
Section I

Budget at a Glance

Governor’s FY 2021 Budget at a Glance

The Governor’s budget recommendations for FY 2021 are contained in 2020-H 7171, introduced on January 16, 2020; her revisions to the FY 2020 enacted budget were also introduced that day as separate legislation in 2020-H 7170. This was in compliance with the law requiring the budget be submitted by the third Thursday in January.

The table below shows the total budget by fund source and how it compares to the budget adopted for FY 2020. General revenue spending would increase by \$170.2 million or 4.2 percent.

FY 2021	General				All Funds
	Revenue	Federal	Restricted	Other	
FY 2020 Enacted	\$ 4,077.6	\$ 3,325.4	\$ 311.4	\$ 2,256.3	\$ 9,970.6
Governor	4,247.8	3,323.1	348.9	2,275.2	10,195.0
Change to Enacted	\$ 170.2	\$ (2.2)	\$ 37.5	\$ 18.9	\$ 224.4
Percent Change	4.2%	-0.1%	12.1%	0.8%	2.3%

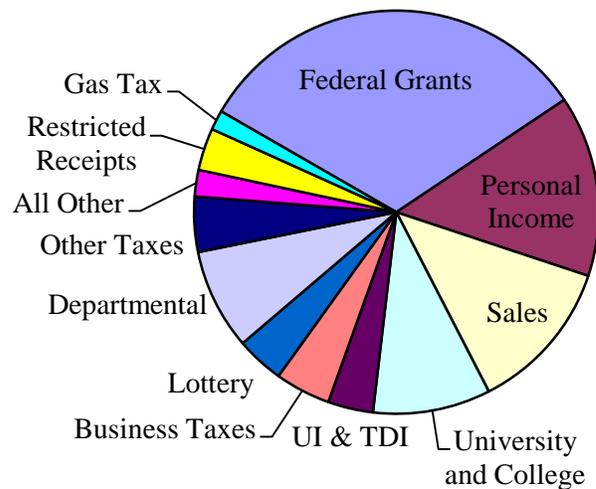
Revised general revenue spending recommended for the current year exceeds the enacted budget by \$8.7 million or 0.2 percent; it is \$162.2 million or 4.1 percent more than FY 2019 expenditures. Total revised expenditures from all sources are \$91.1 million or 0.9 percent more than enacted and \$684.0 million or 7.3 percent more than spent in FY 2019.

Budget Issues

- FY 2021 Gap.** The Budget Office estimated in July that in preparing the FY 2021 budget, the Governor faced a projected revenue-expenditure gap of about \$209 million. The June Fiscal Staff’s estimated FY 2021 budget gap was only \$128.6 million with most of the difference from the subsequent Budget Office estimate being expenditure assumptions for human services and education aid. The Budget Office used considerably higher growth rates for the first two items in its July estimate than in the out-year projections presented as part of the Governor’s FY 2020 budget submission. The estimates also differed in that Budget Office assumed no decline in spending on the human service eligibility system, known as “UHIP” as design work is completed. By November, it was clear that agency overspending and increased caseload costs would outstrip increased resources available from the FY 2019 closing and revised consensus caseload and revenue estimates. The House Fiscal Staff estimated in December that those factors meant a roughly \$6.5 million current year deficit would have to be solved as well as a \$122 million issue for FY 2021. The current year estimate assumed several savings initiatives that were not progressing as planned would come to fruition and that the state keeps at least \$33.2 million of the \$50 million settlement with Deloitte, which is still awaiting a federal decision.
- Out-Year Projections.** The out-years continue to be unbalanced as projected expenditure growth continues to outpace revenue growth. The forecast included with the Governor’s budget estimates a \$32.3 million gap for FY 2022 that grows to \$153.9 million in FY 2025. The FY 2022 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 proposes shifting a greater proportion of those costs to the later years. Staff is still reviewing the assumptions used for both expenditures and revenues.
- Budget Assumptions.** The Governor’s budget follows the traditional Rhode Island budgeting practice of assuming passage of legislation submitted with the budget and approval by requisite federal agencies of changes under their purview. Should any of that legislation not pass, the budget will be significantly unbalanced.

- **Budget Transparency.** The Governor’s revised budget contained in 2020-H 7170 includes dozens of undefined additions and reductions across multiple appropriation lines in thirteen different budgets. It appears these adjustments were made to keep the agency’s total individual general revenue appropriation lines from exceeding the enacted level after known spending plan adjustments were made. This obscures where there is projected overspending and which line items are being reduced to offset that.
- **Line Item Veto.** The Governor recommends that a referendum be put before the voters to approve line item veto provisions to take effect on January 23, 2023.
- **Budget Control.** The Governor proposes changes to increase executive authority to exceed budgeted appropriations.

Sources of Funds



Taxes and Revenues

Tobacco. The Governor’s budget contains a number of provisions regarding tobacco and nicotine products.

Tobacco	
Item	FY 2021 Impact
Federal Minimum Age	\$ (3,688,063)
Cigarette Per Pack Increase	4,323,753
Other Tobacco Products Increase	988,793
Total Taxes	\$ 1,624,483
Tobacco Regulatory Licensing Fee	402,500
Total	\$ 2,026,983

- **Federal Minimum Age.** The Governor’s budget assumes a loss of \$3.7 million from the recent federal action to raise the minimum age of sale of tobacco products from 18 to 21. This change is assumed to take effect by the beginning of FY 2021.

- ***Cigarette Per Pack Increase.*** The Governor’s budget assumes \$4.3 million in revenues from a proposal to increase the cigarette tax by \$0.35, to \$4.60 per 20-pack, effective August 1, 2020.
- ***Other Tobacco Products Increase.*** The Governor’s budget assumes \$1.0 million in revenues associated with proposed legislation to impose an 80.0 percent wholesale tax on electronic nicotine delivery systems and raise the per cigar tax from \$0.50 to \$0.80. The cigar change is estimated to generate \$0.7 million, with the remaining \$0.3 million from the e-cigarette tax. It assumes a permanent ban on flavored e-liquid nicotine products.
- ***Tobacco Regulatory Licensing Fee.*** The Governor’s budget includes \$0.4 million in new revenues from several changes to the state’s cigarette licensing fees including increasing the dealer’s application fees from \$25 to \$75, subjecting manufacturers to the \$1,000 license fee for importers and certain distributors, and increasing the licensing and renewal fees for all entities to \$400. It also merges e-cigarette entities and products into this license and subjects them to this fee.

Other Tax Changes

- ***Sales Tax on Lobbying Services.*** The Governor’s budget assumes \$0.7 million in revenues associated with the expansion of the state sales tax to include lobbying services within the state, effective October 1, 2020.
- ***Sales Tax on Computer Systems Design.*** The Governor’s budget assumes \$7.9 million in revenues associated with the expansion of the state’s sales tax to include computer systems design and related services, effective October 1, 2020.
- ***Sales Tax on Couriers and Messengers.*** The Governor’s budget assumes \$4.1 million in revenues from expanding the state sales tax to include couriers and messengers, effective January 1, 2021.
- ***Sales Tax on Interior Design Services.*** The Governor’s budget assumes \$0.6 million in revenues associated with the expansion of the state sales tax to include interior design services within the state, effective January 1, 2021.
- ***Sales Tax on Fishing, Hunting, Trapping, and Shooting Services.*** The Governor’s budget assumes \$0.8 million in revenues associated with the expansion of the state sales tax to include fishing, hunting, game preserves, archery, shooting ranges, and rod and gun clubs, effective October 1, 2020.
- ***Alcohol Taxes.*** The Governor’s budget assumes \$9.1 million in revenues from reducing the alcohol excise tax on high proof spirits by \$1.65 per gallon to \$3.75 and on wine by \$0.80 per gallon to \$0.60 and eliminating the sales tax exemption on wine and spirits sold by Class A licensees, effective October 1, 2020. This reverses a change made by the 2013 Assembly at which time the annualized impact was estimated to be \$4.8 million growing over time with inflation.
- ***Hotel Tax.*** The Governor’s budget assumes \$4.7 million from increasing the 5.0 percent state hotel tax to 6.0 percent, effective July 1, 2020, and retaining that extra one percent for state general revenues.
- ***Administrative Fee on Pass-Through Taxes.*** The Governor’s budget assumes \$0.8 million in new revenues from retaining a 2.0 percent administrative fee from pass-through taxes collected on behalf of, and distributed to municipalities assuming a July 1, 2020 start date. These collections include the hotel tax, local meals and beverage tax, and the real estate conveyance tax.
- ***Real Estate Conveyance Tax.*** The Governor’s budget proposes doubling the tax rate from 0.46 percent to 0.92 percent on the portion of a property’s value over \$0.5 million to generate \$3.6 million to fund

housing initiatives via a dedicated revenue stream. The intent is to produce an additional 250 units of affordable and workforce housing annually and provide funding for opt-in municipal partnerships to develop market-rate residential development, provide technical assistance, and subsidize local education cost increases. Her budget also permits the Division of Taxation to retain 2.0 percent of the revenues collected on behalf of, and passed through to, municipalities.

Enhanced Compliance and Collections

- ***Reciprocal Payment Offset Program.*** The Governor's budget assumes \$5.0 million in revenues from expanding the state's participation in a federal reciprocity program to include taxes other than personal income and other debts such as unemployment overpayments and back child support. The state would be able to offset federal refunds for other tax debts owed to Rhode Island and would in return allow state refunds to be offset for federal debt. This would be similar to the current reciprocity program the state participates in for personal income taxes.
- ***Department of Revenue Enhanced Collections.*** The Governor's budget proposes \$1.3 million and assumes filling several positions for education, outreach and compliance regarding the proposed tax changes. The budget also includes language requiring state and quasi-public agencies to utilize the services of the Collections Unit within the Department of Revenue.

DEM Fee Changes

- ***Pesticide Registration Fee.*** The Governor's budget includes \$0.3 million in new revenue from requiring manufacturers and distributors of alternate brand name pesticide products to pay a \$200 pesticide registration fee, consistent with the registration requirements for name brand pesticide products.
- ***Expedited Permitting Fees.*** The Governor's budget includes \$0.6 million in new revenue from increasing permitting fees for complicated permit requests, which would be established through the regulatory process. She also proposes \$0.5 million from general revenues for 5.0 new full-time equivalent engineering positions to help with permitting reviews.
- ***Oil Spill Prevention, Administration, and Response Fund.*** The Governor recommends doubling the fee supporting the Oil Spill Prevention, Administration, and Response Fund that is collected on barrels of petroleum products received at marine terminals from vessels originating outside the state. The fee would increase from five to ten cents per barrel increasing collections by an estimated \$1.9 million. She also proposes expanding the allowable uses of the fund to pay for climate adaptation and resiliency projects and uses \$1.1 million of the new collections for these projects. Additionally, her revised budget proposes transferring \$1.0 million of current reserves from this fund to state general revenues by June 30, 2020.

DMV Fee Changes

- ***Certified Driving Records Fee.*** The Governor's budget assumes \$0.7 million of new revenues from increasing the fee for requesting certified driving records from \$16 to \$20 for online subscribers. These requests are primarily made by insurance companies which use these records for underwriting and rate setting, but individuals may request their records online.
- ***Expired License and Registration Fee.*** The Governor's budget assumes \$1.1 million of new revenues from implementing a \$15 late fee for license or registration renewals performed after their expiration dates, effective October 1, 2020.
- ***Inspection Violations.*** The Governor's budget assumes \$1.8 million of new revenues from establishing a \$100 reinstatement fee for vehicle registrations revoked for inspection violations beginning July 1,

2020. The Division of Motor Vehicles acquired the technology a couple of years ago to know when inspections expire without update. The 2018 Assembly did not concur with a similar proposal from the Governor for a \$250 reinstatement fee for inspection violations resulting in a registration revocation.

Cannabis Regulation

- ***Adult Use Marijuana Program.*** The Governor’s budget assumes \$21.8 million in new revenues from the legalization of marijuana, with an anticipated start date of March 2021. The proposal assumes the state would hire contractors to operate the program similar to the arrangement with the state’s casinos with net revenues split 29.0 percent to the operators, 10.0 percent to municipalities, and the remaining 61.0 percent to the state; the state’s share is estimated at \$21.1 million, the remainder of the revenue is from licensing collections. The budget provides funding for the Department of Business Regulation, Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, and Departments of Health, and Public Safety to support the Office of Cannabis Regulation. The out-year budget assumptions suggest revenues of approximately \$40 million once the program is fully operational.

Transfers from Quasi-Public Corporations

- ***Rhode Island Resource Recovery Corporation Transfer.*** The Governor proposes that the Rhode Island Resource Recovery Corporation transfer \$5.0 million to state general revenues by June 30, 2020 and another \$5.0 million to state general revenues by June 30, 2021. Her five-year capital plan also allocates \$6.0 million from Rhode Island Capital Plan funds over FY 2023 and FY 2024 for the Corporation’s Landfill Phase VI Construction project.

- ***RI Health and Educational Building Corporation Transfer.*** The Governor proposes that the Rhode Island Health and Educational Building Corporation transfer \$1.0 million to state general revenues by June 30, 2021.

- ***Rhode Island Housing Transfer.*** The Governor proposes that Rhode Island Housing transfer \$1.1 million to state general revenues by June 30, 2021. Furthermore, Rhode Island Housing is authorized to use up to half of the existing funding held in reserve for Department of Behavioral Healthcare, Developmental Disabilities and Hospitals’ programs to support the creation or preservation of lower cost housing options for individuals with behavioral healthcare needs or developmental disabilities rather than in-patient services. The enacted budget also includes \$1.5 million to state general revenues by June 30, 2020.

- ***Narragansett Bay Commission Transfer.*** The Governor proposes that the Narragansett Bay Commission transfer \$2.0 million to state general revenues by June 30, 2021.

- ***Rhode Island Infrastructure Bank Transfer.*** The Governor proposes that the Rhode Island Infrastructure Bank transfer \$5.0 million to state general revenues by June 30, 2021. The Governor also proposes to transfer \$8.9 million of bond premiums issued to the Bank for the Municipal Road and Bridge Fund to state general revenues in the current fiscal year. This is an addition to the \$4.0 million transfer required in the enacted budget.

- ***Rhode Island Student Loan Authority Transfer.*** The Governor proposes that the Rhode Island Student Loan Authority transfer \$2.0 million to state general revenues by June 30, 2021.

Other Revenues

- ***Division of Sheriffs Application Fee.*** The Governor’s budget includes \$13,000 in new revenues by imposing a \$50 application fee for the Division of Sheriffs.

- ***Substance Abuse Education Fee.*** The Governor's budget includes \$220,016 from a new \$250 substance abuse education fee assessed to an individual who is convicted of driving under the influence or refuses to submit to a breathalyzer test. The funds would be used by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals for substance abuse prevention and student assistance programs.
- ***Underground Storage Tank Trust Fund.*** The Governor proposes to transfer reserves of \$1.0 million from the Underground Storage Tank Trust Fund to state general revenues by June 30, 2020.
- ***Department of Environmental Management Unexpended Bond Funds.*** The Governor proposes to transfer unexpended bond funds totaling \$0.3 million from two different Department of Environmental Management issuances to state general revenues by June 30, 2020.
- ***Veterans' Home Income Assessment.*** The Governor proposes increasing the monthly assessment paid by veterans residing at the Rhode Island Veterans' Home from 80 percent of their net income to 100 percent, adjusted for certain deductions. The proposal would also increase the monthly personal needs allowance of \$150 to \$300 and assumes the Home would cover all physical and occupational therapy costs. Adjusting for this cost, the estimated net revenue is \$0.9 million.
- ***Veterans' Home Probate Collections.*** The Governor's budget documents reference a proposal to collect the proceeds on open estate probates above \$15,000 for former residents of the Rhode Island Veterans' Home. This is estimated to generate \$0.3 million in new revenue; however, the budget does not account for the revenues.
- ***Veterans' Cemetery Fee.*** The Governor's budget proposes \$0.4 million in new revenue from increasing the fee on all non-veteran burials at the Rhode Island Veterans Memorial Cemetery. The Cemetery receives a federal plot allowance of \$796 for each veteran burial but does not for dependents. It currently collects a \$210 grave liner fee, which the Governor proposes to replace with a fee equal to the federal plot allowance; however, the budget does not account for the revenues.
- ***Requests for Public Health Data Fee.*** The Governor's budget includes \$0.4 million in new revenue by allowing the Department of Health, through rules and regulations, to charge a new fee for data requests. These data are currently used to monitor health status and trends in natality, morbidity and mortality. The legislation requires that approximately 50 percent of revenues be appropriated to the Department of Health to sustain its capacity to manage and maintain data systems to meet demands. The budget includes \$0.2 million for operating expenses.
- ***Licensing Fees Exemption Removal for Certain EMS Personnel.*** Current law exempts municipal employees and volunteer or non-profit organizations from paying the emergency medical technician license fees. The licensing fee for paramedics is \$80 biennially and \$120 every three years for emergency medical technicians. The Governor's budget includes \$0.3 million in new revenue from removing the current exemption.
- ***Shellfish Dockside Program.*** The Governor's budget includes \$0.4 million in new revenue by imposing licensing fees on marine shellfish processors; the fees would be established through rules and regulations. The funds would be used to support staff and operating expenses associated with providing sampling, laboratory testing and monitoring. The fees would be based on estimated expenditures for the program; the budget reflects a like amount in expenditures.
- ***Attorney General Settlement Funds.*** The budget includes \$1.7 million in additional revenue from an increase in settlement funds through the Office of the Attorney General. This is associated with a proposal to add four new positions to support the effort to pursue multistate settlements for a net impact of \$1.3

million. It is unclear how this estimate was derived and what the assumptions are on timing of such settlements.

- **Fire Marshal Plan Review Fees.** The Governor's budget assumes \$0.6 million of new revenues from increasing the plan review fees for new construction based on the cost of construction, inspection and explosives permitting fees. This appears to assume at least a fifty percent aggregate increase. The plan review fees for construction have five tiers based on a defined range of costs, all of which would increase. The first three tiers increase by \$10 to \$35, \$45, and \$55. The inspection fees charged by the Fire Marshal's Office would increase by \$150 to \$250.
- **Explosives Permit Fees.** The Governor's budget proposes to raise fees for explosives manufacturers, dealers and possessors to one annual \$100 explosives permit fee, eliminate the range for user permit fees and substitute a flat \$50 fee, and repeal the \$25 non-refundable fee for apprentice permits. Under current law, annual permit fees related to explosives are \$85 for manufacturers, and \$50 for dealers and possessors, with apprentice permits subject to a non-refundable \$25 fee. User permits are \$50 per \$10,000 of project costs.

Tax Credits and Incentives

- **Earned Income Tax Credit.** The Governor's budget assumes \$1.1 million less revenue for FY 2021 from increasing the refundable Rhode Island earned income tax credit by one percentage point increments each tax year for five years until it reaches 20.0 percent. Fully phased in, the annual lost revenue to the state would be \$11.6 million.
- **Rebuild Rhode Island Tax Credit.** The Governor's budget includes \$22.5 million from general revenues to continue funding commitments already made under the Rebuild Rhode Island Tax Credit program. This would bring total appropriations for these credits, which are redeemed over time, to \$82.2 million. An estimated \$140 million of program commitments have been made as of December 2019. The Governor proposes to increase the total amount of credits that can be awarded from \$210 million to \$250 million, lower the capped percentage of project costs based on specific criteria, and extend the sunset to December 31, 2023.
- **Wavemaker Fellowships.** The Governor's budget includes \$2.1 million from general revenues to fund the student loan forgiveness program enacted by the 2015 Assembly that provides up to four years of loan forgiveness for degrees in the fields of natural or environmental sciences, computer technology, engineering or medicine. Recipients must work at least 35 hours per week for an employer located in the state; two-thirds of the awardees must be permanent residents of the state. The Governor proposes to expand the program's eligibility to science, technology, and math educators. It appears that \$1.2 million of this funding is allocated for that expansion. The proposal also extends the sunset three years to December 31, 2023.

Commerce and Workforce

- **Minimum Wage.** The Governor's budget includes legislation increasing the minimum wage from \$10.50 per hour to \$11.50 per hour, effective October 1, 2020. The recommended budget also includes \$0.2 million for the impact on the Department of Environmental Management's seasonal recreational program in FY 2021.
- **Unemployment Tax Rate.** Unemployment taxes paid by employers dropped to a lower rate effective January 1, 2020, consistent with the projected schedule provided by the Department of Labor and Training during FY 2019.
- **Air Service Development.** The FY 2017 through FY 2019 enacted budgets provided \$2.5 million to support direct incentives, revenue guarantees, and/or other support for additional air service routes to major

metropolitan areas; there is no funding in the enacted budget. The 2019 Assembly established a sunset date of December 31, 2020. The Governor's budget does not recommend further funding but does propose to extend the sunset to December 31, 2023.

- **Commerce Corporation - Operations.** The Governor's budget includes \$7.5 million from general revenues, \$54,000 more than enacted, for FY 2021 to support general operations of the Corporation.
- **Experimental Program to Stimulate Competitive Research (EPSCoR).** The Governor recommends 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 Governor's budget includes the enacted level of \$1.0 million to support Small Business Innovation Research grants and the Bioscience and Engineering Internship programs.
- **Innovation Initiative.** The Governor's budget includes \$1.0 million from general revenues for Innovation Initiative grants and vouchers for businesses with less than 500 employees. Vouchers of up to \$50,000 may be given for research and development assistance from a Rhode Island university, research center or medical center, or to a small business manufacturer for internal research and development.
- **International Trade and Export Program.** The Governor's budget includes the enacted amount of \$476,200 for international trade and export programming, which has been specifically identified for the Chafee Center at Bryant University in prior budgets. That designation is excluded from the recommendation.
- **Deputy Secretary of Commerce.** The Governor's budget includes \$0.2 million and 1.0 full-time equivalent position for the Executive Office of Commerce in conjunction with the legislation included in Article 12, which changes the state's housing programs and policies.
- **I-195 Redevelopment Fund.** The Governor's budget includes an additional \$1.0 million from general revenues to provide developers and businesses with financing for capital investment, including land acquisition to promote the development of the former highway land administered by the I-195 Redevelopment District Commission. The Governor proposes extending the sunset three years to December 31, 2023.
- **Industry Cluster Grants.** The Governor's budget includes \$350,000, which is \$250,000 more than enacted, for the Industry Cluster Grants program, which enables the Commerce Corporation to provide startup and technical assistance grants ranging from \$75,000 to \$250,000 and to provide competitive grants ranging from \$100,000 to \$500,000 for activities within an industry cluster and to close industry cluster gaps. The Governor also proposes extending the sunset three years to December 31, 2023.
- **P-Tech Initiative.** The Governor's budget includes \$0.2 million for the P-Tech Initiative, which establishes partnerships between high schools, higher education institutions, and employers to offer courses towards high school diplomas and associate's degrees. Since FY 2016, a total of \$2.5 million has been appropriated to support the program. The Governor's recommendation is estimated to provide \$1.2 million of available resources, after administrative costs. The Governor proposes extending the sunset three years to December 31, 2023.
- **Polaris Manufacturing Extension Partnership.** The Governor's 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

that also receives funding from the National Institute of Standards and Technology to subsidize its consulting services to smaller manufacturing business owners, and fund awareness activities and educational seminars.

- ***Polaris Succession Initiative.*** The Governor’s budget includes \$50,000 from general revenues for a program to support small manufacturers transferring ownership interests to another party. This is an increase of general revenues passed-through the Commerce Corporation.
- ***East Providence Waterfront Commission.*** The Governor’s budget includes \$50,000 from general revenues for the East Providence Waterfront Commission, consistent with the enacted budget. The Commission is charged with facilitating the transformation of the East Providence waterfront into a model of urban revitalization.
- ***Small Business Assistance Program.*** The Governor’s budget includes \$750,000 from general revenues, which is \$250,000 more than enacted, 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 Governor proposes eliminating the December 31, 2020 sunset provision.
- ***Small Business Development Center.*** The Governor’s budget includes the enacted amount of \$350,000 from general revenues for the Small Business Development Center at the University of Rhode Island.
- ***Main Street Streetscape Improvement Fund.*** The FY 2016 through FY 2019 budgets provided a total of \$3.0 million for the fund and authorized the Commerce Corporation to award loans, matching grants and other forms of financing to enhance sidewalks, signage of public space and lighting in order to create an attractive environment in local business districts. All funding has been committed. The Governor proposes extending the sunset provision three years to December 31, 2023 but does not recommend new funding.
- ***Site Readiness Municipal Capacity Building.*** The Governor’s budget includes \$0.4 million from general revenues for a program to establish five Commerce Corporation fellowships in five regions or municipalities for targeted municipalities already participating in the Site Readiness program.
- ***Site Readiness/Partnership.*** The Governor’s budget includes legislation to allow municipalities to partner with the Commerce Corporation to assist in the development of pad-ready development sites. The proposed budget includes \$1.0 million from general revenues, consistent with the enacted budget. The budget also proposes \$21.5 million of new general obligation bonds to be submitted to the voters on the November 2020 ballot be provided to this program for competitive distribution to prepare sites for development, including municipal infrastructure.
- ***Supply RI.*** The Governor’s 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 Commerce Corporation staff.
- ***School Construction Contract Apprenticeship Requirements.*** The Governor proposes a new requirement for school construction projects of \$5.0 million or more to have approved apprenticeship programs and utilize apprentices for 10.0 percent of the hours worked on the projects. It also establishes a reporting process for contractors and penalties for non-compliance, including a \$500 per day fine for not submitting data or withholding payment to the contractor until data is submitted.

- ***Real Jobs Rhode Island.*** The Governor’s budget includes \$16.4 million from all funds for the Real Jobs Rhode Island program. This includes \$12.7 million from general revenues, which is \$7.3 million more than enacted, \$2.3 million from federal grants specifically identified for the program, and \$1.4 million from the Job Development Fund. The \$1.4 million would come from an assessment to large non-profit employers who are not currently subject to this charge. The recommendation also includes joint initiatives between the Departments of Labor and Training and Corrections to assist inmates with employment services as they transition out of incarceration.
- ***Workplace Fraud Unit Staff and Compliance Enhancement.*** The Governor’s budget adds \$0.4 million from general revenues and 4.0 new full-time equivalent positions to assist with workplace fraud efforts including hearing administrative matters pertaining to labor standards, employee misclassification, and prevailing wage issues. The Governor also proposes doubling misclassification penalties and increasing the minimum penalty for prevailing wage violations. The budget assumes \$4.2 million in additional revenue collections from these proposals for a net impact of \$3.8 million. Misclassification penalties and fines were last increased as part of the FY 2018 budget.
- ***Year Up.*** The Governor’s budget includes \$250,000 from general revenues for Year Up to support Rhode Island-based programming which provides under-served young adults with a combination of hands-on skill development, academic coursework, internships, and wraparound support. The organization has received funding from the Governor’s Contingency Fund, which is typically used for unexpected and non-recurring expenditures, in each of the last three years. Through January 16, 2020, the organization has received \$92,820 from the Governor’s Contingency Fund.
- ***Urban Business Incubator.*** The Governor’s budget includes \$150,000 for a minority entrepreneurship initiative assumed to satisfy the state’s responsibility to support a non-profit urban business incubator pursuant to Rhode Island General Law, Section 42-64-13.1(e). The FY 2020 enacted budget provides \$140,000 for Urban Ventures, a 501(c)(3) urban business incubator.
- ***Workforce Development in the Arts.*** The Governor’s budget includes \$40,000 from general revenues to support the development of a skilled arts workforce in Rhode Island through a curriculum developed by the Council on the Arts in conjunction with the Providence Department of Art, Culture + Tourism, the Steel Yard and Roger Williams University. The program launched September 4, 2019 with an initial cohort of nine adults aged 19-25, and is currently funded through federal funds.
- ***Work Immersion/Non-Trade Apprenticeship Program.*** The Governor recommends the enacted amount of \$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 Governor’s budget includes \$159.8 million from the Unemployment Insurance Trust Fund for the payment of unemployment insurance benefits. This is \$2.9 million less than enacted to reflect projected benefit recipients.
- ***Temporary Disability Insurance Benefits.*** The Governor recommends \$184.0 million from the Temporary Disability Insurance Trust Fund for benefit payments that protect eligible workers against wage loss resulting from a non-work related illness or injury. This is \$6.8 million more than enacted, based on updated data.
- ***Temporary Caregiver Insurance Benefits.*** The Governor recommends \$15.1 million from the Temporary Disability Insurance Trust Fund for the payment of caregiver benefits. This is \$0.1 million less than enacted, based on updated data.

- ***Uninsured Employers Fund.*** The Governor’s budget includes \$0.9 million from workers’ compensation restricted receipts for settlement payments from the Uninsured Employers Fund. Effective for injuries which occur on or after September 1, 2019, the fund pays employees for injuries on the job of an uninsured employer. No settlements have been paid as of January 2020. The FY 2020 revised recommendation includes \$1.9 million for this fund.
- ***South County Arrigan Center.*** The Governor’s budget includes \$0.6 million from workers’ compensation restricted receipts for the expansion of the proposed South County Arrigan Center, a rehabilitative center similar to the Arrigan Center in Providence. The FY 2020 revised recommendation includes \$0.5 million for the center to begin operations in the spring.
- ***Administrative Redesign.*** The Governor’s budget includes \$0.3 million from general revenues to support contracts with Hope Street LLC and Public Consulting Group to restructure the Business Affairs Office and develop standard financial practices across all of the Department of Labor and Training’s programs. The FY 2020 revised recommendation includes \$0.1 million from general revenues for these contracts, which were signed in September 2019 and August 2019, respectively.
- ***Opportunities Industrialization Center.*** The Governor recommends the enacted level of \$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.
- ***Quonset Industrial Park Renovations.*** The Governor’s budget includes \$14.0 million from Rhode Island Capital Plan funds for infrastructure improvements at the Quonset Business Park over FY 2019 to FY 2021, consistent with funding approved in the FY 2020 budget. Work includes 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.
- ***Quonset Piers.*** The Governor’s 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 \$15.4 million from Rhode Island Capital Plan funds.
- ***Port of Davisville Infrastructure.*** The Governor recommends \$20.0 million of new general obligation bonds to be submitted to the voters on the November 2020 ballot for infrastructure improvements at the Port of Davisville for its existing businesses and offshore wind projects.
- ***Affordable Housing.*** The Governor’s budget proposes \$25.0 million of new general obligation bonds to be submitted to the voters on the November 2020 ballot for funding of future developments. There are also funds remaining 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 voters also approved \$10.0 million on the November 2016 ballot to improve properties that are blighted or in need of revitalization.
- ***State Housing Policy and Planning Restructuring.*** The Governor’s budget eliminates the 28-member Housing Resources Commission and its related four member Coordinating Committee. The Commission Chairperson is appointed by the Governor with the advice and consent of the Senate; Committee memberships are defined by statute. Under current law, the Housing Resources Commission is the

paramount agency for housing policy and planning and is required to coordinate responsibilities with Rhode Island Housing through a memorandum of agreement. In its place, the recommendation establishes a seven member coordinating council similar to the existing coordinating committee, and elevates that committee to be the state's lead housing entity. The new coordinating council's chairperson and its executive director would be appointed by the Governor. There would be a 19-member steering committee, with similar membership to the existing Commission.

- ***Port of Providence.*** The Governor's budget includes \$20.0 million from general obligation bond funds approved by the voters on the November 2016 ballot to increase terminal capacity at the Port of Providence by funding the acquisition of up to 25 acres of land located between Allens Avenue in the City of Providence and the Providence River and associated infrastructure improvements.
- ***Innovation Campus Bond.*** The Governor's budget includes \$20.0 million from general obligation bonds approved by the voters on the November 2016 ballot for the construction of one or more innovation campuses affiliated with the University of Rhode Island. Through October 2019, the Executive Office of Commerce has announced five awards totaling \$14.4 million; \$5.6 million remains available for future awards.
- ***I-195 Redevelopment Commission Capital.*** The Governor's capital budget includes \$3.5 million from Rhode Island Capital Plan funds for professional legal and engineering services related to the maintenance and marketability of the I-195 land. The budget assumes the use of \$0.5 million each in FY 2020 and FY 2021, and \$0.6 million in FY 2022.
- ***I-195 District Park Infrastructure.*** The Governor's budget includes \$4.0 million from Rhode Island Capital Plan funds for the development of physical infrastructure at the District's parks. This includes facilities for concessions, restrooms, expanded utility services and trash receptacles. The budget programs the funding for FY 2021 through FY 2023. The I-195 Redevelopment Commission has previously allocated resources for these expenses from the I-195 Redevelopment Fund, though that is a finite source of funding.

Health Insurance

- ***Health Insurance Market Integrity Fund.*** The Governor's budget assumes \$9.6 million in new revenue from the Shared Responsibility Payment penalty for individuals who do not have health insurance coverage, with certain exemptions, effective on January 1, 2020. Of the recommendation, \$8.3 million will be used to make payments to health insurance carriers and \$1.3 million is for operating expenses. Current law prohibits the use of general revenues for reinsurance payments.
- ***Healthcare Cost Trend Analysis.*** The Governor's budget proposes a new \$1 per member per year assessment on all commercially-insured and self-insured lives. This is estimated to generate \$0.6 million annually. The budget proposes spending \$154,000 of it for contracted data analytics for the Office of the Health Insurance Commissioner, based on projected availability of the assessment.
- ***Affordable Care Act Codification.*** The Governor proposes adding rehabilitative and habilitative services and devices, and pediatric services to the essential health benefits covered under state law, restricting cost sharing for preventative services, and prohibiting discrimination on the basis of preexisting conditions. This would effectively codify the current law provision of the Affordable Care Act and has no budget impact.

Local Government

- ***Distressed Communities Relief Fund.*** The Governor recommends \$6.2 million, half of the enacted budget, for the Distressed Communities Relief Fund; there is a redistribution of funding among qualifying communities based on updated tax levies.
- ***Motor Vehicles Excise Tax.*** The Governor's budget proposes changes to the Motor Vehicles Excise Tax phase-out program, funding it at \$100.7 million for FY 2021. This is \$6.5 million more than enacted and \$11.8 million less than required under the plan adopted by the 2017 Assembly. For FY 2021, the rate cap remains at \$35 per \$1,000 assessed; changes include lowering the assessed value from 85.0 percent to 80.0 percent and raising the minimum exemption from \$3,000 to \$4,000. The Governor's recommended budget assumes the same rate cap for FY 2021, but a \$3,800 minimum exemption, and an 82.5 percent assessed value. The revised recommendation reduces current year expenses by \$4.0 million based on updated data; the FY 2021 recommendation is \$10.4 million more than the revised amount.
- ***Payment in Lieu of Taxes Program.*** The Governor recommends the enacted amount of \$46.1 million for the Payment in Lieu of Taxes program that reimburses cities and towns for property taxes that would have been due on real property exempted from taxation by state law. This change is \$1.5 million less than full funding based on updated data. 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; this recommendation is equivalent to 26.2 percent.
- ***Payment in Lieu of Taxes Program Eligibility.*** The Governor's budget includes legislation to provide that portions of non-profit higher education and hospital properties which are not used exclusively for educational or hospital activities, are not exempt from taxation. This creates the possibility of new future tax revenues in some cases for some communities.
- ***Library Resource Sharing Aid.*** The Governor recommends the enacted amount 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 21.7 percent; the enacted budget represents a 22.1 percent reimbursement.
- ***Library Construction Aid.*** The Governor recommends \$2.7 million to fully fund library construction aid requirements. The state reimburses libraries up to half the total costs for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project.
- ***Property Valuation Reimbursement.*** The Governor recommends \$1.1 million for FY 2021 to reimburse communities conducting property valuation updates. Current law requires that municipalities complete full revaluations every nine years with statistical updates every third and sixth year following a full revaluation.
- ***Airport Impact Aid.*** The Governor recommends the enacted level of \$1.0 million for FY 2021 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.
- ***Municipal Tangible Tax.*** The Governor proposes a new local aid program, with a competitive application. The program, administered by the Division of Municipal Finance in conjunction with the Commerce Corporation, would reimburse municipalities for revenue losses associated with a reduction in its tangible tax rate. The proposal assumes a three-tier reimbursement rate, provides for the Division to ratably reduce awards if insufficient funds are available, and includes an annual reporting requirement. The

program would not incur any costs in FY 2021. The Governor's budget includes \$85,000 to establish a commission to study commercial and tangible property taxes.

Education Aid

- ***FY 2021 Formula Education Aid.*** The Governor recommends \$942.0 million for formula education aid for local school districts, including charter schools pursuant to the funding formula. This is \$30.0 million more than enacted and includes funding formula assumptions consistent with current law. The recommendation is \$0.7 million more than more recent estimates to fully fund formula aid based on October 1 student enrollment.
- ***Funding Formula Assumptions.*** The Governor funds the tenth year of the education funding formula adopted by the 2010 Assembly. Her calculation uses March 15, 2019 student enrollment data adjusted for FY 2021 projected charter school enrollments, a per pupil core instruction amount of \$10,310 and state share ratio variables updated with June 30, 2019 data. Funding increases for districts that received more state support have been fully phased-in since FY 2019, and aid to districts that were receiving less state funding is fully phased-in as of FY 2021. Aid amounts are subject to final student enrollment data collected in March 2020.
- ***Local District Prekindergarten.*** Currently, the state supports prekindergarten classrooms through the early childhood aid category for classrooms run by local education agencies, child care providers, and nonprofit organizations. The Governor proposes legislation to include students from those school districts participating in the state prekindergarten program in the education funding formula rather than receive funding through the existing program. The budget includes \$3.3 million for funding formula education aid from this proposal.
- ***Central Falls.*** The Governor recommends FY 2020 revised education aid of \$42.0 million for the Central Fall School District, \$0.5 million more than enacted for stabilization funding to reflect increased enrollment. For FY 2021, she recommends \$41.9 million of education aid for the Central Falls, including \$34.9 million from formula aid and \$7.0 million in stabilization funding to stabilize the school district until the city can begin to pay its local share. The recommendation is \$0.4 million more than enacted including \$1.4 million more from formula aid offset by \$1.0 million less from stabilization funding. Including funding from the Governor's proposal to include prekindergarten students enrolled in district-run classrooms into the funding formula, total education aid for Central Falls would be \$43.1 million.
- ***Davies Career and Technical Center.*** The Governor's budget includes \$13.8 million of education aid for Davies Career and Technical Center. This includes \$8.5 million from funding formula aid and \$5.2 million from supplemental funding, which mitigates 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. Total funding is \$0.1 million more than enacted.
- ***Metropolitan Career and Technical School.*** The Governor recommends \$9.3 million of education aid for the Metropolitan Career and Technical School. This includes \$7.4 million from funding formula aid and \$1.9 million from supplemental funding, which mitigates 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. Total funding is consistent with the enacted level.
- ***Early Childhood Funds/Prekindergarten.*** The education funding formula has an early childhood education category of aid that allows for additional resources from the state to increase access to voluntary,

free, high-quality prekindergarten programs. The Governor recommends \$16.3 million from general revenues, which is \$1.4 million more than enacted. Including the \$3.3 million from the proposal to add district-run prekindergarten seats to the funding formula, total support for early childhood is \$19.6 million, or \$4.8 million more than enacted. The state currently supports 78 prekindergarten classrooms serving 1,420 children using early childhood education aid and federal Head Start funds available to some providers. The additional \$4.8 million would reportedly fund 750 new seats. It appears the number of seats is linked to the receipt of a new federal grant awarded to the Department of Human Services in December; however, the new grant is not included in the budget.

- **English Language Learners Funds.** The Governor’s budget includes \$7.5 million to support “multilingual learners” or English language learners that are in the most intensive programs, \$2.5 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 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. The Governor includes legislation to rename the category and outlines specific uses for funds, including new bilingual classrooms and programs, increasing capacity of multilingual educators, and providing training for educators to be certified in English to speakers of other languages.

- **Early Learning Facilities Bond.** The Governor recommends \$15.0 million from general obligation bonds to be put before the voters in November 2020 to be used for facility improvements for early learning facilities. The proposal would allow for expansion of the state’s prekindergarten program by funding upgrades to provider facilities and appears to include both public and private providers. Funds would be deposited into a new capital fund to be administered by the Department of Human Services.

- **Career and Technical Education Funds.** The education funding formula allows for additional resources from the state to help meet the initial capital investment needs to transform existing or create new comprehensive career and technical education programs and offset the higher than average costs of maintaining highly specialized programs. The Governor recommends \$4.5 million for FY 2021, which is consistent with the three prior years.

- **Special Education Funds.** The education funding formula allows for additional resources from the state for high-cost special education students when those costs exceed five times the district’s combined per pupil core instruction amount and student success factor amount. The Governor recommends \$4.5 million for FY 2021, consistent with the four 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 Governor recommends \$3.0 million for FY 2021, 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 Governor recommends \$4.6 million for FY 2021, which is consistent with the enacted level.

- **School Resource Officer Support.** The Governor’s revised budget reduces the \$1.0 million in funding for school resource officers to \$0.4 million based on reimbursement requests received. For FY 2021, she recommends \$2.0 million from all sources, including the enacted amount of \$1.0 million from general revenues and \$1.0 million from new Opioid Stewardship funds. The additional funds reflect a proposal to expand aid to mental health professionals in schools, including school counselors, student assistance counselors, social workers, and psychologists.

- **School Construction Aid.** The Governor recommends a total of \$80.0 million to fund projected costs of school housing aid to local districts for FY 2021. This includes \$79.1 million for the traditional program and \$0.9 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. Actual future costs will be considerably higher given the new incentives approved with the passage of the \$250.0 million school construction bond.
- **School Construction Administration.** The Governor recommends \$1.0 million from restricted receipts collected from the Rhode Island Health and Educational Building Corporation to support the school construction program's administrative staff. This is \$0.2 million more than enacted and includes authorization for 2.0 new full-time equivalent positions. The recommendation would bring total program staffing to 6.0 positions. The Governor also includes legislation to increase the amount of fees charged by the Corporation on municipal bonds for school construction to fund these expenditures.
- **Recovery High School.** Consistent with the enacted budget, the Governor's budget provides \$0.5 million from general revenues to support the state's recovery high school, which provides programs to students recovering from substance abuse.
- **Textbook Reimbursement.** The Governor recommends the enacted level of \$240,000 for reimbursements allowed under the textbook reimbursement program. Under current law, the state reimburses districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade.
- **School Breakfast.** The Governor recommends the enacted level of \$270,000 from general revenues for the administrative cost reimbursements to districts for the school breakfast program. Food is paid from federal sources.
- **Teacher Retirement.** The state funds 40.0 percent of the employer's share of retirement contributions on behalf of teachers who are members of the teacher retirement system. The Governor recommends \$118.3 million from general revenues, or \$6.0 million more than enacted for the estimated costs of the state's share.

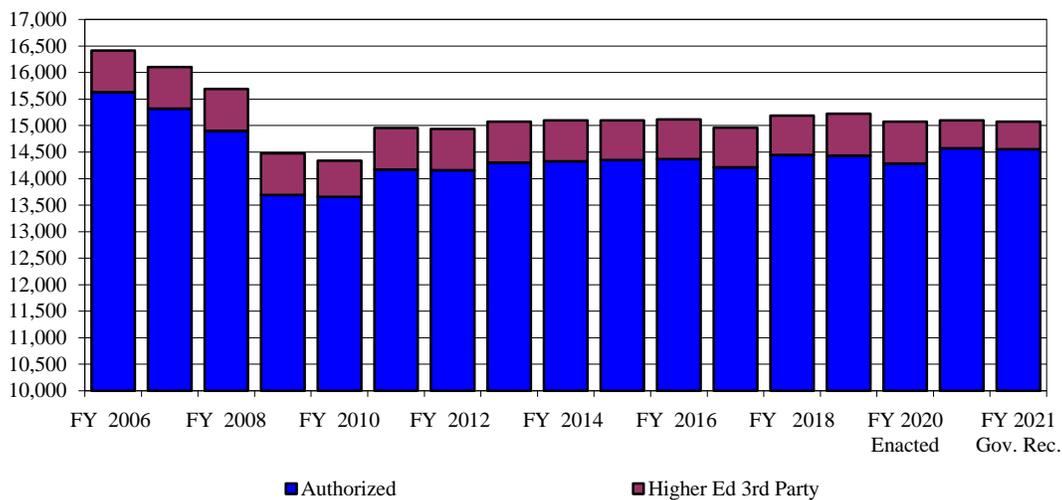
State Government

- **Personnel.** The Governor recommends \$2,246.5 million for personnel expenditures and 15,074.7 full-time equivalent positions, including 523.8 higher education positions dedicated for research or supported by other third-party funds. The expenditures include salaries and benefits, as well as contracted services. The recommendation is \$63.2 million more than the enacted budget, including \$36.0 million more for salaries and benefits and \$27.2 million more for contracted services, of which \$9.2 million or one-third is in the Department of Transportation.

The recommendation assumes the enacted level of staffing; however, this adds approximately 240 new positions. Among the staffing changes are 45.0 new positions in the Department of Transportation to carry out the Department's plan to perform more operations in-house; 42.0 new positions in the Department of Health funded primarily from federal funds and restricted receipts; 42.0 new positions in the Department of Children, Youth and Families, of which 14.0 positions are for a recruitment and retention initiative and 11.0 social workers; 15.0 new positions in the Department of Business Regulation primarily for the adult-use marijuana proposal; 12.0 new positions in the Department of Corrections for discharge planning and other programs; and 9.0 new positions in the Department of Elementary and Secondary Education for various programs, including school construction and curriculum. These new positions and several others are offset by a reduction of 204.0 positions from the privatization of the state-run system for adults with developmental disabilities also known as RICLAS.

As of January 4, 2020, there were 14,209.3 positions filled, leaving 504.7 non-research vacancies. In FY 2019, the state averaged 14,062.1 filled positions, reflecting an average of 1,011.6 vacancies. In FY 2018, the state averaged 13,913.2 filled positions reflecting an average of 1,194.2 non-research vacancies.

Full-Time Equivalent Positions



- Enterprise Resource Planning.** The Governor proposes legislation to authorize borrowing of \$54.8 million through Certificates of Participation to develop and implement an Enterprise Resource Planning System for human resources, information system, payroll, finance, and grants management. The project assumes \$18.9 million for operating expenses, which will be financed from the Information Technology Internal Service Fund. There are several phases that likely will last through FY 2024. The Governor also recommends \$1.5 million from general revenues for development of the system, which includes funding for 2.0 full-time equivalent information technology manager positions and contracted services.
- Payroll Internal Service Fund.** The Governor’s budget includes the creation of an internal service fund for payroll processing. Certain personnel from the Office of Accounts and Control who perform payroll related duties would be transferred to the Division of Human Resources and the costs of its positions would be charged to user agencies; however, costs for the positions are not included in the budget.
- Fraud and Waste Detection.** The Governor’s budget eliminates the \$2.0 million general revenue savings assumed in the enacted budget from the fraud and waste detection initiative.
- Statewide Janitorial Services.** The Governor’s budget includes an additional \$1.0 million in Facilities Management Internal Service Fund expenditures for janitorial services. The administration entered into a new \$11.4 million, three-year contract effective June 2019. This would impact agencies on Capitol Hill, including the Departments of Health and Administration, Pastore Center and agencies at the Stedman Government Center.
- Overtime Savings.** The Governor’s revised budget assumes achieving \$582,912 of the \$1.0 million general revenue overtime savings included in the enacted budget for FY 2020 only. The FY 2021 recommended budget assumes additional savings of \$1.9 million from three new initiatives relating to overtime in the Department of Corrections and the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals.

- **Medical Benefit Savings.** The Governor's revised budget includes general revenue savings of \$1.7 million from updating the medical benefit rates. The FY 2021 recommendation includes general revenue savings of \$3.5 million in savings from a lower than expected rate.
- **Injured on Duty Savings.** The Governor's revised budget achieves \$0.7 million of the \$1.7 million general revenue savings assumed from passing legislation to amend the injured on duty law as it relates to state employees. The FY 2021 recommended budget only reflects \$256,006 in savings.
- **Real Estate Portfolio Manager Position.** The Governor's budget includes approximately \$150,000 from general revenues in the Division of Capital Asset Management and Maintenance to support a new real estate portfolio manager position who would be responsible for space allocation and real estate planning.
- **Information Technology Staffing.** The Governor's budget includes \$241,055 to fund 2.0 new full-time equivalent information technology positions. This includes a systems support technician for the Division of Information Technology Infrastructure and Operations Unit and an administrator for management information systems for the Application/Development Unit. Both positions would be financed from the Information Technology Internal Service Fund.
- **City Year.** The Governor's budget includes the enacted amount of \$130,000 from general revenues to City Year for the Whole School Whole Child Program, which provides individual support to at-risk students.
- **Police and Fire Relief Fund.** The Governor's budget includes \$3.7 million from general revenues for both FY 2020 revised and FY 2021 for the Police and Fire Relief program for annuity payments and in-state tuition to eligible spouses, domestic partners and dependents of certain injured or deceased police officers and firefighters. This is \$0.1 million less than enacted but consistent with FY 2019 spending.
- **Crime Victim Compensation.** The Governor proposes to prioritize the payment of court costs related to prosecution over court ordered restitution payments. Under current law, court ordered restitution is the first payment made. The goal is to provide more funding for the crime victim compensation program and the Governor's budget includes \$450,000 in additional restricted receipts from this change. It is uncertain if this change will produce the additional receipts.
- **Election Equipment.** The Governor's budget includes \$0.2 million in FY 2021 from Rhode Island Capital Plan funds for the Secretary of State to acquire new voting equipment. This includes 200 AutoMark tables, 500 privacy booths, and other equipment necessary for the November 2020 election. Current AutoMark tables were last purchased in 2005 and the recommendation notes that there is an expectation that this equipment will last for multiple election cycles.
- **Election Expenses.** The Governor recommends \$1.2 million from general revenues for the Board of Elections and Secretary of State for anticipated costs associated with the September 2020 primary and November 2020 general election.
- **Rhode Island Historical Society.** The Governor recommends the enacted level of \$125,000 in general revenue support for the Rhode Island Historical Society.
- **Newport Historical Society.** The Governor recommends the enacted level of \$18,000 in general revenue support for the Newport Historical Society.
- **Help America Vote Act Election Security Grant.** The Governor's budget includes \$0.4 million from the Help America Vote Act Election Security Grant for FY 2021 to expend the balance of funds. The Secretary of State, in conjunction with the Board of Elections, received \$3.0 million from the grant.

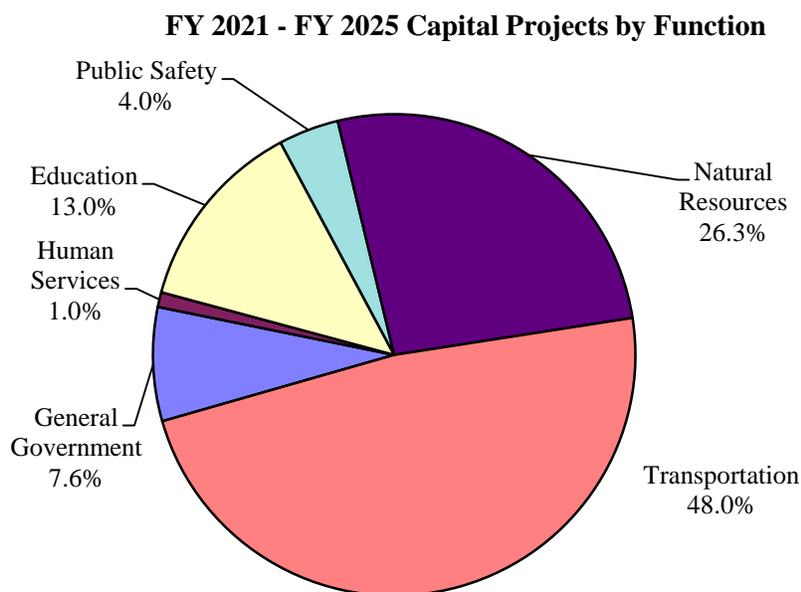
- **Complete Count Initiative.** The revised budget include the enacted general revenue amount of \$500,000 and the FY 2021 budget retains \$50,000 of the enacted amount to fund the Complete Count Initiative to ensure that the state maximizes its outreach and count related to the 2020 Census.
- **Contingency Fund.** The Governor’s budget includes \$250,000 for the Governor’s Contingency Fund, \$100,000 more than enacted. There is a separate recommendation to provide a new, separate appropriation to Year Up which has received funding support through the contingency fund for the past three years.
- **Utility Restoration Act.** The Governor proposes establishing emergency preparedness standards for gas and electric companies in the event of a utility outage or service interruption. This would also allow the Division of Public Utilities and Carriers to impose fines and assess administrative penalties. She also proposes 1.0 new full-time engineering specialist to inspect and monitor utility infrastructure.
- **Building, Design and Fire Professionals.** The Governor recommends shifting \$0.3 million of expenses from restricted receipts to general revenues for 3.0 full-time equivalent positions, effectively reversing the Governor’s FY 2019 initiative adopted in that budget to save state funds by using these receipts.
- **Fire Marshal Capital Projects.** The Governor’s budget includes \$5.2 million from Rhode Island Capital Plan funds for three projects. This includes \$4.6 million to complete the Fire Training Academy, \$0.5 million for service contracts, planned annual maintenance, reoccurring and unexpected repairs which appear to meet the criteria for general maintenance, not asset management, and \$0.1 million for a feasibility study for a new evidence repository project.
- **License Plate Reissuance.** The Governor’s budget assumes the start of license plate reissuance in June 2020, consistent with the enacted budget. The budget includes \$0.4 million for FY 2020 to begin production of license plates for reissuance.
- **Commercial Driver’s License Testing.** The Governor’s budget proposes to transfer the administration of Commercial Driver’s License road tests from the Community College to the Division of Motor Vehicles. The recommended budget assumes \$0.1 million in new revenue.
- **DMV Saturday Hours.** The Governor’s budget includes \$0.1 million for the Division of Motor Vehicles to operate four hours every other Saturday, by appointment only. This would utilize the existing reservation system.

Debt Service

- **38 Studios Debt Service.** The Governor’s budget includes \$12.1 million from general revenues for the final year of debt service relating to 38 Studios.
- **Garrahy Garage Debt Service.** The revised budget includes \$3.0 million from general revenues to cover debt service relating to the Garrahy Garage project; this restores \$1.2 million of assumed savings in the enacted budget. 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. The garage was scheduled to open in January; it is now anticipated to open in March. The revised budget assumes \$0.2 million in agency budgets that are expected to use the garage. The FY 2021 budget includes \$2.1 million.

- **Convention Center Authority.** The Governor’s budget includes \$20.7 million in FY 2020 and \$22.1 million in FY 2021 from general revenues for the Convention Center Authority to cover debt service requirements.
- **Historic Tax Credit Trust Fund Debt Service.** The Governor recommends \$19.4 million from general revenues in both years to fund debt service for historic tax credits.
- **Providence Place Mall.** The recommended budgets include savings of \$3.6 million from general revenues in both years for debt service costs of the Providence Place Mall. A review of the reserve account showed available resources were sufficient to pay off the debt; a final payment was made in October 2019.

Capital



- **Outlays and Funding.** The FY 2021 through FY 2025 plan includes \$5,772.3 million of outlays on \$13,298.3 million of project estimates. Average outlays would be \$1,154.5 million per year for the five-year period with \$259.5 million required at the end of the period to complete the projects.
- **General Obligation Bonds Referenda.** Financing the five-year plan is based on \$693.2 million of general obligation bond debt issuances. This includes \$268.8 million from new general obligation bonds to go before the voters on the November 2020 ballot. It also 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 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. Excluding the \$250.0 million school construction bond on the 2018 ballot, the average referenda over the past five elections would have been \$194.8 million.
- **Other Debt Approvals.** The Governor recommends \$183.0 million to be approved by the 2020 Assembly under the Public Corporation Debt Management Act. This includes \$54.8 million for a new human resources, payroll, finance, and grants management system, \$17.0 million for a new child welfare information system, \$12.0 million to address project overruns for the Eleanor Slater Hospital consolidation

project, and \$35.0 million for a new southern barracks for the State Police.

- **Financing.** Paying for the five-year outlays includes \$1,939.0 million from debt financing and \$3,833.4 million from current or pay-go sources. Pay-go represents 66.4 percent with debt funding being 33.6 percent.
- **Debt Levels.** Total net tax supported debt decreases during the period through FY 2025 by \$19.9 million from \$1,937.1 million to \$1,917.2 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 2019 to 2.6 percent in FY 2025 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 \$644.4 million.

Health and Human Services

- **UHIP Recovery Restricted Receipts.** The FY 2020 enacted budget assumes the use of \$33.2 million from the pending \$50 million Deloitte settlement to offset state expenses. The remaining \$16.8 million assumed to be returned to the federal government was not reflected in the enacted budget. The Governor's revised budget shows the full \$50 million but does not identify if the state share assumptions have changed. On February 12, the administration announced the final settlement that the state will retain \$30.0 million. It remains unclear how this impacts state support for the project.
- **November Caseload Estimating Conference Reduction.** The Governor's budget reduces the November general revenue adopted estimate for medical assistance by \$5.2 million for FY 2020 and \$8.1 million for FY 2021. This appears to be a re-estimation of expenses contrary to how changes to these estimates should be tied to a specific statutory or policy change. The Executive Office reported that a review of information for those eligible for services showed a misalignment with payments being made, and that this was not reported at the November caseload conference.
- **Hospital Licensing Fee.** The Governor's budget includes \$193.8 million in revenues from increasing the hospital license fee from the 5.0 percent that is current law to 6.0 percent for FY 2021 and adds \$32.3 million in new revenue from that change. The licensing fee appears annually in the Appropriations Act and has typically been set for one year increments; however, the 2019 Assembly established a rate for FY 2021 at 5.0 percent.
- **Disproportionate Share Payment to Hospitals.** The Governor's budget includes \$142.3 million for uncompensated care payments to hospitals for assuming that federal action will be taken that once again delays the scheduled reduction. This assumes \$67.0 million from general revenues and \$75.3 million from federal funds. The November caseload conference included the current law, lower payment of \$77.8 million.
- **Hospital Rates.** The Governor's budget includes savings of \$20.3 million, including \$7.1 million from general revenues, from freezing hospital rates at the FY 2020 level. There is a statutory requirement for an annual price adjustment and the November caseload estimate includes a 3.0 percent increase for inpatient services and 2.7 percent for outpatient services. This is the fourth consecutive year this rate freeze has been proposed; it was also proposed for FY 2016.

- ***Outpatient Upper Payment Limit Reimbursement.*** The Governor’s budget includes savings of \$4.6 million, including \$1.5 million from general revenues, from eliminating the outpatient upper payment limit reimbursement made to community hospitals for Medicaid services based on Medicare rates.
- ***Nursing Facilities Rates.*** The Governor’s budget includes savings of \$7.5 million, \$3.4 million from general revenues, by limiting the October 1, 2020 rate increase to 1.0 percent instead of the 3.6 percent included in the November caseload estimate. The Governor also proposes that the full increase be applied to direct care staff wages. Adjusting for the loss of \$0.4 million in revenue, the general revenue savings is \$3.1 million.
- ***RItE Share.*** The Governor’s budget includes savings of \$19.0 million, including \$5.0 million from general revenues from increasing enrollment in the RItE Share program by having Medicaid eligible individuals with access to commercial insurance through work to choose that first. The 2019 Assembly required the Executive Office of Health and Human Services to submit a plan to identify employees with other insurance and to include that information in its monthly reports. There are less than 3,400 individuals enrolled in RItE Share in December 2019 which is significantly lower than the approximately 8,400 enrolled in September 2016, just prior to the start of the Unified Health Infrastructure Project. The budget proposes to require employers with at least 50 employees to provide information to the Executive Office to determine which Medicaid beneficiaries have access to other insurance. There are new penalties to be assessed against these employers who do not submit or falsify information and the budget includes \$0.2 million in new revenue.
- ***Managed Care Organizations - Full Risk.*** The Governor’s budget adds \$15.7 million, including \$5.4 million from general revenues, from changing the contracts with the managed care plans so that any risk for overspending or underspending on its Medicaid beneficiaries including the multiple savings proposals presented would be the responsibility of the plans. Currently, the risk is shared between the state and the managed care plans.
- ***Co-Pays for Certain Services.*** The Governor’s budget includes savings of \$17.8 million, including \$4.7 million from general revenues, from charging a co-pay for inpatient hospital stays and prescription drugs to non-disabled adults. The pharmacy co-payment would be either \$1.00 or \$3.65 depending on the prescription and \$3.00 for a hospital stay. The budget assumes pharmacy savings based on a reduction in utilization.
- ***High Utilizers.*** The Governor’s budget includes savings of \$6.1 million, including \$2.1 million from general revenues, in the fee-for-service system from identifying high cost Medicaid beneficiaries and controlling those costs. The budget includes \$0.5 million to hire a contractor to do the analysis.
- ***Neo-Natal Intensive Care Unit Rates to Managed Care In-Plan Services.*** The Governor’s budget includes savings of \$2.5 million from moving the neo-natal fee-for-service payments to the managed care rates. The savings assumes a reduction in the need for the intensive care services from the managed care plans who will implement policies, procedures and utilization review to achieve the savings. The intent is to reduce high-risk pregnancies which the Executive Office reports are related to less prenatal care, higher maternal smoking and drug use during pregnancy.
- ***Perinatal Doula Services.*** The Governor’s budget includes \$94,802 from general revenues, matched by Medicaid, to provide support to women during pregnancy, childbirth and the first few postpartum weeks from a doula. This assumes an \$850 payment would be made for perinatal doula services for ten percent of the estimated 5,000 births, or \$0.4 million. This cost is offset by \$0.2 million in hospital savings for a net cost of \$0.2 million.

- ***Ambulance Rates.*** The Governor’s budget adds \$2.2 million to increase non-emergency transportation rates for FY 2021. This change has already been made for FY 2020 and is included in the revised budget. The Executive Office amended the contract in August 2019 to increase the \$71.50 rate for both life support services to \$147.67 for basic and \$177.20 for advanced to align with the rates paid by Massachusetts for these services.
- ***Family and Home Visiting.*** The Governor’s budget includes \$650,000 from general revenues to support the Department of Health’s family home visiting programs to improve outcomes for families who reside in at-risk communities. The state received permission to receive matching Medicaid funds for this expense.
- ***Clinical Evaluator - Children’s Services.*** The Governor includes \$180,000, including \$90,000 from general revenues, to hire a clinician with expertise in working with children with developmental and intellectual disabilities and/or with behavioral health issues to assess current services, research best practices and restructure the current programs in the Executive Office of Health and Human Services.
- ***Developmental Disabilities Services - RICLAS Closure.*** The Governor’s budget includes savings of \$2.9 million from general revenues, matched by Medicaid, from closing the state-run system for adults with developmental disabilities and moving about 120 individuals into the privately operated system. The intent is to have the community based providers take over operation of the 27 group homes and apartments that individuals currently live in. The Governor’s budget eliminates 204.0 full-time equivalent positions from this change. The Governor includes \$15.0 million for FY 2021 to make this transition or essentially 50 percent of the cost to run the program for a full fiscal year.
- ***Developmental Disabilities Services - Residential Rebalancing.*** The Governor’s budget includes savings of \$1.7 million from continuing to reduce the census in the 24-hour privately operated residential system and allowing access to alternative settings, such as shared living. The FY 2020 enacted budget includes savings of \$2.2 million for a census reduction of which only \$0.7 million of those savings is reflected in the revised budget.
- ***Developmental Disabilities Services - Direct Support Professional Wage Increase.*** The Governor includes \$2.2 million to provide a rate increase to direct support workers and other professionals in the privately operated system for adults with developmental disabilities; rate increases were also included in the FY 2017, FY 2018 and FY 2020 enacted budgets.
- ***Thresholds Program.*** The Governor adds \$500,000 from general revenues in FY 2021 to support the Thresholds Program that expands housing opportunities for developmentally disabled adults and those with substance use and behavioral health issues. This program is through the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, in coordination with Rhode Island Housing. This is in addition to the \$100,000 included in the five-year capital plan for this program.
- ***Access to Independence.*** The Governor adds \$100,000 from general revenues in FY 2021 for the Access to Independence Program in the Division of Developmental Disabilities which funding to families for environmental adaptations to their home to allow an individual with a developmental disability to remain at home.
- ***Nursing Homes - Repurpose Vacant Beds.*** The Governor includes \$1.0 million from general revenues to provide a financial incentive for nursing facilities to repurpose vacant nursing home beds for other purposes and for transitioning residents whose needs can be met in the community to another setting. The Governor’s budget does not appear to include any funding for these alternative situations.

- ***Eleanor Slater Hospital Community Alternatives.*** The Governor’s budget includes \$3.0 million from general revenues to support community based alternatives for individuals who can transition out of the state hospital and into a less restrictive setting. There are no savings taken at the state hospital for this proposal. It appears the plan would to raise reimbursement rates and provide operational and technology support to the community mental health centers to expand capacity.
- ***Eleanor Slater Hospital Reorganization.*** The Governor proposes legislation to authorize additional borrowing of \$12.0 million through new Certificates of Participation for the Hospital Reorganization project. The approved plan assumes total project costs of \$49.9 million, including \$22.0 million from Certificates of Participation and \$27.9 million from Rhode Island Capital Plan funds, to reorganize hospital operations for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. This brings the total to \$61.9 million. The current census between the Cranston campus and Burrillville site is about 220 patients.
- ***Opioid Stewardship Fund.*** The Governor recommends use of \$4.5 million in each FY 2020 and FY 2021 from the Opioid Stewardship Fund for various programs in the Departments of Corrections, Behavioral Healthcare, Developmental Disabilities and Hospitals, Elementary and Secondary Education, Health, Children, Youth and Families, and Business Regulation. Of the amount included in the revised budget, \$4.0 million is from existing programs funded with general revenues in the Departments of Behavioral Healthcare, Developmental Disabilities and Hospitals, Children, Youth and Families, and Corrections; and \$0.5 million is for a new program in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The fund was established to support costs of opioid treatment, recovery, prevention and education services.
- ***First Connections - Prenatal Expansion.*** The Governor’s budget includes \$378,000 from general revenues to provide families with resources and services such as preventive health and prenatal care. This program is currently federally funded.
- ***Interstate Medical Licensing.*** The Governor proposes legislation requiring the state to join four interstate compacts for four health professions, including physicians, emergency medical personnel, psychologists, and physical therapists. Expedited licenses for these professionals would be issued by the interstate compacts. It also amends current law to repeal legislation for the current nurse licensure compact and includes revised model legislation that has been adopted by the compact. The budget assumes a loss of \$59,331 for the last quarter of FY 2021; the annualized impact is a loss of \$0.2 million. It is unclear how the loss of revenue was determined.
- ***ADA 30th Anniversary Signing.*** The Governor recommends \$45,000 from general revenues for workshop events and public forums relating to the 30th anniversary signing of the Americans with Disabilities Act.
- ***Veterans’ Home.*** The Governor’s revised budget includes \$1.9 million more from general revenues to support operations of the Rhode Island Veterans’ Home. The first quarter report submitted by the Office of Veterans Services projected Home expenditures would exceed the enacted appropriation by \$2.9 million, which was subsequently lowered to \$2.0 million in the corrective action plan submitted on December 16. It should be noted that the recommended FY 2021 budget assumes \$1.0 million of general revenue savings from implementing more efficient staffing practices and from reviewing the cost of contracted services, including janitorial services. It is not clear how the Home would specifically achieve the savings.
- ***RI Serves.*** The Governor includes \$153,000 from general revenues for RI Serves, a case management software that connects veterans applying for assistance with community providers. This is consistent with the prior year’s recommendation; however, the Assembly did not include the funding.

Children and Families

- ***Universal Prekindergarten.*** The Governor proposes establishing a universal prekindergarten program to expand the number of prekindergarten classrooms such that a seat is available for every four year old in a family seeking one. This is similar to a proposal submitted with her FY 2020 budget, but assumes universal prekindergarten will be achieved once 70.0 percent of four-year-olds are enrolled in high quality prekindergarten. The state currently supports 78 prekindergarten classrooms serving 1,420 children using early childhood education aid and federal Head Start funds available to some providers. The Governor's proposal would expand the number of classrooms supported through education funds, shift prekindergarten expenses for district-run classrooms to the funding formula, and increase child care assistance payments for preschool aged children.
- ***Child Care Program Expansion.*** The Governor recommends \$200,000 from general revenues to expand the state's child care assistance program to allow eligible low-income parents to receive child care assistance while they are enrolled in a Rhode Island public institution of higher education.
- ***Child Care Rates.*** The Governor's budget includes \$3.9 million from general revenues to increase rates for center-based child care providers. The 2018 Assembly established tiered reimbursement for infant, toddler, and preschool aged children in licensed child care facilities. The 2019 Assembly also established tiered reimbursement for infants and toddlers in licensed family-based provider settings. The Governor's budget includes \$1.8 million to increase rates paid for infants and toddlers and \$2.1 million for pre-school aged children. The proposal would align reimbursements for first tier infant and toddler providers with the 25th percentile of a 2018 market survey and payments for top tier preschool providers with the 75th percentile.
- ***Rhode Island Works Earned Income Disregard Exemption.*** The Governor recommends \$250,000 from federal funds from a proposal to exempt income from the determination of benefits for some adults participating in Rhode Island Works. Those adults who have remained in federal compliance with their employment plans would have all of their earned income exempted from benefit determinations for either a period of six months, until their family's total gross household income exceeds 185 percent of the federal poverty level, or until they reach the 48-month lifetime limit, whichever is first.
- ***Rhode Island Works Expansion.*** The Governor's budget includes \$40,000 from federal funds to expand eligibility for dependent children enrolled in Rhode Island Works. Current state law defines a dependent child as someone under age 18 or someone under the age of 19 if they are enrolled in secondary school full-time and will graduate before turning 19. The proposal would remove the graduation requirement and would allow 18 year olds to remain in the program as long as they are full-time students.
- ***Rhode Island Works Clothing Allowance.*** The Governor recommends \$0.3 million from federal funds to increase the clothing allowance for children enrolled in Rhode Island Works from \$30 per child to \$100.
- ***Rhode Island Children's Information System Replacement.*** The Governor recommends borrowing \$17.0 million through Certificates of Participation for a new child welfare system to replace the current Rhode Island Children's Information System. The project is expected to cost \$28.0 million, including \$11.0 million from federal funds.
- ***Private Agency Foster Care.*** The Governor includes savings of \$0.5 million for FY 2021 by renegotiating private agency foster care contracts which will include standardized rates based on level of need. This initiative includes a new contract manager position for the Department of Children, Youth and Families that is expected to begin in April 2020.

- ***Enhanced Federal Funding Claiming.*** The Governor’s budget includes \$3.3 million from federal funds to offset a like amount of general revenues for support services and placement costs within the Department of Children, Youth and Families. This would be achieved through income and asset attestation, additional kinship foster home licensing, additional personnel in its cost-allocation plan and additional supplemental security income claiming. The Governor’s revised request includes \$0.3 million in general revenue savings from this initiative which began in December 2019.
- ***DCYF Accreditation.*** The Governor’s recommendation excludes \$0.5 million included by the 2019 Assembly for the Department of Children, Youth and Families to become accredited by the Council on Accreditation. The Department is currently conducting an internal assessment which will include a list of financial resources needed to become accredited and will submit a report to the General Assembly by October 1, 2020, consistent with the enacted budget’s requirement.
- ***Laboratory Testing.*** The Governor’s revised recommendation includes \$137,081 for laboratory testing by an external vendor for the Department of Corrections. The 2019 Assembly had included savings of \$165,000 from having Eleanor Slater Hospital resume its prior practice of lab testing at no cost to the Department starting in FY 2020. However, the Department has continued to use the outside vendor, indicating that the Hospital lab does not have reporting system compatible with its electronic medical records system and that it was unhappy with prior service delivery.
- ***Licensing Unit Staff.*** The Governor’s budget includes 14.0 new licensing staff to recruit, train, and license foster homes. The Governor’s budget includes net savings of \$2.5 million from shifting additional youth from congregate care to foster care.
- ***Child Protective Investigators.*** The Governor’s budget includes \$0.3 million in net savings by lowering the rate at which youth are removed unnecessarily from their homes. This would be achieved by lowering the caseload per worker by adding 4.0 new Child Protective Investigator full-time equivalent positions. The Governor’s revised budget includes \$24,228 for these positions which would begin April 2020.
- ***DCYF Legal Staff.*** The Governor’s budget includes \$0.1 million for 2.0 new attorney positions and 2.0 new paralegal positions to lower the caseload of each attorney. By lowering the caseload, attorneys would have more time to prepare for court events and increased availability which would result in more expedited placements. The Governor’s revised budget includes \$31,564 to begin this initiative in the fourth quarter of FY 2020.
- ***Female Youth Facility.*** The Governor’s budget includes \$1.1 million from general revenues to operate for half a year two in-state psychiatric residential treatment facilities for female youth with behavioral health needs currently being served in out-of-state facilities. The approved capital budget includes \$1.5 million from Rhode Island Capital Plan funds for a female youth facility, but there have been issues finding a location; the Governor’s recommendation excludes this funding.
- ***Higher Education Opportunity Incentive Grant.*** The Governor’s budget excludes funding for the Department of Children, Youth and Families Higher Education Opportunity Incentive Grant which is used to support former foster children attending post-secondary education institutions within Rhode Island. Rhode Island General Law, Section 42-72.8-4 requires an annual appropriation of \$200,000 and there is no law change proposed.
- ***Multisystemic Therapy.*** The Governor’s revised budget includes \$0.4 million from the Opioid Stewardship Fund in lieu of general revenues to provide treatment services for juvenile offenders and their family members with substance abuse issues.

- **Training School Redesign.** The Governor includes \$3.5 million from Rhode Island Capital Plan funds over FY 2021 and FY 2022 to redesign a module at the Training School to include an intake center which will host flexible beds that would hold youth entering the facility and serve as an overflow area for sentenced youth.

Community Services and Advocacy

- **Veterans' Programs and Services.** The Governor includes the enacted level of \$200,000 from general revenues to support various veterans' programs and services with the Office of Veterans Services determining how the funding is allocated.
- **Rhode Island Alliance of Boys and Girls Clubs.** The Governor's recommended budget eliminates \$250,000 from general revenues included in the enacted budget for the Boys and Girls Club Project Reach program which provides homework assistance and afterschool activities.
- **Day One.** The Governor recommends 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 Non-Violence.** The Governor recommends the enacted level of \$200,000 from general revenues to support the Institute's Violence Reduction Strategy program.
- **Rhode Island Community Food Bank.** The Governor recommends \$350,000 from general revenues for food collection and distribution through the community food bank, double the enacted amount of \$175,000.
- **Community Action Agencies.** The Governor recommends the enacted level of \$600,000 to support services provided by the state's community action agencies.
- **Crossroads.** The Governor recommends 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 Governor recommends the enacted level of \$300,000 from general revenues for domestic violence prevention activities contracted through the Rhode Island Coalition Against Domestic Violence and distributed to domestic violence shelters in the state.
- **Senior Services Support.** The Governor recommends 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 Governor recommends the enacted level of \$580,000 from general revenues for elderly nutrition, including \$530,000 for Meals on Wheels.
- **Respite Care.** The Governor recommends the enacted level of \$325,000 to support the respite care program through the Diocese of Providence, also known as CareBreaks.
- **Elder Housing Security.** The Governor recommends the enacted level of \$85,000 from general revenues to implement security housing measures in elderly housing complexes.
- **Long Term Care Ombudsman.** The Governor recommends 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.

Higher Education

- **Public Higher Education.** The Governor's budget includes \$1,272.6 million for Public Higher Education institutions, including debt service. This is \$24.6 million more than enacted from all sources of which \$0.8 million is from general revenues. The Governor's budget includes \$244.4 million from general revenues and \$547.8 million from all other unrestricted sources. The Governor also includes the Council's approved tuition and fee increases of 2.8 percent for the University, 7.3 percent for the College, and 3.1 percent for the Community College, providing an additional \$16.7 million in tuition and fees revenues.
- **RI Promise Scholarship.** The Governor's budget includes \$7.2 million, \$0.3 million more than enacted, from general revenues to support the current Rhode Island Promise Scholarship at the Community College of Rhode Island. The increase reflects the Council-approved tuition increase for the Community College and a similar number of students as the FY 2020 experience. The Governor also recommends removing the sunset provision of the Promise Scholarship; the high school class of 2020 is the last eligible group under current law. There is no out-year cost growth assumed for either enrollment or tuition.
- **RI Promise Scholarship Expansion.** The Governor includes a proposal to expand eligibility for the Promise program to include a certificate program, provided the student remains on track to graduate as defined by the Community College. Qualifying certificates must have labor market value as defined by the Office of Postsecondary Commissioner. A student would also remain eligible for the program following the completion of a certificate program in order to obtain an associate degree, as long as they continued to remain on track to graduate. It does not appear that the recommendation assumes any increased cost for the program as a result of this expansion.
- **Need Based Scholarships and Grants.** The Governor's budget maintains \$9.6 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 is unclear if sufficient funding is available from these sources.
- **Dual and Concurrent Enrollment.** The Governor's budget includes \$3.2 million, which is \$0.9 million more than enacted, 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. It is unclear if sufficient funding is available from these sources.
- **Northern Rhode Island Education Center Staffing.** The Governor's budget includes authorization for 1.0 new full-time position for the planned Northern Rhode Island Education Center. The Center is modeled on the public-private partnership structure in place at the Westerly Higher Education Center with operating costs supported by program fees and revenues from leasing the space. There is still no permanent location identified for the center.
- **CCRI Advisors.** The Governor's budget includes \$0.3 million from general revenues and 3.0 new full-time positions to increase the number of student advisors at the Community College. There is an unidentified position reduction to maintain the enacted staffing level.
- **URI Fine Arts Center.** The Governor recommends \$57.3 million of new general obligation bonds to be submitted to the voters on the November 2020 ballot to renovate the interior of the University's Fine Arts Center. This would be the second phase of work on the center. Funding for the first phase includes \$14.9 million from Rhode Island Capital Plan funds and involves heating, ventilation, and air-conditioning system replacement and exterior envelope repairs, programmed through FY 2020.
- **RIC College of Science and Technology Renovation.** The Governor recommends \$38.0 million of new general obligation bonds to be submitted to the voters on the November 2020 ballot for the renovation

and expansion of the Clarke Science Building at the College. The building is 43,126 square feet and was constructed in 1964. The project would improve the building's science and technology laboratories and facilities.

- ***CCRI Academic and Student Support Services.*** The Governor recommends \$12.0 million of new general obligation bonds to be submitted to the voters on the November 2020 ballot to restore or enhance academic and student support spaces as well as infrastructure at the Community College's four campuses. This includes classrooms, laboratories, general repairs, replacing outdated technology, and energy efficiency projects. The bond would supplement \$28.0 million of new Rhode Island Capital Plan funds recommended for the same purpose over FY 2023 through FY 2025.
- ***Center for Ocean Innovation.*** The Governor recommends \$10.0 million of new general obligation bonds to be submitted to the voters on the November 2020 ballot to develop a Center for Ocean Innovation in collaboration with the University's Graduate School of Oceanography. The funds would support the construction, renovation, or acquisition of facilities as well as an investment in infrastructure and equipment to support the creation, incubation, exploration, testing, prototyping, piloting, and deployment of undersea and other maritime technologies.
- ***College Crusade Support.*** The Governor's 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 the enacted amount of \$0.4 million from general revenues. The federal grant provides funds to states and nonprofits to support eligible low-income and disabled students in pursuit of secondary school diplomas and to prepare for postsecondary education. The \$0.4 million from general revenues supports staffing and office space.
- ***Best Buddies Program.*** The Governor's budget includes the enacted amount of \$75,000 from general revenues for Best Buddies Rhode Island to support programs for children with developmental disabilities.
- ***Special Olympics Rhode Island.*** The Governor's budget includes the enacted amount of \$50,000 from general revenues for Special Olympics Rhode Island to support its mission of providing athletic opportunities for individuals with intellectual and developmental disabilities.

Education and Arts

- ***Telecommunications Education Access Fund.*** The Governor recommends \$1.4 million in FY 2021, including \$0.4 million from general revenues, to support the Telecommunications Education Access Fund. This general revenue recommendation is consistent with prior funding levels. This fund provides financial assistance to qualified libraries and schools to acquire, install, and use telecommunications technologies to access the Internet and is supported by a \$0.26 monthly surcharge levied upon each residence and business telephone access line.
- ***Curriculum.*** The Governor's budget includes \$0.5 million from general revenues to support the Department of Elementary and Secondary Education's curriculum work and provide assistance to local school districts. The recommendation is \$0.3 million more than enacted to fund two new full-time equivalent positions that would work with districts to define and establish high-quality curriculum; one position would also develop social studies standards.
- ***School-Based Mental Health Services.*** The Governor recommends \$590,000 from new Opioid Stewardship funds and \$2.1 million from federal adolescent health and academic achievement grant funds. New 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.

- ***PrepareRI.*** The Governor recommends \$0.1 million from general revenues and authorization for one new full-time equivalent position to support the PrepareRI program. The position is anticipated to manage the program, including coordinating work-based learning efforts across state agencies.
- ***Advanced Coursework Network.*** The Governor recommends \$0.7 million to support the advanced coursework network. This is \$200,000 more from permanent school funds than enacted. The program allows middle and high school students in participating districts to access career preparatory as well as college credit bearing courses from a network of providers including postsecondary institutions, community organizations, and local education authorities.
- ***English Language Assessments.*** The Governor recommends \$115,000 from general revenues for additional support for the World-Class Instructional Design and Assessment ACCESS tests. These assessments are used to place and evaluate English language learner students, which have increased annually.
- ***School System Support.*** The Governor recommends \$1.0 million from all sources, including \$0.6 million from general revenues for the Department of Elementary and Secondary Education’s organizational restructuring toward providing more direct district support. The new general revenues would support 3.0 new full-time equivalent positions. The recommendation also assumes \$0.4 million from anticipated charitable donations though it is not clear what those funds would be used for or who would donate them.
- ***Prekindergarten Program Support.*** The Governor recommends \$0.1 million from general revenues and authorization for one new full-time equivalent position to support the state’s prekindergarten program. The position would provide technical and programming assistance, as well as conduct facility visits.
- ***Audiology Billing.*** The Governor recommends general revenue savings of \$0.2 million for the Rhode Island School for the Deaf from a proposal to shift responsibility for conducting hearing screenings for children from the state to local education agencies. The School currently operates a statewide program for children ages six through high school. Local school districts would be responsible for performing hearing screenings or would contract with the School for the Deaf to perform the tests on a fee-for-service basis. This is consistent with an Efficiency Commission proposal recommended by the Governor for FY 2020 but not enacted by the Assembly.
- ***Hasbro Children’s Hospital.*** The Governor’s budget includes the enacted level of \$90,000 from general revenues to support the hospital school at Hasbro Children’s Hospital.
- ***Child Opportunity Zones.*** The Governor’s budget includes the enacted level of \$345,000 from general revenues to support child opportunity zones through agreements with the Department of Elementary and Secondary Education to strengthen education, health and social services for students and their families as a strategy to accelerate student achievement.
- ***Davies Health Care Classrooms.*** The Governor’s capital budget includes \$5.0 million from Rhode Island Capital Plan funds over FY 2021 and FY 2022 for a new project to improve the health career program classrooms at Davies Career and Technical High School.
- ***School Construction Bond.*** The Governor’s capital budget includes \$92.7 million in FY 2020 and \$75.0 million in each FY 2021 and FY 2022 from general obligation bonds approved by the voters on the November 2018 ballot for school construction and repairs. She recommends 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 each FY 2024 and FY 2025, with the remaining in the post-FY 2025 period.

- **Fort Adams Trust.** The Governor's budget includes the enacted level of \$30,000 from general revenues for FY 2020 and FY 2021 to support Fort Adams Trust's restoration activities.
- **Waterfire Providence.** The Governor's budget includes the enacted level of \$375,000 from general revenues to support operational costs of Waterfire Providence art installations.
- **Arts Funds.** The Governor recommends the enacted level of \$0.8 million from general revenues for the Rhode Island State Council on the Arts' grant awards.

Public Safety

- **Prison Population.** The Governor's budget assumes a prison population of 2,549 which is 122 fewer inmates than the enacted population of 2,671. It assumes a revised FY 2020 population consistent with the enacted assumption. Through the first six months of FY 2020, the average inmate population is 2,659. The decreased population is based on updated population projection methodology and a parole initiative.
- **New Correctional Officer Class.** The Governor's revised recommendation assumes 59 graduates of correctional officer class 83 will begin work in June 2020 which is delayed from the enacted assumption of October 2019 because of pending Department of Justice approval. The Governor also recommends that correctional officer class 84 begin training with 70 recruits in September 2020 and assumes it will follow a similar pattern with 59 hired upon graduation in December 2020.
- **Correctional Officer Overtime.** The Governor's budget includes general revenue savings of \$1.0 million from enforcing sick leave use policies.
- **High Security.** The Governor's budget includes savings of \$0.8 million from closing two modules at the High Security facility and transferring 24 incarcerated inmates to out-of-state facilities. The methodology for the savings calculation is unclear.
- **Healthcare Services.** The Governor's budget includes savings of \$0.3 million and includes funding and 4.0 new full-time equivalent healthcare positions for the Department of Corrections to expand its in-house medical capabilities and decrease trips to hospitals and emergency rooms.
- **Inmate Apprenticeship Program.** The Governor's budget includes \$0.2 million to create an apprenticeship program for the Department of Corrections in conjunction with the Department of Labor and Training and includes a new full-time equivalent position to oversee the program. It is estimated to serve between 25 and 30 individuals.
- **Laboratory Testing.** The Governor's revised recommendation includes \$137,081 for laboratory testing by an external vendor for the Department of Corrections. The 2019 Assembly had included savings of \$165,000 from having Eleanor Slater Hospital resume its prior practice of lab testing at no cost to the Department starting in FY 2020. However, the Department has continued to use the outside vendor, indicating that the Hospital lab does not have reporting system compatible with its electronic medical records system and that it was unhappy with prior service delivery.
- **Inmate Post-Release Employment.** The Governor's budget includes \$0.1 million for a new full-time equivalent position for the Department of Corrections to coordinate with the Department of Labor and

Training in connecting employers with inmates being released. This is expected to reduce recidivism. The recommendation also includes a new position for this initiative for the Department of Labor and Training.

- ***Discharge Planning.*** The Governor’s budget proposes having the Department of Corrections provide discharge planning services in-house and includes \$0.5 million for 7.0 new positions to deliver these services. The cost of the new positions would be offset by discontinuing the contract with the external vendor who currently delivers these services. The most recent contract was signed in FY 2019.
- ***Inmate Work Release.*** The Governor proposes changing the amount withheld from an inmate’s earnings for room and board from 30 percent of the gross income to 30 percent of the net income. This is expected to lead to higher program participation by inmates as they will be able to keep more of their earnings. This is estimated to generate \$18,800 in new revenues; however, the budget does not account for the revenues.
- ***Medication Assisted Treatment Program.*** The Governor’s budget adds \$0.8 million from the Opioid Stewardship Fund for the expansion of the Medication Assisted Treatment Program within the Department of Corrections to begin treating inmates on the first night of commitment to a correctional institution. Currently, the program includes assessments of new inmates to determine treatment options.
- ***Geriatric Parole.*** The Governor’s budget includes savings of \$150,000 for 12 inmates from expanding the medical parole status to include a geriatric parole provision which would allow for the release of elderly incarcerated people whose age and infirmity reduce the threat to public safety. Inmates do not need to be terminally ill to qualify for release.
- ***Medium Security Facility Renovations.*** The Governor’s capital budget includes \$20.1 million from Rhode Island Capital Plan funds for FY 2020 and FY 2021 for renovations at the Medium Security Facility. This shifts funding that was programmed in the enacted budget through FY 2024 to address an accelerated project timeline.
- ***Inmate Treatment Services.*** The Governor’s revised budget includes \$1.6 million from the Opioid Stewardship Fund offsetting a like amount of general revenues for treatment of inmates who accept responsibility for their crime and recovery with the goal of preventing relapse and recidivism. Each inmate receives an individual plan developed by contracted clinicians with chemical dependency credentials.
- ***Inmate Substance Abuse Support Services.*** The Governor’s revised budget includes \$1.8 million from the Opioid Stewardship Fund offsetting a like amount of general revenues to provide support services for inmates with substance abuse disorders. Treatment begins after sentencing and continues after inmates have been released. Services include intake assessments, counseling, clinicians, and discharge planning.
- ***Indigent Defense Program.*** The Governor’s budget includes \$5.0 million from general revenues for the Judiciary’s indigent defense program, which is \$0.6 million more than enacted based on increased caseloads.
- ***Rhode Island Legal Services.*** The Governor’s budget includes the enacted level of \$90,000 from general revenues for Rhode Island Legal Services to provide housing and eviction defense to indigent individuals.
- ***Rhode Island Coalition Against Domestic Violence.*** The Governor’s budget includes \$230,000 from general revenues for the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project, consistent with the enacted budget.

- **Judicial Asset Protection.** The Governor recommends \$6.2 million from Rhode Island Capital Plan funds for FY 2021 through FY 2025 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, lighting and elevator upgrades.
- **Judicial HVAC.** The Governor recommends \$4.5 million from Rhode Island Capital Plan funds for FY 2021 through FY 2025 for replacement, restoration, and cleaning of the heating, ventilation, and air conditioning systems for all judicial complexes.
- **Licht Judicial Complex Restoration.** The Governor recommends \$3.8 million from Rhode Island Capital Plan funds for FY 2021 through FY 2025 for the restoration of the Licht Judicial Complex.
- **Garrahy Judicial Complex.** The Governor recommends \$6.3 million from Rhode Island Capital Plan funds for FY 2022 through FY 2025 for the restoration of the Garrahy Judicial Complex including courtrooms, flooring, repainting, woodwork, and refurbishing employee bathrooms.
- **Rhode Island Statewide Communications Network.** The Governor recommends \$10.6 million from all sources from FY 2021 through FY 2025 for the Rhode Island Statewide Communications Network. This includes \$8.1 million from Rhode Island Capital Plan funds and \$2.5 million from federal sources.
- **Limited Emergency Police Power Legislation.** The Governor's budget includes \$50,000 of general revenue savings from a proposal to give limited emergency police powers to out-of-state law enforcement officials to guard hospitalized detainees when they are in a Rhode Island hospital. Currently, the Department of Public Safety's sheriffs are partially responsible for this task.
- **Town of Exeter Public Safety Reimbursement.** The Governor's budget includes \$0.4 million from general revenues to be transferred to a restricted receipt account for the Town of Exeter to fund its public safety needs. Currently, the Department of Public Safety is responsible for responding to calls for service in Exeter because it does not have a local police force. The Governor also proposes legislation requiring the Town of Exeter to reimburse the Department of Public Safety for the cost of State Police services.
- **58th State Police Training Academy.** The Governor's budget includes \$1.2 million from all sources including \$0.4 million from general revenues to train a class of 25 recruits at the State Police Training Academy beginning in June 2021. The Governor's budget includes \$0.1 million for recruitment including advertising, medical assessments, and written exams.
- **Consolidated State Police Barracks.** The Governor requests authorization for Assembly approval of \$35.0 million through Certificates of Participation to build a new State Police barracks in the southern portion of the state. This would replace the Hope Valley and Wickford barracks.
- **Fiber Optic Cable Upgrades.** The Governor recommends \$750,000 from the E-911 surcharge fees assessed to wired, wireless, and prepaid phone lines to upgrade E-911 telecommunication lines from copper wiring to fiber optic cables. The total cost of this upgrade is expected to be \$3.0 million over six years.
- **Office of the Attorney General - New Positions.** The Governor's budget includes \$0.8 million for eight new positions including five attorneys and three paralegals for FY 2021 to increase resources available for large, multi-state cases, address increasing workload for cases that involve child abuse, domestic violence, sexual assault and elder abuse, and to staff the newly created Diversion Court and intake unit.
- **Public Defender - New Positions.** The Governor's budget includes \$0.3 million for three new assistant public defenders for FY 2021 to lessen the caseloads assigned to current attorneys.

Environment

- **Commercial Fishing Licenses.** The Governor's budget estimates \$0.1 million in additional restricted receipts from increased fees on commercial fishing licenses that currently range from \$25 to \$300 and will increase to a range of \$300 to \$1,750 depending on the license holder's residency. These increases reflect what neighboring states charge and will provide federal matching funds to support on-going fisheries management oversight. The Governor also proposes to simplify the structure of how commercial fishing licenses are distributed.
- **Fish and Wildlife Fees.** The Governor's budget estimates \$0.1 million in additional restricted receipts from increasing fish and wildlife license fees by an average of \$7 to provide matching funds for federal support for the Department of Environmental Management. Most of these fees are currently less than \$30.
- **Beach, Clean Water, and Green Bond.** The Governor recommends \$64.0 million from a new general obligation bond to be submitted to the voters on the November 2020 ballot to be used for environmental and recreational purposes. Proposed projects include improvements to state-owned recreational facilities, grants for coastal resiliency, grants for local recreation projects, grants to purchase conservation easements, and financing clean and drinking water projects.
- **Parks and Recreation.** The Governor recommends \$0.9 million more from general revenues to provide additional maintenance and parks staffing for the Parks and Recreation program within the Department of Environmental Management. This includes 6.0 new parks positions.
- **Local Agriculture and Seafood Program.** The Governor recommends \$250,000, or \$150,000 more than enacted, for the local agriculture and seafood program to allow small businesses in the food sector to receive grants. Funding is matched by private sources, which have been declining over the past several years.
- **Conservation Districts.** The Governor recommends the enacted level of \$50,000 from general revenues for regional conservation districts. The districts are quasi-public subdivisions of state government, governed by volunteer boards of directors from the communities.

Transportation

- **Toll Revenue.** The Governor's budget assumes toll revenues of \$18.5 million in the current year, \$7.5 million less than enacted, and \$44.4 million in FY 2021 from all gantries being in operation.
- **Motor Fuel Revenue Bond Issuance.** The Governor requests authorization for the issuance of \$64.2 million through Motor Fuel Revenue Bonds to match federal funds that the Department received for the Henderson Bridge and other bridge and highway capital projects. Debt service payments would be supported by excess funds from the current two cents from the gasoline tax for previously issued Motor Fuel bonds; the debt service from that issuance is lower due to refinancing over the years.
- **GARVEE Debt Service.** The Governor's budget includes \$16.0 million from federal funds for a debt payment from issuance of \$200.0 million through the Grant Anticipation Revenue Vehicle (GARVEE) program to fund construction costs for the Interstate 95 Northbound Providence Viaduct project. The bonds were approved as part of the enacted budget in June and the Department was notified of a \$60 million federal discretionary grant in late July.
- **Construction Personnel.** The Governor's budget includes 23.0 new full-time equivalent construction related positions, including civil and engineering technicians who would assist with inspection of all

materials going to bridge or road construction or maintenance projects and to inspect the workmanship and practices of contractors against plans specifications.

- **Maintenance Personnel.** The Governor's budget includes 20.0 new full-time equivalent maintenance positions, including highway maintenance operators and bridge maintenance workers.
- **Transportation Fund Reappropriation.** The Governor proposes legislation to allow unspent transportation funds, including gasoline tax proceeds, highway maintenance funds and federal funds to be reappropriated to the subsequent fiscal year to allow projects to proceed.
- **Support Personnel.** The Governor's budget includes \$0.1 million from gasoline tax proceeds to fund a new public relations specialist position, who will be responsible for providing communications and project updates. It also includes \$0.2 million for an administrator to oversee the Department's real estate portfolio and be responsible for all real estate transactions associated with projects.
- **Reorganization Efficiencies.** The Governor's budget includes \$1.2 million from gasoline tax proceeds in FY 2020 to make renovations to the State Office Building, including purchasing workstations and other furniture. It also includes funding to renovate the Director's Office.
- **E-Procurement System Enhancements.** The FY 2020 revised budget includes one-time expenditures of \$265,000 from gasoline tax proceeds for system enhancements of the electronic procurement system to address functional and technical requirements specific to the Department of Transportation.
- **Materials Lab Testing Facility.** The Governor's capital budget includes \$3.8 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.
- **Highway Drainage.** The Governor's capital budget assumes use of \$9.2 million for FY 2020 and \$6.0 million for FY 2021 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 Narragansett Bay and other waterways. Pursuant to the consent decree, the Department of Transportation must inspect and clean the state's 34,000 stormwater catch basin systems and other connected drainage structures on an annual basis.
- **Winter Maintenance.** The Governor's budget assumes use of the enacted amount of \$21.2 million for winter maintenance expenditures in both FY 2020 and FY 2021.
- **Rhode Island Public Transit Authority.** The Governor recommends \$54.6 million in FY 2020 and \$55.0 million in FY 2021 for the Authority's current share of the gasoline tax proceeds and highway maintenance funds. The recommendation in the current year is \$0.4 million less than enacted, including \$0.3 million more from highway maintenance funds, offset by \$0.7 million less from gasoline tax proceeds, reflective of an updated tax yield.
- **Public Transit Authority - Bus Match.** The capital budget assumes use of a total of \$25.3 million from the Department of Transportation's share of the Highway Maintenance Account to finance buses for the Rhode Island Public Transit Authority. This is \$22.2 million above the amount included in the approved plan, which had assumed agency funds.
- **Providence Transit Connector.** The Governor's budget assumes use of \$2.0 million each from the Department of Transportation's share of highway maintenance funds and Rhode Island Capital Plan funds to match a \$13.6 million federal grant that was awarded to improve the transit corridor between Kennedy Plaza, the Providence Train Station and other hubs. The City of Providence was the original recipient of

the Transportation Investment Generating Economic Recovery (TIGER) grant, and the Public Transit Authority has agreed to administer the project, with the state providing the match.

- **URI Bus Hub.** The capital budget includes a total of \$8.3 million, including \$0.9 million from Rhode Island Capital Plan funds to match federal funds to construct a new bus hub at the University of Rhode Island Kingston Campus; bond funds from available University of Rhode Island capital funds for infrastructure projects and highway maintenance funds will also be used for matching. The project will include bus berths with shelters, interior waiting space, restrooms, electric charging stations, and bicycle racks.