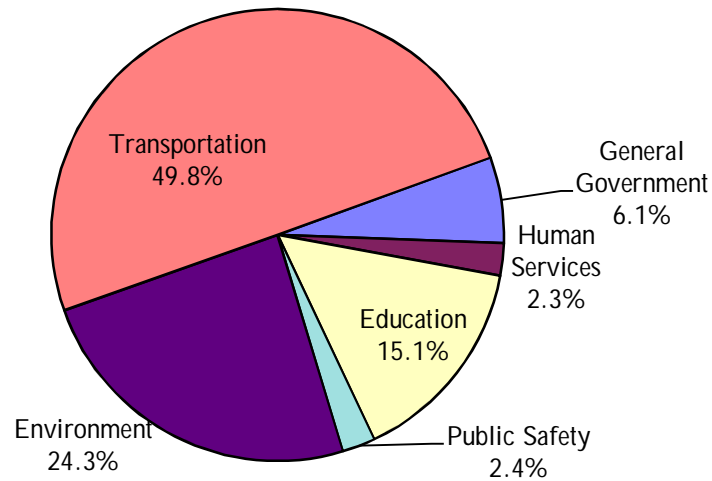
- **Reinstate Project Status.** The Budget includes a general revenue loss of \$1.0 million from the reinstatement of the Economic Development Corporation's ability to grant project status designation to businesses that create 100 or more net new jobs. This would exclude retail and banking projects and the program would sunset on July 1, 2022.
- **Tourism Promotion.** The Governor provides \$250,000 to the Economic Development Corporation to promote tourism in the state.
- **America's Cup.** The Budget includes general revenue expenditures of \$770,000 in FY 2012 to the Economic Development Corporation for services, primarily security that will be provided by the state during the America's Cup World Series event.
- **Experimental Program to Stimulate Competitive Research (EPSCoR).** The Governor provides \$1.5 million in FY 2012 and \$1.15 million in FY 2013 for participation in the National Science Foundation's Experimental Program to Stimulate Competitive Research. Funding in FY 2013 reflects a reduction of \$350,000 which represents sufficient match for the federal funds.
- **State Small Business Credit Incentive.** The Budgets include federal fund expenditures of \$8.7 million and \$4.3 million in FY 2012 and FY 2013, respectively, for the State Small Business Credit Incentive program. The federal Small Business Jobs Act of 2010, created this program, which was funded with \$1.5 billion to enhance state programs that support lending to small businesses. The state was awarded a total of \$13.2 million for three programs: \$9.0 million for the Slater Technology Fund, \$2.0 million for the Small Business Loan Fund and \$2.0 million for Betaspring.
- **Slater Technology Fund.** The Governor recommends \$1.5 million in FY 2013 for the Slater Technology Fund, which is a state-backed venture capital fund that invests in new ventures. This reflects a reduction of \$0.5 million from the FY 2012 funding level.
- **Economic Development Corporation Operations.** The Budget includes \$4.1 million in both FY 2012 and FY 2013 from general revenues to support general operations of the Economic Development Corporation.
- **Interstate 195 Debt Service.** The Budget includes \$1.5 million from general revenues in FY 2013 for the first year of debt service on the \$42.0 million of revenue bonds to be issued by the Economic Development Corporation to purchase land made available through the relocation of Interstate 195 from the Department of Transportation. The project requires resources from these land sales to finance the remaining work, and this interim mechanism allows for a more deliberate process on the disposition of the land to occur while the project is completed. The 2011 Assembly's debt authorization stipulated that proceeds from the eventual sale of the land parcels would be used for debt service.

Capital Budget

- **Bond Referenda.** The Governor recommends seven separate general obligation bond proposals to go before the voters on the November 2012 ballot. Authorized debt would total \$201.4 million, including \$65.2 million to construct a joint nursing facility for the University and the College, \$44.7 million to renovate and modernize buildings at the College and \$21.5 million for transportation, including \$20.0

million to match federal funds and \$1.5 million for the Public Transit Authority's buses. The ballot would also include a \$20.0 million authorization for Clean Water Finance Agency infrastructure loans, \$25.0 million for the Department of Environmental Management to acquire open space and develop recreational facilities and a \$25.0 million authorization for affordable housing projects.

FY 2013 - FY 2017 Capital Projects by Function

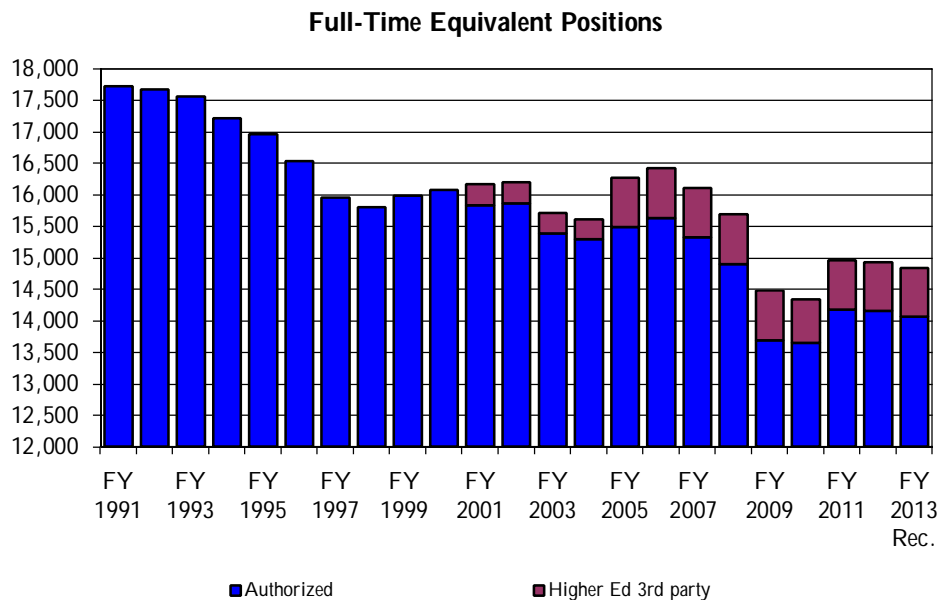


- Other Debt Approvals.** The Governor's Budget requires \$278.0 million to be approved by the 2012 Assembly under the Public Debt Management Act. This includes \$56.5 million for information technology improvements, \$174.0 million for various improvements at T.F. Green Airport, \$40.0 million for a leachate pretreatment facility at the state's central landfill and \$7.5 million for dredging projects near Quonset Point.
- Financing.** Paying for the five-year outlays includes \$855.2 million from debt financing and \$2,753.4 million from current or pay-go sources. Pay-go represents 76.3 percent with debt funding being 23.7 percent.
- Debt Levels.** Total net tax supported debt decreases by \$129.9 million from the \$1,846.2 million reported for the end of FY 2011 during the period through FY 2017 to \$1,716.3 million. However, past practice indicates that debt levels will be significantly higher as more projects are added within the five-year period of this capital budget.
- Debt Ratios.** Net tax supported debt would increase from 4.0 percent of personal income reported for FY 2011 to 4.1 percent in FY 2012 before dropping gradually back to 3.1 percent in FY 2017 assuming that the capital budget is not increased. However, as with debt levels, past practice indicates it is likely to be higher than projected.
- Debt Service.** Debt service in the recommended capital budget would increase from 7.1 percent of useable general revenues in FY 2012 to 7.2 percent in FY 2017.
- Bond Premiums.** The 2006 Assembly enacted legislation to mandate that the state use bond premiums paid by buyers of state debt in exchange for higher yield to lower the debt issuance instead of being available as general revenues for general use. The Governor's budget includes language to clarify the original legislation to provide that any bond premiums and accrued interest, net of the cost of

bond issuance and underwriter discounts, shall become part of the Rhode Island Capital Plan Fund. This has been the practice, but the law did not specify it.

- **Staffing Costs to Capital Fund.** The Governor includes salary and benefit expenditures of \$0.6 million from Rhode Island Capital Plan funds to support 4.0 full-time positions in the Division of Capital Projects and Property Management. The positions include a chief of property management, a chief of facilities management officer and two architects. Rhode Island Capital Plan funds have historically been limited to use on physical assets and not operating budget items.

State Government



- **Staffing.** The Governor recommends 14,837.7 full-time equivalent positions, including 776.2 higher education positions supported by research or other third-party funds. The recommendation is 104.5 positions less than enacted primarily from the elimination of 105.8 positions from the Department of Labor and Training from the loss of federal Unemployment Insurance funding. Fourteen positions in the Department of Administration are eliminated through reorganizing several programs. Program reductions result in the elimination of 22.0 positions from the Department of Human Services, 3.0 from the Department of Health and 3.0 from the Department of Environmental Management.

Offsetting these reductions are 13.5 additional positions for the Registry and 10.0 others for the Department of Revenue. It also includes 9.0 for the Office of Health and Human Services and 5.0 for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. There are 21.5 positions in four agencies for a new Race to the Top Early Childhood Learning grant, 14.0 new faculty positions at the University of Rhode Island and 10.0 new faculty and staff positions at Rhode Island College. As of January 18, 2012 there were 13,705.1 positions filled, leaving 1,065.5 non-research vacancies. In FY 2011, the state averaged 13,725.2 filled positions reflecting an average of 1,028.0 non-research vacancies.

- **Personnel System Study.** The Budget includes \$0.3 million in FY 2012 from general revenues for a statewide study and review of the state's personnel system. The current system was designed and

implemented more than 50 years ago and the Administration notes few amendments have been made to it.

- **Human Resources Restructure.** The Budget includes a savings of \$0.8 million from the elimination of 12.0 positions in the Division of Human Resources. The positions consists of 2.0 from the Employee Services Unit and 10.0 positions in the Classification and Examination Unit, which is about half of the current staff. The personnel reduction will impact the Division's ability to manage the current merit system. The Governor's FY 2012 budget includes \$0.3 million for a personnel study of the merit system.
- **Pension Reform Expenses.** The Governor recommends an additional \$0.6 million from Retirement System funds in the FY 2012 revised budget to pay for actuarial studies and expected legal expenses stemming from the pension changes made in the fall special session.
- **Defined Contribution Administrative Costs.** The Governor recommends \$0.4 million and \$0.6 million for FY 2012 and FY 2013, respectively, from yet to be identified restricted receipts to pay for the Treasurer's expenses associated with administering the new defined contribution plan.
- **Director Compensation.** The Budget includes legislation that allows the Department of Administration to adjust the salaries of department directors similar to the cost-of-living adjustments received by classified state employees. The Budget also removes the requirement to conduct a public hearing to determine directors' compensation annually.
- **Election Day Holiday.** The Budget includes savings of \$0.6 million from eliminating Election Day as a paid holiday for state employees. As required by existing collective bargaining unit contracts, the state will agree to add one additional day for personal leave.
- **Unemployment Insurance Benefits.** The Governor's budget includes \$523.7 million for the payment of unemployment insurance benefits in FY 2012, including \$159.2 million from federal stimulus funds and \$373.4 million from the Employment Security Trust Fund, reflecting the Congressional extension of federally funded benefits through the beginning of March 2012. He also includes \$261.5 million in FY 2013, including \$7.9 million from federal stimulus funds and \$253.6 million from the Trust Fund.
- **Unemployment Insurance Loan Repayment.** The Governor's budget includes \$25.7 million in FY 2012 and \$18.6 million in FY 2013 for the payment of interest and principal on the state's federal unemployment insurance loans. The interest payment made in September 2011 totaled \$7.1 million and the FY 2013 interest payment is estimated to be approximately \$12 million. The Governor's budget includes authorization for the remainder of the balance of the account to allow the Department of Labor and Training to pay down the principal.
- **Police and Fire Relief Fund.** The Governor's budget includes general revenue savings of \$124,150 from making several changes to the Police and Fire Relief program and limiting the funding, beginning in FY 2013, at the FY 2012 revised appropriation level. He proposes language that annuity, tuition and one-time death payments may be available up to the current payment levels, eliminating the guaranteed standard payments that currently exist. He also proposes allowing the Department of Labor and Training to create rules and regulations establishing income and asset eligibility standards to ensure the neediest beneficiaries receive assistance and creating a review panel to monitor expenditures and recommended changes.

- **Community Service Grants.** The Governor's FY 2013 budget includes general revenue savings of \$2.1 million from a 25 percent reduction to all community service grants.
- **Historic Tax Credit Trust Fund Debt Service.** The Budgets includes \$21.2 million and \$21.3 million from general revenues in FY 2012 and FY 2013, respectively, to fund debt service for historic tax credits. This is \$7.1 million less than the \$27.4 million current service estimate, but the higher level would likely be needed in FY 2014 and beyond.
- **Contingency Fund.** The Budget includes the enacted amount of \$250,000 from the Contingency Fund.
- **Energy Program Transfers.** The Budget transfers the Low Income Heating Assistance Program and the Weatherization Assistance Program from the Office of Energy Resources to the Department of Human Services consistent with current law. It also proposes the transfer of the Regional Greenhouse Gas Initiative from the Department of Environmental Management, and the Renewable Energy Program from the Economic Development Corporation to the Office of Energy Resources.
- **Office of Management and Budget.** The Budget creates a new Office of Management and Budget that will assume the functions of the State Budget Office, and some functions of the Bureau of Audits and the responsibilities of the Office of Economic Recovery and Reinvestment. It will include a Federal Grants Management Office to coordinate federal grant applications. The Governor includes 11.0 new positions, including a director to be appointed by the director of the Department of Administration. These are offset by the loss of 12.0 positions from the elimination of the Bureau of Audits.
- **Division of Motor Vehicles New Positions.** The Budget includes \$0.6 million in FY 2012 and \$0.8 million in FY 2013 from general revenues to fund 14.5 new positions in the Division of Motor Vehicles to enhance services by reducing wait times at the Cranston headquarters. The positions primarily consist of customer service representatives and data entry clerks. All of the positions were filled by October 24, 2011. The 2011 Assembly did not provide the funding in the enacted budget and instead provided funding for a strategic plan, which has not been completed.
- **Rhode Island Financial Accounting Network System.** The Governor recommends borrowing \$11.5 million to fund the implementation of the time and attendance, projects and grants modules as part of the Rhode Island Financial Accounting Network System. Annual debt service would be \$1.4 million for 10 years and be paid from general revenues.
- **Integrated Tax System.** The Governor recommends borrowing \$25.0 million for an integrated tax system, which would store all taxpayer information into one centralized computer system. The system would replace the current tax system and includes the following functions: single registration of taxpayers, consolidated filing of employers' taxes, automated data capture, view of financial history and consolidated billing of business tax liabilities and others. Annual debt service would be \$3.1 million for 10 years and be paid from general revenues.
- **Compensation for Board Members.** The Governor proposes legislation to eliminate compensation for board members of the Board of Elections, Labor Relations Board and Personnel Appeal Board, effective July 1, 2012. The Budget assumes savings of \$0.2 million in FY 2013.

- ***Voter Identification Law.*** The Governor recommends \$150,000 for FY 2012 to implement the new voter identification law. The funds would be used by the Secretary of State's office to produce voter identification cards, train existing staff to use the equipment and notify the public of the new law.
- ***Rhode Island Health Benefits Exchange.*** The Budgets include \$0.1 million in FY 2012 and \$1.1 million in FY 2013 for the Rhode Island Health Benefits Exchange in the Office of the Governor. In September 2011, he issued an executive order to establish the Office as the centrally accountable office for operational and financial implementation, including policy development.
- ***Technology Investment Fund.*** The Capital Budget includes total expenditures of \$15.6 million from the Technology Investment Fund. This includes use of \$6.6 million in FY 2013 from bond premium from the 2011 Series A bond issue. The Assembly enacted legislation to allow proceeds from land sales to be deposited into the fund for acquiring information technology improvements, including, but not limited to, hardware, software, and ongoing maintenance.

Health and Human Services

- ***Eleanor Slater Hospital – New Building.*** The Governor includes \$36.5 million from Rhode Island Capital Plan funds in his five-year capital plan for a new building at the Pastore Center, consolidating the separate hospital buildings operated by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals into one facility.
- ***Program Audit and Oversight Unit.*** The Governor adds \$300,000, including \$150,000 from general revenues for five positions to staff the newly created Program Audit and Oversight Unit in the Executive Office of Health and Human Services. The unit will conduct program and performance reviews for all the health and human service agencies to include reviewing compliance with state and federal requirements and program standards.
- ***Clinical/Utilization Reviews.*** The Governor recommends general revenue savings of \$5.6 million from clinical and utilization reviews for individuals receiving home care services and children receiving services through the Katie Beckett option. It also includes savings from the state verifying that payments are being made only for services provided.
- ***Medicaid Benefits Program.*** The Governor's budget transfers the Medicaid medical benefits program to the Executive Office of Health and Human Services totaling \$1.7 billion from all sources. The administrative staff was transferred in FY 2012. The eligibility application process will remain with the Department of Human Services since applicants are often eligible for other benefits in addition to Medicaid, such as the supplemental nutrition assistance program, the Rhode Island Works program and child care through that department.
- ***Cash Assistance and Medical Benefits Caseload.*** The Governor's budget adds \$57.0 million, including \$42.2 million from general revenues for updated cash assistance and medical benefit costs adopted at the November Caseload Estimating Conference. He includes \$51.7 million more for medical benefits and \$5.3 million more for cash assistance program expenses in FY 2013.
- ***Managed Care Plans.*** The Governor's FY 2013 budget includes savings of \$28.9 million, \$14.0 million from general revenues, from applying a 4.14 percent reduction to the capitation rates paid to Neighborhood Health and UnitedHealth for those enrolled in RIte Care or Rody Health. This will start July 1, 2012 when the Department resets the rates for both programs.

- **Medicaid - Dental Care for Adults.** The Governor's budget includes general revenue savings of \$2.7 million by eliminating dental coverage for individuals 21 or older, [effective October 1, 2012](#). Coverage for emergency and palliative services would continue.
- **Project Sustainability.** The Governor's budget includes \$170.0 million from all sources to provide community based services to approximately 3,400 developmentally disabled adults through Project Sustainability.
- **Inpatient Fee-for-Service Hospital Rates.** The Governor's budget limits any fee-for-service inpatient payments made to the community hospitals to the lesser of the Medicaid rate or the rate charged by the hospital for savings of \$3.9 million, \$1.9 million from general revenues.
- **Hospital Payments.** The Governor's FY 2013 budget does not continue to include the community hospital's outpatient upper payment limit reimbursement, for which the FY 2012 enacted budget includes \$12.1 million, of which \$5.8 million is from general revenues.
- **State Only Acute Care Hospital Payments.** The Governor's budget does not provide any state only funding to the community hospitals in FY 2013 for which the FY 2012 enacted budget includes \$1.0 million.
- **Nursing Homes Payments.** The Governor includes legislation to [allow the reduction of](#) nursing home rates by no more than 1.8 percent [in FY 2012 and FY 2013](#) to clarify that the reduction taken in FY 2010 impacted the base rate assumed for the facilities. The FY 2012 enacted budget assumed this reduction, but without this legislation it appears approximately \$5.9 million from all sources would be required in both years.
- **Health Care Reform - Treatment Services.** The Governor's FY 2013 budget continues to take advantage of opportunities under federal health care reform and includes general revenue savings of \$3.5 million from providing some behavioral health treatments and services to adults with developmental disabilities through a new health home model. The federal government will pay 90 percent of the costs of Medicaid funded services for two years.
- **Ride Transportation.** The Governor's budget includes an additional \$450,000 from general revenues for Ride transportation expenses. This includes \$600,000 for increased utilization by clients not eligible for Medicaid, offset by savings of \$150,000 from a proposal to institute a copayment of \$2 per trip to and from adult day care centers, beginning July 1, 2012.
- **Child Care Co-share Increase.** The Governor's budget includes general revenue savings of \$275,000 from a proposed 1.0 percent co-share increase for low income parents receiving child care. Currently, families with income levels between 100 percent and 180 percent of federal poverty pay co-shares of 2.0 percent, 5.0 percent or 8.0 percent of the family's gross countable income as a copayment, depending on the family's income level. Rhode Island Works clients do not pay a co-share for child care services.
- **Pharmaceutical Assistance.** The Governor recommends \$174,000 from general revenues, which is \$0.2 million less than enacted for the Pharmaceutical Assistance to the Elderly program, because of an anticipated decrease in utilization. The program provides assistance to Medicare Part D recipients who have reached the "donut hole" and social security disability insurance recipients prior to Medicare Part D eligibility. Federal healthcare reform eliminates the "donut hole" by 2020.

- ***Veterans' Home Staffing and Census.*** The Governor proposes to delay the planned increases in the staffing levels and the census from the final quarter of FY 2012 to the final quarter of FY 2013. This includes savings of \$0.4 million from eliminating 35.0 positions included in the enacted budget for the last four months of FY 2012. He instead adds 9.0 full-time and 26.0 temporary positions for the final quarter of FY 2013 for general revenue savings of \$0.9 million, compared to the current services estimate.
- ***New Veterans' Home.*** The Governor's budget includes a resolution that the Governor and the General Assembly consider and decide by June 30, 2012 whether to propose a general obligation bond issue to the voters in the next general election for the purpose of building a new Veterans' Home.
- ***Weatherization and Low Income Home Energy Assistance Programs.*** The Governor's budget transfers \$19.2 million from federal funds and 9.0 positions for the Low Income Home Energy Assistance and Weatherization Assistance programs from the Department of Administration to the Department of Human Services, effective July 1, 2012, consistent with legislation passed by the 2011 Assembly.
- ***DCYF Education.*** The Governor adds \$0.5 million from general revenues to support education costs for children in the Department's care. The Department of Education is currently transitioning some financial responsibility for children in the Department's care attending school outside of their home districts from the schools to the state. This is the first year of a five year transition process.
- ***Training School Life Skills Program.*** The Governor assumes general revenue savings of \$55,000 by eliminating life skills assessment, education and transition planning support for youth in the training school.
- ***YESS Aftercare Services.*** The Governor reduces general revenue costs for aftercare services by \$375,000 from a roughly 20 percent reduction for services provided through the Young Adults Establishing Self Sufficiency program to youth aging out of the Department of Children, Youth and Families' care.
- ***State Only Substance Abuse Treatment Services.*** The Governor's budget includes general revenues savings of \$100,000 by providing state only residential substance abuse treatment services to indigent and uninsured individuals in less restrictive settings with appropriate supports.

Education

- ***Public Higher Education.*** The Governor's budget includes \$1,062.0 million for Public Higher Education including debt service. He recommends merging the Rhode Island Higher Education Assistance Authority with the Office of Higher Education. The budget includes \$177.6 million from general revenues, which is \$5.5 million more than FY 2012, excluding the increase related to the Authority, to fund additional general obligation bond debt service.
- ***Higher Education Staffing.*** The Governor recommends 14.0 new faculty positions at the University and 10.0 new faculty and staff positions at the College. [He also adds 2.0 positions at the Office.](#)
- ***Higher Education Tuition and Fees.*** The Governor's budget includes the Board's requested increase of \$17.6 million for tuition and fees. This includes \$9.6 million at the University, \$3.0

million at the College and \$5.0 million at the Community College. The Board of Governors approved combined tuition and fee increases of 9.5 percent for resident undergraduates and non-resident increases are 2.0 percent at the University. At the College, resident and non-resident undergraduate tuition and fee increases are 4.0 percent. Tuition and fees increase 7.5 percent at the Community College.

- **Higher Education Assistance Authority Merger.** The budget reflects the transfer of \$27.7 million and staffing of 41.6 full-time positions for the Rhode Island Higher Education Assistance Authority to the Office of Higher Education.
- **Rhode Island Higher Education Assistance Authority Excess Federal Funds.** The Governor's budget transmittal letter to the General Assembly references the creation of a \$20.0 million scholarship fund through merging Rhode Island Higher Education Assistance Authority with the Office of Higher Education; however, no funding or legislation related to this is in the budget or any supporting documents.
- **Need Based Scholarships and Grants.** The FY 2012 revised budget includes an additional \$0.2 million from general revenues for need based grants and scholarships to provide maintenance of effort for the federal college access challenge grant in the Office of Higher Education's budget. For FY 2013, the Budget includes \$5.5 million from general revenues and \$7.0 million from Tuition Savings funds for a total of \$12.5 million.
- **College Access Challenge Grant.** The Governor recommends \$1.5 million over two fiscal years from federal funds for the college access challenge grant that is aimed at increasing the number of low-income students who are prepared to enter post-secondary education.
- **Joint Nursing Building Referenda.** The Budget includes \$65.2 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for both the University of Rhode Island and Rhode Island College to construct a new 120,000 square foot joint nursing building in Providence for the University of Rhode Island and Rhode Island College nursing programs.
- **Rhode Island College Academic Buildings Referenda.** The Budget includes \$44.7 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for renovations to Rhode Island College academic buildings. The project includes a full renovation to Craig Lee and Gaige Halls.
- **Race to the Top – Early Learning.** The Governor includes 13.0 new positions and \$6.2 million over FY 2012 and FY 2013 from newly awarded Race to the Top-Early Learning Challenge Grant funds. In December 2011, the state was awarded \$50.0 million to be used to improve education for pre-school students. This grant will involve multiple human service agencies and the Department of Elementary and Secondary Education with funding allocated over four years.
- **Wireless Classrooms.** The Governor recommends a resolution for Assembly approval to borrow \$20.0 million from Certificates of Participation to expand and enhance technology infrastructure in local education agencies. Annual debt service would be \$2.7 million for ten years and be paid from general revenues.
- **Science Kits.** The Governor eliminates the \$98,000 for the KITES (kits in teaching elementary science) kits. The KITES kits provide teachers with instructional science units that include hands-on tasks for students to build their knowledge and skills.

- **Adult Literacy.** The Governor adds \$2.0 million from general revenues in lieu of a like amount from Human Resource Investment Council funds that the Assembly provided for adult literacy grants.
- **Perkins School for the Blind.** The Governor recommends legislation that would eliminate the ability of parents who believe the state cannot meet their deaf, blind or visually impaired children's needs to apply to the Department of Elementary and Secondary Education to appoint the child to attend any suitable institution or school. The enacted budget includes \$0.4 million for three students to attend the Perkins School for the Blind. The Governor removes the \$0.4 million and intends that the special education categorical funding for which he recommends \$0.5 million be used for the same purpose.
- **Rhode Island Public Telecommunications Authority.** The Governor's budget provides \$0.5 million less in state support for public television than in FY 2012. He recommends \$0.4 million in general revenue funding for a six month period in FY 2013, but would end state support for the Authority effective January 1, 2013. The Budget does not assume elimination of the Authority; however, it does expect that it will partner with other outside institutions or community groups for resources.

Public Safety

- **Underestimated Personnel Expenses.** The Budget adds \$3.1 million for FY 2012 and FY 2013 above enacted general revenues to adjust for an understated hourly wage included in the calculation of personnel expenses for uniform correctional officers who are receiving a wage base increase of 2.95 percent for FY 2012 based on the March 2010 contract agreement.
- **Prison Population.** The Budget assumes a population of 3,231, which is 8 fewer inmates than the enacted level of 3,239. It also assumes a revised population of 3,265 for FY 2012, which is 26 more than enacted.
- **New Correctional Officers.** The Budget anticipates general revenue savings of approximately \$7 million from overtime expenses for FY 2013 due to the expected hiring of 28 newly trained correctional officers.
- **Correctional Officer Training Class.** The Budget includes \$0.7 million for FY 2012 and \$0.8 million for FY 2013 from general revenues for recruitment and training for one new officer class for each FY 2012 and FY 2013. The FY 2012 class is anticipated to start in February, with graduation in April 2012 of approximately 45 correctional officers.
- **Correctional Officer Overtime.** The Governor proposes legislation to change overtime calculations for correctional officers to that of other public safety officials who are exempt from weekly overtime provisions. Under this legislation, overtime would be granted for hours worked in excess of 171 hours over a 28-day period, rather than on a 40-hour work week. The Budget assumes overtime savings of \$325,000 for FY 2013 from this change.
- **Unachieved Personnel Savings.** The Budget adds \$2.3 million for FY 2012 above enacted general revenues primarily for overtime expenses to restore unachieved personnel savings due to instant discharge of 15 paid leave days accrued in exchange of pay reduction days by correctional officers that had not been budgeted.
- **Medium Price Facility.** The Budget includes annualized savings of \$10.6 million in FY 2013 from the closure of the Medium Price facility which occurred in November 2011.

- ***Tobacco Enforcement Litigation Reappropriation.*** The Budget includes \$0.4 million appropriated to FY 2012 from the FY 2011 unused appropriation for continued tobacco enforcement litigation expenditures to cover the state's share of trial and trial-related expenses among settling states. This case is brought by the leading United States tobacco product manufacturers and alleged the states' lack of efforts in enforcing the "Master Settlement Agreement" for non-participating manufacturers.
- ***Municipal Police Training Academy.*** The Governor proposes to make the Municipal Police Training Academy self-supporting and assumes state savings of \$0.4 million. Municipalities who send candidates to the Academy will have to pay the same fee, currently \$4,000, which entities such as Brown University and the Airport Corporation must pay. The Director of the Department of Public Safety would be empowered to set and adjust the fee as needed.
- ~~***Trooper Training Academy.*** The Budget includes \$129,914 for the recruitment of the 55th Trooper Training Academy in FY 2013. Training would begin on July 1, 2013, which is FY 2014.~~
- ***Dispatch Unit and Port Security.*** The Budget eliminates the requirement to transfer the dispatch and port security surveillance units from the Department of Environmental Management to the Department of Public Safety. The 2011 Assembly included legislation that delayed the transfer of the unit until January 1, 2012.
- ***Tropical Storm Irene.*** The Governor recommends \$9.0 million in FY 2012 for expenditures incurred from Tropical Storm Irene in August of 2011. This includes \$8.9 million from federal funds and \$0.1 million from general revenues to be used as the state match.
- ***Indigent Defense Program.*** The Budget includes \$3.6 million from general revenues for the Judiciary's indigent defense program, which is \$0.1 million more than FY 2011 expenses.
- ~~***Geo-Code.*** The Budget includes general revenue expenditures of \$90,000 in FY 2012 and \$240,000 in FY 2013 to update the pictometry database for E-911. The database was last updated in FY 2010 through available federal funds.~~
- ~~***State Police Contract.*** The Budget includes additional general revenue expenditures of \$1.4 million in FY 2012 and \$1.3 million in FY 2013 for salary and benefit adjustments pursuant to the recently negotiated settlement with the Rhode Island State Police Troopers Association. Covered employees received an across-the-board wage increase of 3.0 percent, effective May 1, 2010 and May 1, 2011.~~

Environment

- ***Rhode Island Resource Recovery Corporation Revenue Bonds.*** The Governor proposes legislation that would authorize up to \$40.0 million in revenue bonds for the Rhode Island Resource Recovery Corporation to design and construct a leachate pretreatment facility to comply with projected changes in discharge standards for the disposal of wastewater, including leachate, into a public sewer system. The leachate pretreatment facility is expected to have the capacity to process 650,000 gallons of wastewater per day. The debt service on the bonds would be repaid with Resource Recovery revenues.
- ***Fort Adams America's Cup.*** The Governor recommends \$1.3 million in FY 2012 and \$3.1 million in FY 2013 for improvements to Fort Adams State Park which will allow the state to host large-scale sailing events such as the America's Cup World Series race in the summer of 2012.

- ***Blackstone Bike Path Design.*** The Governor recommends \$2.1 million in FY 2012 and \$1.1 million in FY 2013 for architectural and engineering work on the Blackstone Valley Bikepath.
- ***Narragansett Bay and Watershed Restoration.*** The Budget includes \$4.0 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for activities to restore and protect the water quality of Narragansett Bay and the state's watersheds.
- ***State Land Acquisition – Open Space.*** The Budget includes \$2.5 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for the purchase of land, development rights and conservation easements statewide.
- ***Farmland Development Rights.*** The Budget includes \$4.5 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for farmland development rights.
- ***Local Land Acquisition Grants.*** The Budget includes \$2.5 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for grants to municipalities, local land trusts and non-profit organizations to preserve open space in Rhode Island.
- ***Local Recreation Development Grants.*** The Budget includes \$3.5 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for grants to municipalities for recreation development and acquisition projects.
- ***Historic and Passive Grants.*** The Budget includes \$1.0 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for grants to municipalities for renovation and development of historic and passive recreation areas.
- ***Local Recreation Grants for Distressed Communities.*** The Budget includes \$2.0 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for grants to distressed communities for recreation acquisition and development projects.
- ***State Recreation Facilities.*** The Budget includes \$5.0 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for improvements at Rhode Island parks and management areas.
- ***Municipal Wastewater Testing Program.*** The Governor proposes legislation to eliminate the pollution monitoring system and fee system established by the Department of Environmental Management for point source dischargers who discharge sewage into the surface waters of the state. The Budget assumes that eliminating the program would result in a net savings to the state of \$36,913 in FY 2013, which assumes \$102,900 less to administer the program and \$65,987 in lost user fees.
- ***Eliminate Well Drilling.*** The Governor proposes legislation to eliminate the well drilling licensing program administered by the Department of Environmental Management, effective July 1, 2012. The Budget assumes that eliminating the program would result in a net savings to the state of \$93,977 in FY 2013, which assumes \$103,769 less to administer the program and \$9,792 in lost user fees.
- ***Clean Water Finance Agency Revolving Loan Funds.*** The Budget includes \$20.0 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for loans to be issued by the Clean Water Finance Agency. This includes \$12.0 million for the Clean Water State Revolving Loan Fund, a subsidized loan program for local governmental units to finance wastewater

infrastructure projects and \$8.0 million for the Drinking Water State Revolving Loan Fund, which provides loans to eligible water suppliers for drinking water projects.

Transportation

- **Motor Vehicle Fees.** The 2011 Assembly enacted legislation establishing a transportation trust fund that would be funded through incremental increases of license and registration fees as part of a plan to reduce the state's reliance on borrowing for transportation. The incremental increases would begin in FY 2014 and reach their peak in FY 2016, when they will generate approximately \$20 million annually. The Governor proposed to accelerate the fee increases, such that they are fully implemented on January 1, 2013 and allow the Department of Transportation to use the proceeds for operating costs. The budget assumes this generates \$13.6 million in FY 2013 and the full annual value in FY 2014.
- **East Bay Bridge System.** The Governor's Budget includes legislation to allow the transfer of the Sakonnet River Bridge and the Jamestown Verrazano Bridge to the Rhode Island Turnpike and Bridge Authority, and would also allow for the establishment and collection of tolls on those bridges. Statutory changes included with this proposal would also establish the East Bay Infrastructure Fund, which would be used for road and bridge projects in the East Bay.
- **Transportation Debt Service.** The Governor's revised budget shifts a \$2.0 million portion of the Department of Transportation's debt service payment from departmental sources to general revenues to fund the FY 2012 budget shortfall. His Budget also includes a proposal to shift all financing of transportation debt service to general revenues over a five-year period beginning with \$10.0 million in FY 2014 and increasing by \$10.0 million annually until FY 2018.
- **Transportation Bond Referenda.** The Budget includes \$21.5 million of new general obligation bonds to be submitted to the voters on the November 2012 ballot for the Department of Transportation and the Public Transit Authority. Of the total amount, \$20.0 million will provide matching funds for the federal highway improvement program as well as state only funded projects. The voters approved \$80.0 million for this purpose in November 2010. The remaining \$1.5 million will be used by the Authority for the purchase and/or rehabilitation of its bus fleet.
- **Rhode Island Airport Corporation Revenue Bonds.** The Governor requests authorization for the Rhode Island Airport Corporation to issue up to \$174.0 million of revenue bonds for various improvements at T.F. Green Airport, including the extension of the main runway. Debt service payments will be made with a combination of federal sources and Corporation revenue.
- **Rhode Island Public Transit Authority.** The Governor's Budget shows a \$10.0 million operating deficit for the Rhode Island Public Transit Authority in FY 2013.

Article Explanations

Explanations of Budget Articles

2012-H 7323

Article 1

Section 1. Appropriations. This section of Article 1 contains the appropriations for FY 2013.

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

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

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

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

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

Section 7. Temporary Disability Insurance Funds. This section appropriates all funds required for benefit payments from the Temporary Disability Insurance Fund and the Temporary Disability Insurance Reserve Fund for FY 2013. This section appears annually.

Section 8. Employment Security Funds. This section appropriates all funds required for benefit payments to the unemployed from the Employment Security Fund for FY 2013. This section appears annually.

Section 9. University and College Funds. This section had appeared annually to appropriate all funds for Higher Education. It appears to duplicate authority already granted in state law. The 2005, 2006, 2007, 2008, 2009 and 2011 Assemblies removed this section from the respective appropriations bills as unnecessary.

Section 10. Lottery. This section appropriates to the Lottery Division any funds required for the payment of prizes and commissions. Prizes are not included as expenditures in the budget.

Section 11. Full-Time Equivalent Positions. This section limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2013. It also provides that state employees whose funding is from non-state funds that are time limited shall receive appointments limited to the availability of the non-state funding source. In addition, this section provides that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization.

Explanations of Budget Articles

Total staffing is 14,837.7 full-time equivalent positions, which are 104.5 fewer than the FY 2012 enacted budget.

The previous five budgets included language that no contracted employee could be hired nor may any agency contract for services replacing work done by state employees without public hearings and recommendations by the Budget Officer and the State Director of Personnel and determination of need by the Director of Administration. This section excludes this language.

Section 12. Multi Year Appropriations. This section makes multi-year appropriations for a number of capital projects included in FY 2013 through FY 2016 that are funded from Rhode Island Capital Plan funds. The FY 2013 and multi-year appropriations supersede appropriations made for capital projects in Section 12 of Article 1 of the FY 2012 Appropriations Act.

Section 13. Reappropriations. This section provides that any unexpended and unencumbered funds for Rhode Island Capital Plan fund projects may be reappropriated at the recommendation of the Governor in FY 2013. The Governor shall submit a report of the reappropriations to the Chairs of the House and Senate Finance Committees stating the final enacted amount, the amount spent and the amount reappropriated by August 15, 2013.

Five of the previous six budgets included language that allowed for automatic reappropriation of unexpended balances from Rhode Island Capital Plan fund projects over \$500. However, the FY 2012 budget included language that any such reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act, so projects can continue to proceed without delay. Since FY 2006 all balances of less than \$500 can be reappropriated at the discretion of the State Budget Officer; however, this section does not include this language.

Section 14. Narragansett Bay Commission Debt Service Payment. This section requires the transfer of \$3.1 million from the Narragansett Bay Commission to state general revenues by June 30, 2013. This amount reflects the cost to the state in FY 2013 for general obligation bonds that have been issued on the Commission's behalf.

Section 15. Bond Premium Transfer. This section mandates the transfer of \$12.6 million from general obligation bond premiums to other sources in FY 2013. Of the total amount, \$6.6 million is transferred to the Information Technology Investment Fund and \$6.0 million is transferred to the General Fund. This section includes the transfer in FY 2013 in error; the transfer should be included in Article 10, which includes the revised FY 2012 appropriations.

Section 16. Rhode Island Housing and Mortgage Finance Corporation. This section requires that the Rhode Island Housing and Mortgage Finance Corporation provide from its resources an appropriate amount to support the Neighborhood Opportunities Program. The Corporation is also required to report to the director of the Department of Administration, the chair of the Housing Resources Commission and both chairs of the House and Senate Finance Committees a report detailing the amount of funding and information such as the number of housing units created.

Section 17. Effective Date. This section of Article 1 establishes July 1, 2012 as the effective date of the article.

Explanations of Budget Articles

Article 2. Tax Anticipation Notes

Article 2 allows the state to borrow a maximum of \$300.0 million during FY 2013 for cash flow purposes in anticipation of tax receipts. The note must be repaid by June 30, 2013.

Article 3. Rhode Island Public Telecommunications Authority

Article 3 eliminates the requirement for state support for the Rhode Island Public Telecommunications Authority effective January 1, 2013. This is reflected in the budget as the Authority is being appropriated the equivalent of six months of funding. Supporting documents suggest the intent of the legislation is that the Authority will partner with outside institutions or community groups for resources.

Article 4. Government Restructuring

Sections 1 and 2. Higher Education Assistance Authority Merger. These sections of Article 4 transfers all of the powers, duties, authority and resources of the Rhode Island Higher Education Assistance Authority to the Board of Governors' for Higher Education. The budget reflects the transfer of \$27.7 million and staffing of 41.6 full-time positions. The Authority and its corporate existence will be terminated on September 1, 2012.

Sections 3 through 8. Office of Management and Budget. These sections of Article 4 eliminate the Bureau of Audits within the Department of Administration and establish a new Office of Management and Budget. This Office will assume the functions of the State Budget Office, and some functions of the Bureau of Audits and the responsibilities of the Office of Economic Recovery and Reinvestment. It will include a Federal Grants Management Office to coordinate federal grants and assist agencies to secure federal funds. The legislation also creates a restricted receipt account within the Office with receipts from administrative costs incurred for the oversight and management of federal funds. The budget includes \$0.4 million from restricted receipts.

The Governor's FY 2013 budget includes 11.0 new positions, including a director to be appointed by the director of the Department of Administration. These are offset by the loss of 12.0 positions from the elimination of the Bureau of Audits.

Section 9. Office of Energy Resources. Section 9 of Article 4 transfers the functions and resources of the weatherization and low income home energy assistance programs, including the emergency fuel program from the Office of Energy Resources within the Department of Administration to the Department of Human Services, pursuant to legislation passed by the 2011 General Assembly to transfer these programs on July 1, 2012. The Governor's FY 2013 budget includes \$19.2 million from federal funds and 9.0 positions in the Department of Human Services for administration of these programs.

Sections 10 through 16. Renewable Energy Programs. These sections of Article 4 transfer the Renewable Energy Program from the Economic Development Corporation to the Office of Energy Resources. The Office previously managed the Fund and the 2007 Assembly enacted legislation to transfer the Fund to the Corporation, effective FY 2008.

Explanations of Budget Articles

These sections also transfer the oversight of the Regional Greenhouse Gas Initiative from the Department of Environmental Management to the Office of Energy Resources. The legislation to authorize this initiative was enacted by the 2007 Assembly. The Regional Greenhouse Gas Initiative is a cooperative effort by Northeastern and Mid-Atlantic states to reduce carbon dioxide emissions. The participants in the program are Connecticut, Maine, Maryland, Massachusetts, Vermont, Delaware, New Jersey, New York, New Hampshire and Rhode Island. It also transfers the administrative cost that the Energy Efficiency and Resources Management Council receives for costs associated with planning and evaluation of energy efficiency programs to the Energy Office.

Section 17. Public Safety Communications Dispatch. This section of Article 4 reverses the transfer of the dispatch functions from the Department of Environmental Management to the Department of Public Safety approved by the 2011 Assembly. Under current law, the transfer was to occur by January 1, 2012.

Section 18. Effective Date. This section establishes that Article 4 is effective upon passage.

Article 5. Capital Development Program

Article 5 places \$201.4 million of new general obligation bond authorizations on the November 2012 ballot as referendum. The referendum would provide \$65.2 million to construct a joint nursing facility for the University of Rhode Island and Rhode Island College, \$44.7 million to renovate and modernize buildings at the College and \$21.5 million for transportation, including \$20.0 million to match federal funds and \$1.5 million for the Public Transit Authority's buses. The ballot would also include a \$20.0 million authorization for Clean Water Finance Agency infrastructure loans, a \$25.0 million authorization for affordable housing projects. Finally, the ballot would include \$25.0 million for the Department of Environmental Management to restore and protect Narragansett Bay and the state's watersheds, acquire open space for the state and municipalities, provide funding for development rights to Rhode Island farms and provide grants and funds for local and state recreational facilities.

Article 6. Bond Premiums

The 2006 Assembly enacted legislation to mandate that the state use bond premiums paid by buyers of state debt in exchange for higher yield to lower the debt issuance instead of being available as general revenues for general use. Article 6 includes language to clarify the original legislation to provide that any bond premiums and accrued interest, net of the cost of bond issuance and underwriter discounts, shall become part of the Rhode Island Capital Plan Fund. Although this is included in the 2006 Public Laws, and it has been the practice, Article 6 will codify this practice in the General Laws.

Article 7. Public Corporation Debt Management

The Public Corporation Debt Management Act requires that all new debt authorizations be approved by the Assembly except in certain circumstances. This article contains four authorizations totaling \$278.0 million, including \$56.5 million for information technology improvements, \$174.0 million for various improvements at T.F. Green Airport, \$40.0 million for a leachate pretreatment facility at the state's central landfill and \$7.5 million for dredging projects at the Davisville Piers near Quonset Point.

Explanations of Budget Articles

Article 8. Information Technology Investment Fund

The 2011 Assembly enacted legislation to create an Information Technology Investment Fund to be supported from land sales proceeds. The funds will be used for acquiring information technology improvements, including, but not limited to, hardware, software, and ongoing maintenance. Repayments from user agencies from sources available to them would be deposited into the fund, thereby making the fund self-sustaining. Article 8 deletes the reference "revolving loan fund" from the statute. Article 14 exempts this account from the state's 10.0 percent indirect cost surcharge and takes effect upon passage.

Article 9. Department of Health Fees

Article 9 makes numerous changes to current law establishing fees for professional licenses and renewals that are regulated by the Department of Health. A majority of the changes include the increasing of fees; however, the article would also lower fees currently in place. The FY 2013 Budget includes \$1.5 million of additional general revenues through these changes.

Article 10. Revised Budget

Section 1. Revisions to Appropriations. This section contains the revised appropriations for FY 2012.

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

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

Section 4. Full-Time Equivalent Positions. This section limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2012. In addition, state employees whose funding is from non-state funds that are time limited shall receive appointments limited to the availability of the non-state funding source. This section also contains the usual provision that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization.

Total staffing is 14,934.0 full-time equivalent positions, 8.2 fewer than the FY 2012 enacted budget.

The previous five budgets included language that no contracted employee could be hired nor may any agency contract for services replacing work done by state employees without public hearings and recommendations by the Budget Officer and the State Director of Personnel and determination of need by the Director of Administration. This section removes this language.

Section 5. Effective Date. This section establishes that this article is effective upon passage.

Explanations of Budget Articles

Article 11. Retirement Contributions

Article 11 removes the requirement that the Governor include an appropriation to the retirement system equal to 20.0 percent of the state's savings from reductions in the prior year retirement rates to reduce the unfunded liability. The FY 2013 rates are lower than FY 2012, therefore an estimated \$4.9 million, including \$3.9 million from general revenues, would otherwise have to be appropriated to the retirement system. If the state contribution for the defined contribution plan for state employees and teachers is included, the contribution would be \$2.8 million, \$2.4 million from general revenues.

Article 12. Education Aid

Section 1. Uniform Chart of Accounts. Section 1 requires the newly developed uniform chart of accounts to include a standardized budget process and requires that all districts, state schools and charter schools implement a budget model approved by the Regents and utilize best practices established by the Department of Elementary and Secondary Education.

Section 2. Housing Aid. Section 2 would roll back the state's minimum housing aid reimbursement to 35.0 percent. The 2010 funding formula legislation included a two-year phased increase to provide that no local district receives less than a 40.0 percent state reimbursement by FY 2013 for projects completed after June 30, 2011. The minimum had been 30.0 percent and was 35.0 percent for FY 2012. The Budget assumes savings of \$440,000 from this change.

Section 3. Central Falls. The funding formula legislation includes a transition fund to stabilize the Central Falls School District until the city can begin paying its local share. Section 3 clarifies the method for calculating the amount to be put into the fund and requires that the fund be supported through a reallocation of current resources to the school district and that the state does not have to provide new funding.

Section 4. School Breakfast and Education Jobs Funds. Section 4 eliminates the requirement for administrative cost reimbursement to districts for the school breakfast program for which the enacted budget includes \$270,000. Administrative costs would shift to districts; food is paid from federal sources. This section also provides that for FY 2013, general revenues for education aid be reduced by the amount of any supplemental federal Education Jobs Funds received. The budget reduces general revenues by \$0.5 million.

Section 5. Textbooks. Section 5 removes the requirement to fund reimbursements allowed under the textbook loan program for FY 2013; the enacted budget includes \$240,000. 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 12th grade. Local districts would still provide the books.

Section 6. Visually Impaired Children. Section 6 would eliminate the ability of parents who believe the state cannot meet their deaf, blind or visually impaired children's needs to apply to the Department of Elementary and Secondary Education to appoint the child to attend any suitable institution or school. The enacted budget includes \$0.4 million for three students to attend the Perkins School for the Blind.

Explanations of Budget Articles

The Governor removes the \$0.4 million and intends that the special education categorical funding for which he recommends \$0.5 million be used for the same purpose.

Section 7. Charter School Housing Aid. Section 7 would set the state reimbursement for charter school construction projects at the three-year weighted average share ratio of the sending districts for any project completed after June 30, 2012. Unless sponsored by a school district, charter schools are currently eligible for reimbursement at 30.0 percent. There is no fiscal impact for FY 2013 or FY 2014; FY 2015 would be the first year with a fiscal impact.

Section 8. Telecommunications Education Access Fund. Section 8 reduces the assessment for the Telecommunications Education Access Fund from \$0.26 to \$0.15 per line effective July 1, 2012 and expands it to include wireless lines. This is expected to generate an additional \$0.7 million in revenue to substitute for the current \$0.4 million in state support and provide \$0.1 million in general revenues through indirect cost recovery. This fund is designed to provide financial assistance for qualified libraries and schools to acquire, install, and use telecommunications technologies to access the Internet. Although wireless customers are not currently charged for this, they do pay a different \$0.26 charge that goes to the General Fund. It had initially been imposed to support geo-coding for the state's E-911 calls.

Article 13. Directors' Compensation

Article 13 provides the director of the Department of Administration the authority to adjust the salaries of directors for all state executive departments similar to the cost-of-living adjustments received by classified state employees pursuant to their current collective bargaining agreements. These adjustments would not be subjected to any public hearing or approval by the General Assembly. This article also makes the current requirement to hold a public hearing to determine the salaries for directors of state executive departments optional.

Article 14. Restricted Receipts

Article 14 establishes two new restricted receipt accounts and exempts those and others from the 10.0 percent indirect cost recovery charge. It creates a new restricted receipt to pay expenses related to the administration of the defined contribution plan and one to accept an early childhood grant from Rhode Island Foundation. It also exempts the following existing accounts from the state's indirect cost recovery charge: funds to support a National Guard counter drug program, stimulus funds for performance management, information technology investment projects supported by bond premiums and municipal police training fees.

Article 15. Hospital Uncompensated Care

Article 15 extends the uncompensated care payments to the community hospitals with the state making a payment for FY 2014 that does not exceed \$126.2 million.

Explanations of Budget Articles

Article 16. Police and Fire Relief Fund

Article 16 establishes a Police and Fire Relief Fund Review Panel to monitor expenditure trends and recommend rules and regulations changes to constrain spending in the program, limiting expenditures beginning in FY 2013 to no more than the FY 2012 appropriation. The article gives the Director of the Department of Labor and Training authority to establish rules and regulations which consider income and assets of the beneficiaries in determining awards to ensure the neediest beneficiaries receive assistance. It also includes language that annuity, tuition and one-time death payments may be available up to the current payment levels, eliminating the current guaranteed standard payments.

The budget assumes general revenue savings of \$124,150 in FY 2013 from these changes when compared to the revised recommendation for FY 2012; however, the article references the FY 2012 appropriation act, which is the enacted level, as the expenditure limit for FY 2013, which appears to be inconsistent with the intent. The article would be effective upon passage.

Article 17. Medical Assistance – Dental Benefits for Adults

Article 17 authorizes the Executive Office of Health and Human Services to eliminate Medicaid coverage of dental services for adults age 21 years and older, beginning on October 1, 2012. Medicaid eligible individuals under age 21 will still maintain dental coverage through the RItE Smiles or fee-for-service Medicaid programs. The budget assumes general revenue savings of \$2.7 million for the final nine months of FY 2013.

Article 18. Office of Health and Human Services

The article eliminates reference to the Department of Elderly Affairs which is now part of the Department of Human Services and lists four agencies instead of five under the umbrella of the Executive Office of Health and Human Services. This article also makes a technical correction to replace any reference to the Department of Mental Health Retardation and Hospitals with the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals.

Article 19. Rhode Island Veterans' Home

This article is a resolution that the Governor and General Assembly consider a proposal to build a new Veterans' Home and associated assisted living facility while deliberating the FY 2013 budget and also decide by June 30, 2012 whether or not to propose a general obligation bond issue to the voters in the next general election. The Special House Commission to Undertake a Comprehensive Study of the R.I. Veterans' Home in Bristol and Develop a Master Plan for the Overall Future Direction of the Facility developed a proposal for new facilities on the current property in Bristol and recommended proposing a general obligation bond issue to the voters in the next election for this project.

Article 20. East Bay Bridge System

Article 20 includes legislation to allow the transfer of the Sakonnet River Bridge and the Jamestown Verrazano Bridge to the Rhode Island Turnpike and Bridge Authority, and would also allow for the establishment and collection of tolls on those bridges. Language included in the article would establish

Explanations of Budget Articles

the East Bay Infrastructure Fund, which would be funded through excess toll revenue and used for road and bridge projects in the East Bay. Article 20 is effective upon passage; however, due to the length of time for implementation and the federal approval process, it is estimated that tolls would not be implemented until FY 2014 at the earliest.

Article 21. Relating to Abused and Neglected Children

Article 21 amends Rhode Island General Law 40-11-7 to include language that would allow discretion on the part of the Department of Children Youth and Families and the Family Court to have oversight, by directly petitioning the Court, in cases where abuse or neglect have been indicated but a child has not been removed from the home. There does not appear to be any fiscal impact.

Article 22. Department of Corrections

Article 22 changes overtime calculations for correctional officers to that of other public safety officials who are exempt from weekly overtime provisions. Currently, correctional officers receive overtime pay for hours worked in excess of 40 hours per week; while other public safety officials receive overtime pay for hours worked in excess of 171 hours over a 28-day period. The article also removes language in the authorities granted to the director of the Department of Corrections that allows collective bargaining agreements to supersede statutory law. The Budget assumes overtime savings of \$325,000 for FY 2013, and the article is effective upon passage.

Article 23. Compensation of Board Members

This article would eliminate compensation for board members of the Board of Elections, Labor Relations Board and Personnel Appeal Board, effective July 1, 2012. The total combined annual compensation for members of the Board of Elections is \$49,000, the Labor Relations Board receives a total of \$87,211 in salaries and the Personnel Appeal Board receives a total of \$36,000 in salaries. Eliminating this compensation would result in savings of \$0.2 million including benefit costs in FY 2013. In lieu of this compensation, board members will be reimbursed for traveling, incidental and clerical expenses incurred in the course of carrying out their duties.

Article 24. Taxes and Revenues

Section 1. Hospital Licensing Fee. This section extends the hospital licensing fee in FY 2013 at a rate of 5.43 percent of hospitals' net patient services revenue for the hospital fiscal year ending on or after September 30, 2010. It also includes the due date for filing returns and making the payment.

The budget assumes total revenue collected from the hospitals will be \$143.8 million including \$138.0 million from the community hospitals and \$5.8 million from Eleanor Slater Hospital at the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. This article appears annually in the Appropriations Act.

Section 2. Bed & Breakfast – Vacation Homes. This section subjects rentals of vacation homes and rooms at bed and breakfast inns with at least one bedroom for rent to the state's occupancy tax of 5.0 percent, the local occupancy tax of 1.0 percent and the state sales tax of 7.0 percent as a by-product of

Explanations of Budget Articles

definition as a hotel. Rentals would include those that are rented for more than 15 days per year. The Budget assumes revenues of \$1.9 million; an additional \$0.5 million would be passed through to host municipalities like other hotel tax revenue.

This section changes the reporting date that regional tourism districts must submit their receipts and expenditure reports from the 1st of March and September to the 1st of February and August. This legislation also allows the tax administrator to withhold transfer of funds until regional districts are in compliance with the reporting requirement.

Section 3. Economic Development Corporation Project Status. The 2011 Assembly enacted legislation to rescind the authority for the Economic Development Corporation to grant project status, effective July 1, 2011. This section of Article 24 reinstates the Corporation's ability to grant this designation, effectively exempting certain transactions from sales taxes, to businesses that create 100 or more net new jobs. This would exclude retail and banking projects and the program would sunset on July 1, 2022. This section of the article takes effect July 1, 2012 and the Budget assumes a revenue loss of \$1.0 million.

Section 4. Tax Amnesty Program. This section of Article 24 provides for a 75-day tax amnesty effective September 1 through November 15, 2012 for all taxes owed for periods on or before December 31, 2011. Filers will not be subject to penalties or prosecution and will pay 12.0 percent interest from the date the taxes were owed until payment. Filers may enter into a tax payment plan with the tax administrator, or pay one-half of the amount owed immediately, 25.0 percent the following month, and 25.0 percent the month after that. The Budget assumes \$10.9 million in one-time revenues and expenditures of \$0.3 million for advertising expenses relating to the Tax Amnesty, making the net revenue impact \$10.6 million.

Sections 5 through 7. Sales Tax. Section 5 of the article increases the Meals and Beverage Tax from 1.0 cent to 3.0 cents of gross receipts from retail sales of meals and beverages in or from eating and/or drinking establishments. Municipalities will continue to receive their quarterly payment from the first 1.0 cent from the Division of Taxation but the additional 2.0 cents would be deposited as general revenues. Including the 7.0 percent sales tax, the total tax on meals and beverage would be 10.0 percent. The Budget assumes \$39.5 million in revenues from this.

Section 6 repeals the sales tax exemption on clothing and footwear that costs more than \$175 per item. It stipulates that in the event Congress enacts legislation to require remote sellers to collect and remit taxes, this tiered system would be repealed. Section 6 also adds several items to the sales and use tax, including taxicab and limousine and other road transportation, such as charter bus services; moving, storage and freight services; pet care services, but excludes veterinary services and laboratory testing; and car washes. Section 7 requires that any retailers who provide services to register with the tax administration and it also references the new definition of hotel.

These sections would be effective July 1, 2012 and the budget assumes a total revenue impact of \$67.8 million, including a revenue loss of \$1.8 million for noncompliance with the Streamlined Sales and Use Tax Agreement.

Sections 8 and 9. Tobacco Tax. Section 8 of Article 24 increases the maximum tax on cigars from \$0.50 to \$1.00 for each cigar. Cigars would continue to be taxed at 80 percent of cost; thus this affects

Explanations of Budget Articles

only cigars with a wholesale cost of more than \$0.625 per cigar. Section 9 includes an inventory tax on cigarettes on hand July 1 upon which the current rate of \$3.46 per pack had been paid for the tax stamps. Whenever rates change, a tax on the differential rate on existing inventory that had been taxed at the old rate is levied. This differential rate is often called an inventory or floor tax. Article 11 includes a floor tax adjustment of \$0.04 per stamped but unsold pack on hand at 12:01 a.m. on July 1, 2012. These sections have a combined revenue impact of \$2.2 million.

Section 10. Little Cigars. This section of Article 24 changes the definition of little cigars to ensure they remain subject to the cigarette sales tax. Currently, many little cigars exceed the weight threshold in statute, which allows them to be taxed like other cigars, which is 80.0 percent of their wholesale cost up to a maximum of \$0.50 per cigar. The Budget assumes new revenues of \$2.1 million from this change.

Sections 11 and 12. Motion Picture Tax Credit. Section 11 expands the definition of eligible motion picture production companies and decreases the minimum production budget, including pre and post production from \$300,000 to \$100,000. This section also transfers the final review and approval of tax credits from the Film and TV Office to the Department of Revenue, Division of Taxation. The legislation also sunsets the issuance of new credits on or after July 1, 2019. There is no change in the \$15 million cap on the program and thus no fiscal impact.

Section 13. Beverage Container Fee. Section 13 extends the \$0.04 per case litter control fee to all beverage containers. The current definition excludes sports drinks, fruit beverages and ready to drink tea and coffee. The legislation retains the exemption for milk containers. The Budget assumes \$0.2 million in revenues.

Section 14. Effective Date. This section establishes the effective date of the article as July 1, 2012.

Article 25. Division of Motor Vehicles

Article 25 would accelerate the incremental transportation related fee increases included by the 2011 Assembly so that they are fully implemented on January 1, 2013. The article also provides that the Department would use this funding in FY 2013 for operations, with these fees being divided between the Intermodal Surface Transportation Fund and the newly established Highway Maintenance Trust Fund beginning in FY 2014. The FY 2013 budget assumes \$13.6 million from these fees will be available to alleviate the Department's structural deficit. These fees will generate approximately \$20.0 million annually thereafter.

Article 25 would also impose a new \$100 fee for the re-inspection of a school bus, in the event the initial inspection failed; the Budget assumes \$58,650 from the imposition of this new fee.

Article 26. Municipalities

Sections 1 and 2. Distressed Communities Relief Fund. These sections of the article specify that \$784,458 of the appropriation in FY 2013 from the Distressed Communities Relief Fund shall be distributed equally to each qualifying distressed community. This provision is consistent with current

Explanations of Budget Articles

practice and has been included in past budgets. In FY 2012, eight communities received funding from this program and seven are qualified to receive distressed aid in FY 2013.

Section 3. Actuarial Valuations. Pension legislation adopted by the 2011 Assembly requires municipalities administering local plans to complete actuarial revaluations and to submit them to the study commission, with the state reimbursing communities for half the cost. Section 3 states that the state will reimburse municipalities for half of the cost of the actuarial valuations that are due on April 1, 2012. Subsequent annual actuarial valuations will not be reimbursed by the state. The FY 2012 budget includes \$234,000 for the reimbursements. The article takes effect upon passage.

Article 27. Historic Preservation Tax Trust Fund

This article transfers the Historic Tax Credit processing fee restricted receipt account from the General Fund to the Historic Preservation Credit Trust Fund to be in compliance with a ruling from the Governmental Accounting Standard Board Statement 54 pertaining to special revenues. On June 30, 2011, the Historic Tax Credit processing fee restricted receipt account had a balance of \$1.6 million.

Article 28. Central Falls

The Governor's FY 2012 revised budget includes \$2.6 million for the City of Central Falls to fund the agreement reached with the City's police and fire retirees. This article sets the restrictions on the use of the fund. If approved by the Assembly, the one-time expense would provide supplemental payments to the retirees, whose pensions were reduced by up to 55.0 percent before the bankruptcy from FY 2012 through FY 2016. The appropriation would allow the City to increase the payments up to an amount to less than 75.0 percent of the annual pension payments that the retirees had been receiving pre-bankruptcy. After this period, the retirees would receive the originally imposed pension reductions. If the General Assembly appropriates less than the requested \$2.6 million, each retiree's supplemental payment would be reduced by an equal percentage; however, a minimum of \$2.0 million is required for the agreement to be enforceable.

The article also amends current law to extend the maximum length of collective bargaining agreements for firefighters, police officers, certified school teachers and municipal employees from three to five years, in the cases where a receiver has been appointed.

The state incurred expenses for oversight costs pertaining to the receivership. These expenses totaled \$1.2 million through FY 2011. The City was billed for the oversight costs. The article states that the payment for the cost incurred shall be paid to the state no later than FY 2021. The article takes effect upon passage.

Article 29. Municipal Police Training Academy

Article 29 allows the director of the Department of Public Safety to establish a fee structure to finance the Municipal Police Training Academy. This article also creates a new Municipal Police Training Academy restricted receipt account which would be exempt from the 10.0 percent indirect cost recovery charge. The Governor's FY 2013 budget includes \$0.4 million from restricted receipts to fund the activities at the Training Academy. Article 29 is effective January 1, 2013; however, the

Explanations of Budget Articles

Governor's budget does not include any general revenue funding, thus it appears the budget is underfunded by approximately \$0.2 million.

Article 30. Environmental Management

Article 30 repeals the pollution monitoring system for point source discharges of municipally owned wastewater treatment facilities and the well drilling licensing program, both of which are administered by the Department of Environmental Management, effective July 1, 2012. The article requires that persons who wish to register as a contractor and perform well drilling must submit with their application proof that they are technically competent to perform well drilling. All individuals licensed as well drillers by the Department of Environmental Management as of June 30, 2012 will be deemed technically competent. The article also requires that the State Building Code be amended to include wells that are considered part of a building. The article assumes that eliminating these programs would result in a net savings to the state of \$130,890 in FY 2013, which assumes \$206,669 less to administer the programs and \$75,779 in lost user fees.

Article 31. Medicaid Global Waiver Resolution

Article 31 is a resolution to notify the Assembly and seek approval to make three changes to the Medicaid global waiver for programs under the Office of Health and Human Services. The change allows the state Medicaid agency to reduce, at its discretion, nursing home rates by no more than 1.8 percent in FY 2012 and FY 2013 to clarify that the reduction taken in FY 2010 impacted the base rate assumed for the facilities. The FY 2012 enacted budget assumed this reduction, but without this legislation it appears approximately \$5.9 million from all sources would be required in both years.

The changes also affect optional dental services to individuals 21 or older and add alternative benefits to encourage non-invasive approaches to address obesity issues and reduce hospital readmissions. These changes are considered category 2 and assume requiring statutory changes or changes to the state's rules and regulations.

Article 32. Medical Assistance Recoveries

Article 32 requires that any insurance liability or worker's compensation payment made to an individual who has received medical assistance benefits over \$500 and is \$3,000 or more will be recovered by the Office and Health and Human Services to pay for applicable expenses; and gives the right of subrogation to the executive office for the purposes of the recovery. The article also amends requirements to settle an estate that has not been admitted to probate by allowing the Office to place a lien through the land evidence records.

The article also requires notification to the Office of Health and Human Services, within ten days, by any individual receiving medical assistance who has transferred any real or personal property. It also adds a requirement that when a probate estate is opened, the executor or administrator must provide an affidavit to the Probate Court and to the Department stating that no Medicaid obligation or lien exists and includes the form that must be completed within 30 days of the Department's request.

Explanations of Budget Articles

Article 33. Holidays

Article 33 removes Election Day as a paid holiday for state employees. As required by existing collective bargaining unit contracts, the state will agree to add one additional day for personal leave. This is effective upon passage, and the budget assumes general revenue savings of \$0.6 million.

Article 34. Effective Date

Article 34 provides that the act shall take effect upon passage, except where a provision within an article specifies a retroactive or prospective effective date.

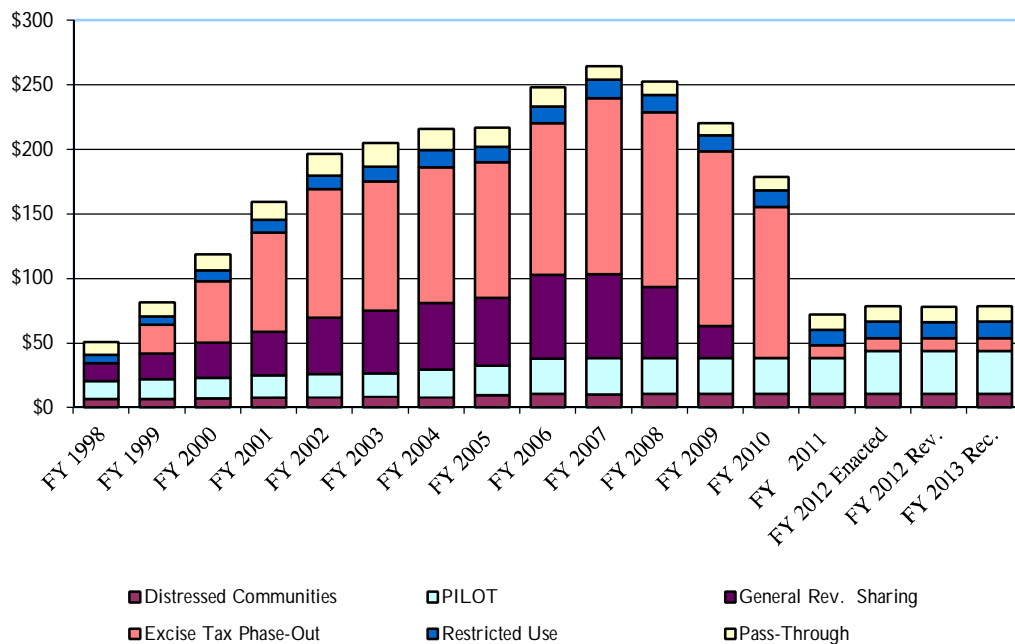
Local Aid

State Aid to Local Governments

Introduction

The Governor recommends state aid to cities and towns totaling \$66.3 million in both FY 2012 and FY 2013. Funding in FY 2012 and FY 2013 includes \$53.5 million for general aid programs, which is consistent with the enacted level. The recommendation includes \$12.8 million in FY 2012 and \$12.9 million in FY 2013 for restricted use programs. The FY 2012 recommendation includes \$234,000 for municipalities conducting actuarial valuations. Local communities will also receive \$11.8 million each year in public service corporation property taxes that the state collects and passes through to the communities.

The following graph shows historical funding data, in millions. The graph below also shows the allocation of funding for state aid programs from FY 1998 through FY 2013.



The major changes in the aid proposal are discussed on the following pages, followed by tables that show recommended distribution of general aid by community as well as each general aid program by community. There are also tables showing the distribution of library operating aid, which is considered restricted and not included in the general aid totals and public service corporations' tax collections, a local levy collected at the state level and returned to local governments for tax collection efficiency purposes.

- **General.** The Governor recommends \$53.5 million in both FY 2012 and FY 2013 for general state aid to local governments.

Fiscal Year	1990	2000	2005	2010	2011	2012 Enacted	2012 Gov. Rev.	Rev. Diff.	2013 Gov. Rec.	Rec. Diff.
General Aid - State Sources										
Distressed Communities*	\$ -	\$ 6.6	\$ 9.5	\$ 10.4	\$ 10.4	\$ 10.4	\$ 10.4	\$ -	\$ 10.4	\$ -
PILOT	0.3	16.1	22.7	27.6	27.6	33.1	33.1	-	33.1	-
General Rev. Sharing	27.8	27.6	52.4	-	-	-	-	-	-	-
Excise Tax Phase-Out	-	47.3	105.0	117.2	10.0	10.0	10.0	-	10.0	-
Subtotal	\$ 28.1	\$ 97.5	\$ 189.7	\$ 155.1	\$ 48.0	\$ 53.5	\$ 53.5	\$ -	\$ 53.5	\$ -
Restricted Use Aid - State Sources										
State Aid for Libraries	\$ 1.6	\$ 5.7	\$ 8.1	\$ 8.8	\$ 8.8	\$ 8.8	\$ 8.8	\$ -	\$ 8.8	\$ -
Library Const. Aid	1.3	1.6	2.5	2.6	2.5	2.8	2.8	-	2.5	(0.4)
Police & Fire Incentive	4.1	0.9	1.1	-	-	-	-	-	-	-
Prop. Reval. Reimb.	-	0.0	0.6	1.6	0.8	1.1	1.0	(0.1)	1.6	0.5
Actuarial Valuation	-	-	-	-	-	-	0.2	0.2	-	-
Subtotal	\$ 7.2	\$ 8.2	\$ 12.3	\$ 13.0	\$ 12.1	\$ 12.7	\$ 12.8	\$ 0.1	\$ 12.9	\$ 0.1
Total - State Sources	\$ 35.2	\$ 105.7	\$ 202.0	\$ 168.2	\$ 60.0	\$ 66.2	\$ 66.3	\$ 0.1	\$ 66.3	\$ 0.1
Other Aid - Pass-Through										
Public Service Corp.	\$ 9.9	\$ 12.8	\$ 14.6	\$ 10.2	\$ 11.8	\$ 11.8	\$ 11.8	\$ -	\$ 11.8	\$ -

- **Distressed Communities Relief Fund.** The Governor recommends \$10.4 million in FY 2013 to fund the Distressed Communities Relief Program at the enacted amount. Communities' aid distribution is based on updated qualifying tax levies. Updated data shows that Cranston now qualifies for distressed aid in FY 2013. Communities entering and exiting the program receive 50.0 percent of what would otherwise be full funding under the formula.

- **Payment in Lieu of Taxes Program.** The Governor recommends \$33.1 million to fund the Payment in Lieu of Taxes program at the enacted level. This program reimburses cities and towns for property taxes that would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law. Reimbursement is 27.0 percent of the forgone tax, subject to appropriation. Distributions to communities reflect updated data and a ratable reduction to the appropriation. The recommendation is \$8.6 million less than the current law allowance and represents a reimbursement of 21.4 percent of the value.

- **Motor Vehicle Excise Tax Phase-Out.** The Governor funds the Motor Vehicles Excise Tax program at the enacted amount of \$10.0 million. The 2010 Assembly enacted legislation mandating a \$500 exemption for which the state will reimburse municipalities an amount subject to appropriation. The legislation allows municipalities to provide an additional exemption; however, that additional exemption will not be subject to reimbursement.

- **Library Resource Sharing Aid.** The Governor recommends \$8.8 million to fund library operating aid at the enacted level. The recommendation for FY 2013 is \$1.1 million or 10.5 percent less than allowed under current law, which requires 25.0 percent reimbursement of second prior year expenditures. Community distributions reflect updated data and a ratable reduction to the appropriation.

- **Library Construction Aid.** The Governor provides \$2.8 million to fully fund library construction aid requirements in FY 2012 and \$2.5 million in FY 2013. 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 2011 Assembly adopted legislation to set a three-year moratorium on the acceptance of applications for library construction aid projects.

- **Property Valuation Reimbursement.** The Governor provides full funding of \$1.0 million in FY 2012 and \$1.6 million in FY 2013 to reimburse communities conducting property valuation updates.
- **Public Service Corporation Tax.** The FY 2012 and FY 2013 budgets assume the state will collect \$11.8 million of property taxes from public service corporations on behalf of municipalities and pass that back to them. The 2009 Assembly adopted the Governor's recommendation to freeze the tax rate applied to the tangible personal property of public service corporations at the FY 2008 rate.

State Aid

State aid can be classified into *general* state aid and *restricted use* aid. *General* aid payments made to municipalities can be used for general budget use or as reimbursement for costs incurred. Examples include: general revenue sharing, payments in lieu of taxes, distressed communities relief, and vehicle excise tax phase-out payments. The general purpose of these programs is to relieve pressure on local property taxes by providing revenues from the state's broad based taxes to local governments.

Restricted use aid includes payments made to a municipality for a specific purpose or payments to non-governmental entities providing a public service. These include library aid and police and fire incentive pay plan sharing. The largest source of restricted aid is education aid, which is not included here.

Pass-through aid in the form of the Public Service Corporation tax is a third category often listed as state aid. However, it is not paid for from state sources, but is actually a local levy collected at the state level and returned to local governments for tax collection efficiency purposes. It is not part of the state budget or funds.

General State Aid

Distressed Communities Relief Program. The Distressed Communities Relief program was established in 1990 to provide assistance to the communities with the highest property tax burdens relative to the wealth of the taxpayers.

Rankings	Central			Cranston	East Providence	North Providence	Pawtucket	West		
	Burrillville	Falls	Coventry					Providence	Warwick	Woonsocket
FY 2010										
Levy/Full Value	22	17	5	3	-	6	13	1	2	8
Per Capita Income 2000	7	1	11	10	-	19	4	2	6	3
Personal Income/Full Value	6	2	9	7	-	4	3	12	5	1
Full Value Per Capita	7	1	10	9	-	6	3	4	5	2
Qualifying Rankings	3	3	1	2	-	3	3	3	4	3
FY 2011										
Levy/Full Value	20	24	5	4	8	11	14	1	3	7
Per Capita Income 2000	7	1	11	10	5	19	4	2	6	3
Personal Income/Full Value	6	2	7	9	11	4	3	12	5	1
Full Value Per Capita	8	1	9	10	6	7	3	4	5	2
Qualifying Rankings	3	3	1	1	3	2	3	3	4	3
FY 2012										
Levy/Full Value	22	25	5	8	11	7	15	1	3	6
Per Capita Income 2000	6	1	11	9	7	10	4	2	5	3
Personal Income/Full Value	9	1	8	15	10	4	3	11	5	2
Full Value Per Capita	7	1	9	11	8	6	3	4	5	2
Qualifying Rankings	2	3	2	1	2	3	3	3	4	4
FY 2013										
Levy/Full Value	22	23	12	3	15	2	6	1	5	4
Per Capita Income 2000	10	1	12	7	8	9	4	3	5	2
Personal Income/Full Value	8	1	11	10	14	4	3	7	5	2
Full Value Per Capita	7	1	11	8	9	5	3	4	6	2
Qualifying Rankings	2	3	0	3	1	3	4	4	4	4

The 2005 Assembly increased eligibility for FY 2006 to any community falling into the lowest 20.0 percent for at least three of four indices to be eligible for assistance under the Distressed Communities Relief program.

Most funds are distributed based on the ratio of an eligible municipality's tax levy to the total tax levy of all eligible municipalities. However, when a new community qualifies, that community receives 50.0 percent of current law requirements the first year it qualifies. The remaining 50.0 percent is distributed to the other distressed communities proportionately. When a community falls out of the program, it receives a one-time transition payment of 50.0 percent of the prior year requirement exclusive of any reduction for first year qualification.

Dedicated funding for the program was from \$0.30 of the \$2.00 real estate transfer tax collected for each \$500 or fractional part of the purchase price of property sold, \$5.0 million from state appropriations, and 0.19 percent of all net terminal income from video lottery. The 2007 Assembly adopted the Governor's recommendation to convert the real estate conveyance portion to general revenues and make the program subject to appropriation. Distributions from only video lottery terminal revenues were shared equally among qualifying communities.

A majority of the funds, \$9.6 million is distributed on a weighted allocation and \$0.8 million is shared equally among the communities. For FY 2012, eight communities receive funding from this program.

For FY 2012, North Providence qualified for distressed aid and Burrillville and East Providence were disqualified for distressed aid.

The Governor recommends \$10.4 million in FY 2013 to fund the Distressed Communities Relief Program at the enacted amount. Communities' aid distribution is based on updated qualifying tax levies. Updated data shows that Cranston now qualifies for distressed aid in FY 2013. The FY 2012 distribution changed from the enacted assumption based on the effect on the formula from the increased Payment in Lieu of Taxes aid included as part of the enacted budget.

Payment in Lieu of Taxes (PILOT). This program reimburses cities and towns for property taxes, which would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law. Reimbursement is based on 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation.

The Governor recommends level funding the program in FY 2012 and FY 2013 at the enacted amount. Distributions to communities reflect updated data and a ratable reduction to the appropriation. The recommendation for FY 2013 is \$8.6 million less than the current law allowance of 27.0 percent and represents a reimbursement of 21.4 percent of the value.

General Revenue Sharing. Beginning in FY 1994, a portion of total state tax revenues from the second prior fiscal year have been earmarked as state aid to cities and towns and distributed based on per capita income and local tax burdens for public purposes. In the FY 1999 budget, the General Assembly began increasing the percentage of revenues dedicated to the General Revenue Sharing program as a mechanism for reimbursing municipalities for lost local revenues from the ten-year phase-out of the inventory tax. The law also provided that the percentage of second prior year tax collections dedicated to the program would increase on an annual basis through FY 2011 to a total of 4.7 percent.

The 2005 Assembly provided that 6.25 percent of the state share of video lottery net terminal income solely attributable to new machines at Lincoln and Newport be dedicated to the program, up to a maximum of \$10.0 million to non-distressed communities based on the proportion of the general revenue sharing distribution for that year. The 2006 Assembly converted that dedication to 0.10 percent of all net terminal income up to a maximum of \$10.0 million to non-distressed communities.

The 2006 Assembly fixed the FY 2007 appropriation at \$64.7 million to which the video lottery terminal revenues would be added for FY 2007 only and did not concur with the Governor's proposal to freeze the amount at 3.0 percent of the second prior year's general tax revenues, ending the phase-up to 4.7 percent. For FY 2008 the amount would be based upon 3.7 percent of the second prior year's general tax revenues.

The 2007 Assembly concurred with the Governor's proposal to freeze communities' FY 2008 aid payments at the FY 2007 level, and fix future amounts at 3.0 percent of tax revenues ending the phase-up. The 2008 Assembly provided \$55.1 million and changed the reference year data used for the distribution formula to be the same as used for FY 2008. This assured that each community received the same amount of aid in FY 2009 as it did in FY 2008.

The Governor's FY 2009 revised budget proposed suspending the state's appropriation for the General Revenue Sharing payments to communities in FY 2009. He then submitted an amendment to restore \$31.0 million with the availability of federal stimulus funds. The Assembly did not concur and provided \$25.0 million to fund the program in FY 2009, distributed proportionally on the same basis as the original enactment.

The 2009 Assembly concurred with the Governor's recommendation to subject the program permanently to appropriation; delete the requirement for a distribution of 3.0 percent of second prior year state tax revenues for FY 2010 and each year thereafter. No funding was provided in FY 2010. It has not been funded since.

The Governor does not reinstate this program in FY 2012 and FY 2013.

Motor Vehicle Excise Tax Phase-Out. The 1998 General Assembly enacted legislation to eliminate the property tax on motor vehicles and trailers over a period of seven years. It was modified in subsequent legislative sessions to substantially extend the phase-out period. It began with a \$1,500 exemption for FY 2000 tax bills that increased by \$1,000 per year to the FY 2005 amount of \$4,500. Cities and towns are held harmless for the exemptions and are reimbursed on the basis of 100 percent collections. They also received adjustments for freezing tax rates at the FY 1998 level through FY 2003. Fire districts were no longer allowed to levy motor vehicle excise taxes, and were fully reimbursed for the lost revenues.

The 2005 Assembly increased the exemption from \$4,500 to \$5,000 per vehicle for FY 2006 and dedicated certain future revenues from video lottery terminals to phase out the tax. The 2006 Assembly increased the exemptions to \$6,000 and converted that dedication to 1.22 percent of *all* net terminal income up to \$10.0 million per year.

The 2007 Assembly provided \$135.5 million to fund the car tax phase-out for FY 2008 with a \$6,000 exemption consistent with current law and updated data. The 2008 Assembly provided \$139.6 million to fund the car tax phase-out for FY 2009, and adopted the Governor's recommendation to permanently reduce the Motor Vehicle Excise Tax reimbursements to 98.0 percent of the calculated value beginning

with FY 2008. The 2009 Assembly provided \$135.3 million to fund the program and maintained the \$6,000 exemption.

The Governor included legislation in his FY 2010 revised budget to eliminate the third and the fourth quarter reimbursements to municipalities, and would allow municipalities to levy a supplemental tax to capture the loss of the reimbursement for FY 2010, subject to certification from the Department of Revenue, and an affirmative vote of at least four-fifths of the full membership of the municipal's governing body. Exemptions in FY 2011 and thereafter, would be subject to the annual appropriations act.

The Assembly had not taken action on the Governor's budget and the third quarter payment, which was due on February 1, was made. The Assembly provided a total of \$117.2 million to fund the program at 88.0 percent of the amount that would have been due in FY 2010.

For fiscal year 2011 and thereafter, the Assembly enacted legislation that mandates a \$500 exemption for which the state will reimburse municipalities an amount subject to appropriation. The legislation further allows municipalities to provide an additional exemption that would not be subject to reimbursement. The Assembly removed the statutory limitation on taxing the difference in the event that the value of a vehicle is higher than assessed in the prior fiscal year. It allowed motor vehicle rates and ratios of assessment to be less than earlier levels, which were frozen. The Assembly also restored the authority for fire districts to levy a motor vehicles excise tax and excluded them from reimbursements.

The Governor recommends \$10.0 million in FY 2012 and FY 2013 to level fund the program at the enacted amount.

Restricted Use State Aid

State Support for Public Libraries. State law requires that the state provide financial support to public libraries, which remained relatively stable for the period from FY 1991 through FY 1997. In FY 1998, the General Assembly appropriated an additional \$1.0 million to begin increasing funding to meet the requirement of 25.0 percent for the grants-in-aid program by FY 2000. The statute requires an amount equal to 25.0 percent of second prior fiscal year local expenditures for library services as grants-in-aid. The same requirement applies to institutional libraries, but that funding is not shown in these tables as local aid. Additionally, the state is required to fund 100 percent of the administrative and operating costs of the Rhode Island Library Network.

The 2003 Assembly amended the legislation to allow Providence Public Library endowment funding to be considered local effort with the annual amount that may be included for endowment funds capped at 6.0 percent of the three-year average market value of the endowment, calculated at the end of the calendar year. The 2004 Assembly further amended the laws to extend that to all libraries.

The 2008 Assembly concurred with the Governor's recommendation to provide \$8.8 million for FY 2009 library operating aid. The Assembly also enacted legislation to reduce the maintenance of effort requirement for municipalities to provide library services to at least 80.0 percent of the previous year for just FY 2009. The 2009 Assembly enacted legislation to continue allowing communities to meet the 80.0 percent maintenance of effort for libraries to qualify for state library aid.

The chief library officer annually determines each municipality's compliance with the maintenance of effort by comparing appropriation and expenditure amounts as reported by the libraries or the

municipalities. In the event that a municipality has failed to meet the maintenance of effort requirement, the chief library officer will notify the municipality that it is not eligible for a state grant in aid. A municipality that is deemed ineligible may request a waiver from the requirement by submitting a letter to the chief library officer.

The Governor recommends \$8.8 million in both FY 2012 and FY 2013 to level fund library operating aid at the enacted level. The recommendation for FY 2012 is \$1.1 million or 10.5 percent less than allowed under current law. Community distributions reflect updated data and a ratable reduction to the appropriation.

Library Construction Aid. The Rhode Island General Laws establish a library construction aid program, which is administered by the Office of Library and Information Services. The statute provides the authority to make grants-in-aid to a municipality or a free public library for the construction or capital improvements of any free public library designed to provide better services to the public.

The state grants-in-aid are limited to a maximum of 50.0 percent of the total eligible costs as determined by the Office of Library and Information Services. The grants are paid on an installment basis for a period up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project. During the repayment period, the state share can include the costs of interest on the state share of the project costs if the municipality or free public library was required to borrow the state's share of the project costs.

Reimbursable costs also include any cost of borrowing for the state share during the construction period. Examples of costs not eligible for state funds include the cost of fundraising by the municipality or the free library or the costs of public relations. In a case where the library is a component of local government, payments are made to the municipality. Payments for free public libraries are made directly to the libraries.

Library construction aid is considered indirect aid for two reasons. Firstly, payments are not necessarily made to a local government; some are made directly to free public libraries. Thus, funding cannot entirely be considered traditional local aid. Secondly, funds are targeted for specific use and are not for general support of the local government or free library budget.

The 2011 Assembly adopted legislation to set a three-year moratorium on the acceptance of applications for library construction aid projects.

The Governor provides full funding of \$2.8 million in FY 2012 and \$2.5 million in FY 2013 to fund library construction aid.

State and Municipal Police Incentive Pay. The Rhode Island General Laws establish the Municipal Police Incentive Pay program. The purpose is to provide financial compensation to members of the state, city and town police departments, sheriffs and deputy sheriffs, members of the Rhode Island marshals' unit, Rhode Island capitol police, park police and conservation officers of the Division of Enforcement in the Department of Environmental Management, and the state fire marshal and deputy fire marshals who have earned college credits in the field of police work.

The amount of the incentive is based on a point system, which is related to the individual's level of educational attainment. The state payments go directly to the municipalities which, in turn, make payments to the participants in the program.

Prior to FY 2009, the state paid a stipend to police officers who have earned college credits in the field of police work. In response to Governor Carcieri's proposal to eliminate the programs, the 2009 Assembly maintained it in the general laws; however, provided no funding. Municipalities are still required to reimburse police officers for eligible expenses incurred in earning the credits, which were \$0.5 million in FY 2009 and \$0.7 million in FY 2010.

The Governor does not recommend reinstating funding for this program in FY 2012 and FY 2013.

Municipal Firefighters Incentive Pay. The Rhode Island General Laws establish a Municipal Firefighters Incentive Pay program. The purpose of this program is to provide financial compensation to members of the municipal fire departments and fire districts, the Cumberland Rescue Department and emergency service technicians of the Town of Lincoln who have furthered their education at the college level.

The amount of the incentive is based on a point system, which is related to the individual's level of educational attainment. The state payments go directly to the municipalities which, in turn, make payments to the participants in the program.

Prior to FY 2009, the state paid a stipend to firefighters who have earned college credits in the field of fire science. In response to Governor Carcieri's proposal to eliminate the program, the 2009 Assembly maintained it in the general laws; however, provided no funding. Current law does not require that municipalities reimburse firefighters for eligible expenses; however, some municipalities do so voluntarily and those expenses were \$45,000 in FY 2009.

The Governor does not recommend reinstating funding for this program in FY 2012 and FY 2013.

Property Valuation Reimbursement. Section 44-5-11.6 of the Rhode Island General Laws requires that municipalities update property valuations using statistical techniques every third and sixth year after a full revaluation. The statute also requires that the state reimburse municipalities for 100 percent of the costs for the first update at a rate not to exceed \$20 per parcel. Reimbursement for future updates declines based on a defined schedule in the General Laws.

The Governor recommends \$1.0 million in FY 2012, \$0.1 million less than enacted and \$1.6 million for FY 2013 to fully fund reimbursements.

Actuarial Valuations. Pension legislation adopted by the 2011 Assembly requires municipalities administering local plans to complete actuarial reviews and to submit them to the study commission, with the state reimbursing communities for half the cost. The Governor includes legislation in Article 26 of 2012-H 7323, clarifying that the state will reimburse municipalities for half of the cost of the actuarial valuations that are due on April 1, 2012. Subsequent annual actuarial valuations will not be reimbursed by the state. The FY 2012 budget includes \$234,000 for the reimbursements.

Pass-Through Revenues

Public Service Corporation Tax. The FY 2012 and FY 2013 budgets assume the state will collect \$11.8 million of property taxes from public service corporations on behalf of municipalities and pass that back to them. The Assembly concurred with the Governor's proposal included in 2009-H 5019 Substitute A, as amended to freeze the tax rate applied to the tangible personal property of public

service corporations at the FY 2008 rates. Annual tax collections had dropped from \$16.6 million in FY 2004 to \$10.2 million in FY 2010.

Under Section 44-13-13 of the Rhode Island General Laws, the tangible personal property of telegraph, cable, and telecommunications corporations and express corporations used exclusively in conducting business for the corporation is exempt from local taxation, but is subject to taxation by the state. Tangible personal property includes lines, cables, ducts, pipes, machines and machinery, and equipment.

By March 1st of each year, companies are required to declare the value of their tangible personal property to the Division of Taxation. The Division of Taxation uses this data to calculate the taxes due from each company. The calculation is based on the average assessment ratios in the state and the average property tax rate. Funds are collected by the Division and distributed as prescribed in statute. The statewide average assessment ratio is the total statewide assessment divided by the total book value. The average property tax is calculated as the total statewide levy divided by the statewide assessment. Funds collected by the state from this tax are distributed to cities and towns on the basis of the ratio of city or town population to the population of the state as a whole. It should be noted that, while this category of state aid is displayed in the tables later in this report, the funds are not appropriated by the General Assembly.

Other Local Revenues

Meals and Beverage. The 2003 Assembly enacted a one percent additional tax on gross receipts from sale of food and beverages sold in or from eating and drinking establishments effective August 1, 2003. Meals are defined as sold ready for immediate consumption, regardless of when or where consumed. Eating establishments are defined to include all entities preparing these foods, including caterers. The Division of Taxation collects the tax and distributes it to the city or town where the meals and beverages were delivered.

The Governor proposes legislation to increase the meals and beverage tax from 1.0 cent to 3.0 cents of gross receipts from retail sales of meals and beverages in or from eating and/or drinking establishments. His budget assumes \$39.5 million in revenues from this change, which would be deposited as general revenues. The Governor indicates this allows him to recommend full funding of the education aid formula and accelerated funding to certain underfunded districts.

Hotel Tax. The 2004 Assembly enacted a one percent additional tax on occupancy charges effective January 1, 2005. The tax is paid by anyone receiving monetary charge for occupancy of any space furnished in buildings or structures with a minimum of three rooms that are kept, used, maintained, advertised as or held out to the public to be a space where living quarters are supplied for pay to transient use (generally less than 31 days). The Division of Taxation collects the tax for all except the city of Newport and distributes it to the city or town where the occupancy occurred.

The Governor proposes legislation to subject rentals of vacation homes and rooms at bed and breakfast inns with at least one bedroom for rent to the state's occupancy tax of 5.0 percent, the local occupancy tax of 1.0 percent and the state sales tax of 7.0 percent. Rentals would include those that are rented for more than 15 days per year. His budget assumes revenues of \$1.9 million; an additional \$0.5 million would be passed through to host municipalities like other hotel tax revenue.

For additional information, the tables at the end of this section show recent distribution from these sources.

Distribution by Community

General Aid Total

Includes Distressed Communities, PILOT, and Motor Vehicles Excise Tax

<i>Community</i>	<i>FY 2011</i>	<i>FY 2012 Enacted</i>	<i>FY 2012 Revised</i>	<i>Revised Difference</i>
Barrington	\$ 294,192	\$ 299,458	\$ 299,458	\$ -
Bristol	697,446	832,543	832,543	-
Burrillville	769,016	573,846	573,846	-
Central Falls	371,025	401,735	400,398	(1,337)
Charlestown	41,218	41,218	41,218	-
Coventry	225,597	225,597	225,597	-
Cranston	5,191,475	5,758,680	5,758,680	-
Cumberland	216,622	216,637	216,637	-
East Greenwich	131,077	132,203	132,203	-
East Providence	1,293,740	1,355,956	1,355,956	-
Exeter	82,437	82,437	82,437	-
Foster	69,750	69,808	69,808	-
Glocester	94,919	94,919	94,919	-
Hopkinton	65,621	65,621	65,621	-
Jamestown	36,685	36,685	36,685	-
Johnston	382,377	382,377	382,377	-
Lincoln	236,662	236,662	236,662	-
Little Compton	23,548	23,548	23,548	-
Middletown	89,262	89,262	89,262	-
Narragansett	95,791	95,791	95,791	-
Newport	971,841	1,071,593	1,071,593	-
New Shoreham	8,132	8,132	8,132	-
North Kingstown	234,003	230,181	230,181	-
North Providence	1,317,007	1,479,595	1,476,380	(3,215)
North Smithfield	173,847	173,847	173,847	-
Pawtucket	2,559,462	2,634,322	2,624,850	(9,472)
Portsmouth	109,483	109,483	109,483	-
Providence	25,827,727	29,871,643	29,896,872	25,229
Richmond	60,200	60,200	60,200	-
Scituate	127,207	127,207	127,207	-
Smithfield	711,000	815,173	815,173	-
South Kingstown	296,393	332,795	332,795	-
Tiverton	108,700	108,700	108,700	-
Warren	82,773	82,773	82,773	-
Warwick	2,114,127	2,397,800	2,397,800	-
Westerly	340,736	359,417	359,417	-
West Greenwich	49,532	49,532	49,532	-
West Warwick	1,149,433	1,124,125	1,118,339	(5,786)
Woonsocket	1,314,806	1,413,369	1,407,950	(5,419)
Total	\$ 47,964,867	\$ 53,464,867	\$ 53,464,867	\$ -

General Aid Total

Includes Distressed Communities, PILOT, and Motor Vehicles Excise Tax

<i>Community</i>	<i>FY 2012 Enacted</i>	<i>FY 2013 Gov. Rec.</i>	<i>FY 2013 Rec. to Enacted</i>	<i>FY 2012 Rec. to FY 2012 Rev.</i>
Barrington	\$ 299,458	\$ 284,044	\$ (15,414)	\$ (15,414)
Bristol	832,543	790,205	(42,338)	(42,338)
Burrillville	573,846	323,682	(250,164)	(250,164)
Central Falls	401,735	397,028	(4,707)	(3,370)
Charlestown	41,218	41,218	-	-
Coventry	225,597	225,597	-	-
Cranston	5,758,680	6,708,514	949,834	949,834
Cumberland	216,637	216,609	(28)	(28)
East Greenwich	132,203	288,083	155,880	155,880
East Providence	1,355,956	608,283	(747,673)	(747,673)
Exeter	82,437	82,437	-	-
Foster	69,808	69,768	(40)	(40)
Glocester	94,919	94,919	-	-
Hopkinton	65,621	65,621	-	-
Jamestown	36,685	36,685	-	-
Johnston	382,377	382,377	-	-
Lincoln	236,662	236,662	-	-
Little Compton	23,548	23,548	-	-
Middletown	89,262	89,262	-	-
Narragansett	95,791	95,791	-	-
Newport	1,071,593	1,044,183	(27,410)	(27,410)
New Shoreham	8,132	8,132	-	-
North Kingstown	230,181	230,059	(122)	(122)
North Providence	1,479,595	1,904,635	425,040	428,255
North Smithfield	173,847	173,847	-	-
Pawtucket	2,634,322	2,480,286	(154,036)	(144,564)
Portsmouth	109,483	109,483	-	-
Providence	29,871,643	29,882,983	11,340	(13,889)
Richmond	60,200	60,200	-	-
Scituate	127,207	127,207	-	-
Smithfield	815,173	779,098	(36,075)	(36,075)
South Kingstown	332,795	323,435	(9,360)	(9,360)
Tiverton	108,700	108,700	-	-
Warren	82,773	82,773	-	-
Warwick	2,397,800	2,307,128	(90,672)	(90,672)
Westerly	359,417	349,102	(10,314)	(10,314)
West Greenwich	49,532	49,532	-	-
West Warwick	1,124,125	1,041,849	(82,276)	(76,490)
Woonsocket	1,413,369	1,341,903	(71,466)	(66,047)
Total	\$ 53,464,867	\$ 53,464,867	\$ -	\$ -

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2011</i>	<i>FY 2012 Enacted</i>	<i>FY 2012 Revised</i>	<i>Revised Difference</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-
Burrillville	487,734	243,867	243,867	-
Central Falls	267,537	293,509	292,172	(1,337)
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	-	-	-	-
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	757,468	757,468	757,468	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	-	-	-	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	510,516	624,043	620,828	(3,215)
North Smithfield	-	-	-	-
Pawtucket	1,517,274	1,534,272	1,524,800	(9,472)
Portsmouth	-	-	-	-
Providence	5,111,934	5,143,906	5,169,135	25,229
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	925,500	900,192	894,406	(5,786)
Woonsocket	806,495	887,201	881,782	(5,419)
Total	\$ 10,384,458	\$ 10,384,458	\$ 10,384,458	\$ -

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2012 Enacted</i>	<i>FY 2013 Gov. Rec.</i>	<i>FY 2013 Rec. to Enacted</i>	<i>FY 2013 Rec. to FY 2012 Rev.</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-
Burrillville	243,867	-	(243,867)	(243,867)
Central Falls	293,509	289,707	(3,802)	(2,465)
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	-	1,201,480	1,201,480	1,201,480
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	757,468	-	(757,468)	(757,468)
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	-	-	-	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	624,043	1,025,738	401,695	404,910
North Smithfield	-	-	-	-
Pawtucket	1,534,272	1,416,751	(117,521)	(108,049)
Portsmouth	-	-	-	-
Providence	5,143,906	4,804,334	(339,572)	(364,801)
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	900,192	817,916	(82,276)	(76,490)
Woonsocket	887,201	828,531	(58,670)	(53,251)
Total	\$ 10,384,458	\$ 10,384,458	\$ -	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2011</i>	<i>FY 2012 Enacted</i>	<i>FY 2012 Revised</i>	<i>Revised Difference</i>
Barrington	\$ 48,984	\$ 54,250	\$ 54,250	\$ -
Bristol	580,241	715,338	715,338	-
Burrillville	66,573	115,270	115,270	-
Central Falls	19,158	23,896	23,896	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	4,239,850	4,807,055	4,807,055	-
Cumberland	109	124	124	-
East Greenwich	7,599	8,725	8,725	-
East Providence	91,188	153,404	153,404	-
Exeter	-	-	-	-
Foster	417	475	475	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	833,229	932,981	932,981	-
New Shoreham	-	-	-	-
North Kingstown	5,803	1,981	1,981	-
North Providence	456,364	505,425	505,425	-
North Smithfield	-	-	-	-
Pawtucket	377,406	435,268	435,268	-
Portsmouth	-	-	-	-
Providence	19,097,871	23,109,815	23,109,815	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	429,064	533,237	533,237	-
South Kingstown	124,230	160,632	160,632	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	957,595	1,241,268	1,241,268	-
Westerly	110,040	128,720	128,720	-
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	134,688	152,545	152,545	-
Total	\$ 27,580,409	\$ 33,080,409	\$ 33,080,409	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2012 Enacted</i>	<i>FY 2013 Gov. Rec.</i>	<i>FY 2013 Rec. to Enacted</i>	<i>FY 2013 Rec. to FY 2012 Rev.</i>
Barrington	\$ 54,250	\$ 38,836	\$ (15,414)	\$ (15,414)
Bristol	715,338	673,000	(42,338)	(42,338)
Burrillville	115,270	108,973	(6,297)	(6,297)
Central Falls	23,896	22,991	(905)	(905)
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	4,807,055	4,555,409	(251,646)	(251,646)
Cumberland	124	96	(28)	(28)
East Greenwich	8,725	164,605	155,880	155,880
East Providence	153,404	163,199	9,795	9,795
Exeter	-	-	-	-
Foster	475	435	(40)	(40)
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	932,981	905,571	(27,410)	(27,410)
New Shoreham	-	-	-	-
North Kingstown	1,981	1,859	(122)	(122)
North Providence	505,425	528,770	23,345	23,345
North Smithfield	-	-	-	-
Pawtucket	435,268	398,753	(36,515)	(36,515)
Portsmouth	-	-	-	-
Providence	23,109,815	23,460,727	350,912	350,912
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	533,237	497,162	(36,075)	(36,075)
South Kingstown	160,632	151,272	(9,360)	(9,360)
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	1,241,268	1,150,596	(90,672)	(90,672)
Westerly	128,720	118,406	(10,314)	(10,314)
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	152,545	139,749	(12,796)	(12,796)
Total	\$ 33,080,409	\$ 33,080,409	\$ -	\$ -

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2011</i>	<i>FY 2012 Enacted</i>	<i>FY 2012 Revised</i>	<i>Revised Difference</i>
Barrington	\$ 245,208	\$ 245,208	\$ 245,208	\$ -
Bristol	117,205	117,205	117,205	-
Burrillville	214,709	214,709	214,709	-
Central Falls	84,330	84,330	84,330	-
Charlestown	41,218	41,218	41,218	-
Coventry	225,597	225,597	225,597	-
Cranston	951,625	951,625	951,625	-
Cumberland	216,513	216,513	216,513	-
East Greenwich	123,478	123,478	123,478	-
East Providence	445,084	445,084	445,084	-
Exeter	82,437	82,437	82,437	-
Foster	69,333	69,333	69,333	-
Glocester	94,919	94,919	94,919	-
Hopkinton	65,621	65,621	65,621	-
Jamestown	36,685	36,685	36,685	-
Johnston	382,377	382,377	382,377	-
Lincoln	236,662	236,662	236,662	-
Little Compton	23,548	23,548	23,548	-
Middletown	89,262	89,262	89,262	-
Narragansett	95,791	95,791	95,791	-
Newport	138,612	138,612	138,612	-
New Shoreham	8,132	8,132	8,132	-
North Kingstown	228,200	228,200	228,200	-
North Providence	350,127	350,127	350,127	-
North Smithfield	173,847	173,847	173,847	-
Pawtucket	664,782	664,782	664,782	-
Portsmouth	109,483	109,483	109,483	-
Providence	1,617,922	1,617,922	1,617,922	-
Richmond	60,200	60,200	60,200	-
Scituate	127,207	127,207	127,207	-
Smithfield	281,936	281,936	281,936	-
South Kingstown	172,163	172,163	172,163	-
Tiverton	108,700	108,700	108,700	-
Warren	82,773	82,773	82,773	-
Warwick	1,156,532	1,156,532	1,156,532	-
Westerly	230,696	230,696	230,696	-
West Greenwich	49,532	49,532	49,532	-
West Warwick	223,933	223,933	223,933	-
Woonsocket	373,623	373,623	373,623	-
Total	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ -

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2012 Enacted</i>	<i>FY 2013 Gov. Rec.</i>	<i>FY 2013 Rec. to Enacted</i>	<i>FY 2013 Rec. to FY 2012 Rev.</i>
Barrington	\$ 245,208	\$ 245,208	\$ -	\$ -
Bristol	117,205	117,205	-	-
Burrillville	214,709	214,709	-	-
Central Falls	84,330	84,330	-	-
Charlestown	41,218	41,218	-	-
Coventry	225,597	225,597	-	-
Cranston	951,625	951,625	-	-
Cumberland	216,513	216,513	-	-
East Greenwich	123,478	123,478	-	-
East Providence	445,084	445,084	-	-
Exeter	82,437	82,437	-	-
Foster	69,333	69,333	-	-
Glocester	94,919	94,919	-	-
Hopkinton	65,621	65,621	-	-
Jamestown	36,685	36,685	-	-
Johnston	382,377	382,377	-	-
Lincoln	236,662	236,662	-	-
Little Compton	23,548	23,548	-	-
Middletown	89,262	89,262	-	-
Narragansett	95,791	95,791	-	-
Newport	138,612	138,612	-	-
New Shoreham	8,132	8,132	-	-
North Kingstown	228,200	228,200	-	-
North Providence	350,127	350,127	-	-
North Smithfield	173,847	173,847	-	-
Pawtucket	664,782	664,782	-	-
Portsmouth	109,483	109,483	-	-
Providence	1,617,922	1,617,922	-	-
Richmond	60,200	60,200	-	-
Scituate	127,207	127,207	-	-
Smithfield	281,936	281,936	-	-
South Kingstown	172,163	172,163	-	-
Tiverton	108,700	108,700	-	-
Warren	82,773	82,773	-	-
Warwick	1,156,532	1,156,532	-	-
Westerly	230,696	230,696	-	-
West Greenwich	49,532	49,532	-	-
West Warwick	223,933	223,933	-	-
Woonsocket	373,623	373,623	-	-
Total	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -

Library Aid

<i>City or Town</i>	<i>Final</i>	<i>FY 2012 Enacted**</i>	<i>FY 2012 Revised</i>	<i>Revised Difference</i>
Barrington	\$ 323,140	\$ 332,622	\$ 332,622	\$ -
Bristol	106,449	119,255	119,255	-
Burrillville	124,196	124,048	124,048	-
Central Falls	76,712	62,301	62,301	-
Charlestown	46,444	47,345	47,345	-
Coventry	198,364	203,149	203,149	-
Cranston	564,855	530,519	530,519	-
Cumberland	242,455	266,209	266,209	-
East Greenwich	107,800	111,399	111,399	-
East Providence	454,240	395,804	395,804	-
Exeter	32,685	40,392	40,392	-
Foster	34,283	31,425	31,425	-
Glocester	68,546	70,178	70,178	-
Hopkinton	28,903	29,512	29,512	-
Jamestown	76,368	77,618	77,618	-
Johnston	96,481	110,371	110,371	-
Lincoln	179,391	186,608	186,608	-
Little Compton	26,702	28,295	28,295	-
Middletown	123,398	126,526	126,526	-
Narragansett	113,169	123,812	123,812	-
Newport	364,548	377,002	377,002	-
New Shoreham	94,072	73,576	73,576	-
North Kingstown	246,625	257,813	257,813	-
North Providence	154,613	163,008	163,008	-
North Smithfield	61,584	63,053	63,053	-
Pawtucket	398,156	365,315	365,315	-
Portsmouth	99,917	102,565	102,565	-
Providence*	2,276,903	2,337,393	2,337,393	-
Richmond	21,874	22,762	22,762	-
Scituate	92,532	94,735	94,735	-
Smithfield	254,642	267,131	267,131	-
South Kingstown	205,999	203,044	203,044	-
Tiverton	90,485	76,399	76,399	-
Warren	51,162	52,283	52,283	-
Warwick	657,409	638,711	638,711	-
Westerly	287,122	269,310	269,310	-
West Greenwich	24,649	26,493	26,493	-
West Warwick	171,415	173,748	173,748	-
Woonsocket	195,110	191,671	191,671	-
Total	\$ 8,773,398	\$ 8,773,398	\$ 8,773,398	\$ -

*Includes the Statewide Reference Library Resource Grant.

**Recommended distribution reflects last year's data; updated data changes enacted distribution.

Library Aid

<i>City or Town</i>	<i>FY 2012 Enacted**</i>	<i>FY 2013 Gov. Rec.</i>	<i>FY 2013 Rec. to Enacted</i>	<i>FY 2013 Rec. to FY 2012 Rev.</i>
Barrington	\$ 332,622	334,107	1,485	1,485
Bristol	119,255	118,895	(360)	(360)
Burrillville	124,048	125,987	1,939	1,939
Central Falls	62,301	47,079	(15,222)	(15,222)
Charlestown	47,345	47,128	(217)	(217)
Coventry	203,149	207,369	4,220	4,220
Cranston	530,519	524,404	(6,115)	(6,115)
Cumberland	266,209	264,240	(1,969)	(1,969)
East Greenwich	111,399	114,121	2,722	2,722
East Providence	395,804	416,425	20,621	20,621
Exeter	40,392	40,082	(310)	(310)
Foster	31,425	29,625	(1,800)	(1,800)
Glocester	70,178	69,879	(299)	(299)
Hopkinton	29,512	29,999	487	487
Jamestown	77,618	79,139	1,521	1,521
Johnston	110,371	111,963	1,592	1,592
Lincoln	186,608	189,340	2,732	2,732
Little Compton	28,295	28,078	(217)	(217)
Middletown	126,526	128,935	2,409	2,409
Narragansett	123,812	121,555	(2,257)	(2,257)
Newport	377,002	374,002	(3,000)	(3,000)
New Shoreham	73,576	73,011	(565)	(565)
North Kingstown	257,813	257,842	29	29
North Providence	163,008	164,384	1,376	1,376
North Smithfield	63,053	62,569	(484)	(484)
Pawtucket	365,315	369,002	3,687	3,687
Portsmouth	102,565	102,367	(198)	(198)
Providence*	2,337,393	2,292,590	(44,803)	(44,803)
Richmond	22,762	24,829	2,067	2,067
Scituate	94,735	94,008	(727)	(727)
Smithfield	267,131	265,315	(1,816)	(1,816)
South Kingstown	203,044	196,594	(6,450)	(6,450)
Tiverton	76,399	91,928	15,529	15,529
Warren	52,283	51,832	(451)	(451)
Warwick	638,711	662,952	24,241	24,241
Westerly	269,310	270,491	1,181	1,181
West Greenwich	26,493	26,290	(203)	(203)
West Warwick	173,748	171,858	(1,890)	(1,890)
Woonsocket	191,671	193,184	1,513	1,513
Total	\$ 8,773,398	\$ 8,773,398	\$ -	\$ -

*Includes the Statewide Reference Library Resource Grant.

**Recommended distribution reflects last year's data; updated data changes enacted distribution.

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2011</i>	<i>FY 2012 Enacted</i>	<i>FY 2012 Revised</i>	<i>Revised Difference</i>
Barrington	\$ 183,789	\$ 183,789	\$ 183,789	\$ -
Bristol	250,908	250,908	250,908	-
Burrillville	186,455	186,455	186,455	-
Central Falls	210,526	210,526	210,526	-
Charlestown	90,899	90,899	90,899	-
Coventry	392,965	392,965	392,965	-
Cranston	901,294	901,294	901,294	-
Cumberland	386,610	386,610	386,610	-
East Greenwich	150,021	150,021	150,021	-
East Providence	546,338	546,338	546,338	-
Exeter	70,967	70,967	70,967	-
Foster	51,057	51,057	51,057	-
Glocester	118,694	118,694	118,694	-
Hopkinton	90,134	90,134	90,134	-
Jamestown	61,563	61,563	61,563	-
Johnston	321,852	321,852	321,852	-
Lincoln	248,017	248,017	248,017	-
Little Compton	39,662	39,662	39,662	-
Middletown	180,392	180,392	180,392	-
Narragansett	185,510	185,510	185,510	-
Newport	263,968	263,968	263,968	-
New Shoreham	11,642	11,642	11,642	-
North Kingstown	299,817	299,817	299,817	-
North Providence	368,297	368,297	368,297	-
North Smithfield	129,864	129,864	129,864	-
Pawtucket	809,361	809,361	809,361	-
Portsmouth	190,009	190,009	190,009	-
Providence	1,933,712	1,933,712	1,933,712	-
Richmond	86,006	86,006	86,006	-
Scituate	122,080	122,080	122,080	-
Smithfield	238,524	238,524	238,524	-
South Kingstown	328,399	328,399	328,399	-
Tiverton	167,658	167,658	167,658	-
Warren	122,575	122,575	122,575	-
Warwick	953,420	953,420	953,420	-
Westerly	264,339	264,339	264,339	-
West Greenwich	71,900	71,900	71,900	-
West Warwick	329,895	329,895	329,895	-
Woonsocket	487,868	487,868	487,868	-
Total	\$ 11,846,987	\$ 11,846,987	\$ 11,846,987	\$ -

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2012 Enacted</i>	<i>FY 2013 Gov. Rec.</i>	<i>FY 2013 Rec. to Enacted</i>	<i>FY 2012 Rev. to FY 2013 Rec.</i>
Barrington	\$ 183,789	\$ 183,789	\$ -	\$ -
Bristol	250,908	250,908	-	-
Burrillville	186,455	186,455	-	-
Central Falls	210,526	210,526	-	-
Charlestown	90,899	90,899	-	-
Coventry	392,965	392,965	-	-
Cranston	901,294	901,294	-	-
Cumberland	386,610	386,610	-	-
East Greenwich	150,021	150,021	-	-
East Providence	546,338	546,338	-	-
Exeter	70,967	70,967	-	-
Foster	51,057	51,057	-	-
Glocester	118,694	118,694	-	-
Hopkinton	90,134	90,134	-	-
Jamestown	61,563	61,563	-	-
Johnston	321,852	321,852	-	-
Lincoln	248,017	248,017	-	-
Little Compton	39,662	39,662	-	-
Middletown	180,392	180,392	-	-
Narragansett	185,510	185,510	-	-
Newport	263,968	263,968	-	-
New Shoreham	11,642	11,642	-	-
North Kingstown	299,817	299,817	-	-
North Providence	368,297	368,297	-	-
North Smithfield	129,864	129,864	-	-
Pawtucket	809,361	809,361	-	-
Portsmouth	190,009	190,009	-	-
Providence	1,933,712	1,933,712	-	-
Richmond	86,006	86,006	-	-
Scituate	122,080	122,080	-	-
Smithfield	238,524	238,524	-	-
South Kingstown	328,399	328,399	-	-
Tiverton	167,658	167,658	-	-
Warren	122,575	122,575	-	-
Warwick	953,420	953,420	-	-
Westerly	264,339	264,339	-	-
West Greenwich	71,900	71,900	-	-
West Warwick	329,895	329,895	-	-
Woonsocket	487,868	487,868	-	-
Total	\$ 11,846,987	\$ 11,846,987	\$ -	\$ -

Meals and Beverage

<i>City or Town</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010</i>	<i>FY 2011</i>
Barrington	\$ 120,946	\$ 119,179	\$ 135,553	\$ 135,625
Bristol	326,980	318,548	303,168	327,042
Burrillville	166,000	166,966	172,887	174,052
Central Falls	88,041	82,663	88,173	92,902
Charlestown	104,650	98,886	97,087	102,788
Coventry	329,394	332,829	333,263	331,317
Cranston	1,326,355	1,317,327	1,321,908	1,342,820
Cumberland	335,042	346,547	350,310	357,915
East Greenwich	407,431	389,810	428,133	447,265
East Providence	696,324	710,794	729,001	740,237
Exeter	69,053	63,081	71,128	72,117
Foster	17,951	17,846	17,376	15,627
Glocester	55,278	57,561	54,010	57,017
Hopkinton	44,218	39,880	43,754	43,541
Jamestown	39,650	65,241	80,395	79,350
Johnston	414,290	406,973	429,028	455,592
Lincoln	661,664	585,041	609,715	623,233
Little Compton	27,347	27,577	39,576	36,462
Middletown	540,447	566,748	561,285	565,079
Narragansett	414,678	473,967	460,758	460,945
Newport	1,627,568	1,552,832	1,526,834	1,627,651
New Shoreham	247,449	208,610	225,939	225,192
North Kingstown	414,128	430,806	419,321	424,631
North Providence	372,595	365,348	344,523	338,650
North Smithfield	141,091	155,376	160,440	156,161
Pawtucket	627,568	640,642	633,198	643,598
Portsmouth	149,324	159,493	166,628	168,433
Providence	3,962,837	3,912,275	3,961,890	4,047,090
Richmond	105,128	101,458	102,635	110,470
Scituate	55,494	55,036	52,460	53,285
Smithfield	495,297	480,155	513,546	524,556
South Kingstown	514,694	516,680	536,657	561,221
Tiverton	157,507	146,356	151,924	156,098
Warren	231,596	205,217	202,368	208,132
Warwick	2,165,813	2,199,207	2,151,135	2,130,242
Westerly	378,006	589,951	593,704	625,338
West Greenwich	75,038	79,531	95,914	101,165
West Warwick	354,150	330,731	322,737	324,975
Woonsocket	488,266	491,063	494,686	495,850
Total	\$ 18,749,285	\$ 18,808,231	\$ 18,983,046	\$ 19,383,665

Local Hotel Tax

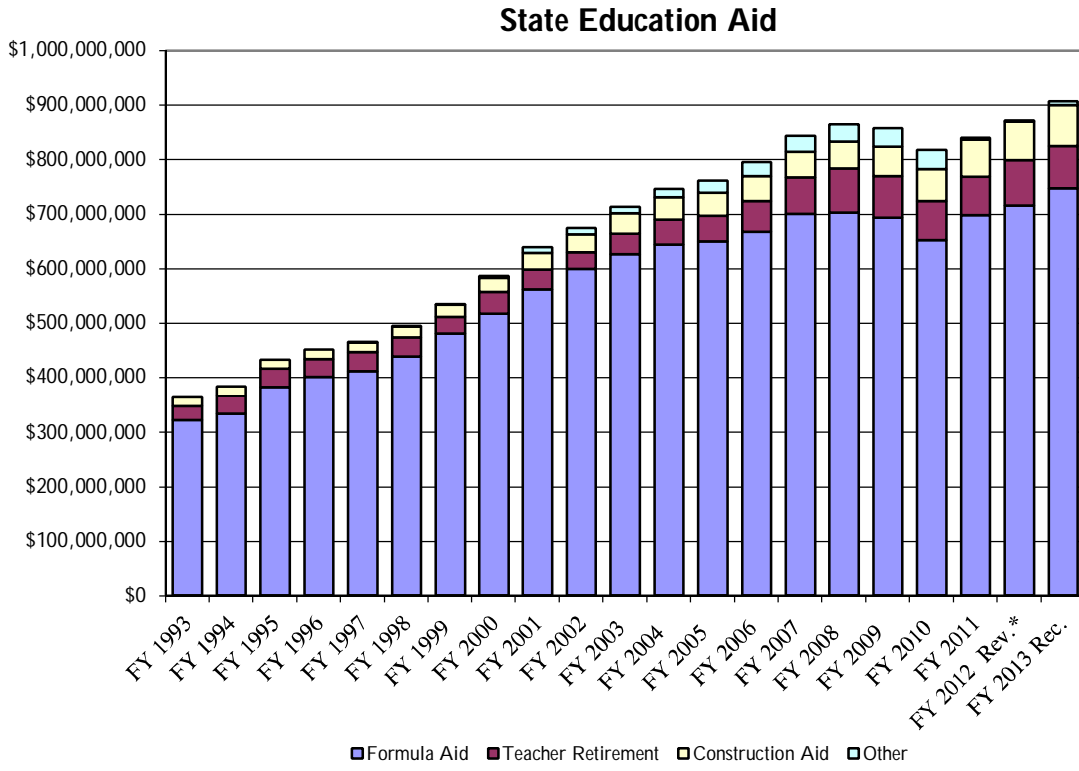
<i>City or Town</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010</i>	<i>FY 2011</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	17,449	14,152	12,395	14,742
Burrillville	-	-	-	-
Central Falls	-	-	-	-
Charlestown	8,925	9,611	6,622	9,477
Coventry	34,194	29,751	29,063	33,396
Cranston	10,792	8,952	7,708	3,301
Cumberland	-	-	-	-
East Greenwich	170	162	133	189
East Providence	14,604	12,292	12,544	13,695
Exeter	-	-	-	-
Foster	241	214	136	74
Glocester	1,042	802	700	825
Hopkinton	-	-	6	-
Jamestown	3,077	3,696	3,635	3,818
Johnston	4,515	2,640	3,471	2,885
Lincoln	38,735	34,223	33,457	36,521
Little Compton	1,324	108	4,512	5,589
Middletown	247,240	228,601	233,101	232,431
Narragansett	32,556	30,975	30,542	37,474
Newport	-	-	-	-
New Shoreham	105,134	96,644	92,485	99,549
North Kingstown	8,257	6,661	5,751	9,739
North Providence	-	-	-	-
North Smithfield	1,108	2,665	844	956
Pawtucket	24,649	22,645	20,151	19,148
Portsmouth	3,577	3,963	2,769	2,967
Providence	722,109	677,432	644,561	707,255
Richmond	2,465	1,472	1,439	1,517
Scituate	1,721	1,744	1,621	1,622
Smithfield	27,621	37,773	39,029	52,094
South Kingstown	35,037	48,297	45,334	50,496
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	407,500	364,010	352,362	353,993
Westerly	78,544	68,603	71,162	116,835
West Greenwich	10,155	25,996	31,174	35,515
West Warwick	51,147	42,626	40,852	42,026
Woonsocket	22,467	17,317	16,805	17,533
Total	\$ 1,916,354	\$ 1,794,024	\$ 1,744,364	\$ 1,905,664

Education Aid

Education Aid

Summary

The Governor recommends \$907.0 million from general revenues for FY 2013 total aid for local school districts. Including federal education jobs funds distributed to districts, the Governor's recommendation totals \$907.5 million, which is \$35.9 million more than enacted. This funding for FY 2013 includes \$747.2 million in direct distributions to local school districts, \$7.5 million in categorical funding, \$78.2 million for the state's contribution to teacher retirement, and \$74.6 million for school construction costs.



* Davies begins appearing with education aid

The 2010 Assembly adopted a new funding formula to be effective with the FY 2012 budget. This formula distributes aid to all districts, charter schools and the state schools: Davies Career and Technical School and the Metropolitan Career and Technical School. It is based on the principle that the money follows the student and includes a core instruction amount per pupil that every student will receive a single poverty weight as a proxy for student supports, and a new state share ratio that considers the district's ability to generate revenues and its poverty concentration. There is no minimum share in the formula.

The funding plan also allows for additional support from the state to districts for high-cost special education students, high-cost career and technical programs, early childhood education programs, transportation costs and a limited two-year bonus for regionalized districts. Group home aid will continue to be paid pursuant to current law, in addition to aid paid through the new funding formula.

There will be redistribution of aid among communities with some getting less aid than prior years. In an effort to mitigate any losses to communities, the formula will be phased in over a ten-year period.

The legislation also includes a two-year phased increase in the state's minimum share of housing aid costs to provide that no local receives less than a 40.0 percent state reimbursement by FY 2013 for construction projects completed after June 30, 2011. The previous minimum had been 30.0 percent. The Governor recommends legislation to roll back the state's minimum housing aid reimbursement to 35.0 percent.

Education Aid by Component

The Governor recommends \$907.5 million for FY 2013 education aid from all sources of funds for distribution to districts including Central Falls, Davies Career and Technical Center, charter schools and the Metropolitan Career and Technical School. This includes teacher retirement and school housing aid as well as other formula aid for distribution by the Department of Elementary and Secondary Education. This is \$35.9 million more than enacted for FY 2012.

The following table compares the FY 2013 recommended funding for the major components of education aid to the FY 2012 enacted budget. It is followed by an explanation of each of the items in the table.

Education Aid	Total FY 2012 Enacted	FY 2013 Governor	Education Jobs Fund Offset	Total FY 2013 Recommended	Total Change to Enacted
Operating Aid					
Local Districts	\$ 595,784,668	\$ 627,261,412	\$ 406,895	\$ 627,668,307	\$ 31,883,639
Central Falls	41,131,439	39,413,323	29,100	39,442,423	(1,689,016)
Met School	12,236,284	11,601,699	8,772	11,610,471	(625,813)
Davies Career & Technical*	14,090,211	13,400,497	9,957	13,410,454	(679,757)
Charter Schools	43,204,584	46,862,663	17,869	46,880,532	3,675,948
Group Homes Funding	8,601,000	8,181,000	-	8,181,000	(420,000)
Subtotal	\$ 715,048,186	\$ 746,720,594	\$ 472,593	\$ 747,193,187	\$ 32,145,001
Categorical Funding					
High Cost Special Education	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 500,000
High Cost Career and Technical	-	3,000,000	-	3,000,000	3,000,000
Early Childhood	-	1,450,000	-	1,450,000	1,450,000
Transportation	1,087,840	2,175,680	-	2,175,680	1,087,840
Regionalization Bonus	851,241	413,170	-	413,170	(438,071)
Subtotal	\$ 1,939,081	\$ 7,538,850	\$ -	\$ 7,538,850	\$ 5,599,769
Set-Aside Funds					
Textbook Loans	\$ 240,000	\$ -	\$ -	\$ -	\$ (240,000)
School Breakfast	270,000	-	-	-	(270,000)
Subtotal	\$ 510,000	\$ -	\$ -	\$ -	\$ (510,000)
Total	\$ 717,497,267	\$ 754,259,444	\$ 472,593	\$ 754,732,037	\$ 37,234,770
Other Aid					
Teacher Retirement	\$ 81,635,719	\$ 78,219,694	\$ -	\$ 78,219,694	\$ (3,416,025)
Construction Aid	72,507,180	74,568,906	-	74,568,906	2,061,726
Statewide Total	\$ 871,640,166	\$ 907,048,044	\$ 472,593	\$ 907,520,637	\$ 35,880,471

*Only reflects operating support consistent with other school districts. Capital projects funded from Rhode Island Capital Plan funds appear in the Department of Elementary and Secondary Education's operating budget.

The funding formula calculation for FY 2013 uses June 30, 2011 student enrollment data adjusted for FY 2013 projected charter school enrollments, a per pupil core instruction amount of \$8,679 and state share ratio variables updated with June 30, 2011 data. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years, adjusted for the infusion of \$11.0 million to accelerate this, and districts that are going to receive less state funding will have that loss phased in over ten years. The Department of Elementary and Secondary Education will provide updated March 2012 student enrollment data at the beginning of April. Districts will be billed quarterly for students attending charter and state schools.

Operating Aid

Local Districts. The Governor recommends \$627.7 million for formula aid to locally operated school districts. This is \$31.9 million more than enacted. This reflects the second year of the funding formula and \$0.4 million from federal education jobs funds that districts will receive in FY 2012 and use in FY 2013 in lieu of general revenues.

Central Falls Operations. The Governor recommends \$39.4 million for formula aid for the Central Falls School District. This is \$1.7 million or 4.1 percent less than FY 2012 enacted aid and includes use of \$29,100 from federal education jobs funds that Central Falls will receive in FY 2012 and use in FY 2013 in lieu of general revenues. Central Falls had been fully state supported. Beginning with FY 2012, Central Falls is funded pursuant to the funding formula.

The new legislation requires the city to contribute to its education budget. It includes a transition fund to stabilize the Central Falls School District until the city can begin paying its local share. Because the transition funds are paid upon verification that the city has paid its share of the local contribution and the Governor assumes that Central Falls will be unable to contribute any funds towards education for FY 2013, he does not include any funds for the state's transition payment nor does he assume a local contribution will be made.

He also recommends legislation that clarifies the method for calculating the amount to put into the fund and requires that the fund be supported through a reallocation of current resources to the school district and that the state does not have to provide new funding.

Metropolitan Career and Technical School. The Governor recommends \$11.6 million for formula aid for the Metropolitan Career and Technical School. This is \$0.6 million or 5.1 percent less than the FY 2012 enacted level and includes use of \$8,772 from federal education jobs funds that the Met School will receive in FY 2012 and use in FY 2013 in lieu of general revenues. Prior to FY 2012, the Met School was fully state supported.

The Met School is now funded pursuant to the new education funding formula. It is funded like other districts with the state share being that of the sending district for each student plus the local contribution being the local per pupil cost of each sending district, which must pay that to the School. The estimated local contribution is \$4.8 million once the formula is fully phased in. Tables at the end of this report include estimated enrollment by sending district for FY 2013.

Davies Career and Technical School. The Governor recommends \$13.4 million from general revenues for formula aid to support the Davies Career and Technical School. This is \$0.7 million or 4.8 percent less than the FY 2012 enacted level and includes use of \$9,957 from federal education jobs funds that Davies will receive in FY 2012 and use in FY 2013 in lieu of general revenues. Prior to FY

2012, Davies was fully state supported. Davies is now funded pursuant to the new education funding formula. It is funded like other districts with the state share being that of the sending district for each student plus the local contribution being the local per pupil cost of each sending district, which must pay that to the School.

The local share for FY 2013 is estimated at \$1.6 million and is shown in the school's budget as restricted receipt expenditures. Davies' operating budget will continue to be submitted as part of the Department's budget and Davies' employees are still state employees. Tables at the end of this report include estimated enrollment by sending district for FY 2013.

Charter Schools. The Governor recommends \$46.9 million for formula aid to charter schools. This is \$3.7 million or 8.5 percent more than the FY 2012 enacted level. The FY 2013 budget also includes use of \$17,869 from federal education jobs funds that charter schools will receive for use in FY 2012 in lieu of general revenues. Beginning in FY 2012, charter schools are funded pursuant to the education funding formula. Charter schools are funded like other districts. The state share is that of the sending district for each student and the local contribution is the local per pupil cost of each sending district which must pay that to the school.

Charter schools are public schools authorized by the state through the Board of Regents to operate independently from many state and local district rules and regulations. The 2010 Assembly increased the statewide total to no more than 35 charters; it had previously been no more than 20 charters serving no more than 4.0 percent of the state's school age population. At least half of the 35 total charters shall be reserved for charter school applications designed to increase the educational opportunities for at-risk pupils. Mayoral academies are charter schools and included in the total. There are currently 16 charter schools in Rhode Island. The Governor's budget assumes no new schools will open during the 2012-2013 school year. Tables at the end of this report include estimated enrollment by sending district for FY 2013.

Group Homes. Consistent with current law, the budget adjusts group home aid to reflect actual beds, and includes \$8.2 million, which is \$420,000 less than the final FY 2012 allocation and enacted budget. The 2007 Assembly enacted legislation to ensure that the payment of communities' group home aid more closely reflects the actual number of group home beds open at the time of the budget. The legislation mandates that increases in beds prior to December 31 of each year shall be paid as part of the supplemental budget for that year and included in the budget year recommendation. Decreases in beds are not reflected until the budget year so any decreases in group home beds during FY 2012 would not be reflected until FY 2013 unlike increases which are funded as part of the supplemental budget. The 2008 Assembly increased the per bed amount from \$15,000 to \$22,000 for the group home beds associated with Bradley Hospital's residential CRAFT program.

Prior to FY 2002, an official community of residence, which is generally based on the parents' residence, was determined for each child living in a group home. The district of official residence was responsible to pay the district in which the child is placed for the cost of the child's education. This system produced disputes among communities concerning financial responsibility. These disputes often resulted in legal fees for all parties involved, and districts hosting group homes were largely unsuccessful in seeking reimbursements.

The 2001 Assembly enacted legislation to provide a per bed allotment to districts in which group homes are located. The legislation relieved the sending district of financial responsibility for students placed in out of district group homes. In FY 2013, the 18 communities hosting group homes, which have a total of 537 beds, will receive \$15,000 per bed, with the exception of the CRAFT beds. This is the per

pupil rate that was provided in the FY 2002 budget in an attempt to reflect the mix of regular and special education students residing in these homes; it has never increased.

Categorical Funding

The education funding formula allows for additional funding from the state to districts for high-cost special education students, high-cost career and technical programs, early childhood education programs, transportation costs and a limited two-year bonus for regionalized districts. For each categorical fund, the Department of Elementary and Secondary Education will prorate the funds available for distribution among those eligible school districts if the total approved costs for which districts are seeking reimbursement exceed the amount of funding appropriated in any fiscal year.

High Cost Special Education. The new funding formula allows for additional funding 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 \$500,000 for FY 2013.

High Cost Career and Technical Programs. The new funding formula allows for additional funding from the state to help meet the initial capital investment needs to transform existing or create new comprehensive career and technical education programs and career pathways in critical and emerging industries and to help offset the higher than average costs associated with facilities, equipment, maintenance, repair and supplies necessary for maintaining the quality of highly specialized programs. The Governor recommends \$3.0 million for FY 2013.

These funds are not shown in the distribution tables as there is not yet a methodology for distributing them. The Department of Elementary and Secondary Education is currently developing a methodology.

Early Childhood Education. The new funding formula allows for additional funding from the state to increase access to voluntary, free, high-quality pre-kindergarten programs. The Department of Elementary and Secondary Education will recommend the criteria for the purpose of allocating funding provided by the Assembly. The Governor recommends \$1.5 million for FY 2013. These funds are currently distributed through a request for proposal process and have been going directly to childcare programs. The Governor's revised budget includes a \$150,000 grant from the Rhode Island Foundation to support this work for FY 2012. These funds are not shown in the distribution tables.

Transportation. The new funding formula allows for additional funding from the state to mitigate the excess costs associated with transporting students to out-of-district non-public schools and within regional school districts. The state will assume the costs of non-public out-of-district transportation for those districts participating in the statewide transportation system and will share in the costs associated with transporting students within regional school districts. The state and regional school district will share equally the student transportation costs net any federal sources of revenue for these expenditures. The Governor recommends \$2.2 million for FY 2013.

Limited Regionalization Bonus. The state will provide a limited two-year bonus for regionalized districts. The bonus in the first year shall be 2.0 percent of the state's share of the foundation education aid for the regionalized districts in that fiscal year. The second year bonus shall be 1.0 percent of the state's share of the foundation education aid for the regionalized districts in that fiscal year. This bonus applies to districts that are currently regionalized as well as any districts that regionalize in the future.

The Governor recommends \$0.4 million consistent with current law requirements for the second year of the bonus.

Set-Aside Funds

Textbook Loan Program. The Governor recommends eliminating the requirement that the state reimburse certain costs allowed under the textbook loan program. 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 12th grade. FY 2011 expenditures were \$241,490. The FY 2012 entitlement is \$265,698. The enacted budget includes \$240,000.

School Breakfast. The Governor recommends eliminating the \$270,000 in the enacted budget to reimburse administrative costs associated with the state's school breakfast program. State law mandates that all public schools provide a breakfast program and provides that costs, other than transportation, associated with this program in excess of available federal money that funds the meals, shall be borne exclusively by the state. He also recommends legislation that removes the requirement for a state appropriation.

Current law requires the General Assembly to *"annually appropriate some sum and distribute it based on each district's proportion of the number of breakfasts served in the prior school year relative to the statewide total in the same year."* As in the lunch program, children from families with incomes at or below 130 percent of poverty are eligible for free meals. Children between 130 percent and 185 percent of poverty are eligible for reduced-price meals. Children from families over 185 percent of poverty pay a regular price for their meals.

Other Aid

Teacher Retirement. The Governor recommends \$78.2 million to fund the state's 40.0 percent share of the employer contribution for teacher retirement, a decrease of \$5.8 million or 7.0 percent to the FY 2012 revised budget. Prior to changes enacted in a special legislative session during the fall of 2011, teachers had contributed 9.5 percent of their salaries; that rate is set in the General Laws. Beginning July 1, 2012, teachers will contribute 8.75 percent.

Employers contribute the difference between the teachers' share and the amount needed to support the system, as determined annually by the State Employees' Retirement System. The state pays 40.0 percent of the employer's share. For districts that choose not to participate in social security, there is an additional 4.0 percent contribution; 2.0 percent paid by both the employee and the district. The state does not pay a share of this 2.0 percent.

School Housing (Construction) Aid. The Governor recommends \$74.6 million for construction aid to local districts. This is \$4.8 million more than the FY 2012 entitlement. The state reimburses cities and towns for a share of school capital projects. The shares are based on a district's wealth compared to the aggregate state wealth, and the minimum share for each district is 40.0 percent for FY 2013. The funding formula legislation also includes a two-year phased increase in the state's minimum housing aid share to provide that no local receives less than a 40.0 percent state reimbursement by FY 2013 for projects completed after June 30, 2011. The previous minimum had been 30.0 percent.

The Governor proposes legislation to roll back the state's minimum housing aid participation to 35.0 percent and the budget assumes savings of \$440,000 from maintaining the minimum share at 35.0 percent.

The Governor also proposes legislation to set the state reimbursement for charter school construction projects at the three year weighted average share ratio of the sending district. Unless sponsored by a school district, charter schools are currently eligible for a 30.0 percent reimbursement. There is no impact on the FY 2013 or FY 2014 budgets and the five-year forecast does not include an estimate of the impact of this change for FY 2015 or beyond.

Calculation and Distribution Tables

The eleven tables on the following pages include the calculation and distribution of the Governor's FY 2013 recommended education aid to districts, charter and state schools. Tables 1A and 1B show the total recommended funding and Tables 2 through 9 illustrate different components of the funding formula. Table 10 has education aid to districts for FY 2007 through FY 2011 for comparison purposes.

Table 1A: Total Recommended Education Aid for Districts for FY 2013

Table 1B: Total Recommended Education Aid for Charter and State Schools for FY 2013

Table 2: Calculation of New Funding Formula for FY 2013

Table 3: Group Home Aid

Table 4: Calculation of State Share Ratio

Table 5: Transition Plan for Districts

Table 6: FY 2013 Estimated Charter & State School Enrollment by Sending District

Table 7: Transition Plan for Charter and State Schools

Table 8: Transitioned Formula Funding to Charter and State Schools by Sending District

Table 9: Recommended Categorical Aid

Table 10: Education Aid for FY 2007 - FY 2011

Tables 1A: Total Recommended Education Aid for Districts for FY 2013

A. Column **A** is the amount that districts would receive in the second year of the new formula's implementation pursuant to the ten-year phase in of the formula. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less state funding will have that loss phased in over ten years. This calculation is shown in Table 2.

B. Column **B** is the amount of group home aid districts will receive in FY 2013. Changes from FY 2012 are shown in Table 3. Group home aid will be paid pursuant to current law in addition to aid paid through the funding formula.

C. The formula allows for additional funding from the state for high-cost special education students, high-cost career and technical programs, early childhood education programs, transportation costs and a limited two-year bonus for regionalized districts. The Governor's recommendation is shown in Column **C**. Specific programs are shown in Table 9.

D. The Governor recommends using federal education jobs funds that districts will receive for use in FY 2012 in lieu of general revenues. Column **D** shows the amount of the general revenue reduction.

E. The Governor adds a total of \$11.0 million from general revenues to accelerate the phase in of funding to underfunded districts. Column **E** shows the amount of additional funding allocated to school districts.

F. Column **F** includes the Governor's FY 2013 general revenue recommendation. This is the total funding minus the jobs funds allocation.

G. Column **G** shows the amount from federal education jobs funds that districts will receive for use in FY 2012. The Governor assumes that districts will carry forward their FY 2012 allocation for use in FY 2013.

H. Column **H** shows the Governor's total FY 2013 recommended aid from general revenues and federal education jobs funds.

I. Column **I** is the FY 2012 enacted aid from all sources including group home aid, categorical aid and federal funds.

J. Column **J** is the difference between the Governor's FY 2013 recommendation from all sources of funds shown in Column **H** and the FY 2012 enacted budget in Column **I**.

Table 1A: Total Recommended Education Aid for Districts for FY 2013

<i>District</i>	<i>A</i> <i>FY 2013</i> <i>Recommended</i> <i>Formula Aid</i> <i>(Table 2)</i>	<i>B</i> <i>Group Home</i> <i>Aid</i> <i>(Table 3)</i>	<i>C</i> <i>All</i> <i>Categoricals</i> <i>(Table 9)</i>	<i>D</i> <i>Education</i> <i>Jobs Fund</i>	<i>E</i> <i>Accelerate</i> <i>Underfunded</i> <i>Districts</i>
Barrington	\$ 3,027,259	\$ -	\$ 25,321	\$ (1,189)	\$ 318,137
Burrillville	12,644,747	330,000	5,720	(8,846)	28,585
Charlestown	1,671,866	-	16,719	(982)	421
Coventry	19,256,578	120,000	24,146	(12,255)	337,970
Cranston	37,281,783	-	231,223	(22,609)	1,551,567
Cumberland	13,423,193	-	45,241	(8,020)	372,947
East Greenwich	1,791,453	-	21,262	(889)	138,209
East Providence	25,696,249	636,000	72,105	(16,612)	459,577
Foster	1,201,772	-	4,545	(876)	-
Glocester	2,783,489	-	6,713	(1,995)	-
Hopkinton	5,551,863	-	55,519	(3,540)	-
Jamestown	358,523	-	5,324	(259)	-
Johnston	10,494,937	120,000	152,849	(6,502)	266,872
Lincoln	7,700,671	135,000	18,317	(4,269)	400,549
Little Compton	331,939	-	-	(194)	8,659
Middletown	8,813,264	480,000	6,149	(6,475)	-
Narragansett	1,611,921	-	1,799	(956)	59,053
Newport	10,238,965	360,000	3,225	(7,321)	8,501
New Shoreham	68,961	-	2,658	(37)	3,405
North Kingstown	10,766,262	-	2,893	(7,192)	43,781
North Providence	13,302,114	240,000	106,194	(8,196)	402,997
North Smithfield	4,832,409	120,000	16,350	(2,939)	158,844
Pawtucket	66,424,639	855,000	5,179	(42,526)	1,282,870
Portsmouth	4,801,673	585,000	1,695	(4,037)	-
Providence	190,757,503	2,640,000	228,566	(128,298)	3,679,073
Richmond	5,418,202	-	54,182	(3,538)	-
Scituate	3,427,723	-	13,358	(1,968)	132,821
Smithfield	4,719,969	240,000	29,329	(3,309)	557
South Kingstown	8,109,970	375,000	34,468	(6,218)	-
Tiverton	5,570,586	-	5,904	(3,569)	115,382
Warwick	33,965,391	360,000	41,736	(22,658)	253,273
Westerly	6,359,624	-	11,821	(3,861)	180,661
West Warwick	19,581,772	-	37,204	(12,773)	215,419
Woonsocket	46,021,504	165,000	28,908	(30,063)	564,347
Bristol-Warren	17,114,454	210,000	507,115	(12,802)	-
Chariho	306,562	-	557,247	(1,050)	-
Exeter-West Greenwich	6,135,412	210,000	409,864	(4,538)	-
Foster-Glocester	5,118,629	-	259,386	(3,534)	-
Central Falls	39,442,423	-	38,616	(29,100)	-
Total	\$ 656,126,253	\$ 8,181,000	\$ 3,088,850	\$ (435,995)	\$ 10,984,477
<i>Adjusted Chariho</i>	12,948,492	-	683,667	(9,110)	421

Table 1A: Total Recommended Education Aid for Districts for FY 2013

<i>District</i>	<i>F FY 2013 Recommended General Revenues</i>	<i>G Education Jobs Funds Offset</i>	<i>H Total FY 2013 Recommended</i>	<i>I FY 2012 Enacted</i>	<i>J Total FY 2013 Change to Enacted</i>
Barrington	\$ 3,369,528	\$ 1,189	\$ 3,370,717	\$ 2,374,854	\$ 995,863
Burrillville	13,000,206	8,846	13,009,052	13,008,772	280
Charlestown	1,688,024	982	1,689,006	1,704,449	(15,443)
Coventry	19,726,439	12,255	19,738,694	18,670,838	1,067,856
Cranston	39,041,964	22,609	39,064,573	34,148,058	4,916,514
Cumberland	13,833,361	8,020	13,841,381	12,663,079	1,178,302
East Greenwich	1,950,035	889	1,950,924	1,507,198	443,725
East Providence	26,847,319	16,612	26,863,931	25,375,608	1,488,323
Foster	1,205,441	876	1,206,317	1,242,314	(35,997)
Glocester	2,788,207	1,995	2,790,202	2,862,833	(72,631)
Hopkinton	5,603,842	3,540	5,607,382	5,726,195	(118,813)
Jamestown	363,588	259	363,847	369,267	(5,420)
Johnston	11,028,156	6,502	11,034,658	10,131,916	902,742
Lincoln	8,250,268	4,269	8,254,537	6,999,556	1,254,981
Little Compton	340,404	194	340,598	313,858	26,740
Middletown	9,292,938	6,475	9,299,413	9,407,808	(108,395)
Narragansett	1,671,817	956	1,672,773	1,488,608	184,164
Newport	10,603,370	7,321	10,610,691	10,701,213	(90,522)
New Shoreham	74,987	37	75,024	61,851	13,174
North Kingstown	10,805,744	7,192	10,812,936	10,674,839	138,096
North Providence	14,043,109	8,196	14,051,305	12,751,556	1,299,749
North Smithfield	5,124,664	2,939	5,127,603	4,630,725	496,879
Pawtucket	68,525,162	42,526	68,567,688	64,600,780	3,966,907
Portsmouth	5,384,331	4,037	5,388,368	5,762,149	(373,781)
Providence	197,176,844	128,298	197,305,142	185,804,948	11,500,195
Richmond	5,468,846	3,538	5,472,384	5,648,866	(176,482)
Scituate	3,571,934	1,968	3,573,902	3,155,942	417,960
Smithfield	4,986,546	3,309	4,989,855	4,966,920	22,935
South Kingstown	8,513,220	6,218	8,519,438	8,832,470	(313,032)
Tiverton	5,688,303	3,569	5,691,872	5,329,648	362,223
Warwick	34,597,742	22,658	34,620,400	33,796,578	823,822
Westerly	6,548,245	3,861	6,552,106	5,982,372	569,734
West Warwick	19,821,622	12,773	19,834,395	19,143,704	690,691
Woonsocket	46,749,696	30,063	46,779,759	45,012,523	1,767,235
Bristol-Warren	17,818,767	12,802	17,831,569	18,625,047	(793,478)
Chariho	862,759	1,050	863,809	642,082	221,726
Exeter-West Greenwich	6,750,738	4,538	6,755,276	6,818,348	(63,072)
Foster-Glocester	5,374,481	3,534	5,378,015	5,372,978	5,037
Central Falls	39,451,939	29,100	39,481,039	41,145,437	(1,664,398)
Total	\$ 677,944,585	\$ 435,995	\$ 678,380,580	\$ 647,456,187	\$30,924,393
<i>Adjusted Chariho</i>	13,623,470	9,110	13,632,580	13,721,591	(89,011)

Table 1B: Total Recommended Education Aid for Charter and State Schools for FY 2013

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

B. The Governor recommends using federal education jobs funds that districts will receive for use in FY 2012 in lieu of general revenues. Column **B** shows the amount of the general revenue reduction.

C. The Governor adds a total of \$11.0 million from general revenues to accelerate the phase in of funding to underfunded districts. Column **E** shows the amount of additional funding allocated to charter and state schools.

D. Column **D** includes the Governor's FY 2013 general revenue recommendation. This is the total funding minus the jobs funds allocation.

E. Column **E** shows the amount from federal education jobs funds that districts will receive for use in FY 2012. The Governor assumes that charter and state schools will carry forward their FY 2012 allocation for use in FY 2013.

F. Column **F** shows the Governor's FY 2013 recommended formula aid from general revenues and federal education jobs funds.

G. Column **G** is the starting point for calculating FY 2013 base formula aid. It is the amount that charter and state schools would receive in the second year of the formula's implementation before adjustments are made for schools adding grades.

H. Column **H** is the difference between the total FY 2013 recommended funding in Column **F** and the FY 2013 base amounts in Column **G**.

Table 1B: Total Recommended Education Aid for Charter and State Schools for FY 2013

<i>School</i>	<i>A</i> <i>FY 2013</i> <i>Recommended</i> <i>Formula Aid</i>	<i>B</i> <i>Education Jobs</i> <i>Funds</i>	<i>C</i> <i>Accelerate</i> <i>Underfunded</i> <i>Charters</i>	<i>D</i> <i>Recommended</i> <i>General</i> <i>Revenues</i>
Beacon	\$ 1,696,172	\$ (1,270)	\$ -	\$ 1,694,902
Blackstone	1,562,851	(1,055)	4,961	1,566,757
Compass	580,806	(434)	-	580,372
Greene School	826,152	(394)	-	825,758
Highlander	2,732,582	(1,853)	7,561	2,738,290
International	2,876,159	(1,981)	-	2,874,178
Kingston Hill	688,316	(520)	-	687,796
Learning Community	5,926,327	(3,402)	-	5,922,925
New England Laborers	1,616,987	-	-	1,616,987
Nurses Institute	1,771,215	-	-	1,771,215
Paul Cuffee	7,448,136	(4,130)	-	7,444,006
Mayoral Academies Blackstone Valley	6,140,294	(1,378)	-	6,138,916
Segue Institute	2,568,311	(1,176)	2,999	2,570,134
Textron	2,317,949	-	-	2,317,949
Times2 Academy	7,039,888	-	-	7,039,888
Trinity	1,072,866	(276)	-	1,072,590
<i>Charter Schools Subtotal</i>	46,865,011	(17,869)	15,521	\$ 46,862,663
Davies Career and Tech	13,410,454	(9,957)	-	13,400,497
Met School	11,610,471	(8,772)	-	11,601,699
Total	\$ 71,885,936	\$ (36,598)	\$ 15,521	\$ 71,864,859

Table 1B: Total Recommended Education Aid for Charter and State Schools for FY 2013

<i>School</i>	<i>E</i> <i>Education Jobs</i> <i>Funds Offset</i>	<i>F</i> <i>Total FY 2013</i> <i>Recommended</i>	<i>G</i> <i>FY 2012 For</i> <i>Base</i> <i>Calculation</i>	<i>H</i> <i>Change to</i> <i>FY 2012 Base</i> <i>Calculation</i>
Beacon	\$ 1,270	\$ 1,696,172	\$ 1,722,314	\$ (26,142)
Blackstone	1,055	1,567,812	1,552,491	15,321
Compass	434	580,806	608,800	(27,994)
Greene School	394	826,152	667,150	159,002
Highlander	1,853	2,740,143	2,716,793	23,350
International	1,981	2,876,159	2,896,237	(20,078)
Kingston Hill	520	688,316	727,276	(38,960)
Learning Community	3,402	5,926,327	5,954,782	(28,455)
New England Laborers	-	1,616,987	1,648,397	(31,410)
Nurses Institute	-	1,771,215	1,130,376	640,839
Paul Cuffee	4,130	7,448,136	6,805,659	642,477
Mayoral Academies Blackstone Valley	1,378	6,140,294	4,050,453	2,089,841
Segue Institute	1,176	2,571,310	2,562,049	9,261
Textron	-	2,317,949	2,323,795	(5,846)
Times2 Academy	-	7,039,888	7,111,479	(71,591)
Trinity	276	1,072,866	726,533	346,333
<i>Charter Schools Subtotal</i>	\$ 17,869	\$ 46,880,532	\$ 43,204,584	\$ 3,675,948
Davies Career and Tech	9,957	13,410,454	14,090,211	(679,757)
Met School	8,772	11,610,471	12,236,284	(625,813)
Total	\$ 36,598	\$ 71,901,457	\$ 69,531,079	\$ 2,370,378

Table 2: Calculation of Funding Formula for FY 2013

A. The FY 2011 student counts are shown in Column **A** based on the resident average daily membership as of June 30. Average daily membership calculates an average of the number of days all students are formally members of a district and/or a school per year.

B. Column **B** includes the number of students in pre-kindergarten through 12th grade that receive USDA reimbursable lunch as reported to the Department of Elementary and Secondary Education by the districts.

C. Column **C** includes the percent of students that are eligible for free and reduced price lunch - Column **B** divided by Column **A**.

D. Column **D** is the core instruction funding which is the FY 2011 student count in Column **A** times the core instruction per pupil amount of \$8,679. The legislation requires the core instruction per pupil amount to be updated annually.

E. Column **E** includes the student success factor funding which is a single poverty weight as a proxy for student supports and is 40.0 times the number of students in pre-K through 12th grade that receive free and reduced price lunch in Column **B** times the core instruction amount.

F. The total foundation amount in Column **F** is the sum of the core instruction amount in Column **D** plus the student success factor funding in Column **E**.

G. Column **G** is the state share ratio whose calculation is described in Table 4.

H. Column **H** includes the state foundation aid under the new funding formula based on FY 2011 data. It is the total foundation amount in Column **F** times the state share ratio in Column **G**.

I. Column **I** is the FY 2012 base calculation shown in Table 5.

J. Column **J** is second year transition amount. It is the amount that will be added or subtracted from the FY 2012 base aid amount. It assumes districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less state funding will have that loss phased in over ten years. The calculation is shown in Table 5.

K. Column **K** is the amount that districts would receive in the second year of the new formula's implementation pursuant to the ten-year phase in of the formula.

L. Column **L** is the difference between the first year of funding under the new formula and the total state foundation aid shown in Column **H**.

Table 2: Calculation of New Funding Formula for FY 2013

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>
<i>District</i>	<i>FY 2011 PK-12 RADM</i>	<i>FY 2011 FRPL RADM</i>	<i>%FRPL</i>	<i>Core Instruction Funding</i>	<i>Student Success Factor Funding</i>	<i>Total Foundation</i>
Barrington	3,401	159	4.7%	\$ 29,517,279	\$ 551,984	\$ 30,069,263
Burrillville	2,476	853	34.5%	21,489,204	2,961,275	24,450,479
Charlestown	956	250	26.2%	8,297,124	867,900	9,165,024
Coventry	5,043	1,345	26.7%	43,768,197	4,669,302	48,437,499
Cranston	10,109	3,842	38.0%	87,736,011	13,337,887	101,073,898
Cumberland	4,610	948	20.6%	40,010,190	3,291,077	43,301,267
East Greenwich	2,330	153	6.6%	20,222,070	531,155	20,753,225
East Providence	5,484	2,467	45.0%	47,595,636	8,564,437	56,160,073
Foster	256	47	18.4%	2,221,824	163,165	2,384,989
Glocester	537	118	22.0%	4,660,623	409,649	5,070,272
Hopkinton	1,224	278	22.7%	10,623,096	965,105	11,588,201
Jamestown	687	50	7.3%	5,962,473	173,580	6,136,053
Johnston	3,018	1,173	38.9%	26,193,222	4,072,187	30,265,409
Lincoln	3,282	887	27.0%	28,484,478	3,079,309	31,563,787
Little Compton	422	55	13.0%	3,662,538	190,938	3,853,476
Middletown	2,426	698	28.8%	21,055,254	2,423,177	23,478,431
Narragansett	1,477	262	17.7%	12,818,883	909,559	13,728,442
Newport	2,021	1,233	61.0%	17,540,259	4,280,483	21,820,742
New Shoreham	125	15	12.0%	1,084,875	52,074	1,136,949
North Kingstown	4,096	826	20.2%	35,549,184	2,867,542	38,416,726
North Providence	3,274	1,126	34.4%	28,415,046	3,909,022	32,324,068
North Smithfield	1,777	272	15.3%	15,422,583	944,275	16,366,858
Pawtucket	8,659	6,735	77.8%	75,151,461	23,381,226	98,532,687
Portsmouth	2,595	343	13.2%	22,522,005	1,190,759	23,712,764
Providence	22,592	19,672	87.1%	196,075,968	68,293,315	264,369,283
Richmond	1,160	213	18.4%	10,067,640	739,451	10,807,091
Scituate	1,606	253	15.8%	13,938,474	878,315	14,816,789
Smithfield	2,391	320	13.4%	20,751,489	1,110,912	21,862,401
South Kingstown	3,495	618	17.7%	30,333,105	2,145,449	32,478,554
Tiverton	1,851	472	25.5%	16,064,829	1,638,595	17,703,424
Warwick	9,829	3,047	31.0%	85,305,891	10,577,965	95,883,856
Westerly	3,147	1,029	32.7%	27,312,813	3,572,276	30,885,089
West Warwick	3,473	1,658	47.7%	30,142,167	5,755,913	35,898,080
Woonsocket	5,737	4,052	70.6%	49,791,423	14,066,923	63,858,346
Bristol-Warren	3,463	1,181	34.1%	30,055,377	4,099,960	34,155,337
Chariho	-	-	0.0%	-	-	-
Exeter-West Greenwich	1,783	237	13.3%	15,474,657	822,769	16,297,426
Foster-Glocester	1,306	204	15.6%	11,334,774	708,206	12,042,980
Central Falls	2,505	2,159	86.2%	21,740,895	7,495,184	29,236,079
Total	134,623	59,250		\$ 1,168,393,017	\$ 205,692,300	\$ 1,374,085,317
<i>Adjusted Chariho</i>	<i>3,340</i>	<i>741</i>		<i>28,987,860</i>	<i>2,572,456</i>	<i>31,560,316</i>

Table 2: Calculation of New Funding Formula for FY 2013

	<i>G</i>	<i>H</i>	<i>I</i>	<i>J</i>	<i>K</i>	<i>L</i>
<i>District</i>	<i>State Share Ratio (Table 4)</i>	<i>FY 2013 Base Funding</i>	<i>FY 2012 Enacted Formula Aid</i>	<i>Adjusted Year Two Difference (Table 5)</i>	<i>FY 2013 Recommended Formula Aid</i>	<i>Difference from Base Funding</i>
Barrington	21.1%	\$ 6,351,451	\$ 2,362,934	\$ 664,325	\$ 3,027,259	\$ (3,324,192)
Burrillville	53.0%	12,952,397	12,585,056	59,691	12,644,747	(307,650)
Charlestown	18.3%	1,678,489	1,670,986	880	1,671,866	(6,623)
Coventry	47.2%	22,874,631	18,550,838	705,740	19,256,578	(3,618,053)
Cranston	53.0%	53,604,864	34,041,838	3,239,945	37,281,783	(16,323,081)
Cumberland	40.8%	17,683,572	12,644,415	778,778	13,423,193	(4,260,378)
East Greenwich	15.6%	3,234,475	1,502,848	288,605	1,791,453	(1,443,023)
East Providence	54.3%	30,483,334	24,736,571	959,678	25,696,249	(4,787,085)
Foster	37.1%	885,986	1,241,245	(39,473)	1,201,772	315,786
Glocester	42.9%	2,173,796	2,860,166	(76,677)	2,783,489	609,693
Hopkinton	43.7%	5,060,244	5,613,789	(61,926)	5,551,863	491,619
Jamestown	4.5%	273,347	369,267	(10,744)	358,523	85,176
Johnston	44.0%	13,303,446	9,937,661	557,276	10,494,937	(2,808,509)
Lincoln	37.9%	11,972,956	6,864,255	836,416	7,700,671	(4,272,285)
Little Compton	11.0%	422,347	313,858	18,081	331,939	(90,407)
Middletown	33.7%	7,906,847	8,927,808	(114,544)	8,813,264	906,416
Narragansett	16.3%	2,232,719	1,488,608	123,313	1,611,921	(620,798)
Newport	47.4%	10,353,258	10,221,213	17,752	10,238,965	(114,293)
New Shoreham	9.2%	104,513	61,851	7,110	68,961	(35,551)
North Kingstown	29.2%	11,233,526	10,674,839	91,423	10,766,262	(467,265)
North Providence	54.1%	17,502,236	12,460,586	841,528	13,302,114	(4,200,122)
North Smithfield	39.7%	6,499,158	4,500,714	331,695	4,832,409	(1,666,748)
Pawtucket	82.3%	81,091,773	63,745,780	2,678,859	66,424,639	(14,667,134)
Portsmouth	11.1%	2,639,796	5,072,149	(270,476)	4,801,673	2,161,877
Providence	87.5%	231,377,652	183,074,948	7,682,555	190,757,503	(40,620,149)
Richmond	41.3%	4,463,584	5,537,977	(119,775)	5,418,202	954,618
Scituate	32.5%	4,820,138	3,150,369	277,354	3,427,723	(1,392,416)
Smithfield	21.6%	4,730,293	4,718,805	1,164	4,719,969	(10,325)
South Kingstown	16.8%	5,470,781	8,441,331	(331,361)	8,109,970	2,639,190
Tiverton	38.3%	6,781,925	5,329,648	240,938	5,570,586	(1,211,339)
Warwick	38.2%	36,603,152	33,436,513	528,878	33,965,391	(2,637,761)
Westerly	26.7%	8,255,163	5,982,372	377,252	6,359,624	(1,895,539)
West Warwick	60.8%	21,836,215	19,131,939	449,833	19,581,772	(2,254,443)
Woonsocket	81.4%	51,974,515	44,843,051	1,178,453	46,021,504	(5,953,012)
Bristol-Warren	32.2%	11,003,321	17,880,233	(765,779)	17,114,454	6,111,133
Chariho	0.0%	-	344,882	(38,320)	306,562	306,562
Exeter-West Greenwich	29.4%	4,792,455	6,306,153	(170,741)	6,135,412	1,342,957
Foster-Glocester	40.0%	4,817,252	5,157,169	(38,540)	5,118,629	301,377
Central Falls	93.1%	27,223,327	41,131,440	(1,689,017)	39,442,423	12,219,096
Total		\$ 746,668,935	\$ 636,916,105	\$ 19,210,148	\$ 656,126,253	\$ (90,542,682)
<i>Adjusted Chariho</i>		<i>11,202,316</i>	<i>13,167,634</i>	<i>(219,142)</i>	<i>12,948,492</i>	<i>1,746,176</i>

Table 3: Group Home Aid

<i>District</i>	<i>FY 2012 Aid</i>	<i>FY 2012 Revised Aid</i>	<i>Change to Enacted</i>	<i>FY 2013 Aid</i>	<i>Change to Enacted</i>	<i>Change to Revised</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	420,000	420,000	-	330,000	(90,000)	(90,000)
Charlestown	-	-	-	-	-	-
Coventry	120,000	120,000	-	120,000	-	-
Cranston	-	-	-	-	-	-
Cumberland	-	-	-	-	-	-
East Greenwich	-	-	-	-	-	-
East Providence	636,000	636,000	-	636,000	-	-
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-
Johnston	120,000	120,000	-	120,000	-	-
Lincoln	135,000	135,000	-	135,000	-	-
Little Compton	-	-	-	-	-	-
Middletown	480,000	480,000	-	480,000	-	-
Narragansett	-	-	-	-	-	-
Newport	480,000	480,000	-	360,000	(120,000)	(120,000)
New Shoreham	-	-	-	-	-	-
North Kingstown	-	-	-	-	-	-
North Providence	255,000	255,000	-	240,000	(15,000)	(15,000)
North Smithfield	120,000	120,000	-	120,000	-	-
Pawtucket	855,000	855,000	-	855,000	-	-
Portsmouth	690,000	690,000	-	585,000	(105,000)	(105,000)
Providence	2,730,000	2,730,000	-	2,640,000	(90,000)	(90,000)
Richmond	-	-	-	-	-	-
Scituate	-	-	-	-	-	-
Smithfield	240,000	240,000	-	240,000	-	-
South Kingstown	375,000	375,000	-	375,000	-	-
Tiverton	-	-	-	-	-	-
Warwick	360,000	360,000	-	360,000	-	-
Westerly	-	-	-	-	-	-
West Warwick	-	-	-	-	-	-
Woonsocket	165,000	165,000	-	165,000	-	-
Bristol-Warren	210,000	210,000	-	210,000	-	-
Exeter-West Greenwich	210,000	210,000	-	210,000	-	-
Foster-Glocester	-	-	-	-	-	-
Central Falls	-	-	-	-	-	-
Total	\$8,601,000	\$8,601,000	\$ -	\$ 8,181,000	\$ (420,000)	\$ (420,000)

Table 4: Calculation of State Share Ratio

The following table shows the calculation of each community's state share ratio for the purpose of the new education funding formula. The share ratio formula considers the district's ability to generate revenues and its poverty concentration.

A. The assessed value of real and tangible personal property for each city and town as of December 31 of the third preceding calendar year in accordance with Rhode Island General Law, Section 16-7-21. The assessed value as of December 31, 2008 is used for FY 2013 calculations. Property value is certified annually by the Department of Revenue, Division of Municipal Finance, based on local sales data and appraisals.

B. The adjusted equalized weighted assessed property valuations for the third preceding calendar year per current law, as of December 31, 2008 as reported by the Department of Revenue's Division of Municipal Finance. The total assessed local property value of a community is adjusted for differences in local assessment rates to allow the reporting of figures comparable on a statewide basis, resulting in the equalized weighted assessed valuation (EWAV).

The valuations are then adjusted by the ratio that the community's median family income bears to the statewide median family income, as reported in the most recent federal census data. Use of both the property value and the median family income is an attempt to compensate for districts that have significant disparity between median family income and the full value of property. Once community wealth is determined, it is divided by pupil counts to calculate the per pupil wealth for each community compared to the per pupil wealth for the state as a whole.

C. The FY 2011 student counts are shown in Column **C** based on the resident average daily membership as of June 30, 2011. Average daily membership calculates an average of the number of days all students are formally members of a district and/or a school per year.

D. The resulting relative per pupil community wealth is then multiplied by 0.475 and subtracted from 1.0, yielding the district's share ratio. The result is multiplied by 100 to convert this share ratio to a percentage.

E. Column **E** includes the percentage of students eligible for USDA reimbursable school meals in pre-Kindergarten through 6th grade as of June 30, 2011.

F. The calculation in Column **F** is the square root of the sum of the state share ratio for the community calculation in Column **D** squared plus the district's percentage of students eligible for USDA reimbursable school meals in grades pre-Kindergarten through 6th in Column **E** squared, divided by two.

$$\text{State Share Ratio (SSR)} = \sqrt{\frac{\text{SSRC}^2 + \%PK6FRPL^2}{2}}$$

G. Column **G** shows what the share ratio was for FY 2012. It uses property valuations as of December 31, 2007 and student counts as of June 30, 2010.

H. Column **H** shows the difference between the share ratio for FY 2013 and that for FY 2012.

Table 4: Calculation of State Share Ratio

<i>District</i>	<i>A</i> <i>Assessed Value</i> <i>12/31/08</i>	<i>B</i> <i>Adjusted EWAV</i> <i>12/31/08</i>	<i>C</i> <i>June 2011</i> <i>Student Count*</i>	<i>D</i> <i>Adjusted</i> <i>EWAV</i>
Barrington	\$ 3,207,288,458	\$ 4,996,527,821	3,411	29.5%
Burrillville	1,732,799,428	1,777,974,639	2,494	65.7%
Charlestown	2,786,055,969	3,077,225,778	1,053	0.0%
Coventry	4,041,624,268	4,196,466,262	5,093	60.4%
Cranston	7,781,713,937	7,927,256,420	10,316	63.0%
Cumberland	4,224,809,759	4,640,261,461	4,791	53.4%
East Greenwich	2,584,752,643	3,862,957,516	2,348	20.9%
East Providence	5,260,480,334	4,614,434,063	5,486	59.5%
Foster	243,566,869	279,161,294	266	49.5%
Glocester	476,218,093	502,354,919	555	56.5%
Hopkinton	1,106,060,656	1,107,157,282	1,228	56.6%
Jamestown	2,197,603,976	2,740,490,493	697	0.0%
Johnston	3,604,546,531	3,400,091,416	3,082	46.9%
Lincoln	3,396,640,344	3,826,882,406	3,410	46.0%
Little Compton	2,033,773,528	2,983,453,448	414	0.0%
Middletown	2,885,138,511	3,302,183,324	2,444	35.0%
Narragansett	4,717,913,079	5,378,526,244	1,500	0.0%
Newport	5,900,923,194	6,351,713,492	2,038	0.0%
New Shoreham	2,126,428,746	2,312,906,555	125	0.0%
North Kingstown	4,636,146,736	5,676,661,775	4,155	34.3%
North Providence	3,245,178,174	2,449,538,024	3,425	65.6%
North Smithfield	1,658,754,421	1,719,858,614	1,792	53.8%
Pawtucket	4,539,047,733	3,013,403,622	9,701	85.1%
Portsmouth	3,889,676,223	4,978,614,903	2,606	8.1%
Providence	14,805,916,718	7,505,015,602	25,060	85.6%
Richmond	992,186,118	1,069,497,162	1,159	55.6%
Scituate	1,023,594,617	1,969,910,530	1,631	41.9%
Smithfield	3,102,632,756	3,610,988,632	2,404	27.7%
South Kingstown	5,388,691,624	6,408,042,136	3,606	14.5%
Tiverton	2,309,151,173	2,097,388,754	1,884	46.5%
Warwick	12,431,232,062	11,513,435,670	9,834	43.7%
Westerly	6,673,748,298	6,706,033,604	3,185	0.0%
West Warwick	2,841,374,779	2,278,583,454	3,461	68.3%
Woonsocket	2,186,110,145	1,516,559,002	5,790	87.4%
Bristol/Warren	4,841,979,173	4,981,670,125	3,483	31.2%
Exeter/West Greenwich	1,855,118,374	2,300,654,781	1,823	39.3%
Foster/Glocester	1,135,230,920	1,230,816,642	1,293	54.2%
Central Falls	802,751,486	362,161,990	3,380	94.8%
Total	\$ 138,666,859,853	\$ 138,666,859,855	140,423	

**Includes charter and state school students*

Table 4: Calculation of State Share Ratio

<i>District</i>	<i>E</i> <i>FY 2011 % of</i> <i>PK-6 FRPL</i>	<i>F</i> <i>FY 2013 State</i> <i>Share Ratio</i>	<i>G</i> <i>FY 2012 State</i> <i>Share Ratio</i>	<i>H</i> <i>Change to</i> <i>Share Ratio</i>
Barrington	4.7%	21.1%	20.4%	0.6%
Burrillville	36.0%	53.0%	52.5%	0.5%
Charlestown	25.9%	18.3%	15.4%	2.9%
Coventry	28.5%	47.2%	47.5%	-0.3%
Cranston	40.7%	53.0%	49.6%	3.3%
Cumberland	22.0%	40.8%	42.1%	-1.2%
East Greenwich	7.0%	15.6%	12.9%	2.7%
East Providence	48.5%	54.3%	55.6%	-1.3%
Foster	17.6%	37.1%	34.5%	2.6%
Glocester	22.0%	42.9%	43.6%	-0.7%
Hopkinton	24.7%	43.7%	44.4%	-0.7%
Jamestown	6.3%	4.5%	3.7%	0.8%
Johnston	40.8%	44.0%	43.7%	0.3%
Lincoln	27.6%	37.9%	36.3%	1.6%
Little Compton	15.5%	11.0%	12.7%	-1.7%
Middletown	32.3%	33.7%	33.9%	-0.2%
Narragansett	23.0%	16.3%	14.4%	1.9%
Newport	67.1%	47.4%	44.6%	2.8%
New Shoreham	13.0%	9.2%	8.9%	0.3%
North Kingstown	23.1%	29.2%	29.9%	-0.6%
North Providence	39.5%	54.1%	52.2%	1.9%
North Smithfield	16.1%	39.7%	39.5%	0.3%
Pawtucket	79.4%	82.3%	80.7%	1.6%
Portsmouth	13.5%	11.1%	13.9%	-2.7%
Providence	89.4%	87.5%	86.8%	0.7%
Richmond	17.9%	41.3%	42.6%	-1.3%
Scituate	19.0%	32.5%	32.3%	0.2%
Smithfield	13.0%	21.6%	24.4%	-2.8%
South Kingstown	18.9%	16.8%	16.4%	0.3%
Tiverton	27.8%	38.3%	33.5%	4.8%
Warwick	31.7%	38.2%	38.6%	-0.4%
Westerly	37.8%	26.7%	25.6%	1.1%
West Warwick	52.3%	60.8%	60.8%	0.1%
Woonsocket	74.9%	81.4%	81.3%	0.0%
Bristol/Warren	33.2%	32.2%	33.1%	-0.9%
Exeter/West Greenwich	13.6%	29.4%	29.7%	-0.3%
Foster/Glocester	16.2%	40.0%	40.2%	-0.1%
Central Falls	91.4%	93.1%	92.6%	0.6%
Total				

**Includes charter and state school students*

Table 5: Transition Plan for Districts

The new funding formula results in a redistribution of aid among communities with some getting less aid than prior years. In an effort to mitigate any losses to communities and allow for an adjustment period, the law allows for a transition of up to ten years. The Department of Elementary and Secondary Education has developed a methodology to implement this transition based on how a district fares compared to funding distributions under the current system. It requires establishing the total gain or loss to each district.

A. Column **A** is the amount of formula aid that districts received in the first year of the formula's implementation, FY 2012.

B. Column **B** is the FY 2013 total base funding calculation.

C. Column **C** is the difference between FY 2013 base funding shown in Column **B** and the amount of formula aid received in FY 2012 and shown in Column **A**.

D. Column **D** shows the transition calculation. Districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less state funding will have that loss phased in over ten years.

E. Column **E** includes student enrollment adjustments for changes in the number of students attending charter schools. Because some districts are more affected by charter schools, significant swings in data can skew transition amounts. To establish stability in the transition amount, differences due to these changes are transitioned separately.

F. Column **F** shows the transition calculation for the charter school adjustments shown in Column **E**. Adjustments for enrollment losses from students enrolling in charter schools is phased in over ten years.

G. Column **G** is the second year transition amount. This is used in the calculation of the funding formula for FY 2013 in Table 2.

Table 5: Transition Plan for Districts

<i>District</i>	<i>A</i> <i>FY 2012 Enacted</i> <i>Base Formula</i> <i>Funding</i>	<i>B</i> <i>FY 2013 Base</i> <i>Calculation</i>	<i>C</i> <i>Difference</i>	<i>D</i> <i>Transition =</i> <i>2/7th or 2/10th</i>
Barrington	\$ 2,362,934	\$ 6,351,451	\$ 3,988,517	\$ 664,753
Burrillville	12,585,056	12,952,397	367,341	61,224
Charlestown	1,670,986	1,678,489	7,503	1,250
Coventry	18,550,838	22,874,631	4,323,793	720,632
Cranston	34,041,838	53,604,864	19,563,026	3,260,504
Cumberland	12,644,415	17,683,572	5,039,157	839,859
East Greenwich	1,502,848	3,234,475	1,731,627	288,605
East Providence	24,736,571	30,483,334	5,746,763	957,794
Foster	1,241,245	885,986	(355,259)	(39,473)
Glocester	2,860,166	2,173,796	(686,370)	(76,263)
Hopkinton	5,613,789	5,060,244	(553,545)	(61,505)
Jamestown	369,267	273,347	(95,920)	(10,658)
Johnston	9,937,661	13,303,446	3,365,785	560,964
Lincoln	6,864,255	11,972,956	5,108,701	851,450
Little Compton	313,858	422,347	108,489	18,081
Middletown	8,927,808	7,906,847	(1,020,961)	(113,440)
Narragansett	1,488,608	2,232,719	744,111	124,019
Newport	10,221,213	10,353,258	132,045	22,007
New Shoreham	61,851	104,513	42,662	7,110
North Kingstown	10,674,839	11,233,526	558,687	93,115
North Providence	12,460,586	17,502,236	5,041,650	840,275
North Smithfield	4,500,714	6,499,158	1,998,444	333,074
Pawtucket	63,745,780	81,091,773	17,345,993	2,890,999
Portsmouth	5,072,149	2,639,796	(2,432,353)	(270,261)
Providence	183,074,948	231,377,652	48,302,704	8,050,451
Richmond	5,537,977	4,463,584	(1,074,393)	(119,377)
Scituate	3,150,369	4,820,138	1,669,769	278,295
Smithfield	4,718,805	4,730,293	11,488	1,915
South Kingstown	8,441,331	5,470,781	(2,970,550)	(330,061)
Tiverton	5,329,648	6,781,925	1,452,277	242,046
Warwick	33,436,513	36,603,152	3,166,639	527,773
Westerly	5,982,372	8,255,163	2,272,791	378,799
West Warwick	19,131,939	21,836,215	2,704,276	450,713
Woonsocket	44,843,051	51,974,515	7,131,464	1,188,577
Bristol-Warren	17,880,233	11,003,321	(6,876,912)	(764,101)
Chariho	344,882	-	(344,882)	(38,320)
Exeter-West Greenwich	6,306,153	4,792,455	(1,513,698)	(168,189)
Foster-Glocester	5,157,169	4,817,252	(339,917)	(37,769)
Central Falls	41,131,440	27,223,327	(13,908,113)	(1,545,346)
Total	\$ 636,916,105	\$ 746,668,935	\$ 109,752,830	\$ 20,079,520
<i>Adjusted Chariho</i>	<i>13,167,634</i>	<i>11,202,316</i>	<i>(1,965,318)</i>	<i>(217,952)</i>

Table 5: Transition Plan for Districts

<i>District</i>	<i>E</i> <i>Adjustments for Charters</i>	<i>F</i> <i>Transition = 2/7th or 2/10th</i>	<i>G</i> <i>Adjusted Year Two Difference</i>
Barrington	\$ (2,567)	\$ (428)	\$ 664,325
Burrillville	(9,195)	(1,533)	59,691
Charlestown	(2,225)	(371)	880
Coventry	(89,351)	(14,892)	705,740
Cranston	(123,359)	(20,560)	3,239,945
Cumberland	(366,488)	(61,081)	778,778
East Greenwich	-	-	288,605
East Providence	11,306	1,884	959,678
Foster	-	-	(39,473)
Glocester	(3,721)	(413)	(76,677)
Hopkinton	(3,790)	(421)	(61,926)
Jamestown	(773)	(86)	(10,744)
Johnston	(22,127)	(3,688)	557,276
Lincoln	(90,205)	(15,034)	836,416
Little Compton	-	-	18,081
Middletown	(9,938)	(1,104)	(114,544)
Narragansett	(4,235)	(706)	123,313
Newport	(25,531)	(4,255)	17,752
New Shoreham	-	-	7,110
North Kingstown	(10,151)	(1,692)	91,423
North Providence	7,519	1,253	841,528
North Smithfield	(8,271)	(1,379)	331,695
Pawtucket	(1,272,840)	(212,140)	2,678,859
Portsmouth	(1,932)	(215)	(270,476)
Providence	(2,207,373)	(367,895)	7,682,555
Richmond	(3,585)	(398)	(119,775)
Scituate	(5,647)	(941)	277,354
Smithfield	(4,507)	(751)	1,164
South Kingstown	(11,695)	(1,299)	(331,361)
Tiverton	(6,650)	(1,108)	240,938
Warwick	6,626	1,104	528,878
Westerly	(9,279)	(1,547)	377,252
West Warwick	(5,279)	(880)	449,833
Woonsocket	(60,749)	(10,125)	1,178,453
Bristol-Warren	(15,098)	(1,678)	(765,779)
Chariho	-	-	(38,320)
Exeter-West Greenwich	(22,969)	(2,552)	(170,741)
Foster-Glocester	(6,943)	(771)	(38,540)
Central Falls	(1,293,039)	(143,671)	(1,689,017)
Total	\$ (5,674,062)	\$ (869,372)	\$ 19,210,148
<i>Adjusted Chariho</i>	<i>(9,600)</i>	<i>(1,190)</i>	<i>(219,142)</i>

Table 6: FY 2013 Estimated Charter & State School Enrollment by Sending District

<i>Sending District</i>	<i>Beacon Charter School</i>	<i>Blackstone Academy</i>	<i>Compass</i>	<i>RI Mayoral Academies Blackstone Valley</i>	<i>Greene School</i>
Barrington	-	-	-	-	-
Burrillville	12	-	-	-	-
Charlestown	-	-	54	-	4
Coventry	4	-	-	-	57
Cranston	3	-	-	-	4
Cumberland	36	-	-	238	-
East Greenwich	3	-	1	-	1
East Providence	4	-	-	-	1
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	3
Jamestown	-	-	5	-	3
Johnston	7	-	-	-	3
Lincoln	8	-	-	72	-
Little Compton	-	-	-	-	-
Middletown	1	-	-	-	-
Narragansett	-	-	10	-	3
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	27	-	3
North Providence	10	-	-	-	-
North Smithfield	14	-	-	-	-
Pawtucket	18	89	-	246	-
Portsmouth	-	-	-	-	-
Providence	9	-	2	1	17
Richmond	-	-	7	-	3
Scituate	2	-	-	-	3
Smithfield	2	-	-	-	-
South Kingstown	-	-	33	-	7
Tiverton	-	-	-	-	-
Warwick	2	-	4	-	4
Westerly	1	-	21	-	11
West Warwick	1	-	1	-	1
Woonsocket	84	-	-	-	-
Bristol-Warren	-	-	-	-	-
Exeter-West Greenwich	-	-	5	-	33
Foster-Glocester	1	-	-	-	7
Central Falls	3	76	-	232	-
Total	225	165	170	789	168

Table 6: FY 2013 Estimated Charter & State School Enrollment by Sending District

<i>Sending District</i>	<i>Highlander</i>	<i>International</i>	<i>Kingston Hill</i>	<i>Learning Community</i>	<i>New England Laborers</i>
Barrington	2	-	-	-	-
Burrillville	-	-	-	-	-
Charlestown	-	-	39	-	-
Coventry	1	-	1	-	-
Cranston	31	12	-	-	182
Cumberland	-	6	-	-	1
East Greenwich	-	-	-	-	-
East Providence	5	16	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	6	6	-	-	10
Lincoln	2	9	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	5	12	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	33	-	-
North Providence	6	7	-	-	1
North Smithfield	2	-	-	-	-
Pawtucket	27	125	-	130	4
Portsmouth	-	-	-	-	-
Providence	220	95	2	102	16
Richmond	-	-	-	-	-
Scituate	2	-	-	-	16
Smithfield	-	-	-	-	-
South Kingstown	-	-	77	-	-
Tiverton	-	-	-	-	-
Warwick	4	2	2	-	8
Westerly	-	-	3	-	-
West Warwick	2	1	3	-	1
Woonsocket	-	-	-	-	-
Bristol-Warren	1	-	-	-	-
Exeter-West Greenwich	-	-	8	-	2
Foster-Glocester	-	-	-	-	4
Central Falls	3	40	-	308	-
Total	314	324	180	540	245

Table 6: FY 2013 Estimated Charter & State School Enrollment by Sending District

<i>Sending District</i>	<i>Nurses Institute</i>	<i>Paul Cuffee</i>	<i>Segue Institute</i>	<i>Textron</i>	<i>Times2</i>
Barrington	-	-	-	-	-
Burrillville	1	-	-	-	-
Charlestown	2	-	-	-	-
Coventry	1	-	-	-	-
Cranston	10	-	-	-	-
Cumberland	4	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	2	-	-	-	-
Foster	-	-	-	-	-
Glocester	1	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	2	-	-	-	-
Lincoln	4	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	4	-	-	-	-
North Smithfield	2	-	-	-	-
Pawtucket	55	-	-	-	-
Portsmouth	-	-	-	-	-
Providence	82	706	-	225	647
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warwick	4	-	-	-	-
Westerly	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	2	-	-	-	-
Bristol-Warren	2	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-
Foster-Glocester	-	-	-	-	-
Central Falls	26	-	240	-	-
Total	204	706	240	225	647

Table 6: FY 2013 Estimated Charter & State School Enrollment by Sending District

<i>Sending District</i>	<i>Trinity</i>	<i>Davies Career & Tech Center</i>	<i>Metropolitan Career & Tech Center</i>	<i>Total</i>	<i>Charter/State School % of Total Enrollment</i>
Barrington	-	-	3	5	0.1%
Burrillville	-	1	5	19	0.8%
Charlestown	-	-	6	105	10.0%
Coventry	-	-	3	67	1.3%
Cranston	-	1	20	263	2.5%
Cumberland	-	-	7	292	6.1%
East Greenwich	-	-	-	5	0.2%
East Providence	-	1	25	54	1.0%
Foster	-	-	-	-	0.0%
Glocester	-	-	-	1	0.2%
Hopkinton	-	-	-	3	0.2%
Jamestown	-	-	6	14	2.0%
Johnston	-	-	35	69	2.2%
Lincoln	-	49	7	151	4.4%
Little Compton	-	-	2	2	0.5%
Middletown	-	-	20	21	0.9%
Narragansett	-	-	6	36	2.4%
Newport	-	-	27	27	1.3%
New Shoreham	-	-	-	-	0.0%
North Kingstown	-	-	4	67	1.6%
North Providence	-	67	11	106	3.1%
North Smithfield	-	1	-	19	1.1%
Pawtucket	-	522	37	1,253	12.9%
Portsmouth	-	-	11	11	0.4%
Providence	102	82	461	2,769	11.0%
Richmond	-	-	1	11	0.9%
Scituate	-	-	2	25	1.5%
Smithfield	-	12	10	24	1.0%
South Kingstown	-	-	16	133	3.7%
Tiverton	-	-	10	10	0.5%
Warwick	-	-	17	47	0.5%
Westerly	-	-	1	37	1.2%
West Warwick	-	-	7	17	0.5%
Woonsocket	-	-	31	117	2.0%
Bristol-Warren	-	-	18	21	0.6%
Exeter-West Greenwich	-	-	4	52	2.9%
Foster-Glocester	-	-	1	13	1.0%
Central Falls	-	180	18	1,126	33.3%

Table 7: Transition Plan for Charter and State Schools

The new funding formula results in a redistribution of aid among communities with some getting less aid than prior years. In an effort to mitigate any losses to communities and allow for an adjustment period, the law allows for a transition of up to ten years. The Department of Elementary and Secondary Education has developed a methodology to implement this transition based on how a district or school compared to funding distributions under the current system. It requires establishing the total gain or loss to each district.

A. Column **A** is FY 2012 enacted formula aid. It includes general revenues and federal fiscal stabilization funds.

B. Column **B** is the base formula aid calculation for FY 2013. It uses June 2012 enrollment data adjusted for October 2012 charter school enrollment and projected charter school enrollment for FY 2013.

C. Column **C** is the difference between FY 2013 base funding and FY 2012 enacted aid.

D. Column **D** shows the transition calculation. Charter and state schools that will receive more state funding will have the additional funding phased in over seven years and those that are going to receive less state funding will have that loss phased in over ten years.

E. Column **E** includes student enrollment adjustments. Because some charter schools are adding grades and are more affected by growing enrollments, significant swings in data can skew transition amounts. To establish stability in the transition amount, differences due to these changes are included in the transition calculation.

F. Column **F** shows the transition calculation for student enrollment adjustments shown in Column **E**. These adjustments will also be phased in over either seven or ten years.

G. Column **G** is the second year transition amount. This is used in the calculation of the new funding formula for FY 2013.

H. Column **H** is the FY 2013 recommended formula aid. It is shown in Table 1B.

I. Column **I** is the difference between the second year of funding under the new formula and the total state foundation aid shown in Column **B**.

Table 7: Transition Plan for Charter and State Schools

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
<i>School</i>	<i>FY 2012 Enacted Formula Aid</i>	<i>FY 2013 Base Formula Funding</i>	<i>Difference</i>	<i>Transition = 2/7th or 2/10th</i>	<i>Adjustments to Difference</i>
Beacon	\$ 1,722,314	\$ 1,487,032	\$ (235,282)	\$ (26,142)	\$ -
Blackstone	1,552,491	1,538,107	(14,384)	(1,598)	107,623
Compass	608,800	337,304	(271,496)	(30,166)	19,551
Greene School	667,150	489,660	(177,490)	(19,721)	178,723
Highlander	2,716,793	2,631,502	(85,291)	(9,477)	227,392
International	2,896,237	2,715,535	(180,702)	(20,078)	-
Kingston Hill	727,276	376,638	(350,638)	(38,960)	-
Learning Community	5,954,782	5,698,684	(256,098)	(28,455)	-
New England Laborers	1,648,397	1,319,111	(329,286)	(36,587)	46,599
Nurses Institute	1,130,376	1,190,732	60,356	10,059	630,780
Paul Cuffee	6,805,659	6,216,497	(589,162)	(65,462)	707,939
Mayoral Academies Blackstone	4,050,453	3,886,017	(164,436)	(18,271)	2,108,112
Segue Institute	2,562,049	2,401,821	(160,228)	(17,803)	216,584
Textron	2,323,795	2,271,179	(52,616)	(5,846)	-
Times2 Academy	7,111,479	6,467,162	(644,317)	(71,591)	-
Trinity	726,533	698,824	(27,709)	(3,079)	349,412
Charter Schools Subtotal	\$ 43,204,584	\$ 39,725,805	\$ (3,478,779)	\$ (383,178)	\$ 4,592,715
Davies Career and Tech	14,090,211	7,972,399	(6,117,812)	(679,757)	-
Met School	12,236,284	5,522,624	(6,713,660)	(745,962)	1,081,347
Total	\$ 69,531,079	\$ 53,220,828	\$ (16,310,251)	\$ (1,808,897)	\$ 5,674,062

Table 7: Transition Plan for Charter and State Schools

<i>School</i>	<i>F</i> <i>Transition =</i> <i>2/7th or</i> <i>2/10th*</i>	<i>G</i> <i>Adjusted Year</i> <i>Two</i> <i>Difference</i>	<i>H</i> <i>FY 2013</i> <i>Recommended</i> <i>Formula Aid</i>	<i>I</i> <i>FY 2013</i> <i>Difference</i> <i>from Base</i> <i>Funding</i>
Beacon	\$ -	\$ (26,142)	\$ 1,696,172	\$ 209,140
Blackstone	11,958	10,360	1,562,851	24,744
Compass	2,172	(27,994)	580,806	243,502
Greene School	178,723	159,002	826,152	336,492
Highlander	25,266	15,789	2,732,582	101,080
International	-	(20,078)	2,876,159	160,624
Kingston Hill	-	(38,960)	688,316	311,678
Learning Community	-	(28,455)	5,926,327	227,643
New England Laborers	5,178	(31,410)	1,616,987	297,876
Nurses Institute	630,780	640,839	1,771,215	580,483
Paul Cuffee	707,939	642,477	7,448,136	1,231,639
Mayoral Academies Blackstone	2,108,112	2,089,841	6,140,294	2,254,277
Segue Institute	24,065	6,262	2,568,311	166,490
Textron	-	(5,846)	2,317,949	46,770
Times2 Academy	-	(71,591)	7,039,888	572,726
Trinity	349,412	346,333	1,072,866	374,042
<i>Charter Schools Subtotal</i>	\$ 4,043,605	\$ 3,660,427	\$ 46,865,011	\$ 7,139,206
Davies Career and Tech	-	(679,757)	13,410,454	5,438,055
Met School	120,150	(625,813)	11,610,471	6,087,847
Total	\$ 4,163,754	\$ 2,354,857	\$ 71,885,936	\$ 18,665,108

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

Table 8: Transitioned Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Beacon Charter School</i>	<i>Blackstone Academy</i>	<i>Compass</i>	<i>RI Mayoral Academies Blackstone Valley</i>	<i>Greene School</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	71,616	-	-	-	-
Charlestown	-	-	743,148	-	55,048
Coventry	32,216	-	-	-	459,078
Cranston	25,062	-	-	-	33,416
Cumberland	271,692	-	-	1,796,186	-
East Greenwich	38,718	-	12,906	-	12,906
East Providence	30,628	-	-	-	7,657
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	41,286
Jamestown	-	-	79,915	-	47,949
Johnston	83,783	-	-	-	35,907
Lincoln	95,640	-	-	860,760	-
Little Compton	-	-	-	-	-
Middletown	8,599	-	-	-	-
Narragansett	-	-	160,180	-	48,054
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	284,256	-	31,584
North Providence	92,420	-	-	-	-
North Smithfield	129,248	-	-	-	-
Pawtucket	51,660	255,430	-	706,020	-
Portsmouth	-	-	-	-	-
Providence	48,078	-	10,684	5,342	90,814
Richmond	-	-	96,334	-	41,286
Scituate	20,184	-	-	-	30,276
Smithfield	22,188	-	-	-	-
South Kingstown	-	-	436,623	-	92,617
Tiverton	-	-	-	-	-
Warwick	24,474	-	48,948	-	48,948
Westerly	14,784	-	310,464	-	162,624
West Warwick	8,176	-	8,176	-	8,176
Woonsocket	174,048	-	-	-	-
Bristol-Warren	-	-	-	-	-
Exeter-West Greenwich	-	-	57,600	-	380,160
Foster-Glocester	8,850	-	-	-	61,950
Central Falls	10,158	257,336	-	785,552	-
Total	\$ 1,262,222	\$ 512,766	\$ 2,249,234	\$ 4,153,860	\$ 1,689,736

Table 8: Transitioned Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Highlander</i>	<i>International</i>	<i>Kingston Hill</i>	<i>Learning Community</i>	<i>New England Laborers</i>
Barrington	\$ 23,670	\$ -	\$ -	\$ -	\$ -
Burrillville	-	-	-	-	-
Charlestown	-	-	536,718	-	-
Coventry	8,054	-	8,054	-	-
Cranston	258,974	100,248	-	-	1,520,428
Cumberland	-	45,282	-	-	7,547
East Greenwich	-	-	-	-	-
East Providence	38,285	122,512	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	71,814	71,814	-	-	119,690
Lincoln	23,910	107,595	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	80,090	192,216	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	347,424	-	-
North Providence	55,452	64,694	-	-	9,242
North Smithfield	18,464	-	-	-	-
Pawtucket	77,490	358,750	-	373,100	11,480
Portsmouth	-	-	-	-	-
Providence	1,175,240	507,490	10,684	544,884	85,472
Richmond	-	-	-	-	-
Scituate	20,184	-	-	-	161,472
Smithfield	-	-	-	-	-
South Kingstown	-	-	1,018,787	-	-
Tiverton	-	-	-	-	-
Warwick	48,948	24,474	24,474	-	97,896
Westerly	-	-	44,352	-	-
West Warwick	16,352	8,176	24,528	-	8,176
Woonsocket	-	-	-	-	-
Bristol-Warren	8,767	-	-	-	-
Exeter-West Greenwich	-	-	92,160	-	23,040
Foster-Glocester	-	-	-	-	35,400
Central Falls	10,158	135,440	-	1,042,888	-
Total	\$ 1,855,762	\$ 1,626,565	\$ 2,299,397	\$ 1,960,872	\$ 2,079,843

Table 8: Transitioned Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Nurses Institute</i>	<i>Paul Cuffee</i>	<i>Segue Institute</i>	<i>Textron</i>	<i>Times2</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	5,968	-	-	-	-
Charlestown	27,524	-	-	-	-
Coventry	8,054	-	-	-	-
Cranston	83,540	-	-	-	-
Cumberland	30,188	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	15,314	-	-	-	-
Foster	-	-	-	-	-
Glocester	11,628	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	23,938	-	-	-	-
Lincoln	47,820	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	36,968	-	-	-	-
North Smithfield	18,464	-	-	-	-
Pawtucket	157,850	-	-	-	-
Portsmouth	-	-	-	-	-
Providence	438,044	3,771,452	-	1,201,950	3,456,274
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warwick	48,948	-	-	-	-
Westerly	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	4,144	-	-	-	-
Bristol-Warren	17,534	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-
Foster-Glocester	-	-	-	-	-
Central Falls	88,036	-	812,640	-	-
Total	\$ 1,063,962	\$ 3,771,452	\$ 812,640	\$ 1,201,950	\$ 3,456,274

Table 8: Transitioned Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Trinity</i>	<i>Davies Career and Technical Center</i>	<i>Metropolitan Career and Technical Center</i>	<i>Total</i>
Barrington	\$ -	\$ -	\$ 35,505	\$ 59,175
Burrillville	-	5,968	29,840	113,392
Charlestown	-	-	82,572	1,445,010
Coventry	-	-	24,162	539,618
Cranston	-	8,354	167,080	2,197,102
Cumberland	-	-	52,829	2,203,724
East Greenwich	-	-	-	64,530
East Providence	-	7,657	191,425	413,478
Foster	-	-	-	-
Glocester	-	-	-	11,628
Hopkinton	-	-	-	41,286
Jamestown	-	-	95,898	223,762
Johnston	-	-	418,915	825,861
Lincoln	-	585,795	83,685	1,805,205
Little Compton	-	-	28,828	28,828
Middletown	-	-	171,980	180,579
Narragansett	-	-	96,108	576,648
Newport	-	-	304,830	304,830
New Shoreham	-	-	-	-
North Kingstown	-	-	42,112	705,376
North Providence	-	619,214	101,662	979,652
North Smithfield	-	9,232	-	175,408
Pawtucket	-	1,498,140	106,190	3,596,110
Portsmouth	-	-	116,446	116,446
Providence	544,884	438,044	2,462,662	14,791,998
Richmond	-	-	13,762	151,382
Scituate	-	-	20,184	252,300
Smithfield	-	133,128	110,940	266,256
South Kingstown	-	-	211,696	1,759,723
Tiverton	-	-	106,610	106,610
Warwick	-	-	208,029	575,139
Westerly	-	-	14,784	547,008
West Warwick	-	-	57,232	138,992
Woonsocket	-	-	64,232	242,424
Bristol-Warren	-	-	157,806	184,107
Exeter-West Greenwich	-	-	46,080	599,040
Foster-Glocester	-	-	8,850	115,050
Central Falls	-	609,480	60,948	3,812,636
Total	\$ 544,884	\$ 3,915,012	\$ 5,693,882	\$ 40,150,313

Table 9: Recommended Categorical Aid

<i>Sending District</i>	<i>High Cost Special Education</i>	<i>High Cost Career & Tech</i>	<i>Transportation</i>	<i>Regionalization Bonus</i>	<i>Total</i>
Barrington	\$ 8,284	\$ -	\$ 17,037	\$ -	\$ 25,321
Burrillville	446	-	5,274	-	5,720
Charlestown	-	-	-	16,719	16,719
Coventry	11,613	-	12,533	-	24,146
Cranston	32,650	-	198,573	-	231,223
Cumberland	6,054	-	39,187	-	45,241
East Greenwich	11,523	-	9,739	-	21,262
East Providence	66,183	-	5,922	-	72,105
Foster	1,526	-	3,019	-	4,545
Glocester	2,903	-	3,810	-	6,713
Hopkinton	-	-	-	55,519	55,519
Jamestown	5,324	-	-	-	5,324
Johnston	15,277	-	137,572	-	152,849
Lincoln	18,317	-	-	-	18,317
Little Compton	-	-	-	-	-
Middletown	6,149	-	-	-	6,149
Narragansett	1,799	-	-	-	1,799
Newport	3,225	-	-	-	3,225
New Shoreham	2,658	-	-	-	2,658
North Kingstown	2,893	-	-	-	2,893
North Providence	31,484	-	74,710	-	106,194
North Smithfield	802	-	15,548	-	16,350
Pawtucket	5,179	-	-	-	5,179
Portsmouth	1,695	-	-	-	1,695
Providence	116,140	-	112,426	-	228,566
Richmond	-	-	-	54,182	54,182
Scituate	1,800	-	11,558	-	13,358
Smithfield	13,119	-	16,210	-	29,329
South Kingstown	5,871	-	28,597	-	34,468
Tiverton	5,904	-	-	-	5,904
Warwick	41,736	-	-	-	41,736
Westerly	11,821	-	-	-	11,821
West Warwick	13,296	-	23,908	-	37,204
Woonsocket	21,192	-	7,716	-	28,908
Bristol-Warren	8,189	-	327,782	171,144	507,115
Chariho	2,898	-	551,283	3,066	557,247
Exeter-West Greenwich	15,278	-	333,232	61,354	409,864
Foster-Glocester	1,284	-	206,916	51,186	259,386
Central Falls	5,488	-	33,128	-	38,616
Subtotal	\$ 500,000	\$ -	\$ 2,175,680	\$ 413,170	\$ 2,588,850
Charters & State Schools	-	-	-	-	-
Total	\$ 500,000	\$ -	\$ 2,175,680	\$ 413,170	\$ 2,588,850

Table 10: Education Aid for FY 2007 – FY 2011

<i>District</i>	<i>FY 2007</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010</i>	<i>FY 2011</i>
Barrington	\$ 2,599,526	\$ 2,599,526	\$ 1,907,570	\$ 1,800,191	\$ 1,777,692
Burrillville	13,779,743	13,854,743	13,789,047	13,169,342	13,049,312
Charlestown	2,002,838	2,002,838	1,824,817	1,725,632	1,708,264
Coventry	20,075,081	20,075,081	19,167,853	18,278,654	18,106,570
Cranston	35,580,911	35,580,911	34,241,412	32,032,775	31,729,746
Cumberland	13,257,009	13,257,009	12,749,195	11,966,879	11,853,639
East Greenwich	1,949,761	1,949,761	1,457,699	1,450,763	1,327,711
East Providence	26,762,254	26,888,254	26,404,603	24,881,232	24,531,957
Foster	1,416,463	1,416,463	1,372,428	1,305,135	1,293,021
Glocester	3,213,847	3,213,847	3,150,714	2,973,405	2,946,000
Hopkinton	6,241,352	6,241,352	5,758,687	5,749,276	5,695,888
Jamestown	531,908	531,908	445,251	391,353	386,846
Johnston	10,915,364	10,915,364	10,412,388	9,701,822	9,609,655
Lincoln	7,403,268	7,403,268	6,762,647	6,384,476	6,320,677
Little Compton	368,810	368,810	324,893	291,845	288,570
Middletown	10,497,116	10,497,116	10,102,194	9,653,308	9,562,746
Narragansett	1,897,159	1,897,159	1,601,846	1,440,139	1,423,684
Newport	11,796,080	11,871,080	11,718,446	10,912,686	10,812,053
New Shoreham	106,345	106,345	40,148	57,149	56,081
North Kingstown	11,986,005	11,986,005	11,342,544	10,735,891	10,633,129
North Providence	13,232,872	13,382,872	12,949,606	12,222,938	12,107,544
North Smithfield	4,834,237	4,834,237	4,542,906	4,384,693	4,342,683
Pawtucket	66,858,559	67,023,559	67,589,810	63,316,158	62,743,324
Portsmouth	6,250,042	6,700,042	6,235,178	6,026,090	5,968,097
Providence	193,974,756	194,109,756	198,173,499	181,619,378	179,813,040
Richmond	6,188,615	6,188,615	5,711,973	5,722,291	5,669,397
Scituate	3,407,183	3,407,183	3,136,637	2,942,545	2,913,522
Smithfield	5,668,568	5,743,568	5,265,557	5,023,550	4,899,277
South Kingstown	10,428,698	10,548,698	9,759,935	9,289,273	9,198,692
Tiverton	5,932,058	5,932,058	5,620,900	5,326,062	5,275,223
Warwick	37,626,000	37,626,000	35,667,487	33,816,257	33,493,714
Westerly	6,843,077	6,843,077	6,132,170	5,780,009	5,721,304
West Warwick	20,440,547	20,440,547	20,065,546	19,030,395	18,855,252
Woonsocket	47,616,613	47,661,613	47,937,431	44,881,514	44,356,033
Bristol-Warren	20,498,190	20,498,190	19,987,011	19,071,142	18,896,443
Exeter-West Greenwich	7,661,019	7,661,019	7,159,892	6,894,092	6,708,949
Chariho	398,334	398,334	892,154	387,074	383,667
Foster-Glocester	5,729,861	5,729,861	5,522,536	5,268,913	5,219,945
Central Falls	43,313,036	44,358,224	44,524,530	43,255,325	42,865,644
Met School Operations	10,406,956	11,487,734	11,830,303	12,508,767	13,025,640
Total	\$ 699,690,061	\$ 703,232,027	\$ 693,279,442	\$ 651,668,420	\$ 645,570,630