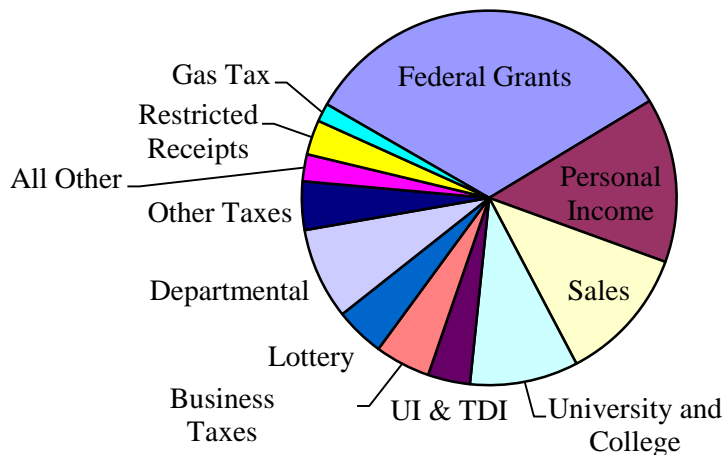

Section I

Budget at a Glance

FY 2020 Budget at a Glance

The Assembly adopted a budget with total expenditures of \$9,970.6 million, which is \$397.9 million more than enacted by the 2018 Assembly for FY 2019 and \$40.6 million more than the Governor recommended. It contains \$4,077.6 million from general revenues, which is \$169.4 million more than originally enacted for FY 2019 and \$2.5 million more than the Governor recommended.

Sources of Funds



Budget Issues

- **FY 2020 Gap.** The Budget Office originally estimated that in preparing the FY 2020 budget, the Governor faced a projected revenue-expenditure gap of about \$158 million. This was similar to the House Fiscal Staff's June projections with the Budget Office estimate carrying both revenue and expenditure assumptions that were about \$30 million higher than the House Fiscal Staff estimate. By November, it was clear that agency overspending and increased caseload costs would outstrip increased resources available from the FY 2018 closing and consensus revenue estimates that exceed internal projections for FY 2020. The House Fiscal Staff estimated in November that those factors meant a roughly \$47 million current year deficit would have to be solved as well as a \$150 million issue for FY 2020, representing approximately 3.6 percent of general revenue expenditures. Following the May revenue and caseload conferences, available resources over the two year period were increased by \$38.5 million. The Assembly used those resources to restore most of the transfers from quasi-public agencies proposed for the current year and to substitute for some of the new revenue proposals. The Budget also restores over \$20 million in proposed reductions to local aid payments and ensures education aid priorities are funded without transferring current state costs to local districts.

- **Out-Year Projections.** The out-years remain significantly unbalanced as projected expenditure growth continues to outpace revenue growth with a gap of \$128.6 million for FY 2019 growing to \$266.3 million by FY 2024. The forecast included with the Governor's budget estimated a \$79.1 million gap for FY 2021,

equating to 1.9 percent of useable revenues, that grows to \$277.3 million in FY 2024, 6.3 percent of useable revenues. The FY 2021 gap includes the impact of the use of one-time items in the resolution of the current budget gap as well as growth in local aid based on the ongoing car tax phase-out. The Governor proposed shifting a greater proportion of those costs to the later years. The forecast also assumes the impact of new proposals for spending including expansion of free tuition, increased tax credit proposals and commitments for tax credits. Some of that was offset by growth in newly proposed revenue items for which only a partial year impact is assumed for FY 2020.

Importantly, however, the Governor's estimate excluded the significant impact of recent changes to the school construction program that are expected to drive costs well above the currently estimated \$80 million per year in addition to the known costs of servicing the debt on the new \$250 million bond. The forecast also excluded any specific growth in expenses linked to the proposal to require that pre-kindergarten slots expand to meet demand. This was expected to add about 6,000 seats, which currently cost \$10,000 each by FY 2023. Education aid growth was pegged at 2.0 percent annually. This is higher than growth rates used in the Governor's prior five-year estimates but growth averaged closer to three percent the past two years, excluding new initiatives.

Fiscal Staff's out-year forecast for the enacted budget incorporates the full 2.0 percent education aid growth and no pre-kindergarten expansion. It also includes impacts to school construction aid of \$10.7 million starting in FY 2022 growing to \$73.1 million for FY 2024. Also, for the first time in decades, the budget sets a hospital license fee for more than just the budget year, adopting a rate for FY 2021 of 5.0 percent. This is expected to generate over \$30 million less than FY 2020 for which there was a \$13.0 million increase from FY 2019. That revenue drop accounts for a significant portion of the projected FY 2021 gap. For FY 2022 and beyond, prior year levels of revenues are assumed from this source.

- ***Control of State Spending.*** The Assembly adopted a number of measures to address administrative adherence to budget control laws by requiring additional reporting in the event that an agency's quarterly report forecasts a deficit and prohibiting the controller from authorizing payments for additional staff, contracts, or purchases for any agency expected to overspend with exceptions for immediate health and safety needs.
- ***Undistributed Savings.*** The Budget includes \$4.6 million of undistributed statewide savings from three initiatives in the Department of Administration. This includes \$2.0 million from detection of fraud and waste, \$1.0 million in overtime savings and \$1.7 million from injured on duty reform, applicable to state employees.

Taxes and Revenues

New Taxes

- ***Medicaid Employer Assessment.*** The Assembly did not concur with the Governor's recommendation to include \$15.6 million in new revenues from imposing a 10 percent assessment on for-profit employers with 300 or more employees for each employee who is enrolled in the state's Medicaid program. The payment was to be capped at \$1,500 per employee per year. These revenues would have been offset by \$1.1 million of expenses for implementation.
- ***Firearms and Ammunition Excise Tax.*** The Assembly did not concur with the Governor's proposal to include \$0.8 million of new revenues from creating an excise tax of 10.0 percent above the sale price, effective October 1, 2019.

- ***Opioid Stewardship Act.*** The Assembly established an annual \$5.0 million fee assessed to manufacturers, distributors, and wholesalers of opioids registered in the state. Companies will be assessed based on their in-state market share of all distributed or manufactured opioids, subject to some exceptions. Funds will be restricted to support programs that provide opioid treatment, recovery, prevention, and education services.

Tax Changes

- ***Cigarettes.*** The Assembly did not concur with the Governor's proposal to increase the cigarette tax by \$0.25, to \$4.50 per 20-pack, effective August 1, 2019.
- ***Other Tobacco Products.*** The Assembly did not concur with the Governor's proposal to impose a 40.0 percent wholesale tax on electronic nicotine delivery systems and raise the per cigar tax from \$0.50 to \$0.80.
- ***Sales Tax on Digital Products.*** The Budget assumes \$2.6 million in revenues from expanding the state sales tax to include online streaming or subscription services, including videos, music, books and ringtones, whether the purchaser retains permanent or term-limited access to the product, effective October 1, 2019.
- ***Sales Tax on Lobbying Services.*** The Assembly did not concur with the Governor's proposal to expand the state sales tax to include lobbying services within the state.
- ***Sales Tax on Interior Design Services.*** The Assembly did not concur with the Governor's proposal to expand the state sales tax to include interior design services within the state.
- ***Sales Tax on Hunting, Trapping, and Shooting Services.*** The Assembly did not concur with the Governor's proposal to expand the state sales tax to include commercial hunting and trapping retreats and preserves, as well as shooting ranges for archery and firearms, including memberships to shooting clubs, effective October 1, 2019.
- ***Sales Tax on Commercial Building Services.*** The Assembly did not concur with the Governor's proposal to expand the state sales tax to include extermination, janitorial, landscaping, carpet and upholstery cleaning, and other building services for commercial buildings.
- ***Hotel Tax.*** The Assembly did not concur with the Governor's proposal to increase the 5.0 percent state hotel tax to 6.0 percent. The Budget does incorporate the share of revenues collected from hosting platforms into the standard hotel tax distribution. There is no fiscal impact from this change, only a reallocation of existing resources from Commerce to regional tourism entities.
- ***Sales Tax Exemptions.*** The Budget lowers expected revenues by \$0.7 million to reflect the exemption of feminine hygiene products and cremation urns from the sales tax, effective October 1, 2019.

Enhanced Compliance and Collections

- ***Remote Sellers Marketplace Collections.*** The Governor's budget proposes legislation to extend the requirement to collect and remit sales taxes to previously exempt entities, consistent with the Supreme Court of the United States *South Dakota vs. Wayfair* decision and assumes \$11.5 million in revenues. The Assembly enacted separate authorizing legislation on March 29, 2019. The May 2019 Revenue Estimating Conference includes those revenues in the FY 2020 estimate. The Budget also assumes \$0.3 million in additional staffing expenses related to enforcement of this proposal.

- ***Division of Collections.*** The Budget includes \$750,000 of new revenues from the addition of an attorney to the Division of Collections and procuring a case management system. It also reduces the interest rate associated with these collections from 18.0 percent to 21.0 percent to the statutory rate required by the referring agency or 13.0 percent, whichever is greater.
- ***Compliance Order Fines.*** The Center for Health Facilities Regulation in the Department of Health monitors and ensures that all healthcare facilities provide quality care and services in a clean and safe environment. The director is authorized to levy administrative fees or impose penalties as compliance orders. The Governor proposed establishing a restricted receipt account in the Department of Health to be funded with these fees and pay for staff. The Assembly assumed these receipts as general revenues, consistent with current law and funded staff from general revenues. The FY 2019 final budget assumes \$1.2 million from these receipts.

Gaming Revenues

- ***Remote Sports Betting.*** The Governor's budget included legislation to expand the state's existing sports betting operations to include play using a computer or mobile device and assumed an additional \$3.0 million in revenue. The Assembly enacted authorizing legislation on March 25, 2019. The May 2019 Revenue Estimating Conference estimate incorporated those revenues in the FY 2020 estimate, with an assumed start date of September 15, 2019. It also decreased total sports betting revenues by \$4.6 million based on experience through April 2019 and a third party evaluation of revenue estimates.
- ***Traditional Lottery Apps.*** The Governor proposed \$0.9 million in new revenues from permitting traditional lottery games to be played via a mobile app. The May 2019 Revenue Estimating Conference includes those revenues which assumes a start of January 31, 2020. No legislation was required to effectuate this change.

DEM Fee Changes

- ***DEM Recreation Fees.*** The Budget assumes \$0.6 million in additional general revenues from increasing campground and miscellaneous recreation fees, such as table rentals. The Assembly did not concur with the Governor's proposal to increase beach fees and instead froze those fees at their current level through the conclusion of the 2021 beach season.
- ***Hard-to-Dispose Materials Fees.*** The Budget assumes \$1.0 million in additional revenues for FY 2020 from doubling fees on a variety of hard-to-dispose materials such as motor oils, antifreeze, organic solvents, tires, and vehicles.
- ***Beverage Container Case Fee.*** The Budget assumes \$2.1 million of new revenues from doubling the beverage container case fee from \$0.04 per case to \$0.08 per case for all beverage container cases sold by a wholesaler to retailer or consumer.

DMV Fee Changes

- ***Technology Surcharge.*** The Budget raises the technology surcharge applied to all Division of Motor Vehicles transactions from \$1.50 to \$2.50 and makes the fee permanent. The Budget assumes \$1.50 will be deposited in the Information Technology Investment Fund to repay the payment made to close out that project, with the remaining \$1.00 available for immediate use by the Division. The entire fee is available to the Division after FY 2021 once prior commitments are repaid.
- ***Oversized and Overweight Vehicle Permits.*** The Budget assumes \$0.5 million of new revenues from increasing the oversized and overweight permit fees. The Budget increases the single use trip permit fee

from \$20 to \$40 or the annual fee from \$300 to \$400 for loads under 130,000 pounds. It establishes a new fee of \$300 for loads exceeding 130,000 pounds.

- **License Plate Reissuance.** The Budget delays the statutory license plate reissuance from January 1, 2020 to June 1, 2020 and increases the fee per plate set from \$6 to \$8 to offset the cost for these replacements.
- **Municipal Tax Block Fee.** The Assembly did not concur with the Governor's proposal to charge a \$5 fee to municipalities for each vehicle registration hold placed on their behalf for unpaid taxes.

Medical Marijuana and Cannabis Regulation

- **Adult Use Marijuana Program.** The Assembly did not concur with the Governor's proposal to legalize the adult use of marijuana.
- **Medical Marijuana Regulation.** The Budget assumes a net increase of \$3.0 million in revenues from expanding the state's number of compassion centers from three to nine and increasing the application and licensing fees. Current compassion center owners and their associates are prohibited from an ownership stake in the new centers. The Budget also includes 3.0 new positions for compliance and implementation.

Transfers from Quasi-Public Corporations

- **Quonset Development Corporation Transfer.** The Budget includes a \$1.2 million transfer from the Quonset Development Corporation to state general revenues by June 30, 2020. The Governor had proposed \$2.0 million be transferred by the close of FY 2019.
- **Rhode Island Housing Transfer.** The Budget includes a \$1.5 million transfer from Rhode Island Housing to state general revenues by June 30, 2020 as proposed by the Governor.
- **Rhode Island Student Loan Authority Transfer.** The Budget includes a \$1.5 million transfer from the Rhode Island Student Loan Authority to state general revenues by June 30, 2020 as proposed by the Governor.
- **Rhode Island Infrastructure Bank Transfer.** The Budget includes a transfer from the Rhode Island Infrastructure Bank of \$4.0 million to state general revenues by June 30, 2020 as proposed by the Governor.
- **Commerce Corporation Transfer.** The Budget includes a \$5.0 million transfer from the Commerce Corporation's First Wave Closing fund reserves to state general revenues by October 1, 2019.

Other Revenues

- **Debt Collectors' Fee.** The Budget assumes \$0.6 million in new revenues from raising the annual fee for debt collectors from \$100 to \$750.
- **Mortgage Loan Originator Licensing Fee.** The Budget assumes \$1.2 million of new revenues from increasing the annual mortgage loan originator licensing fee from \$100 to \$400.
- **Department of Environmental Management Unexpended Bond Funds.** The Budget includes the transfer of unexpended bond funds totaling \$1.4 million from six different Department of Environmental Management issuances to state general revenues by June 30, 2019 as proposed by the Governor.

- ***Cigarette Dealer Licensing.*** The Assembly did not concur with proposed changes to the state's cigarette licensing fees including increasing the dealer's application, licensing, and renewal fees, nor to expand licensing to e-cigarette product dealers.

Tax Credits and Incentives

- ***Qualified Jobs Tax Credit.*** The Budget limits new redeemable credits to 75 percent of the withholdings, up to \$7,500 for each new job created. As designed, the program allows 100 percent of withholding up to \$7,500 to be taken as a credit. The Assembly did not include the Governor's proposal for a two-tiered award cap.
- ***Rebuild Rhode Island Tax Credit.*** The Budget requires the Commerce Corporation to create separate and streamlined application processes for specified projects and facilitates the inclusion of participants of the 2013 Historic Tax Credit program. Certain historical structures and projects with a manufacturer are exempted from the minimum square footage and minimum project costs. The Budget raises the program cap from \$150.0 million to \$210.0 million, with sales and use tax exemptions now subject to both the individual project cap and aggregate program cap and extends the sunset date of the program by six months to December 31, 2020. The Budget also establishes a separate \$25 million project cap outside the aggregate program cap for the project approved for parcels 42 and P4 within the I-195 Redevelopment District. The Budget includes \$10.0 million to continue payments into the fund to support the redemption of credits.
- ***Wavemaker Fellowships.*** The Budget includes \$1.2 million from general revenues for continued funding of the student loan forgiveness program enacted by the 2015 Assembly. It provides up to four years of loan forgiveness for an associate, bachelor or a graduate degree in the fields of natural or environmental sciences, computer technology, engineering or medicine. Recipients must work at least 35 hours per week for an employer located in the state; two-thirds of the awardees must be permanent residents of the state. It also extends the sunset date from June 30, 2020 to December 31, 2020.
- ***Research and Development Tax Credit.*** The Assembly did not concur with Governor's proposal to establish a new transferrable research and development tax credit program which also included extending the carry-forward for the state's existing tax credit from seven to 15 years.
- ***Motion Picture Tax Credit.*** The Assembly adopted legislation to increase the amount of the credit that can be awarded in a calendar year from \$15.0 million to \$20.0 million for state certified production costs, and extended the sunset date from July 1, 2024, to July 1, 2027.

Commerce and Workforce

- ***Air Service Development.*** The Budget does not include further funding but does extend the sunset date to December 31, 2020.
- ***Commerce Corporation - Operations.*** The Budget includes \$7.4 million from general revenues for FY 2020 to support general operations of the Corporation.
- ***Experimental Program to Stimulate Competitive Research (EPSCoR).*** The Budget includes the enacted amount of \$0.9 million for the National Science Foundation's Experimental Program to Stimulate Competitive Research.
- ***Innovate RI Small Business Programs.*** The Budget includes the enacted level of \$1.0 million to support Small Business Innovation Research grants and the Bioscience and Engineering Internship Programs.

- ***Innovation Initiative.*** The Budget includes \$1.0 million from general revenues for Innovation Initiative grants and vouchers for businesses with less than 500 employees. Vouchers of up to \$50,000 may be given for research and development assistance from a Rhode Island university, research center or medical center, or to a small business manufacturer for internal research and development.
- ***Economic Development Districts and I-195 Redevelopment.*** The Budget authorizes the General Assembly to establish new development districts overseen by seven-member commissions charged with planning and regulating development of contiguous tracts of developable or state-owned land of 20 acres or more. It designates the I-195 Redevelopment District Commission as such a district, and removes the requirement for projects on its land to be subject to Providence's comprehensive plan and zoning ordinances. The Budget extends the program's sunset date from June 30, 2020 to December 31, 2020 and excludes any additional funding to the I-195 Redevelopment Fund to promote the development of the former I-195 land, as administered by the I-195 Redevelopment District Commission. The fund is estimated to have at least \$3.6 million available from which to draw funding.
- ***Industry Cluster Grants.*** The Budget includes \$0.1 million for the Industry Cluster Grants program, which enables the Commerce Corporation to provide startup and technical assistance grants ranging from \$75,000 to \$250,000 and to provide competitive grants ranging from \$100,000 to \$500,000 for activities within an industry cluster and to close industry cluster gaps. The Assembly also extended the sunset date from June 30, 2020 to December 31, 2020.
- ***P-Tech Initiative.*** The Budget includes continued funding of \$0.2 million for the P-Tech Initiative, which establishes partnerships between high schools, higher education institutions, and employers to offer courses towards high school diplomas and associate's degrees. The state has previously allocated a total of \$2.3 million for the program of which \$1.3 million has been committed. The Assembly also extended the sunset date from June 30, 2020 to December 31, 2020.
- ***Polaris Manufacturing Extension Partnership.*** The Budget includes the enacted amount of \$350,000 from general revenues to support Rhode Island manufacturers by continuing to deploy technical experts to provide LEAN training facilities layout and provide assistance in manufacturing optimization. Polaris Manufacturing Extension Partnership is a Providence-based nonprofit organization. It receives funding from the National Institute of Standards and Technology to subsidize its consulting services to make them more affordable to smaller manufacturing business owners, and fund awareness activities and educational seminars.
- ***Small Business Assistance Program.*** The Budget includes \$500,000 from general revenues to recapitalize the Small Business Assistance Program for businesses with less than 200 employees that are having difficulties obtaining financing from traditional lending organizations. The maximum amount that any one business can obtain from the fund is \$750,000. The program provides a set aside provision for between 10.0 percent and 25.0 percent of the funding for a microloan program to be administered by a third party with expertise in microloans. The Budget also extends the program's sunset date from June 30, 2020 to December 31, 2020.
- ***Small Business Development Center.*** The Budget includes the enacted amount of \$350,000 from general revenues for the Small Business Development Center at the University of Rhode Island.
- ***Small Business Development Fund.*** The Budget authorizes a new investment fund, to be administered by the Commerce Corporation, intended to develop 10-year plans which leverage investments from insurance companies with tax liabilities within the state and other private investments to create or retain jobs. Businesses which are eligible to receive investments from the funds would have fewer than 250 employees, net income of less than \$15.0 million in the prior year, and 60.0 percent of its employees, or at

least 60.0 percent of its payroll expenses located within the state. It also establishes a tax credit against insurance tax liabilities which is non-refundable or saleable.

- **Main Street Streetscape Improvement Fund.** The Budget does not provide any funding but does extend the sunset date from June 30, 2020 to December 31, 2020.
- **Site Readiness/Partnership Council.** The Budget includes \$1.0 million from general revenues to provide municipalities with training, investments, and authority to expedite development. It did not concur with the proposal to establish a new quasi-public corporation under the Commerce Corporation with the same rights and authority as the Quonset Development Corporation.
- **Supply RI.** The Budget includes the enacted amount of \$0.3 million from general revenues for the Supply RI program, which connects small suppliers with the state's largest commercial purchasers by developing infrastructure to facilitate engagements, including supporting additional Commerce Corporation staff and advertising.
- **Affordable Housing.** The Budget includes \$65.0 million from general obligation bond funds approved by the voters in November 2016 to provide funding for affordable housing support, including rehabilitation of existing structures and new construction. The Budget also includes \$10.0 million from general obligation bonds the voters approved on the November 2016 ballot to improve properties that are blighted or in need of revitalization, including residential, commercial, and public properties.
- **Quonset Piers.** The Budget includes a total of \$90.0 million for extension and renovation of the Quonset Business Park's pier 2. This includes \$50.0 million of general obligation bond proceeds approved by the voters on the November 2016 ballot, \$25.0 million from revenue bonds authorized by the 2016 Assembly to be issued by the Quonset Development Corporation, and \$15.0 million from Rhode Island Capital Plan funds.
- **Quonset Industrial Park Renovations.** The Budget includes \$14.0 million from Rhode Island Capital Plan funds for infrastructure improvements at the Quonset Business Park, including increasing roadway crossing capacity and utility relocation for additional future development of heavier shipping weights, construction of a new pier, and dredging a new approach to that pier. These funds would support total estimated project costs of \$34.5 million, with the remaining expenses paid by tenants of the Quonset Business Park.
- **Port of Providence.** The Budget includes \$20.0 million from general obligation bond funds approved by the voters on the November 2016 ballot to increase terminal capacity at the Port of Providence by funding the acquisition of up to 25 acres of land located between Allens Avenue in the City of Providence and the Providence River and associated infrastructure improvements. It was previously reported that the state would enter into a revenue sharing agreement with ProvPort, a non-profit entity that provides port services for the City. ProvPort would be responsible for the management and marketing of the land; however, the state would own the land itself.
- **Innovation Campus Bond.** The Budget includes \$20.0 million from general obligation bonds approved by the voters on the November 2016 ballot for the construction of one or more innovation campuses affiliated with the University of Rhode Island. In December 2018, the state announced awards totaling \$12.0 million to three projects as a first round; it should be noted one of the projects also includes \$5.4 million of private funding through the University of Rhode Island.
- **Real Jobs Rhode Island.** The Budget includes the enacted general revenue amount of \$5.5 million for the Real Jobs Rhode Island job training program. The Budget also includes \$7.2 million from other sources for the program.

- **Urban Ventures.** The Budget includes \$140,000 for Urban Ventures, a 501(c)(3) Urban Business Incubator. State law requires support for an urban business incubator.
- **Work Immersion/Non-Trade Apprenticeship Program.** The Budget includes \$0.7 million from general revenues for the work immersion/non-trade apprenticeship program. The program provides students, recent college graduates, and unemployed adults with work experience, and assists employers by training individuals for potential employment.
- **Unemployment Insurance Benefits.** The Budget includes \$162.7 million from the Unemployment Insurance Trust Fund for the payment of unemployment insurance benefits.
- **Temporary Disability Insurance Benefits.** The Budget includes \$177.2 million from the Temporary Disability Insurance Trust Fund for benefit payments that protect eligible workers against wage loss resulting from a non-work related illness or injury.
- **Temporary Caregiver Insurance Benefits.** The Budget includes \$15.2 million from the Temporary Disability Insurance Trust Fund for the payment of benefits.
- **Opportunities Industrialization Center.** The Budget includes \$100,000 from general revenues to support the Opportunities Industrialization Center, a nonprofit organization which provides training, employment, minority business enterprise, and urban policy development services to underserved urban populations through collaboration with public and private sectors and community based organizations.

Health Insurance

- **Market Stability and Reinsurance Initiative.** The Assembly concurred with the Governor's proposal to establish a Reinsurance Program to provide stability in the individual insurance market. The legislation imposes a penalty for individuals who do not have health insurance coverage, with certain exemptions and would be effective on January 1, 2020. The penalty would be collected by the tax administrator and would be deposited into a restricted account. The funds would be used to provide reinsurance to health insurance carriers, as a means of ensuring that premiums do not increase drastically, and administrative costs.
- **Health Reform Assessment.** The Assembly adopted legislation to decouple the state's premium assessment upon those insurers offering products on the Rhode Island Health Benefit Exchange from the rate charged for federally facilitated marketplaces. The legislation establishes the current 3.5 percent fee in statute, effective January 1, 2020.
- **Short-term Limited Plans.** The Assembly adopted legislation removing the exemption status of short-term limited duration policies and defined them as health insurance coverage, which would now be regulated in the same manner as prescribed in law for small and large group markets by the Office of the Health Insurance Commissioner.

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

- **Distressed Communities Relief Fund.** The Budget includes the enacted level of \$12.4 million for the Distressed Communities Relief Fund; there is a redistribution of funding among qualifying communities based on updated tax levies. In the first year a community qualifies, it receives a transition payment of half its proportional share; in the year a community no longer qualifies, it also receives a transition payment of half its proportional share.

- **Motor Vehicles Excise Tax.** The Budget funds the Motor Vehicles Excise Tax and phase-out program at \$56.2 million for FY 2019 and \$94.3 million for FY 2020. The Assembly did not concur with the Governor's proposal to slow down the phase-out which was restarted in 2017. For FY 2020 this is \$39.5 million more than enacted and \$16.3 million more than recommended; changes include increasing the minimum exemption from \$2,000 to \$3,000, lowering the assessed value from 90.0 percent to 85.0 percent, and lowering the tax rate cap from \$50 to \$35, per \$1,000. As of FY 2018, cars older than 15 years are no longer taxed.
- **Payment in Lieu of Taxes Program.** The Budget provides the enacted amount of \$46.1 million, \$5.3 million more than the Governor recommended for the Payment in Lieu of Taxes program that reimburses cities and towns for property taxes that would have been due on real property exempted from taxation by state law. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. FY 2020 funding equates to a reimbursement rate of 26.6 percent.
- **Library Resource Sharing Aid.** The Assembly provided an additional \$0.2 million from general revenues for total funding of \$9.6 million for state support of public libraries. Current law allows 25.0 percent reimbursement of second prior year expenditures, subject to appropriation. The funds represent 22.1 percent.
- **Library Construction Aid.** The Budget includes \$1.9 million from general revenues to fully fund library construction aid requirements. The state reimburses libraries up to half the total costs for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project.
- **Property Valuation Reimbursement.** The Budget includes \$0.7 million for FY 2020 to reimburse communities conducting property valuation updates. Current law requires that municipalities complete full revaluations every nine years with statistical updates every third and sixth year following a full revaluation.
- **Airport Impact Aid.** The Budget provides \$1.0 million for FY 2020 to the Commerce Corporation so that the Airport Corporation can provide impact aid payments to the seven communities that host the six state airports. The community payments are made proportionately based on the number of total landings and takeoffs. This is \$247,536 more than recommended and consistent with FY 2019 expenditures.
- **Central Falls Operations.** The Budget includes \$0.6 million for operational support to the City of Central Falls enumerated in the enacted budget.

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

- **Funding Formula Assumptions.** The Budget funds the ninth year of the education funding formula adopted by the 2010 Assembly. The calculation for FY 2020 uses March 15, 2019 student enrollment data adjusted for FY 2020 projected charter school enrollments, a per pupil core instruction amount of \$9,871 and state share ratio variables updated with June 30, 2018 data. Funding increases for districts that received more state support have been fully phased in, and aid to districts that are receiving less state funding is still being phased in.
- **FY 2020 Formula Education Aid.** The Budget includes \$969.8 million for school formula aid for school districts, including Central Falls, the Metropolitan Career and Technical School, Davies Career and Technical School and charter schools pursuant to the funding formula. This is \$33.4 million more than enacted and includes \$8.0 million in stabilization funding for Central Falls, to stabilize the school district until the city can begin to pay its local share. The Budget also restores \$1.3 million of savings included in

the Governor's budget from shifting education costs for students at the training school to districts and \$1.9 million to hold districts harmless for a data error used in the calculation of FY 2019 aid.

- **Group Home Aid.** The Budget includes \$3.2 million for group home aid consistent with current law that requires that aid be paid for all beds opened as of December 31, 2019, which is \$0.3 million less than the enacted budget.
- **Training School Education Costs.** The Assembly did not concur with the Governor's proposal to shift the cost of educating children at the Rhode Island Training School from the state to local districts and restores the \$1.3 million in savings the Governor assumed as a reduction in education aid to local districts.
- **State Schools Supplemental Funding.** The Budget includes \$6.7 million in supplemental funding to the Davies Career and Technical School and the Metropolitan Career and Technical School to mitigate some of the losses in funding from the implementation of the funding formula and recognizes the additional costs associated with running a stand-alone school that offers both academic and career and technical education. Davies will receive \$4.9 million and the Met School the remaining \$1.8 million.
- **Early Childhood/Pre-K.** The education funding formula allows for additional resources from the state to increase access to voluntary, free, high-quality prekindergarten programs. The Budget includes \$14.9 million from general revenues, which is \$7.5 million more than enacted from all sources of funds and \$8.6 million more from general revenues. This category of aid was used as a match for a federal preschool expansion grant, which expired in FY 2019.

The total includes \$12.0 million to fully fund the current program of 60 prekindergarten classrooms that were supported by general revenues, federal funds, and permanent school funds in FY 2019, as well as for contracted program evaluation and professional development. It also includes \$2.9 million to expand access to high quality prekindergarten seats. The additional funding is expected to allow for increased capacity in the current state-run classrooms up to 20 students, at least 10 new classrooms, and extend the school day for some Head Start students. Funding will allow for hundreds of new high quality, prekindergarten seats above the current 1,080.

- **English Language Learners Funds.** The Budget includes \$5.0 million to support English language learners that are in the most intensive programs, \$2.3 million more than enacted. The funding is calculated at the level of 10.0 percent of the core instruction amount, applied to students in the most intensive English language learner programs and ratably reduced to the appropriation. Funds may only be used on evidence-based programs proven to increase outcomes for English learners and are monitored by the Department of Elementary and Secondary Education.
- **Career and Technical Education Funds.** The education funding formula allows for additional resources from the state to help meet the initial capital investment needs to transform existing or create new comprehensive career and technical education programs and offset the higher than average costs of maintaining highly specialized programs. The Budget includes \$4.5 million for FY 2020, consistent with FY 2018 and FY 2019 funding.
- **School of Choice Density Aid.** Consistent with current law, the Budget excludes funding for the density aid category which provides additional state support for those districts who have at least 5.0 percent of their students enrolled at a school of choice, which includes charter schools or state schools. This reflects the end of the three-year program which provided districts \$175 per pupil in FY 2017, \$100 per pupil in FY 2018, and \$50 per pupil in FY 2019 for every student sent to a charter or state school.
- **Special Education Funds.** The education funding formula allows for additional resources from the state for high-cost special education students when those costs exceed five times the district's combined

per pupil core instruction amount and student success factor amount. The Budget includes \$4.5 million for FY 2020, consistent with the three prior years.

- ***Non-Public School Transportation Funds.*** The education funding formula allows for additional resources from the state to districts for some out-of-district non-public school transportation costs. The Budget includes \$3.0 million for FY 2020, which is consistent with the enacted level.
- ***Regional District Transportation Funds.*** The education funding formula allows for additional resources from the state to districts for some transportation costs within regional school districts. The Budget includes \$4.6 million for FY 2020, \$250,000 more than enacted.
- ***School Resource Officer Support.*** The Budget includes \$0.2 million in funding for school resource officers in FY 2019 based on reimbursement requests received. For FY 2020, it includes \$1.0 million from general revenues based on estimates of participation.
- ***School Construction Aid.*** The Budget includes a total of \$80.0 million to fund projected costs of school housing aid to local districts for FY 2020. This includes \$79.0 million for the traditional program and \$1.0 million for the School Building Authority. Total funding is consistent with the enacted budget; however, funds are shifted between programs based on anticipated reimbursements from the traditional program.
- ***Recovery High School.*** The Budget includes the enacted level of \$0.5 million from general revenues to support the state's recovery high school, which provides programs to students recovering from substance abuse.
- ***Textbook Reimbursement.*** The Budget includes the enacted level of \$240,000 for reimbursements allowed under the textbook reimbursement program. Under current law, the state reimburses districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade.
- ***School Breakfast.*** The Budget includes the enacted level of \$270,000 from general revenues for the administrative cost reimbursements to districts for the school breakfast program. Food is paid for from federal sources.
- ***Teacher Retirement.*** The state funds 40.0 percent of the employer's share of retirement contributions on behalf of teachers who are members of the teacher retirement system. The Budget includes \$112.3 million from general revenues, or \$6.2 million more than enacted for the estimated costs of the state's share. The revised budget also adds \$0.6 million for updated cost estimates.

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

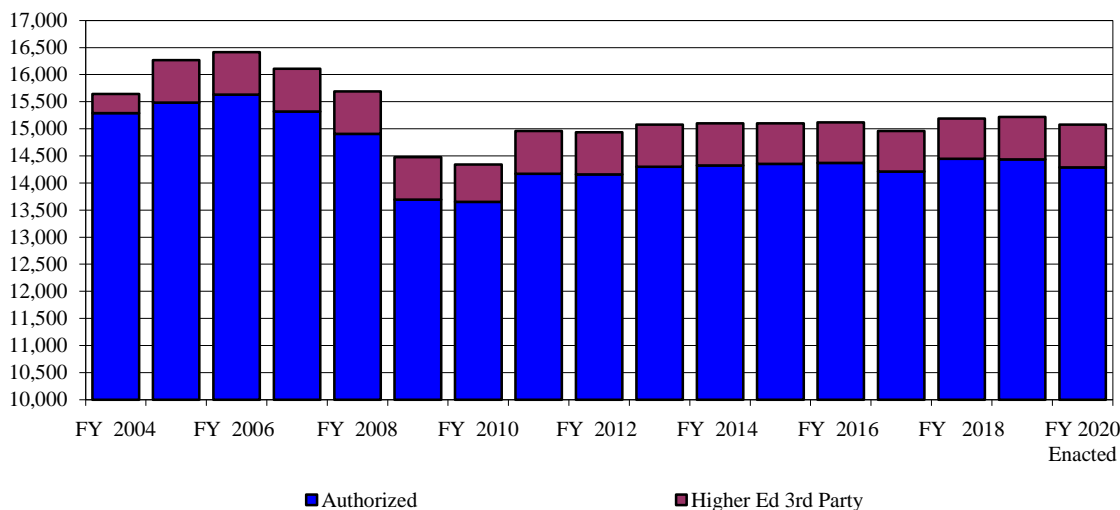
- ***Personnel.*** The Governor recommended \$2,203.6 million for personnel expenditures and 15,413.1 full-time equivalent positions, 606.0 higher education positions dedicated for research or supported by other third-party funds, and 445.0 positions dedicated to support auxiliary enterprise units at the University. The expenditures include salaries and benefits, as well as contracted services. The recommendation is \$161.0 million and 203.4 positions more than the FY 2019 enacted budget including \$81.0 million more for salaries and benefits and \$80.0 million more for contracted services, nearly two-thirds of which is for the Unified Health Infrastructure Project.

Among the staffing changes are 30.0 new positions for the Department of Transportation to carry out the Department's plan to perform more operations in-house. The Governor also included new correctional

officers, 30.0 new State Police troopers as well as additional staff for the Department of Environmental Management's Division of Parks and Recreation. The recommendation also includes 18.0 new positions in the Department of Administration's budget for centralized human resources, information technology and facility management services. The costs for which appear in user agencies as an operating expense, and are not included in the total for personnel.

The Assembly provided \$2,183.4 million for personnel expenditures and 15,074.7 full-time equivalent positions, including 788.8 higher education positions dedicated for research or supported by other third-party funds. This is \$20.2 million and 338.4 full-time equivalent positions less than the Governor's original recommendation. The Assembly did not concur with numerous new positions recommended and eliminated 202.0 full-time equivalent positions that were vacant.

Full-Time Equivalent Positions



As of the last pay period of FY 2019, there were 14,162.4 positions filled, leaving 685.1 non-research vacancies. In FY 2019, the state averaged 14,062.1 filled positions, reflecting an average of 640.8 non-research vacancies. In FY 2018, the state averaged 13,913.2 filled positions reflecting an average of 1,194.2 non-research vacancies.

- Medical Benefit Savings.** The FY 2019 final budget includes medical benefit savings of \$2.8 million from general revenues from updating the medical benefit rates and savings from lower claims experience. The FY 2020 Budget includes \$5.9 million in savings from a lower than expected rate.
- Statewide Benefit Assessment.** The Budget includes savings of \$0.8 million and \$1.3 million in FY 2019 and FY 2020, respectively, from lowering the assessed fringe benefit rate for most employees from 4.60 percent to 4.20 percent, effective in January 2019 and to 3.95 percent in FY 2020. The savings are reflected in agency budgets. The assessed fringe is a rate that is applied to the amount of all salaries and wages paid and is used to pay workers' compensation claims, unemployment claims, and unused leave.
- Transfer of State Employees.** The 2019 Assembly adopted legislation to extend the reporting requirement on the transfer of all state employees to include members of labor unions.
- MPA Vendor Assessment.** The 2017 Assembly concurred with the Governor's recommendation to implement a 1.0 percent administrative charge on all vendors on the master price agreement during FY 2018. The Administration delayed the assessment until January 1, 2020. The Budget assumes use of \$0.5

million from the assessment to fund a position and software maintenance costs for the implementation of the E-Procurement System.

- **38 Studios Debt Service.** The Budget includes \$0.4 million from general revenues for debt service relating to 38 Studios. The total due is \$12.3 million but \$11.9 million will be paid with settlement funds that the Commerce Corporation received.
- **Garrahy Garage Debt Service.** The Budget includes \$1.7 million from general revenues to partially cover the debt service relating to the Garrahy Garage project. The garage is scheduled to open in December 2019; revenues will lower debt service and operating costs by \$3.5 million. The 2014 Assembly authorized the \$45.0 million project to move forward only after three parcels had been sold. The 2016 Assembly amended that to allow construction if Wexford Science and Technology agrees to lease no less than 400 parking spaces.
- **Convention Center Authority.** The Budget includes \$20.7 million from general revenues for the Convention Center Authority to cover debt service requirements in FY 2020. This includes savings of \$0.5 million based on completed energy efficiency projects for which the 2018 Assembly provided \$4.3 million from Rhode Island Capital Plan funds.
- **Historic Tax Credit Trust Fund Debt Service.** The Budget includes \$9.5 million and \$19.4 million from general revenues in FY 2019 and FY 2020, respectively, to fund debt service for historic tax credits. Funding in FY 2019 is \$3.4 million less than prior projections. Slower project completions and available funds in the Trust Fund allowed for a delay in new debt issuance.
- **City Year.** The Budget includes \$130,000 from general revenues to City Year for the Whole School Whole Child Program, which provides individual support to at-risk students.
- **Complete Count Initiative.** The Budget includes \$0.5 million from general revenues to fund the Complete Count Initiative to ensure that the state maximizes its outreach and count related to the 2020 Census.
- **Police and Fire Relief Fund.** The Budget includes \$3.8 million from general revenues for the Police and Fire Relief program for annuity payments and in-state tuition to eligible spouses, domestic partners and dependents of certain injured or deceased police officers and firefighters.
- **Election Expenses.** The Budget includes \$0.5 million from general revenues for the Board of Elections and Secretary of State for anticipated costs associated with the 2020 Presidential primary election, including ballot printing and delivery.
- **Cyber Security.** The Budget includes \$0.3 million in FY 2020 and \$0.2 million in FY 2019 for the Secretary of State's Office to mitigate security concerns with the Open Government and Corporation database as well as for annual third-party risk and vulnerability assessments.
- **Rhode Island Historical Society.** The Budget includes \$125,000 in general revenue support for the Rhode Island Historical Society.
- **Newport Historical Society.** The Budget includes \$18,000 in general revenue support for the Newport Historical Society.
- **Help America Vote Act Election Security Grant.** The Budget includes \$1.0 million from the Help America Vote Act Election Security Grant. The Secretary of State, in conjunction with the Board of

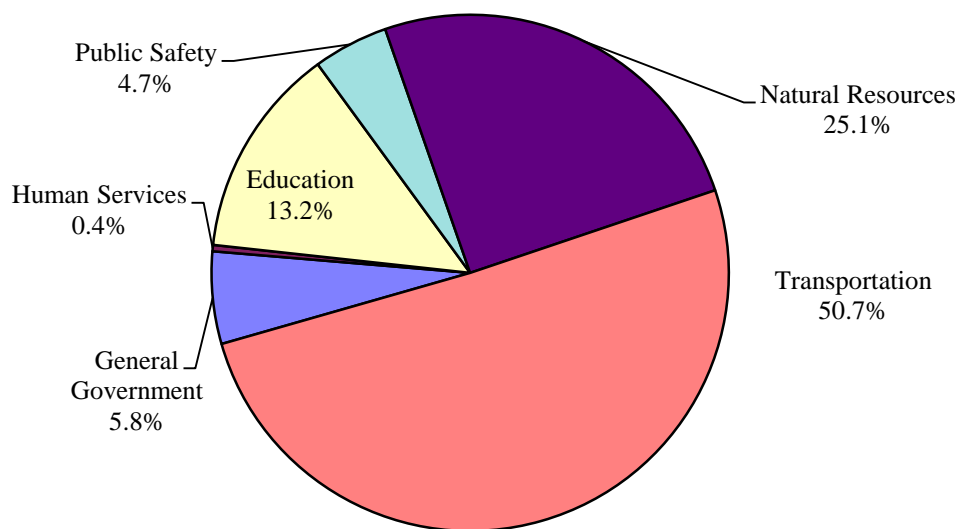
Elections, received \$3.0 million from the grant; the enacted budget includes \$2.0 million and the FY 2020 Budget expends the balance of the grant.

- **Contingency Fund.** The Budget includes \$200,000 for the Governor’s Contingency Fund in FY 2019 and \$150,000 for FY 2020.
- **Public Utilities Commission Electronic Business Portal.** The Budget includes \$250,000 from restricted receipts to develop a new electronic business portal for the Public Utilities Commission to manage dockets and hearings.

Capital (See Section IV: Capital Budget)

- **Outlays and Funding.** The FY 2020 through FY 2024 plan includes \$5,464.7 million of outlays on \$13,875.6 million of project estimates. Average outlays would be \$1,092.9 million per year for the five-year period with \$637.6 million required at the end of the period to complete the projects. Consistent with last year’s budget but in a change in presentation from prior capital budgets, the capital budget does not reflect debt service payments supported by Federal Highway Administration funds or gas tax. This corrects the prior practice of double-counting this expense.

FY 2020 - FY 2024 Capital Projects by Function



- **General Obligation Bonds Referenda.** Financing the five-year plan is based on \$487.5 million of general obligation bond debt issuances. This includes \$250.0 million from new general obligation bonds for a second school construction bond to go before the voters in November 2022 with funding programmed to begin in FY 2024. The original \$250.0 million bond is programmed at \$50.0 million annually through FY 2023. The voters approved an initial \$250.0 million in November 2018 for school construction. The average bond referenda over the past five elections was \$244.8 million and the voters approved \$367.3 million on the November 2018 ballot.

- **Other Debt Approvals.** The plan includes \$330.5 million approved by the 2019 Assembly under the Public Debt Management Act for five projects. Three of those projects are for the University of Rhode Island including \$51.5 million for the Memorial Student Union, \$2.1 million for the fraternity circle, and

\$26.9 million for the Combined Health and Counseling Center. It also includes \$50.0 million from revenue bonds for the Rhode Island Turnpike and Bridge Authority to finance renovations and repairs to bridges and \$200.0 million through the Grant Anticipation Revenue Vehicle (GARVEE) for the Route 95 Northbound Providence Viaduct project.

- **Financing.** Paying for the five-year outlays includes \$1,602.0 million from debt financing and \$3,862.8 million from current or pay-go sources. Pay-go represents 70.7 percent with debt funding being 29.3 percent.
- **Debt Levels.** Total net tax supported debt decreases during the period through FY 2024 by \$186.6 million from \$1,872.8 million to \$1,686.2 million. Past practice indicates that debt levels will be significantly higher as more projects are added within the five-year period of this capital budget.
- **Debt Ratios.** Net tax supported debt would decrease from 3.1 percent of personal income reported for FY 2018 to 2.3 percent in FY 2024 assuming that the capital budget is not increased. However, as with debt levels, past practice indicates it is likely to be higher than projected.
- **Rhode Island Capital Plan Fund.** The plan relies heavily on the use of Rhode Island Capital Plan funds, an important source of pay-go funds designed to reduce the need for borrowing. Total outlays for the five-year period are \$647.0 million.

Health and Human Services

- **Unified Health Infrastructure Project.** The Assembly provided \$95.5 million in FY 2019 and \$109.3 million in FY 2020 for direct support and expenses of the Unified Health Infrastructure Project in the Executive Office of Health and Human Services, Department of Human Services and HealthSource RI's budgets. The FY 2020 budget assumes receipts totaling \$33.2 million from Deloitte to offset state costs for the project which is still not fully functional. This impacts the budgets of the Executive Office of Health and Human Services, Department of Human Services and HealthSource RI. A settlement was reached in April that includes a \$50 million payment. As of early June, federal approval of the new contract and the state's proposal to maintain use of all settlement funds was still pending.
- **Nursing Facilities Rates.** The Budget includes a 1.0 percent rate increase for nursing facilities beginning on October 1, 2019 that totals \$3.1 million, including \$1.5 million from general revenues.
- **Hospital Licensing Fee.** The Assembly included \$193.8 million in revenues from extending the 6.0 percent hospital licensing fee into FY 2020 using the same two-tiered fee included in FY 2019. It also included a 5.0 percent license fee for FY 2021 that would generate \$161.5 million in revenue.
- **Hospital Rates.** The Budget provides for the scheduled rate increase for hospitals and another 4.5 percent for a total of \$40.4 million, including \$14.3 million from general revenues. The Governor's recommendation froze the rates at the FY 2019 level. The increase is offset by revenues collected through the hospital license fee and reductions to other reimbursements.
- **Graduate Medical Education.** The Budget includes the \$1.0 million state payment to Lifespan for graduate medical education activities for FY 2020.
- **Cortical Integrated Therapy.** The Budget eliminates the \$1.0 million state payment for cortical integrated therapy services for FY 2020.
- **Inpatient Upper Payment Limit Reimbursement.** The Budget includes savings of \$9.4 million, including \$3.6 million from general revenues, from eliminating the inpatient upper payment limit

reimbursement made to community hospitals for Medicaid services based on Medicare rates. The outpatient payment totaling \$6.3 million, including \$2.2 million from general revenues, is maintained.

- ***Managed Care Organizations Reimbursements.*** The Budget includes savings of \$5.4 million, including \$1.0 million from general revenues, from eliminating the performance goal program that provides incentives to the managed care plans to meet certain achievements and reducing the incidence of C-section births from the current 30 percent to the national recommendation of 20 percent.
- ***Independent Provider Model.*** The Budget includes \$0.8 million, including \$0.2 million from general revenues, to make the changes necessary to implement the Independent Provider Model that is part of the Quality Self-Directed Services program created by the Assembly in 2018-H 7803, Substitute A, as amended.
- ***Federally-Qualified Health Centers.*** The Budget assumes savings of \$5.3 million, including \$1.9 million from general revenues, from lower utilization of those enrolled in the managed care plan.
- ***Pharmacy Rebates.*** The Budget assumes savings of \$1.8 million from improving the drug rebate claiming process to follow new federal guidelines that will result in an increase in collections offsetting costs in Medicaid programs.
- ***Estate Recovery.*** The Budget assumes savings of \$0.5 million from enhancing the state's efforts to collect the resources available to it through estate recoveries.
- ***Eleanor Slater Hospital.*** The Budget includes \$121.9 million, of which \$54.7 million is from general revenues, to support the operations at Eleanor Slater Hospital which has 220 patients on 2 campuses.
- ***Eleanor Slater Hospital - Laundry Services.*** The Budget includes savings of \$1.0 million, including \$0.5 million from general revenues, by outsourcing institutional laundry services for both campuses.
- ***Eleanor Slater Hospital - Medicaid & Medicare Claiming.*** The Budget includes general revenue savings of \$0.7 million from improvements to billing practices and identifying and charging the appropriate payer, either Medicaid and/or Medicare, for patients at the state-run hospital to offset general revenue expenses.
- ***Eleanor Slater Hospital - Radiology Services.*** The Budget includes general revenue savings of \$95,000 from outsourcing radiology services at the state-run hospital; currently, there is one radiologist and two technicians with a reported workload of under 500 x-rays a year.
- ***Eleanor Slater Hospital Laboratory Services.*** The Budget includes savings of \$165,000 in the Department of Corrections from having the laboratory at the state-run hospital resume testing services for the Department at no cost.
- ***Rhode Island Works.*** The Assembly enacted legislation amending the restrictions that currently apply to Rhode Island Works participants eligible to receive a lifetime benefit of 48 months. It eliminates the requirement that the benefit be spread over 10 years, 24 months in two five-year periods, while keeping the maximum limit of 48 months. A participant would be eligible to stay on assistance for four years without interruption. The Budget assumes an impact of \$189,000 from federal funds.
- ***Developmental Disabilities Services - Direct Support Professional Wage Increase.*** The Budget includes \$4.5 million from general revenues matched by Medicaid to provide a rate increase to direct support professionals in the privately operated system for adults with developmental disabilities on October 1, 2019; a rate increase was also included in the FY 2017 and FY 2018 budgets.

- ***Developmental Disabilities Services - Residential Rebalancing.*** The Budget includes savings of \$3.2 million of which \$1.5 million is from general revenues from continuing to reduce the census in the 24-hour privately operated residential system and allowing access to alternative settings, such as shared living.
- ***RICARES.*** The Budget includes \$100,000 from federal funds for FY 2019 and FY 2020 in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to contract with RICARES to certify recovery houses that adhere to the National Alliance for Recovery Residences Standards. There are currently 14 providers operating 40 certified recovery houses with accommodations for approximately 400 individuals. Certification is required to receive state referrals and funding to deliver the services.
- ***Health Facilities Regulation Staffing.*** The Budget includes \$0.5 million from general revenues to fund operating expenses and 3.0 new full-time equivalent positions for the Department of Health to increase the number of inspections of state-licensed healthcare facilities.
- ***Hospital Reorganization.*** Consistent with the approved plan, the capital budget includes \$49.9 million from all sources, including \$27.9 million from Rhode Island Capital Plan funds and \$22.0 million from Certificates of Participation approved by the 2018 Assembly to consolidate hospital operations for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals.
- ***Department of Human Services Providence Field Office.*** The Budget includes savings of \$1.1 million from all sources, including \$0.5 million from general revenues from relocating the Department of Human Services' Providence Field Office on Elmwood Avenue by January 1, 2020. Consistent with the Governor's recommended budget and a subsequent recommendation of the Governor's Efficiency Commission, this assumes staff that work directly with participants would be divided into two smaller field offices, and other employees would move to state-owned property on the Pastore campus in Cranston.

Children and Families

- ***Prekindergarten.*** The Assembly provided total funding of \$14.9 million for prekindergarten, including \$12.0 million to fully fund the current program and \$2.9 million to expand access to high quality seats. The additional funding is expected to allow for increased capacity in the current state-run classrooms up to 20 students, at least 10 new classrooms, and extend the school day for some Head Start students. Funding will allow for hundreds of new seats above the current 1,080. It did not adopt legislation for an unlimited expansion. Rather, it required that funding be prioritized for four-year-olds whose family income is at or below 185.0 percent of the federal poverty level.
- ***Voluntary Extension of Care Program.*** The Budget includes savings of \$2.6 million from general revenues and \$3.7 million from all funds for accelerating placements of 18 to 21 year olds into the Voluntary Extension of Care program from independent living and semi-independent living placements.
- ***Head Start Program.*** The Budget includes the enacted amount of \$1.2 million from general revenues for the state's support for Head Start.
- ***Child Care Assistance Regulations.*** The Budget includes legislation to increase the state's liquid asset limitation for child care assistance eligibility from \$10,000 to \$1.0 million. In 2014, the federal government amended the statute governing the child care development block grant, limiting funds to those whose family assets do not exceed \$1.0 million. The Department of Human Services changed its rules and regulations to reflect the \$1.0 million liquid asset limitation prior to the Governor's budget submission.
- ***Accreditation.*** The Budget includes \$0.5 million for accreditation of the Department of Children, Youth and Families by the Council on Accreditation. The Department is required to initiate the accreditation process by September 1, 2019 and submit an accreditation plan to the Governor, the Speaker

of the House of Representatives, the President of the Senate, the Chairperson of the House Committee on Health, Education and Welfare, the Chairperson of the Senate Committee on Health and Human Services, the Chairpersons of the House and Senate Finance Committees, and the Chairpersons of the House and Senate Judiciary Committees by October 1, 2020.

- ***Child Care Rates.*** The Budget includes \$150,000 from general revenues to establish tiered reimbursement for family-based childcare providers for infants and toddlers consistent with collective bargaining agreements. The 2018 Assembly established tiered reimbursement for infant, toddler, and preschool aged children in licensed child care facilities.
- ***Child Care Facility Licensing Staff.*** The Budget transfers the Child Care Facilities Licensing unit to the Department of Human Services. It adds 8.0 new full-time equivalent positions for the Department of Human Services and 1.0 new legal position for the Executive Office of Health and Human Services. It reduces staffing for the Department of Children, Youth and Families to reflect the transfer of responsibilities.
- ***Home Based Services.*** The Budget assumes savings of \$2.0 million, including \$1.3 million from general revenues, from a change in the timing of foster care and other case review so that completed cases do not remain on the caseload.
- ***Junior High/Middle School Prevention Programs.*** The Budget includes \$65,000 from general revenues for FY 2019 and FY 2020 for youth drug prevention programs in the junior high and middle schools.

Community Services and Advocacy

- ***Veterans Services.*** The Budget retains the Office of Veterans' Affairs and its 252.1 positions within the Department of Human Services and renames it the Office of Veterans Services.
- ***Veterans' Programs and Services.*** The Budget includes the enacted level of \$200,000 from general revenues to support various veterans programs and services with the Office of Veterans Services determining how the funding is allocated.
- ***Rhode Island Alliance of Boys and Girls Clubs.*** The Budget includes the enacted level of \$250,000 from general revenues for the Boys and Girls Club Project Reach program, which provides homework assistance and afterschool activities.
- ***Day One.*** The Budget includes the enacted level of \$217,000 from general revenues for Day One to provide outreach and supportive service programs relating to sexual assault.
- ***Institute for the Practice and Study of Nonviolence.*** The Budget includes the enacted level of \$200,000 from general revenues to support the Nonviolence Institute's Violence Reduction Strategy program.
- ***Rhode Island Community Food Bank.*** The Budget includes the enacted level of \$175,000 from general revenues for food collection and distribution through the community food bank.
- ***Community Action Agencies.*** The Budget includes \$600,000 to support services provided by the state's community action agencies, \$80,000 more than enacted.
- ***Crossroads.*** The Budget includes the enacted level of \$500,000 from general revenues to support activities provided by Crossroads Rhode Island that address homelessness and other related issues.

- ***Domestic Violence Prevention Activities.*** The Budget includes the enacted level of \$300,000 from general revenues for domestic violence prevention activities contracted through the Rhode Island Coalition Against Domestic Violence and distributed to domestic violence shelters in the state.
- ***Division of Elderly Affairs.*** The Budget retains the Division of Elderly Affairs and its 31.0 positions within the Department of Human Services and renames it the Office of Healthy Aging.
- ***Senior Services Support.*** The Budget includes the enacted level of \$800,000 from general revenues to support the state's senior centers through a grant process.
- ***Meals on Wheels/Elderly Nutrition Services.*** The Budget includes the enacted level of \$530,000 from general revenues to support Meals on Wheels.
- ***Respite Care.*** The Budget includes \$325,000 to support the respite care program through the Diocese of Providence, also known as CareBreaks. This is \$185,000 more than enacted.
- ***Elder Housing Security.*** The Budget includes the enacted level of \$85,000 from general revenues to implement housing security measures in elderly housing complexes.
- ***Long Term Care Ombudsman.*** The Budget includes the enacted level of \$169,086 for the long term care ombudsman, including \$86,750 from general revenues. The Alliance for Better Long Term Care advocates on behalf of residents of nursing homes, assisted living residences and certain other facilities, as well as recipients of home care services.
- ***Aging and Disability Resource Center.*** The Budget includes \$200,000 from federal funds for FY 2019 and FY 2020 in the Executive Office of Health and Human Services' budget to develop and maintain a website for the Aging and Disability Resource Center.

Higher Education

- ***Public Higher Education.*** The Budget includes \$1,247.9 million for Public Higher Education institutions including debt service. This includes \$243.7 million from general revenues. Excluding debt service, general revenue support is \$8.7 million more than the FY 2019 final budget.
- ***Public Higher Education Tuition and Fees.*** The Budget assumes in-state and mandatory fee increases of 3.0 percent for the University, 7.3 percent for the College, and 3.0 percent for the Community College.
- ***RI Promise Scholarship - Community College.*** The Budget includes \$7.0 million from general revenues to support the third year of the Rhode Island Promise Scholarship at the Community College of Rhode Island. This adjusts for the 3.0 percent tuition increase and assumes growth in enrollment over FY 2019.
- ***Need Based Scholarships and Grants.*** The Budget maintains \$8.0 million from tuition savings fees and federal loan reserve funds for the Last Dollar Scholarship program for students with proven academic performance and financial need to attend Rhode Island's public higher education institutions. It includes \$1.5 million in support for students attending Rhode Island non-profit and independent schools, which is \$0.5 million less than enacted.
- ***Dual and Concurrent Enrollment.*** The Budget includes \$2.3 million from tuition savings fees for the dual and concurrent enrollment initiative to allow qualified high school students to earn college credit at no cost to the student. This is \$0.5 million more than enacted.

- **Guaranty Agency Operations.** The Budget maintains the restriction enacted by the 2018 Assembly limiting the Office of Postsecondary Commissioner's use of guaranty agency funds for personnel and operating costs to 10.0 percent of the guaranty agency funds appropriated for scholarships and grants. This restriction was enacted to preserve resources for scholarships. Guaranty agency reserve funds are a finite resource and will be unable to sustain current service levels of scholarship support after FY 2021.
- **OPC/RIDE Co-location.** The Budget includes \$1.0 million in general revenue savings based on a proposal from the Efficiency Commission to co-locate the Office of Postsecondary Commissioner and the Department of Elementary and Secondary Education. Savings are based on the elimination of funding for several positions and the Budget reduces the Office's staffing authorization by 6.0 full-time equivalent positions.
- **Office of Postsecondary Commissioner.** The capital budget includes \$0.3 million from Rhode Island Capital Plan funds in FY 2020 for asset protection projects identified by the Office for its building in Warwick. While the Budget assumes that the Office co-locate with the Department of Elementary and Secondary Education, the building is state-owned property and requires the work.
- **URI Governance.** The Assembly adopted legislation to create a 17-member Board of Trustees for the University of Rhode Island effective February 1, 2020. All of the General Assembly's current authority over the University would be preserved but authority for a variety of functions would transfer from the Council on Postsecondary Education to the new Board.
- **Online Education Expansion.** The Budget includes \$1.8 million from general revenues to support the expansion and development of online degree programs at the University of Rhode Island. Funding would support an increase in course offerings, introduce new degree programs, and establish online tutoring with a help desk.
- **Westerly Higher Education Center Staffing.** The Budget includes authorization for 3.0 new full-time equivalent positions for the Westerly Higher Education Center bringing total staffing to eight positions. The Center is financially self-sustaining, as operating costs are supported by program fees and revenues from leasing the space.
- **College Crusade Support.** The Budget includes \$3.9 million to support the operations and scholarship programs offered by the College Crusade of Rhode Island, including \$3.5 million from the GEAR-UP federal grant and \$0.4 million from general revenues. The federal grant provides funds to states and nonprofits to support eligible low-income and disabled students in pursuit of secondary school diplomas and to prepare for postsecondary education. The \$0.4 million from general revenues supports staffing and office space.
- **Best Buddies Program.** The Budget includes \$75,000 from general revenues for Best Buddies Rhode Island to support programs for children with developmental disabilities. This is \$15,000 more than enacted.
- **Special Olympics Rhode Island.** The Budget includes the enacted amount of \$50,000 from general revenues for Special Olympics Rhode Island to support its mission of providing athletic opportunities for individuals with intellectual and developmental disabilities.
- **URI Memorial Student Union.** The Assembly authorized \$51.5 million from revenue bonds for the renovation and expansion of the Memorial Student Union. Annual debt service would be \$3.8 million, assuming 6.0 percent interest and a 30-year term supported by student fees and retail lease payments from tenants occupying the Union. Total debt service would be \$112.3 million.

- ***URI Fraternity Circle Master Plan.*** The Assembly authorized \$2.1 million from revenue bonds for improvements to the fraternity and sorority houses in Fraternity Circle on the Kingston Campus. Annual debt service would be \$0.2 million, assuming 6.0 percent interest and a 20-year term supported by general revenues and tuition and fees. Total debt service would be \$3.7 million.
- ***URI Health and Counseling Center.*** The Assembly authorized \$26.9 million from revenue bonds for the construction of a new Combined Health and Counseling Center. Annual debt service would be \$2.0 million, assuming 6.0 percent interest and a 30-year term supported by student fees. Total debt service would be \$58.7 million.
- ***Public Higher Education Asset Protection.*** The capital budget includes \$77.0 million from Rhode Island Capital Plan funds for asset protection projects at the institutions of public higher education for the five-year period of the capital plan.
- ***Northern Rhode Island Education Center.*** The capital budget includes \$4.0 million from Rhode Island Capital Plan funds over FY 2019 and FY 2020 to replicate the public-private education model being used at the Westerly Higher Education and Jobs Skills Center in northern Rhode Island. Rhode Island Capital Plan funds would be used to renovate a leased space in Woonsocket; however, as of June, the final site had still not been determined.
- ***Community College - Knight Campus Lab Renovation.*** The capital budget includes \$3.0 million from Rhode Island Capital Plan funds including \$1.3 million in FY 2021 and FY 2022 to complete the renovation of engineering labs at the Community College's Knight Campus.
- ***Community College of Rhode Island - Data, Cabling & Power Infrastructure.*** The capital budget includes \$13.7 million from Rhode Island Capital Plan funds to design and construct a modernized data, cabling and power infrastructure across all four college campuses. This project would begin in FY 2020 and continue through FY 2024.
- ***Community College - Flanagan Campus Renewal.*** The capital budget includes \$12.5 million from Rhode Island Capital Plan funds for the renovation of Flanagan Campus from FY 2021 through FY 2024.
- ***University of Rhode Island - Fine Arts Center.*** The capital budget includes \$14.9 million from Rhode Island Capital Plan funds for the first phase of the University's fine arts center renovation through FY 2020.

Education and Arts

- ***Telecommunications Education Access Fund.*** The Budget includes \$1.4 million in FY 2020, including \$0.4 million from general revenues, to support the Telecommunications Education Access Fund. General revenues are consistent with the enacted budget. This fund provides financial assistance to qualified libraries and schools to acquire, install, and use telecommunications technologies to access the Internet. This fund is supported by a \$0.26 monthly surcharge levied upon each residence and business telephone access line.
- ***Computer Science Education.*** The Budget includes the enacted level of \$210,000 from general revenues to expand access to computer science courses for elementary and secondary students.
- ***Curriculum Development.*** The Budget includes \$200,000 from general revenues, \$100,000 more than enacted, to provide assistance to local school districts with curriculum development. Funding would be used for professional development, to assess existing resources, and to address needs of students with disabilities. The Budget also includes \$120,000 from general revenues and authorization for 1.0 new position to support science, technology, engineering and mathematics curriculum.

- ***Literacy & Dyslexia.*** The Budget includes \$250,000 from general revenues for the Department of Elementary and Secondary Education to support students with dyslexia. This includes funding and authorization for 1.0 new position, for training educators in the Orton-Gillingham method, implementing scientifically-based reading practices, and for aligning preparation programs to scientifically-based reading practices and high quality curriculum.
- ***School Support Staff.*** The Budget includes \$0.3 million from general revenues and authorization for 2.0 new full-time equivalent positions to enhance the Department of Elementary and Secondary Education’s support to schools. This includes a school leadership position to support principals and build their capacity, increase the diversity of the state’s school leadership and educator pipeline and support the principal certification process, as well as a school improvement position to assist with implementing school improvement supports and the district review process.
- ***School-Based Mental Health Services.*** The Budget includes \$1.4 million from a new federal adolescent health and academic achievement grant, specifically regarding mental health issues. Funding will be used to support mental health and behavioral health training, curricula and other materials for educators. In addition, federal funds will be used to promote mental health awareness and improved connections to services for school-age youth and their families.
- ***Advanced Coursework Network.*** The Budget includes \$0.5 million to support the advanced coursework network, including \$0.3 million from permanent school funds. The program allows middle and high school students in participating districts to access career preparatory and college credit bearing courses from a network of providers including postsecondary institutions, community organizations, and local education authorities.
- ***Hasbro Children’s Hospital.*** The Budget includes the enacted level of \$90,000 from general revenues to support the hospital school at Hasbro Children’s Hospital.
- ***School Construction Bond.*** The approved capital budget includes \$50.0 million annually from FY 2019 through FY 2023 from general obligation bonds approved by the voters on the November 2018 ballot for school construction and repairs. The Governor recommended an additional \$250.0 million of general obligation bonds be submitted to the voters on the November 2022 ballot, and includes \$50.0 million from the second bond in FY 2024 and the remaining in the post-FY 2024 period. The Assembly did not include any legislation for the second bond referendum as it would not be required until FY 2021.
- ***Child Opportunity Zones.*** The Budget includes \$395,000 from general revenues, \$50,000 more than enacted, to support child opportunity zones through agreements with the Department of Elementary and Secondary Education to strengthen education, health and social services for students and their families as a strategy to accelerate student achievement.
- ***Fort Adams Trust.*** The Budget includes the enacted level of \$30,000 to support Fort Adams Trust restoration activities, which include structural and safety improvements.
- ***Waterfire Providence.*** The Budget includes the enacted level of \$375,000 from general revenues to support operational costs of Waterfire Providence art installations.
- ***Arts Funds.*** The Budget includes the enacted level of \$0.8 million from general revenues for the Rhode Island State Council on the Arts’ grant awards.

Public Safety

- **Department of Corrections Asset Protection.** The Budget includes \$26.5 million over the five-year period, including \$8.6 million from Rhode Island Capital Plan funds for asset protection projects at the Department of Corrections for FY 2020. Beginning in FY 2020, capital projects are aggregated into two distinct projects with one for asset protection and one for facilities renovations.
- **Department of Corrections Facilities Renovations.** The Budget includes \$20.9 million over the five-year period, including \$4.9 million from Rhode Island Capital Plan funds for Department of Corrections' facilities renovations for FY 2020. Beginning in FY 2020, capital projects are aggregated into two distinct projects with one for asset protection and one for facilities renovations.
- **Prison Population.** The Budget assumes a prison population of 2,671 which is 20 fewer inmates than assumed in the Governor's recommended budget based on population figures through May 2019.
- **Hepatitis C Treatment.** The Budget includes \$2.4 million to treat 120 inmates diagnosed with Hepatitis C. These expenses relate to the Executive Office of Health and Human Services' interpretation of federal requirements for Medicaid's Hepatitis C pharmaceutical authorization which changed in July 2018 to require all patients be treated with curative medication regardless of the stage of the disease. Medicaid is used as the standard of care for such protocols.
- **Correctional Officer Training Class.** The Budget includes \$0.3 million to start a new correctional officer class in June 2019 and includes \$0.7 million for the remaining costs for the class in FY 2020. This includes 10 additional correctional officer positions assumed to result in \$0.7 million of overtime savings.
- **Cognitive Behavioral Therapy.** The Budget includes \$0.1 million for the expansion of the Department of Corrections' cognitive behavioral therapy program. The pilot program started in the Medium Security facility, and this would expand treatment to the Maximum Security facility.
- **Medication Assisted Treatment Program.** The Budget includes \$2.4 million, including \$2.0 million from general revenues for the Medication Assisted Treatment Program. This program supports screening for opioid use disorders and conducting assessments of new inmates to determine treatment options.
- **Inmate Tracking Database.** The Budget includes \$0.1 million to maintain the offender tracking system which includes probation and parole, gang-affiliations, known offender enemies and no-contact orders.
- **Crossroads.** The Budget includes \$1.1 million for discharge planning services for sex offenders provided by Crossroads Rhode Island.
- **Indigent Defense Program.** The Budget includes \$4.4 million from general revenues for the Judiciary's indigent defense program, which is \$0.4 million more than enacted based on increased caseloads.
- **Drug Court Diversion Staffing.** The Budget adds \$0.3 million from general revenues and 3.0 new full-time equivalent positions to support the Superior Court Diversion program which provides risk assessments for defendants who score as high risk on a risk screen. This is one of several justice reinvestment proposals that became law.
- **Rhode Island Legal Services.** The Budget includes the enacted level of \$90,000 from general revenues for Rhode Island Legal Services to provide housing and eviction defense to indigent individuals.

- ***Rhode Island Coalition Against Domestic Violence.*** The Budget includes \$230,000 from general revenues for the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project, consistent with the enacted budget.
- ***Judicial Asset Protection.*** The capital budget includes \$5.0 million from Rhode Island Capital Plan funds for FY 2020 through FY 2024 for asset protection projects at Judicial buildings, including security upgrades, courtroom restoration, fire suppression and alarm system upgrades, interior refurbishments to public areas and office spaces, cellblock upgrades, and elevator upgrades.
- ***Licht Judicial Complex Restoration.*** The capital budget includes \$3.8 million from Rhode Island Capital Plan funds for FY 2020 through FY 2024 for the restoration of the Licht Judicial Complex.
- ***Judicial HVAC.*** The capital budget includes \$5.0 million from Rhode Island Capital Plan funds for FY 2020 through FY 2024 for replacement, restoration, and cleaning of the heating, ventilation, and air conditioning systems for all judicial complexes.
- ***Garrahy Judicial Complex Asset Protection.*** The capital budget includes \$4.5 million from Rhode Island Capital Plan funds for FY 2024 for a new project to restore the interior of the Garrahy Judicial Complex. The interior restoration projects include removing and replacing floors and carpets, sealing and repainting the walls, woodwork refinishing, and refurbishing employee bathrooms.
- ***Rhode Island Statewide Communications Network.*** The capital budget includes \$10.0 million from all sources through FY 2021 for the Rhode Island Statewide Communications Network. This includes \$7.5 million from Rhode Island Capital Plan funds and \$2.5 million from federal sources. The Budget also includes \$1.2 million from general revenues for the contract with Motorola to maintain the radio system.
- ***E-911 to Restricted Receipts.*** The Budget creates a new restricted receipt account to be used exclusively by the Division of E-911 to be funded by an E-911 specific surcharge on all wired, wireless, and prepaid phone lines, effective October 1, 2019. The E-911 surcharge is \$0.50 per wired and wireless line, which is now separate from the revised first response surcharge of \$0.50 per wired and \$0.75 per wireless line. The Assembly also repealed the \$0.26 cent surcharge on wireless lines that funded the Geographic Information System Technology Fund. These changes make Rhode Island compliant with Federal Communications Commission regulations. The consumer's phone bill will have two charges now, but effectively the same amount will be collected.
- ***E-911 Training.*** The Budget includes \$222,000 from restricted receipts collected from E-911 surcharges to train telecommunicators in emergency medical dispatch.
- ***E-911 Technology.*** The Budget provides \$450,000 for E-911 to perform technology upgrades and implement Next Generation 911.
- ***Injured on Duty Reform.*** The Budget assumes savings of \$1.7 million from general revenues from passing legislation to amend the injured on duty law as it relates to state employees. It allows a treating physician or an independent medical examiner to certify that a person has reached maximum medical improvement triggering the 60-day clock to apply for accidental disability. Under current law, it must be the treating physician that makes the certification. Current recipients of injured on duty payments will have 90 days starting July 1, 2019 to apply for accidental disability payments, otherwise benefits would be terminated, with some exceptions.
- ***New State Police Troopers.*** The Budget assumes hiring 30 new troopers, which are expected to graduate from the 2019 State Police Training Academy on June 28, 2019.

- ***Overdose Prevention and Intervention/HOPE Initiative.*** The Budget includes \$7.6 million for FY 2019 and \$13.1 million for FY 2020 for state programs addressing opioid prevention and intervention. In October 2018, the Department of Public Safety announced the HOPE Initiative, a statewide effort between law enforcement and substance abuse professionals that will help individuals struggling with addiction. The state received a federal grant that will expand residential services, as well as recovery and peer support programs. Most of the funding appears in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' budget.
- ***Master Plan for State Police.*** The Budget includes \$0.8 million from Rhode Island Capital Plan funds for FY 2019 and FY 2020 for the State Police to conduct a master plan of its properties.
- ***Public Safety Asset Protection.*** The Budget includes \$3.2 million from Rhode Island Capital Plan funds for FY 2020 through FY 2024 for asset protection projects at public safety facilities.

Environment

- ***Executive Business Office.*** The Budget includes \$0.1 million and 1.0 new full-time equivalent position to establish an Executive Business Office within the Department of Environmental Management with the purpose of fundraising, event planning, and securing sponsorships for natural resources and environmental protection efforts.
- ***Parks and Recreation.*** The Budget includes an additional \$0.5 million from general revenues to provide additional maintenance and staffing for the Parks and Recreation program within the Department of Environmental Management. This reflects 3.0 new full-time equivalent positions and funding for existing parks under the Department's purview.
- ***Conservation Districts.*** The Budget includes \$50,000 from general revenues in FY 2020 for regional conservation districts. The districts are quasi-public subdivisions of state government, governed by volunteer boards of directors from the communities.
- ***Local Agriculture and Seafood Program.*** The Budget includes the enacted amount of \$0.1 million for the local agriculture and seafood program to allow small businesses in the food sector to receive grants. Funding is matched by private sources.
- ***World War II State Park Improvements.*** The Budget includes \$250,000 from general revenues in FY 2020 for the final year of a five-year initiative to transfer maintenance and operation of the World War II State Park from the state to the City of Woonsocket following the completion of the capital project.
- ***Blackstone Valley Park Improvements.*** The capital budget includes \$0.8 million for FY 2020 from Rhode Island Capital Plan funds for additional work at improving access to the Blackstone Corridor. Funding includes \$0.5 million shifted from FY 2019 and an additional \$0.3 million provided by the Assembly.
- ***Galilee Piers Upgrade.*** The capital budget includes \$6.0 million from Rhode Island Capital Plan funds and federal sources for infrastructure improvements at the Port of Galilee for FY 2019 through FY 2024.
- ***Marine Infrastructure/Pier Development.*** The capital budget includes \$6.8 million from Rhode Island Capital Plan funds for FY 2019 through FY 2024 for marine infrastructure and pier development at sites critical to Rhode Island's tourism and fishing economy.
- ***Natural Resources Office/Visitor's Center.*** The capital budget includes \$5.0 million from Rhode Island Capital Plan funds for FY 2022 to FY 2023 for the construction of a new office facility for the Natural

Resources Office/Visitor's Center in the Arcadia Management Area at Browning Mill Pond in the town of Richmond.

- **Recreation Facility Asset Protection.** The capital budget includes \$2.5 million from Rhode Island Capital Plan funds for FY 2020 through FY 2024 for asset protection projects at recreation facilities under the Department's purview.

Transportation

- **Route 95 Northbound Providence Viaduct Project.** The Assembly authorized the issuance of \$200.0 million in debt through the Grant Anticipation Revenue Vehicle to fund the Route 95 Northbound Providence Viaduct project, which will include replacing four of five bridges in the interchange, six structures will be rehabilitated, and three new structures will be built, separating local and express lanes. Annual debt service of \$16.9 million will be supported by future federal fund increases allotted to the state.
- **Toll Revenue.** The Budget assumes toll revenues of \$7.0 million in the current year, based on two gantries being operational and \$26.0 million in FY 2020 from 12 gantries, with four in operations for 12 months, one for ten months, two for nine months, and one each for eight, six, four, three and one months.
- **Department of Transportation Staffing.** The Assembly enacted the authorized level of 755.0 full-time equivalent positions for the Department of Transportation. It declined to add new positions based on the current 47 vacancies.
- **Materials Lab Testing Facility.** The revised budget includes \$2.7 million from available land sale proceeds to make renovations to its material testing laboratory in Providence to provide consistent temperature, environmental and air quality, vibration and noise control.
- **Turnpike and Bridge Authority.** The Assembly authorized the Rhode Island Turnpike and Bridge Authority to issue up to \$50.0 million of revenue bonds to finance renovations and repairs of bridges under its purview. Annual debt service would be \$3.6 million and would be supported by tolls, gasoline tax and other revenues that the Authority receives.
- **Rhode Island Public Transit Authority.** The Assembly adopted legislation to permanently provide the Rhode Island Public Transit Authority with an additional \$5.0 million from the Highway Maintenance Account to fund the Authority's debt service and free-fare program for low income seniors and persons with disabilities.
- **Public Transit Authority - Bus Match.** The Budget assumes use of \$3.1 million from the Department of Transportation's share of the Highway Maintenance Account to finance buses for the Rhode Island Public Transit Authority.
- **Highway Maintenance Account.** The Assembly adopted legislation to retain 5.0 percent of total resources from the Highway Maintenance Account to offset the cost of collection of the fees. Based on projected resources, \$4.9 million will be retained as general revenues.
- **Winter Maintenance.** The Budget includes \$18.1 million and \$21.2 million for FY 2019 and FY 2020, respectively, for winter maintenance expenditures.
- **Bike Path Maintenance.** The Budget includes \$2.0 million from Rhode Island Capital Plan funds for maintenance of bike paths.

- ***Welcome Center.*** The Budget includes \$150,000 from Rhode Island Capital Plan funds to make improvements to the Welcome Center in Richmond.
- ***Highway Drainage.*** The capital budget assumes use of \$6.0 million each for FY 2019 and FY 2020, from highway maintenance funds for catch basin inspection and cleaning. The Department is currently required by a consent decree with the U.S. Department of Justice to maintain storm drains and address pollutants that are going into the Narragansett Bay and other waterways. Pursuant to the consent decree, the Department of Transportation must inspect and clean the state's 25,000 catch basins annually.
- ***Providence Transit Connector.*** The capital budget includes a total of \$2.0 million from Rhode Island Capital Plan funds and \$2.1 million from highway maintenance funds to provide matching funds to improve the transit corridor between Kennedy Plaza, the Providence Train Station and other hubs. This matches a \$13.6 million federal grant awarded to the Rhode Island Public Transit Authority.
- ***Pawtucket Bus Hub and Transit Corridor.*** The capital budget includes \$8.9 million, including \$1.3 million from Rhode Island Capital Plan funds, to match federal funds for the Rhode Island Public Transit Authority to build a transit hub adjacent to the new commuter rail station on the Pawtucket/Central Falls border.
- ***College Hill Bus Tunnel.*** The capital budget assumes use of \$1.9 million from Rhode Island Capital Plan funds over FY 2020 through FY 2022 to match \$7.5 million of federal funds to make structural and drainage repairs, as well as safety improvements to the College Hill Bus Tunnel.
- ***Land and Building Enhancements.*** The capital budget assumes use of \$1.3 million from Rhode Island Capital Plan funds over FY 2020 through FY 2024 to match \$16.7 million of federal funds to make improvements to the Authority's several facilities.