

House Fiscal Advisory Staff

2017-H 5175 Substitute A As Recommended by the House Finance Committee



Submitted to the 2017 House of Representatives

House Committee on Finance

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Introduction

Introduction

Introduction

This document provides information concerning the FY 2018 budget contained in 2017-H 5175, Substitute A as passed out of House Finance Committee on June 16. The sections that follow contain descriptions of the Committee's recommended changes to the Governor and current law. Section I is a short summary of the budget.

Section II presents the changes to the Governor's recommendations for FY 2018 introduced and referred to House Finance on January 19. It is followed by explanations of the items in the table. The explanations are numbered to correspond to the item numbers shown in the table.

Section III contains State Aid to Cities and Towns and Education Aid.

Section IV contains the changes to the Governor's revised budget which was included as Article 10 of 2017-H 5175. It is followed by explanations of the items in the table. The explanations are numbered to correspond to the item numbers shown in the table.

Section V contains summary tables of general revenues by source, expenditures by agency by fund source, and full-time equivalent positions. The expenditure and full-time equivalent positions tables show values for the FY 2018 enacted budget, the final FY 2017 budget as reported by the House Finance Committee, the Governor's FY 2018 recommendations and the House Finance Committee's recommendations.

Section VI contains brief descriptions of the articles contained in 2017-H 5175, Substitute A.

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

General Government Agencies

Analyst and Phone Number (222)

Department of Administration	Chantale Sarrasin (2485)
Executive Office of Commerce	Timothy Donahue (1303)
Department of Business Regulation.....	Timothy Donahue (1303)
Department of Labor and Training	Carlos Guzman (3876)
Department of Revenue	Timothy Donahue (1303)
Legislature	Liza Pinto (2059)
Office of the Lieutenant Governor.....	Liza Pinto (2059)
Office of the Secretary of State.....	Carlos Guzman (3876)
Office of the General Treasurer	Liza Pinto (2457)
Rhode Island Board of Elections	Carlos Guzman (3876)
Rhode Island Ethics Commission	Patricia Arruda (1304)
Office of the Governor.....	Patricia Arruda (1304)
Rhode Island Commission for Human Rights	Liza Pinto (2059)
Public Utilities Commission	Liza Pinto (2059)

Human Services Agencies

Executive Office of Health and Human Services	Linda M. Haley (1164)
Department of Children, Youth and Families	Linda M. Haley (1164)
Department of Health.....	Chantale Sarrasin (2485)
Department of Human Services	Linda M. Haley (1164)
Behavioral Healthcare, Developmental Disabilities and Hospitals	Linda M. Haley (1164)
Office of the Child Advocate	Liza Pinto (2059)
Commission on the Deaf and Hard of Hearing.....	Liza Pinto (2059)
Governor’s Commission on Disabilities	Chantale Sarrasin (2485)
Office of the Mental Health Advocate.....	Linda M. Haley (1164)

Education Agencies

Department of Elementary and Secondary Education	Patricia Arruda (1304)
Public Higher Education	Liza Pinto (2059)
Rhode Island Council on the Arts	Timothy Donahue (1303)
Rhode Island Atomic Energy Commission	Liza Pinto (2059)
Historical Preservation and Heritage Commission	Timothy Donahue (1303)

Public Safety Agencies

Office of the Attorney General	Linda M. Haley (1164)
Department of Corrections.....	Patricia Arruda (1304)
Judicial Department	John H. Hart (1386)
Military Staff.....	John H. Hart (1386)
Rhode Island Emergency Management Agency	John H. Hart (1386)
Department of Public Safety	Chantale Sarrasin (2485)
Office of the Public Defender	John H. Hart (1386)

Natural Resources Agencies

Department of Environmental Management.....	Carlos Guzman (3876)
Coastal Resources Management Council.....	Carlos Guzman (3876)
Rhode Island Infrastructure Bank	John H. Hart (1386)
Narragansett Bay Commission	John H. Hart (1386)
Rhode Island Resource Recovery Corporation.....	Carlos Guzman (3876)

Transportation Agencies

Department of Transportation.....	Chantale Sarrasin (2485)
Rhode Island Public Transit Authority	Chantale Sarrasin (2485)
Rhode Island Airport Corporation	Chantale Sarrasin (2485)

Section I

Overview

Summary

	FY 2017 Enacted	FY 2017 Committee	FY 2018 Recommended	FY 2018 Committee
Expenditures by Function*				
General Government	\$ 1,503.8	\$ 1,538.6	\$ 1,536.1	\$ 1,502.8
Human Services	3,767.9	3,949.0	3,897.2	3,891.1
Education	2,522.4	2,499.5	2,593.4	2,589.1
Public Safety	556.0	581.3	592.3	591.5
Natural Resources	110.1	110.9	118.5	108.8
Transportation	478.5	524.0	510.5	514.1
Total	\$ 8,938.7	\$ 9,203.4	\$ 9,248.1	\$ 9,197.4
Expenditures by Category*				
Salaries and Benefits	\$ 1,684.4	\$ 1,675.0	\$ 1,722.2	\$ 1,699.2
Contracted Services	301.1	324.9	256.9	256.0
Subtotal	\$ 1,985.5	\$ 1,999.9	\$ 1,979.1	\$ 1,955.2
Other State Operations	859.9	874.2	887.9	859.5
Aid to Local Units of Government	1,294.2	1,240.7	1,289.2	1,318.2
Assistance, Grants, and Benefits	3,977.6	4,153.4	4,121.1	4,149.6
Capital	426.5	479.6	478.7	449.6
Capital Debt Service	224.7	214.6	243.2	239.2
Operating Transfers	170.2	240.9	248.8	226.1
Total	\$ 8,938.7	\$ 9,203.4	\$ 9,248.1	\$ 9,197.4
Sources of Funds*				
General Revenue	\$ 3,683.7	\$ 3,688.4	\$ 3,792.7	\$ 3,755.2
Federal Aid	2,957.1	3,184.6	3,081.8	3,101.1
Restricted Receipts	257.0	276.3	273.8	261.8
Other	2,040.9	2,054.1	2,099.7	2,079.2
Total	\$ 8,938.7	\$ 9,203.4	\$ 9,248.1	\$ 9,197.4
FTE Authorization	14,952.6	14,959.0	15,067.4	14,999.2

**Data in millions*

Summary

The Governor's budget recommendations for FY 2018, along with her revisions to the FY 2017 enacted budget, are contained in 2017-H 5175, introduced on January 19, 2017, which is the day it was due by law. Most supporting documents were made available with the introduction; the Capital Budget was provided the next day. By law the budget is due by the third Thursday in January.

The Governor recommended a total FY 2018 budget of \$9,248.1 million. Total expenditures increase \$309.3 million from the FY 2017 budget enacted by the 2016 Assembly, or 3.5 percent. Her FY 2017 revised budget totals \$9,200.5 million; FY 2016 expenditures were \$8,505.2 million.

The Governor’s budget includes \$3,792.7 million of expenditures funded from general revenues, \$109.0 million, or 3.0 percent more than the enacted general revenue funded budget. They are also \$92.3 million more than her revised recommendations.

The House Finance Committee recommends total expenditures of \$9,197.4 million, which is \$50.7 million less than the Governor recommended. It contains \$3,755.2 million from general revenues, which is \$37.5 million less than the Governor recommended.

FY 2018	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2017 Enacted	\$ 3,683.7	\$ 2,957.1	\$ 257.0	\$ 2,040.9	\$ 8,938.7
Governor	3,792.7	3,081.8	273.8	2,099.7	9,248.1
Change to Enacted	\$ 109.0	\$ 124.8	\$ 16.8	\$ 58.8	\$ 309.3
Percent Change	3.0%	4.2%	6.5%	2.9%	3.5%
HFC	\$ 3,755.2	\$ 3,101.1	\$ 261.8	\$ 2,079.2	\$ 9,197.4
Change to Enacted	71.5	144.0	4.8	38.3	258.7
Percent Change	1.9%	4.9%	1.9%	1.9%	2.9%
Change to Governor	\$ (37.5)	\$ 19.2	\$ (11.9)	\$ (20.5)	\$ (50.7)
HFC Change to FY 2017	\$ 66.9	\$ (83.6)	\$ (14.4)	\$ 25.2	\$ (6.0)
Percent Change to FY 2017	1.8%	-2.6%	-5.2%	1.2%	-0.1%
HFC Change to FY 2016	\$ 207.3	\$ 223.6	\$ 16.1	\$ 245.1	\$ 692.2
Percent Change to FY 2016	5.8%	7.8%	6.6%	13.4%	8.1%

General revenue expenditures recommended by the Committee are \$71.5 million, or 1.9 percent more than general revenues appropriated for FY 2017 by the 2016 Assembly. General revenue expenditures are \$66.9 million more than the FY 2017 revised budget also contained in 2017-H 5175, Substitute A.

The Budget Office estimates that in preparing the FY 2018 budget, the Governor faced a projected revenue-expenditure gap of about \$185 million. This was similar to the House Fiscal Staff June projections. By November, it was clear that increased resources from the FY 2016 closing and consensus revenue estimates would decrease that gap.

The House Fiscal Staff estimated in December that those additional resources would be offset by overspending in the current year that would likely impact FY 2018 as well. This revised the gap between expected expenses and available general revenues to about \$112 million. This represents approximately 2.9 percent of general revenue expenditures.

The Governor’s budget resolves much of the deficit through increased revenue, less than a quarter of which is non-recurring. There are numerous spending changes in human service agencies which amount to a reduction that appears to be structural in nature. These reductions are offset by increased spending for new and existing commerce initiatives as well as a variety of new spending priorities. Following the May revenue and caseload conferences, available resources over the two year period were reduced by \$134 million. The House Finance Committee solves that gap by maximizing all available resources in both FY 2017 and FY 2018. Additionally, because of the decrease in available resources in FY 2017 following the May revenue and caseload conferences, a much smaller surplus was carried forward to FY 2018. These one-time funds were replaced with other one-time funds from transfers from other sources.

The House Finance Committee’s Budget does not resolve the out-year budget gaps, though like the Governor’s budget, it does continue investment in programs designed to position the state for more growth than currently assumed in the five-year economic forecast. While it does include an additional local aid item with a greater out year cost than assumed in the Governor’s budget for FY 2020 and beyond, it sharply limits other new spending proposals.

The items that follow represent a selection of items of interest regarding the budget. Additional information is contained in the sections describing the changes to the Governor's budget, budget article explanations and aid reports.

- ***Cigarette Tax.*** The Governor's budget assumes \$8.7 million in revenues associated with proposed legislation to increase the cigarette excise tax by \$0.50 per pack, to \$4.25 per 20-pack, effective August 1, 2017. The total price per pack in Rhode Island remains lower than in Massachusetts because of minimum markup provisions. The Office of Revenue Analysis estimates that the final retail price per pack in Rhode Island would be approximately \$0.22 less than Massachusetts. The House Finance Committee concurs, but lowers revenue projections to \$7.5 million consistent with a corrected estimate.
- ***Remote Sellers Sales Tax Collection/Reporting.*** The Governor's budget assumes \$34.7 million in revenues associated with proposed legislation requiring remote sellers and marketplace providers to collect and remit sales and use taxes or be responsible for multiple notifications to customers before and after sales are made regarding their obligation to pay taxes on the purchases. Notably, Amazon, the nation's largest e-commerce retailer has recently announced it would begin collecting sales taxes due on its transactions with Rhode Islanders beginning February 1, 2017. The House Finance Committee includes a revised version of the legislation that imposes different standards depending on how close an entity is to the sale. The budget assumes \$19.7 million in new revenue collections above those now being voluntarily collected.
- ***Tax Amnesty.*** The House Finance Committee recommends \$12.5 million in additional general revenues from enacting the state's fifth 75-day tax amnesty initiative, ending February 15, 2018. Filers will not be subject to penalties or prosecution and will pay interest as computed under Rhode Island General Law, Section 44-1-7, reduced by 25.0 percent. Filers may enter into a tax payment plan with the tax administrator. The Budget assumes \$12.5 million in one-time revenues and expenditures of \$0.5 million for expenses relating to the Tax Amnesty, making the net impact \$12.0 million.
- ***Taxation Compliance Staffing.*** The Governor's budget assumes a total of \$2.0 million in additional personal income, business, and sales tax revenues from the filling of two revenue agent positions and two data analyst positions in the Division of Taxation to increase compliance efforts. Accounting for the \$0.4 million cost for the positions, the net budget impact is \$1.6 million. The House Finance Committee concurs.
- ***Taxation Penalties.*** The Governor proposes legislation allowing the Division of Taxation to penalize violators of tax statutes by revoking or suspending licenses or permits it issues, imposing fines of \$100 to \$50,000, and recovering legal costs. The legislation also increases the scope of sales tax enforcement to penalize those who fail to remit tax collected from a customer, increase the maximum fine from \$10,000 to \$25,000 and maximum imprisonment from one to five years, and expands the definition of prohibited manipulations of sales transaction data. No specific revenue estimates appear to be tied to these measures. The House Finance Committee concurs.
- ***Medical Marijuana Receipts Transfer.*** The Governor's budget proposes legislation to annually transfer to state general revenues any remaining medical marijuana related receipts collected by the Department of Business Regulation and the Department of Health after expenses are covered. The budget assumes transfers of \$0.3 million and \$0.7 million in FY 2017 and FY 2018, respectively. The House Finance Committee concurs.
- ***Apprenticeship Fees.*** The Governor recommends eliminating fees associated with registered apprenticeships in Rhode Island to incentivize employers to establish apprenticeship programs and her budget lowers expected revenues by \$45,000 to reflect that. The House Finance Committee concurs.
- ***Penalties for Labor Law Violations.*** The Governor's budget includes an additional \$650,000 in revenue from proposed changes to labor law violations. The revenues include \$100,000 from increasing

the employee misclassification penalty from \$500 to \$1,500 for the first violation and \$950 to \$2,000 for any subsequent violations; \$150,000 from establishing a new penalty for employer wage and hour violations; \$300,000 from establishing a new penalty for employer failure to maintain payroll records; and \$100,000 from increasing the electrical trades violations penalty. It also assumes that \$125,000 of restricted receipts would be generated from increasing unemployment reporting violations from \$10 to \$25 per incident. The House Finance Committee concurs.

- ***Infrastructure Bank Transfer.*** The Governor proposes that the Infrastructure Bank transfer \$1.0 million to state general revenues by June 30, 2018. The House Finance Committee recommends an additional transfer of \$2.5 million, for a total of \$3.5 million.
- ***Resource Recovery Corporation Transfer.*** The Governor proposes that the Resource Recovery Corporation transfer \$6.0 million to state general revenues by June 30, 2018. The House Finance Committee rejects this proposal.
- ***Narragansett Bay Commission Transfer.*** The Governor proposes that the Narragansett Bay Commission transfer \$2.5 million to state general revenues by June 30, 2018. The House Finance Committee recommends an additional transfer of \$2.5 million, for a total of \$5.0 million.
- ***RI Health and Educational Building Corporation Transfer.*** The Governor proposes that the Rhode Island Health and Educational Building Corporation transfers \$1.2 million to state general revenues by June 30, 2018. The House Finance Committee recommends an additional transfer of \$4.8 million, for a total of \$6.0 million.
- ***Turnpike and Bridge Authority Transfer.*** The Governor proposes that the Rhode Island Turnpike and Bridge Authority transfer \$2.6 million to state general revenues by June 30, 2018. The House Finance Committee does not concur.
- ***Electric and Gas Distribution Company Transfer.*** The House Finance Committee recommends that the electric and gas distribution company transfer \$12.5 million to state general revenues by June 30, 2018.
- ***Quonset Development Corporation Transfer.*** The House Finance Committee recommends a transfer of \$1.0 million from the Quonset Development Corporation to state general revenues by June 30, 2018.
- ***Rhode Island Housing Transfer.*** The House Finance Committee recommends a transfer of \$1.0 million from Rhode Island Housing to state general revenues by June 30, 2018.
- ***Refundable Investment Tax Credit Fund.*** The Governor's budget includes a \$3.3 million impact from establishment of a refundable tax credit for qualifying business capital investments. The credit is the lesser of \$200,000 or the employer's tax liabilities for the year. This expands access to investment tax credits to more businesses than current law allows. The Budget treats this as a revenue reduction, but it appears the intent is to appropriate general revenues to a fund similar to other recent tax credits. The House Finance Committee does not include this proposal.
- ***Refundable Job Training Tax Credit Fund.*** The Governor's budget includes a \$2.0 million impact to establish a refundable tax credit for manufacturers and businesses in targeted industries for training qualified employees. The credit is the lesser of \$200,000 or the employer's tax liabilities for the year. This expands access to job training tax credits to more businesses than current law allows. The Budget treats this as a revenue reduction, but it appears the intent is to appropriate general revenues to a fund similar to other recent tax credits. The House Finance Committee does not include this proposal.

- ***Rebuild Rhode Island Tax Credit.*** The Governor’s budget includes \$20.0 million from general revenues to continue funding for the Rebuild Rhode Island Tax Credit program. This would bring total funds committed to funding these tax credits, which are redeemed over time, to \$46.0 million. The Assembly capped the total amount of credits awarded under the program at \$150.0 million. The House Finance Committee recommends \$7.5 million less than recommended for total FY 2018 funding of \$12.5 million but sufficient to cover known and expected commitments.
- ***I-195 Redevelopment Fund.*** The Governor’s recommended budget includes \$10.1 million from general revenues for the I-195 Redevelopment Fund. The 2015 Assembly created the I-195 Redevelopment Project Fund to provide developers and businesses with financing for capital investment, including land acquisition in order to promote the development of the land. The FY 2016 enacted budget allocated \$25.0 million from general revenues to the Fund. The House Finance Committee recommends adding only \$2.0 million, which is \$8.1 million less than the Governor.
- ***Wavemaker Fellowships.*** The Governor’s budget includes \$1.6 million from general revenues for continued funding of the student loan forgiveness program enacted by the 2015 Assembly. It provides up to four years of loan forgiveness for an associate, bachelor or a graduate degree in the fields of natural or environmental sciences, computer technology, engineering or medicine. Recipients must work at least 35 hours per week for an employer located in the state; and two-thirds of the awardees must be permanent residents of the state. The Governor’s revised budget reduces the enacted funding for the program by \$1.5 million to \$2.0 million based on current use. The House Finance Committee recommends a total of \$0.8 million to reflect current projected expenditures.
- ***Main Street Streetscape Improvement Fund.*** The Governor recommends providing an additional \$1.0 million for the Main Street Streetscape Improvement Fund. The FY 2016 and FY 2017 budgets each provided \$1.0 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. The House Finance Committee recommends total FY 2018 funding of \$0.5 million.
- ***Municipal Technical Assistance Grants.*** The Governor’s budget recommends \$250,000 from general revenues and legislation to establish a fund to provide technical assistance to municipalities to evaluate and streamline municipal zoning, planning and permitting codes to foster economic development. The House Finance Committee does not concur with proposal.
- ***First Wave Closing Fund.*** The 2015 Assembly authorized the closing fund to provide financing to ensure that certain transactions that are critical to the state’s economy occur, subject to the Commerce Corporation’s Board approval and provided \$5.0 million in FY 2016. The additional \$7.0 million allocated as part of the FY 2017 budget brought total funding to \$12.0 million. Commitments made through the end of 2016 total \$1.5 million. The Governor’s budget adds \$1.5 million from general revenues in the current year, for total support of \$13.5 million. The House Finance Committee recommends an additional \$1.8 million for FY 2018.
- ***P-Tech Initiative.*** The Governor’s budget includes \$1.2 million for the P-Tech Initiative, which establishes partnerships between high schools, higher education institutions, and employers to offer courses towards high school diplomas and associate’s degrees. The enacted budget includes \$1.2 million for the program and the Commerce Corporation has partnered with five school districts, including three in the final year of funding. Two new school districts joined during FY 2017, and the Governor’s budget would fund two additional school districts in FY 2018 and FY 2019. The House Finance Committee excludes the additional funding as sufficient resources are available from prior appropriations to fund these commitments.

- ***Innovation Initiative.*** The Governor’s budget includes \$2.5 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. Grants may be given to organizations that offer technical assistance to businesses or to businesses in targeted industries. Grants must be matched by funds from a private sector or non-profit partner. The House Finance Committee agrees to the proposed use changes, but provides total FY 2018 funding of \$1.0 million and allows half of that to be reserved for small business manufacturers.
- ***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. The House Finance Committee concurs.
- ***AirService Development.*** The Governor’s budget includes \$0.5 million from general revenues for an initiative to support additional direct routes to major metropolitan areas. This would provide a total of \$2.0 million for this purpose including the \$1.5 million allocated in the FY 2017 enacted budget. The House Finance Committee concurs.
- ***38 Studios Debt Service.*** The Governor’s budget assumes that debt service relating to 38 Studios will be paid with settlement funds that the Commerce Corporation recently received from defendants in the state’s lawsuit. The House Finance Committee concurs and based on settlements received, it recommends that the remaining portion of \$2.5 million of current year debt be paid with settlement funds.
- ***Minimum Wage.*** The Governor’s budget includes legislation increasing the minimum wage from \$9.60 per hour to \$10.50 per hour, effective October 1, 2017. The 2015 Assembly increased the minimum wage from \$9.00 per hour to the current \$9.60, effective January 1, 2016. The recommended budget includes \$120,000 for the impact on the Department of Environmental Management’s seasonal recreational program in FY 2018. The House Finance Committee recommends increasing the minimum wage over two years from \$9.60 per hour to \$10.10 per hour, effective January 1, 2018 and to \$10.50 per hour effective January 1, 2019.
- ***Distressed Communities Relief Fund.*** The Governor recommends the enacted level of \$12.4 million for the Distressed Communities Relief Fund; there is a redistribution of funding among qualifying communities based on updated tax levies. In the first year a community qualifies, it receives a transition payment of half its proportional share; in the year a community no longer qualifies, it also receives a transition payment of half its proportional share. The FY 2018 recommendation reflects the inclusion of Johnston as a qualifying community and exclusion of Cranston. Both communities receive transition payments. The House Finance Committee concurs.
- ***Payment in Lieu of Taxes Program.*** The Governor recommends \$45.2 million for the Payment in Lieu of Taxes program that reimburses cities and towns for property taxes that would have been due on real property exempted from taxation by state law. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. The recommendation is \$3.2 million more than enacted and represents full funding for the program. The House Finance Committee concurs.
- ***Motor Vehicles Excise Tax.*** The Governor’s budget funds the Motor Vehicles Excise Tax program at the enacted amount of \$10.0 million. The Governor also proposes legislation to change the current requirement to use clean retail values in vehicle valuation to not more than 70.0 percent of the retail value beginning January 1, 2018. The state would reimburse municipalities for the revenue loss beginning in FY 2019. The House Finance Committee recommends Article 11 to phase-out the motor vehicle excise tax entirely and provides \$26.0 million to reimburse lost revenues to local municipalities for the first year impact.

- ***Library Resource Sharing Aid.*** The Governor recommends \$9.4 million to level fund state support of public libraries at 22.8 percent. Current law allows 25.0 percent reimbursement of second prior year expenditures, subject to appropriation. The House Finance Committee concurs.
- ***Library Construction Aid.*** The Governor recommends \$2.3 million to fully fund library construction aid requirements. The state reimburses libraries up to half the total costs for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project. The three-year moratorium on the acceptance of applications for library construction aid projects ended June 30, 2014. The House Finance Committee recommends \$2.2 million, based on updated costs.
- ***Property Valuation Reimbursement.*** The Governor recommends \$0.6 million for FY 2017 and \$0.9 million for FY 2018 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. The House Finance Committee concurs.
- ***Airport Impact Aid.*** The Governor recommends the enacted level of \$1.0 million for FY 2018 to the Commerce Corporation so that the Airport Corporation can provide impact aid payments to the seven communities that host the six state airports. The community payments are made proportionately based on the number of total landings and takeoffs. The House Finance Committee concurs.
- ***FY 2018 Formula Education Aid.*** The Governor recommends \$916.5 million for school formula aid for school districts, including Central Falls, the Metropolitan Career and Technical School, Davies Career and Technical School and charter schools pursuant to the funding formula. This is \$42.0 million more than enacted and fully funds current estimates for the core formula. The House Finance Committee concurs and recommends an additional \$1.6 million to reflect March 2017 enrollment data.
- ***School of Choice Density Aid.*** The Governor's budget includes \$0.9 million for the density aid category, which provides additional state support for those districts who have at least 5.0 percent of their students enrolled at a school of choice, which includes charter schools or state schools. This is \$0.6 million less than the enacted level, reflecting year two of a phased down, three-year program. For FY 2018, six districts would be eligible for this funding which provides \$100 per pupil for every student sent to a charter or state school. The House Finance Committee recommends \$28,400 less based on updated March enrollment data.
- ***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 2018, consistent with the enacted budget. The House Finance Committee concurs.
- ***Early Childhood Funds.*** The education funding formula allows for additional resources from the state to increase access to voluntary, free, high-quality pre-kindergarten programs. The Governor recommends \$6.2 million from general revenues for FY 2018. This is \$1.1 million more than enacted and represents match on \$6.0 million in recently awarded federal funds. The House Finance Committee concurs.
- ***Transportation Funds.*** The education funding formula allows for additional resources from the state to districts for some transportation costs. The Governor recommends \$6.4 million for FY 2018, which is consistent with the FY 2017 enacted level. The state currently provides funding to mitigate a portion of the excess costs associated with transporting students to out-of-district non-public schools and within regional school districts. The House Finance Committee concurs.

- ***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 2018, which is consistent with the enacted budget. The House Finance Committee concurs.
- ***English Language Funds.*** The Governor's budget includes \$2.5 million to continue funding to support English language learners that are in the most intensive programs. The funding is calculated at the level of 10.0 percent of the Core Instruction Amount, applied to students in the most intensive English learner programs. Funds may only be used on evidence-based programs proven to increase outcomes for English learners and will be monitored by the Department of Elementary and Secondary Education. The 2016 Assembly authorized this as a one-year pilot program; the Governor recommends this category of funds be made permanent. The House Finance Committee concurs.
- ***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 2018. This includes the enacted level of \$70.9 million for the traditional program and \$9.1 million for the School Building Authority. The House Finance Committee concurs.
- ***Recovery High School.*** The Governor's budget continues providing \$0.5 million from general revenues to continue supporting the state's recovery high school, which provides programs to students recovering from substance abuse. The 2016 Assembly authorized this as a one-year pilot program, and legislation to extend it would be required but was not submitted with the budget. The House Finance Committee concurs and recommends legislation to establish a permanent appropriation for the state's recovery high school.
- ***Undistributed Savings.*** The House Finance Committee recommends \$25.0 million in unidentified statewide general revenue savings which equates to a reduction of approximately five percent to expenditures for salaries and benefits and a one percent reduction to contracted services and other operating costs within the executive branch, excluding the Department of Corrections, Eleanor Slater Hospital and Public Higher Education. The savings are included in the Department of Administration for later distribution. Some of the savings are expected to be achieved through the establishment of a new billing methodology for the state's centralized functions authorized in Article 7. The Administration also reported that it was not maximizing available non-general revenue sources under the current system.
- ***License Plate Reissuance.*** The Governor proposes a one-year delay in the start of license plate reissuance until April 2018; the reissuance should occur after the deployment of the Registry's modernized information technology system for administrative ease. The budget shifts expected revenues and expenses to account for the delay. The House Finance Committee recommends delaying reissuance to January 1, 2019 and adjusts revenues and expenditures accordingly.
- ***Integrated Tax System Support.*** The Governor's budget includes \$1.0 million from general revenues for ongoing technical support and maintenance of the Department of Revenue's new integrated tax system for which the 2016 Assembly authorized borrowing \$25.0 million through Certificates of Participation to consolidate separate Division of Taxation programs and functions into a single computer system. The House Finance Committee concurs.
- ***New Voting Equipment.*** The Governor recommends providing \$1.2 million from general revenues for the second year of a multi-year purchase and maintenance agreement for new voting equipment. The House Finance Committee concurs.
- ***Integrated Care Initiative.*** The Governor's budget assumes savings of \$16.2 million, \$7.9 million from general revenues from a plan to move long-term stay nursing home residents who are enrolled in the Rhody

Health Options managed care program back to the fee-for-service program and no longer pay Neighborhood Health Plan of Rhode Island to administer their care. The integrated care initiative began in November 2013. The House Finance Committee does not concur and continues enrollment in the managed care plan.

- ***Nursing Facility Acuity Rates.*** The Governor's budget assumes savings of \$10.7 million, \$5.2 million from general revenues by rebasing the rates paid to a nursing facility based on a resident's level of need. The House Finance Committee does not concur and restores the funding.

- ***Nursing Facilities Census Reduction.*** The Governor's budget includes savings of \$5.1 million, \$2.5 million from general revenues from assuming that the number of individuals residing in a nursing home is reduced by 2.5 percent from either transitioning the resident to a less expensive setting or delaying the transition into a home by increasing community supports. The House Finance Committee concurs.

- ***Home and Community Based Service Expansion.*** The Governor's budget adds \$6.8 million, including \$3.3 million from general revenues from expanding services in order to delay entry into a nursing home. This is in addition to the \$4.7 million, including \$2.3 million from general revenues that was required to be added at the November caseload conference for home and community based services to reflect a reduction in nursing home days in the prior fiscal years. The House Finance Committee includes \$6.0 million from the reduction in nursing home days but does not include the additional \$6.8 funding recommended by the Governor based on limiting enrollment in Rhody Health Options.

- ***Nursing Facilities Rate Freeze.*** The Governor's budget includes savings of \$11.5 million, \$5.6 million from general revenues from eliminating the scheduled October 1, 2017 nursing home rate increase in both the fee-for-service and Rhody Health Options programs. This rate freeze is not identified as a component of the Healthy Aging in the Community Initiative. The House Finance Committee concurs.

- ***Hospital Rates.*** The Governor's budget includes savings of \$15.1 million, \$5.2 million from general revenues from reducing the rates by one percent from the FY 2017 level starting January 1, 2018. The House Finance Committee does not concur and restores the savings.

- ***Home Care Rates.*** The Governor proposes increasing the rates paid to personal care attendants and home care workers in the Executive Office of Health and Human Services by seven percent and includes \$5.2 million, \$2.5 million from general revenues. This impacts services in both the managed care and fee-for-service systems. The House Finance Committee concurs with an effective date of October 1, 2017.

- ***Health System Transformation Project.*** The Governor announced the state's partnership with the federal Centers for Medicare and Medicaid Services to leverage \$130 million from federal funds over five years for the Health System Transformation Project in November 2016. The project is part of the Reinventing Medicaid initiative to provide comprehensive, quality healthcare to those enrolled in Medicaid and is intended to support hospitals, nursing facilities, and affordable care entities. The House Finance Committee provides \$8.3 million for FY 2017 and \$25.2 million for FY 2018 for provider payments and administrative expenses.

- ***Federally Qualified Health Centers Payments.*** The Governor's budget assumes savings of \$3.3 million, including \$1.2 million from general revenues, from moving all payments made to the federally qualified health centers into the rates paid by the managed care plans and anticipating that the plans will determine if the health center is the appropriate setting for treatment. The House Finance Committee concurs.

- ***Healthcare Innovation Working Group.*** The Governor's budget adds \$250,000 from general revenues in the Executive Office of Health and Human Services' FY 2018 budget for a consultant to analyze state health data and develop policy recommendations in support the Governor's Working Group for Healthcare

Innovation. This would include holding public hearings to understand state health care spending, as well as the causes and solutions to increasing costs. The House Finance Committee does not concur.

- ***Children's Health Account.*** The Governor's budget includes \$3.6 million in general revenue savings from increasing the assessment charged to commercial insurers that offsets the state cost for certain services provided to children with special health care needs by \$5,000 from \$7,500 to \$12,500. The House Finance Committee concurs.
- ***Project Sustainability - Direct Care Worker Rates.*** The Governor includes \$3.0 million from general revenues matched by Medicaid to provide a rate increase to direct care workers in the privately operated system for adults with developmental disabilities; a rate increase was also included in the FY 2017 enacted budget. The House Finance Committee includes the requested funding.
- ***Developmental Disabilities Caseload Growth.*** The Governor adds \$4.9 million, \$2.4 million from general revenues for anticipated caseload cost growth over FY 2017, based on projected costs of the state's program for developmentally disabled adults. The House Finance Committee concurs.
- ***Elderly and Disabled Transportation.*** The Governor adds \$300,000 from general revenues for a pilot program to provide 10-trip RIPTA passes to some elderly and disabled individuals who previously received free bus passes. This would cover 15,000 passes and 150,000 trips. The House Finance Committee provides sufficient funding to reinstate no-fare bus passes for two years and for recommendations to be developed for a long term solution that maximizes the availability of federal sources for this purpose.
- ***Child Care Provider Rates.*** The Governor adds \$1.0 million from general revenues to increase rates to providers who offer higher quality of care. The rates are set in statute, but the Budget does not include any legislation to effectuate the increase envisioned. The House Finance Committee does not concur.
- ***Head Start Program.*** The Governor adds \$390,000 from general revenues to increase state support for Head Start for total state support of \$1.2 million for FY 2018. The House Finance Committee concurs.
- ***Senior Services Support.*** The Governor includes the enacted level of \$400,000 from general revenues to support the state's senior services through a grant process. The House Finance Committee also includes the funding.
- ***Meals on Wheels/Elderly Nutrition Services.*** The Governor includes the enacted level of \$530,000 from general revenues to support Meal on Wheels. The House Finance Committee concurs.
- ***Respite Care.*** The Governor includes the enacted level of \$140,000 for the Diocese of Providence to support the respite care program. The House Finance Committee concurs.
- ***Veterans' Programs and Services.*** The Governor includes \$0.2 million from general revenues to support various veterans' programs and services with the Office of Veterans' Affairs determining how the funding is allocated. The House Finance Committee concurs.
- ***Department of Human Services - Community Programs.*** The Governor includes the enacted level of \$2.3 million from general revenues to support community agencies and programs including the Community Food Bank., Crossroads, Coalition Against Domestic Violence, community action agencies, Institute for the Study and Practice of Non-Violence and RI Alliance of Boys and Girls Clubs. The House Finance Committee also includes the funding.

- ***Eleanor Slater Hospital Laboratory Services - Privatization.*** The Governor’s budget includes savings of \$1.0 million, \$0.5 million from general revenues, from privatizing laboratory services at Eleanor Slater Hospital. The House Finance Committee does not concur and restores the savings.
- ***Public Higher Education Tuition and Fees.*** The Governor’s budget assumes tuition and mandatory fee increases consistent with Board approval of 7.0 percent for in-state students and 4.0 percent for out-of-state students at the University, 6.9 percent for in-state students and 5.0 percent for out-of-state students at the College, and 7.0 percent for students at the Community College. The House Finance Committee concurs.
- ***RI Promise Scholarship.*** The House Finance Committee recommends establishing a new Rhode Island Promise Scholarship program intended to provide two years of free tuition and mandatory fees at the Community College of Rhode Island for qualifying Rhode Island students. The program is intended to be a “last dollar scholarship,” meaning that after a student exhausts all other sources of student aid the program would cover the remainder of their tuition bill. Room and board and other non-mandatory fees would not be covered by this program. Recipients would be required to maintain a 2.5 grade point average and must commit to remaining in Rhode Island after graduation. The program would be implemented for four cohorts of students beginning in FY 2018 with an evaluation required after the second cohort finishes.
- ***Westerly Higher Education and Job Skills Center.*** The Governor’s budget includes \$1.3 million from general revenues in the Office of Postsecondary Commissioner to complete a two-year commitment of \$2.0 million to secure the lease for the new Westerly Higher Education and Job Skills Center. Her budget also includes \$1.5 million from restricted receipts to support the operations and staffing costs of the new facility, \$1.1 million more than enacted. The Governor’s capital plan includes \$7.0 million from all sources programmed for FY 2017 and FY 2018, including \$2.0 million from Rhode Island Capital Plan funds, \$3.0 million from private funding, and the \$2.0 million from general revenues noted above. The House Finance Committee concurs.
- ***Rhode Island Nursing Education Center.*** The Governor’s budget includes \$10.1 million in the Office of Postsecondary Commissioner for administrative costs associated with the new Rhode Island Nursing Education Center, scheduled to fully open in September 2017. This amount includes \$5.1 million for the facility’s operating and administrative expenses split between the University and the College, \$3.6 million from general revenues for the lease payments and \$1.4 million for debt service for facility equipment expenses. The Governor’s budget also shifts staffing for administration of the facility from the University and the College to the Office of Postsecondary Commissioner. The House Finance Committee concurs.
- ***Dual Enrollment Initiative.*** The Governor’s budget includes \$1.8 million for the dual and concurrent enrollment initiative to allow qualified high school students to earn college credit at no cost to the student. The recommendation includes the enacted level of \$1.3 million from tuition savings fees and \$0.5 million from new general revenue funding. The House Finance Committee recommends providing funding at the enacted level and legislation requiring state payments be limited to the amount of the appropriation and that by September 30, 2017, the Council on Postsecondary Education promulgate rules and regulations enforcing this limitation.
- ***White Horn Brook Apartments.*** The Governor’s budget includes authorization for Assembly approval of \$88.8 million from revenue bonds to construct a new 500-bed residence hall for third and fourth-year students on the University’s Kingston Campus. Annual debt service would be \$5.9 million, assuming 5.0 percent interest and a 30-year term and would be supported primarily by dorm rental charges. The House Finance Committee concurs.
- ***URI Energy Performance Contract Phase III.*** The Governor proposes issuance of \$11.6 million through Certificates of Participation for the University to begin the third phase of an energy performance

contract to purchase energy-saving improvements in buildings and infrastructure systems. Annual debt service would be \$1.1 million paid from energy savings, assuming 5.0 percent interest and a 15-year term. The House Finance Committee concurs.

- ***Principal Empowerment and Training Fund.*** The Governor's budget includes \$0.5 million from general revenues for a professional development initiative for principals, consistent with the enacted budget. The House Finance Committee concurs.

- ***Computer Science Education.*** The Governor's budget includes \$260,000 from general revenues to expand access to computer science courses for elementary and secondary students, consistent with the enacted budget. The House Finance Committee recommends \$50,000 less based on FY 2017 actual expenditures.

- ***PSAT/SAT.*** The Governor's budget includes the enacted level of \$500,000 from general revenues to provide the SAT and PSAT for free to all Rhode Island public school students and adds \$133,600 from federal funds to cover costs above the original estimate based on a contract signed in November 2016. The House Finance Committee concurs.

- ***Advanced Coursework Network.*** The Governor recommends \$550,000 to support the advanced coursework network. This is \$50,000 less than enacted in the FY 2017 budget and includes \$250,000 from general revenues and \$300,000 from permanent school funds. The program allows middle and high school students in participating districts to access career preparatory as well as college credit bearing courses from a network of providers including postsecondary institutions, community organizations, and local education authorities. The House Finance Committee concurs.

- ***Davies Advanced Manufacturing.*** The Governor recommends \$3.7 million from Rhode Island Capital Plan funds to address technology and infrastructure needs for the advanced manufacturing program at Davies Career and Technical High School. The House Finance Committee concurs.

- ***Crossroads – Enhanced Discharge Planning.*** The Governor's recommended budget includes \$250,000 from general revenues for a contract with Crossroads RI to provide discharge planning services to sex offenders, consistent with the enacted budget. The House Finance Committee recommends an additional \$0.8 million from general revenues, for total funding of \$1.1 million, to enhance the discharge planning services provided by the organization.

- ***Medication/Mediation Assisted Treatment Program.*** The Governor shifts the \$2.0 million enacted for the medication-assisted treatment of opioid users in the Adult Correctional Institutions from the Department of Corrections to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The program supports screening for opioid use disorders and conducting assessments of new inmates to determine treatment options. The recommendation assumes the general revenue funding cannot be used as match for federal funds if the appropriation is not moved. The House Finance Committee shifts funding back to the Department of Corrections and identifies other Medicaid funds as match.

- ***Recovery Housing.*** The Governor's budget includes \$200,000 from general revenues for a recovery housing pilot program to provide access to 60 individuals with behavioral health issues and a criminal justice history, in ten recovery homes that will focus on peer supports and other services, including employment and education. The House Finance Committee concurs.

- ***Outdoor Recreation Investment.*** The Governor recommends \$2.5 million from general revenues for outdoor recreation support. Funding will be used for local recreation matching grants, state and local recreation programming such as environmental education and events programming, and state capital funding for recreation-related acquisitions and maintenance. The Governor's budget identifies the source

of the new general revenues from the proposed \$0.50 cigarette tax increase, which is expected to generate \$8.7 million. The House Finance Committee rejects this proposal.

- ***Unified Merchandising Brand.*** The Governor recommends \$121,978 from restricted receipts for a new merchandising program, stemming from recommendations of the Outdoor Recreation Council’s final report: “A Vision of Outdoor Recreation in Rhode Island.” The report recommends the creation of a unified merchandising brand through collaboration between the state tourism campaign and recreation advocates. The House Finance Committee does not include this proposal.
- ***Clean Diesel.*** The Governor’s FY 2018 recommended budget includes the enacted level of \$2.0 million from general revenues to implement the Clean Diesel Program enacted by the 2016 Assembly to reduce emissions from heavy-duty diesel engines and help companies improve supply chain efficiency. The Department has begun the process to promulgate rules and regulations; no expenditures are planned for FY 2017 and the Governor removes funding from the revised FY 2017 recommendation. The House Finance Committee recommends reducing funding for FY 2018 by \$1.0 million.
- ***Highway Maintenance Account.*** The Governor proposes transferring 0.5 percent of the receipts from the Highway Maintenance Account to the Division of Motor Vehicles to cover costs of fee collection. This equates to \$0.4 million. The Budget assumes it would be used to fund \$0.5 million of salary and benefit costs. The House Finance Committee does not concur. It does recommend adjusting the FY 2017 transfer of 75.0 percent to 50.0 percent and retaining 20.0 percent in FY 2018 to the Highway Maintenance Account.
- ***Winter Maintenance.*** The Governor’s budget assumes \$19.6 million of winter maintenance expenditures in FY 2018, \$1.5 million less than enacted. The revised budget includes \$21.1 million. Based on projected expenditures, the House Finance Committee recommends \$6.0 million less in the current year.

General Revenue Surplus Statement

The following table shows the general revenue balances as recommended by the House Finance Committee. The Committee recommends an FY 2018 surplus of \$1.5 million, and has an operating deficit of \$46.3 million reflecting use of the FY 2017 surplus. The FY 2018 surplus is revenues minus the transfer to the Budget Reserve Fund minus expenditures. It represents the gap between useable revenues and expenditures. The budget reserve and cash stabilization account, the “rainy day fund” would have ending balances of \$191.6 million in FY 2016, \$192.2 million in FY 2017, and \$193.6 million in FY 2018. The account receives 3.0 percent of general revenues plus free surplus.

	FY 2016	FY 2017	FY 2018
Opening Surplus			
Free Surplus	\$ 168,038,072	\$ 167,818,207	\$ 47,816,066
Reappropriated Surplus	6,890,273	7,848,853	-
Subtotal	\$ 174,928,345	\$ 175,667,060	\$ 47,816,066
Revenues			
Actual/Enacted/Estimated	\$ 3,663,592,637	\$ 3,674,742,668	\$ 3,611,647,000
Governor	-	44,643,450	220,989,714
Assembly	-	(43,558,729)	(7,527,696)
Revenues	\$ 3,663,592,637	\$ 3,675,827,389	\$ 3,825,109,018
Cash Stabilization Fund	\$ (114,948,921)	\$ (115,309,368)	\$ (116,187,753)
Total Available Resources	\$ 3,723,572,061	\$ 3,736,185,081	\$ 3,756,737,331
Expenditures			
Actual/Enacted/Estimated	\$ 3,547,905,001	\$ 3,683,715,867	\$ 3,822,581,498
Reappropriations	-	7,848,853	-
Governor	-	8,840,255	(29,872,510)
Assembly	-	(12,035,960)	(37,489,650)
Total Expenditures	\$ 3,547,905,001	\$ 3,688,369,015	\$ 3,755,219,338
Total Surplus	\$ 175,667,060	\$ 47,816,066	\$ 1,517,993
Reappropriations	(7,848,853)	-	-
Free Surplus	\$ 167,818,207	\$ 47,816,066	\$ 1,517,993
<i>Operating Surplus/(Deficit)</i>	7,628,988	<i>(120,002,141)</i>	<i>(46,298,073)</i>
Budget Stabilization and Cash Reserve	\$ 191,581,535	\$ 192,182,280	\$ 193,646,254
Percent of Revenues	5.2%	5.2%	5.1%

Section II

Adjustments to Governor's FY 2018 Budget

	FY 2018 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
	<i>Revenue Changes</i>					
1	May Conference	(58,270,893)	-	-	-	(58,270,893)
2	Electric and Gas Distribution Transfer	12,500,000	-	-	-	12,500,000
3	Infrastructure Bank Transfer	2,500,000	-	-	-	2,500,000
4	Narragansett Bay Commission Transfer	2,500,000	-	-	-	2,500,000
5	Quonset Development Corporation Transfer	1,000,000	-	-	-	1,000,000
6	Refundable Investment Tax Credit	3,250,000	-	-	-	3,250,000
7	Refundable Job Training Tax Credit	2,000,000	-	-	-	2,000,000
8	Remote Sellers Catalog Sales	2,590,000	-	-	-	2,590,000
9	Resource Recovery Transfer	(6,000,000)	-	-	-	(6,000,000)
10	Rhode Island Housing Transfer	1,000,000	-	-	-	1,000,000
11	RIHEBC Transfers	4,800,000	-	-	-	4,800,000
12	Turnpike and Bridge Transfer	(2,600,000)	-	-	-	(2,600,000)
13	AG Settlements	580,000	-	-	-	580,000
14	Corporate Tax Payment Schedule	(200,000)	-	-	-	(200,000)
15	E-Procurement Indirect Cost Recovery	60,000	-	-	-	60,000
16	Historic Homeowner Tax Credit Carry Forward	(160,276)	-	-	-	160,276
17	Hospital License Fee at 5.57 Percent	4,236,643	-	-	-	4,236,643
18	MV Fees Transfer Adjustment	9,360,000	-	-	-	9,360,000
19	Plate Reissuance - to Jan 2019	(1,813,170)	-	-	-	(1,813,170)
20	Registration Refunds	[539,000]	-	-	-	[539,000]
21	Sales and Use Tax for Document Fees	1,800,000	-	-	-	1,800,000
22	Tax Amnesty	12,500,000	-	-	-	12,500,000
23	Truck Registration Fees to Prior Level	840,000	-	-	-	840,000
	Total	(7,527,696)	19,241,445	(11,946,497)	(20,476,363)	(20,709,111)
	<i>Expenditures Changes</i>					
	Statewide					
24	Undistributed Savings	(25,000,000)	-	-	-	(25,000,000)
	Administration					
25	Capital - Chapin Health Laboratory	-	-	-	(2,500,000)	(2,500,000)
26	Capital - Dunkin Donuts Center	-	-	-	500,000	500,000
27	Capital - McCoy Stadium Repairs	-	-	-	(101,761)	(101,761)
28	Capital - Pastore Power Plant	-	-	-	150,000	150,000
29	Capital - RI Convention Center Authority	-	-	-	250,000	250,000
30	Capital Asset Management & Maintenance 4.0 New Positions	(661,686)	-	-	-	(661,686)
31	City Year	50,000	-	-	-	50,000
32	Contractors' Registration Board Staffing (3.0 FTE)	-	-	(250,000)	-	(250,000)
33	Disparity Study	(100,000)	-	-	-	(100,000)
34	Electric Vehicle Rebate Program	(250,000)	-	-	-	(250,000)
35	Energy Resources Staffing (1.0 FTE)	-	-	(132,538)	-	(132,538)
36	E-Procurement	-	-	540,000	-	540,000
37	Fraud and Waste Data Tool - Shift from FY 2017	1,440,000	-	-	-	1,440,000

	FY 2018 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
38	Human Resources 4.0 New Positions	(545,385)	(53,789)	(26,894)	(26,894)	(652,962)
39	Labor Contract Negotiations	(130,000)	-	-	-	(130,000)
40	Library Construction Aid	(158,661)	-	-	-	(158,661)
41	New Building Code Positions (2.0 FTE)	(364,728)	-	-	-	(364,728)
42	New Senior Economic and Policy Analyst (2.0 FTE)	(235,886)	-	-	-	(235,886)
43	Office of Regulatory Reform - Staffing and Operations	(307,999)	-	-	-	(307,999)
44	Pay for Success Program	(400,000)	-	-	-	(400,000)
45	Personnel Classification and Compensation Study - Implementation	(250,000)	-	-	-	(250,000)
46	Purchasing - Administrator	(91,946)	-	-	-	(91,946)
47	Refunding Debt Savings	(1,936,480)	-	-	-	(1,936,480)
48	Refunding Debt Savings - CCA	(2,000,000)	-	-	-	(2,000,000)
49	RIPTA Debt Service	(1,601,590)	-	-	1,601,590	-
	Business Regulation					
50	OHIC - Lost Federal Funds	(147,000)	-	-	-	(147,000)
51	Turnover and New Positions	(300,000)	-	-	-	(300,000)
	Executive Office of Commerce					
52	Deputy Secretary of Commerce	(225,000)	-	-	-	(225,000)
53	First Wave Closing Fund	1,800,000	-	-	-	1,800,000
54	Housing Resources Commission Lead Abatement	-	-	590,529	-	590,529
55	I-195 Redevelopment Fund	(8,100,000)	-	-	-	(8,100,000)
56	Innovation Vouchers	(1,500,000)	-	-	-	(1,500,000)
57	Main Street Streetscape	(500,000)	-	-	-	(500,000)
58	Municipal Technical Assistance Fund	(250,000)	-	-	-	(250,000)
59	National Security Infrastructure Fund	(200,000)	-	-	-	(200,000)
60	Polaris Manufacturing Extension Partnership to Enacted	(300,000)	-	-	-	(300,000)
61	P-Tech	(1,200,000)	-	-	-	(1,200,000)
62	Rebuild RI	(7,500,000)	-	-	-	(7,500,000)
63	University Research Collaborative	(150,000)	-	-	-	(150,000)
64	Urban Ventures	140,000	-	-	-	140,000
65	Wavemaker	(800,000)	-	-	-	(800,000)
	Labor and Training					
66	America's Promise Grant	-	1,540,302	-	-	1,540,302
67	Capital - Center General Asset Protection	-	-	-	500,000	500,000
68	Public Relations (1.0 FTE)	(11,521)	(69,127)	(11,521)	(23,042)	(115,211)
69	Shift to Discretionary Sources	(400,000)	-	400,000	-	-
70	Workplace Regulation and Safety (4.0 FTE)	(245,729)	-	(155,008)	-	(400,737)
	Revenue					
71	Car Tax Phase-Out	26,000,000	-	-	-	26,000,000
72	Central Falls Operating	600,000	-	-	-	600,000
73	DMV RIMS Staff (6.0 FTE)	130,455	-	-	-	130,455

	FY 2018 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
74	Plate Reissuance - to Jan 2019	(3,000,000)	-	-	-	(3,000,000)
75	Tax Amnesty Administration	500,000	-	-	-	500,000
	Legislature					
76	Personnel and Operating	(2,000,000)	-	-	-	(2,000,000)
	Office of the General Treasurer					
77	CollegeBoundSaver Transfer Accounting	-	-	-	(8,000,000)	(8,000,000)
78	Crime Victim Compensation Grants	-	200,000	-	-	200,000
79	Retirement System New Counselors (2.0	-	-	118,170	-	118,170
80	Unclaimed Property	-	-	2,420,834	-	2,420,834
	Public Utilities Commission					
81	Administrative Assistant (2.0 FTE)	-	-	(171,786)	-	(171,786)
82	Chief Program Development (1.0 FTE)	-	-	(119,192)	-	(119,192)
83	Deputy Chief of Legal Services (1.0 FTE)	-	-	(129,669)	-	(129,669)
84	Fiscal Management Officer (1.0 FTE)	-	-	(89,183)	-	(89,183)
85	Regulatory Research Specialist (1.0 FTE)	-	-	(87,204)	-	(87,204)
	Executive Office of Health and Human Services					
86	Children's Health Insurance Enhanced Claiming	(3,616,650)	3,616,650	-	-	-
87	Enhanced Medicaid Claiming Technical Assistance	250,000	250,000	-	-	500,000
88	Excess Contract Spending	(1,943,500)	(1,943,500)	-	-	(3,887,000)
89	Graduate Medical Education	4,000,000	-	-	-	4,000,000
90	Health Analytics and Policy	(250,000)	-	-	-	(250,000)
91	Health System Transformation Project - Incentive Payment	-	23,500,000	-	-	23,500,000
92	Health System Transformation Project - Workforce Training Investments	-	2,200,000	-	-	2,200,000
93	Home Care Rate Oct. 1 Implementation	(626,512)	(661,019)	-	-	(1,287,531)
94	Hospital Rates to Current Law	5,531,981	10,693,593	-	-	16,225,574
95	Hospital UPL Payments Elimination	(4,718,149)	(6,881,366)	-	-	(11,599,515)
96	Integrated Care Initiative/Healthy Aging	4,566,233	4,817,723	-	-	9,383,956
97	Logisticare Contract Extension	(371,364)	(528,366)	-	-	(899,730)
98	Long Term Care Rebalancing - Home Modification	[250,000]				[250,000]
99	Managed Care Administration	(2,672,845)	(4,385,197)	-	-	(7,058,042)
100	Medicaid Caseload - May Conference	9,961,870	(17,049,470)	(1,910,732)	-	(8,998,332)
101	Nursing Home Acuity	5,224,523	5,512,270	-	-	10,736,793
102	Turnover	(600,000)	-	-	-	(600,000)
	Children, Youth and Families					
103	18-21 year olds - Enhanced Medicaid Claiming	(2,000,000)	2,000,000	-	-	-
104	18-21 year olds - Enhanced Medicaid Claiming - Prior Year	(2,000,000)	2,000,000	-	-	-

	FY 2018 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
105	Capital - Training School - Maintenance Building	-	-	-	(150,000)	(150,000)
106	Capital - Training School Repairs/Improvements	-	-	-	100,000	100,000
107	Casey Foundation	-	-	29,776	-	29,776
	Health					
108	3.0 New Positions	(326,534)	-	-	-	(326,534)
109	Lead Poisoning Prevention	-	-	(590,529)	-	(590,529)
110	New Scene Investigator Position	(105,592)	-	-	-	(105,592)
111	Shift to Indirect Cost Recovery Receipts	(500,000)	-	500,000	-	-
112	Tobacco Cessation	(500,000)	-	-	-	(500,000)
	Human Services					
113	Bus Pass Funding - RIPTA	(300,000)	-	-	-	(300,000)
114	Cash Assistance Caseload - May Conference	4,942	2,039,414	-	-	2,044,356
115	Child Care Reimbursement Enhancement	(1,000,000)	-	-	-	(1,000,000)
116	Child Care to available TANF Block Grant	(2,800,000)	2,800,000	-	-	-
117	ORS - Medicaid Match Correction	-	112,175	-	-	112,175
118	RIPAE Correction	-	-	120,693	-	120,693
119	Transportation - Medicaid Match Correction	(500,000)	500,000	-	-	-
120	Veterans Home Funding to FY 2017	-	(40,000,000)	-	-	(40,000,000)
	BHDDH					
121	Administrative Match Correction	(208,000)	208,000	-	-	-
122	BH - Overdose Prevention & Intervention	-	2,167,007	-	-	2,167,007
123	Capital - Hospital Reorganization	-	-	-	1,000,000	1,000,000
124	Capital - Regional Center Repair	-	-	-	(200,000)	(200,000)
125	Hospital Lab Alternate Efficiencies	500,000	500,000	-	-	1,000,000
126	Hospital License Fee	(51,661)	(123,038)	-	-	(174,699)
127	Medication Assistance Treatment Program - Back to DOC	(2,000,000)	-	-	-	(2,000,000)
128	Oasis Wellness and Recovery Center	-	[250,000]	-	-	-
129	Third Party Billing to Enacted Level	(1,600,000)	-	1,600,000	-	-
130	Youth Treatment Implementation Grant	-	600,000	-	-	600,000
	Child Advocate					
131	Enhanced Staffing (1.0 FTE)	111,791	-	-	-	111,791
	Elementary & Secondary Education					
132	Capital - Davies School HVAC	-	-	-	(1,499,000)	(1,499,000)
133	Capital - Met School HVAC	-	-	-	2,173,000	2,173,000
134	Computer Science to FY 2017 Spend	(50,000)	-	-	-	(50,000)
135	Council of Chief State School Officers	-	-	800,000	-	800,000
136	ELL New Regulations Training	(60,000)	-	-	-	(60,000)
137	Kindergarten Entry Profile (RTTT)	(200,000)	-	-	-	(200,000)
138	March Data Update	1,467,703	-	-	-	1,467,703

	FY 2018 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
139	Nellie Mae Grant	-	-	65,728	-	65,728
	Shift Personnel Costs to Indirect Cost	(100,000)				
140	Recovery		-	100,000	-	-
141	Stabilization Fund - State Schools	137,577	-	-	-	137,577
142	Teacher Retirement Update	1,174,000	-	-	-	1,174,000
143	Turnover	(375,000)	-	-	-	(375,000)
	Higher Education					
144	Capital - RIC Residence Hall	-	-	-	(3,000,000)	(3,000,000)
145	Dual Enrollment Increase	(500,000)	-	-	-	(500,000)
146	RI Promise Scholarship/Higher Education	(4,500,000)	-	-	-	(4,500,000)
147	Small Business Development Center	100,000	-	-	-	100,000
	Historical Preservation & Heritage Commission					
148	Turnover	(47,572)	-	-	-	(47,572)
	Attorney General					
149	Forfeiture Funds Adjustment	-	15,208,783	(15,208,783)	-	-
	Corrections					
150	Crossroads - Enhanced Discharge Planning	800,000	-	-	-	800,000
151	Federal Asset Forfeiture	-	35,000	(35,000)	-	-
152	Medication Assistance Treatment Program - Back to DOC	2,000,000	-	-	-	2,000,000
153	New Mental Health Services and Staffing (3.0 FTE)	(410,735)	-	-	-	(410,735)
154	Population - Per Diem	(787,260)	-	-	-	(787,260)
	Judicial					
155	State Justice Institute Grant	-	-	18,000	-	18,000
	Military Staff					
156	Counterdrug Asset Forfeiture	-	29,500	(29,500)	-	-
	Public Safety					
157	Batterers Intervention Program	(100,000)	-	-	-	(100,000)
158	Civilian Support Positions (2.0 FTE)	(199,788)	-	-	-	(199,788)
159	Cybersecurity Positions (2.0 FTE)	(256,831)	-	-	-	(256,831)
160	EMA to Stand-Alone Agency	(1,734,470)	(14,775,673)	(450,095)	(1,494,414)	(18,454,652)
161	Fingerprint Equipment	(100,000)	-	-	-	(100,000)
162	Maintenance & Capital Projects Positions (2.0 FTE)	(236,675)	-	-	-	(236,675)
163	Municipal Police Training - New Vehicle	(30,000)	-	-	-	(30,000)
164	New Capitol Police Officers and Screeners	(366,470)	-	-	-	(366,470)
165	New Commissioner and Support Staff (3.0 FTE)	(517,154)	-	-	-	(517,154)
166	Public Information Officer (1.0 FTE)	(151,742)	-	-	-	(151,742)
167	State Police - Taskforce Reimbursement	-	-	103,212	-	103,212
168	State Police Federal Forfeiture Funds Adjustment	-	405,900	(405,900)	-	-

	FY 2018 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
169	Sworn Member Training	(200,000)	-	-	-	(200,000)
170	Technician - Bomb Squad (1.0 FTE)	(77,481)	-	-	-	(77,481)
	Public Defender					
171	New Attorney (1.0 FTE)	(112,229)	-	-	-	(112,229)
172	Pre-Arrest Division Program	(185,000)	-	-	-	(185,000)
	Emergency Management Agency					
173	EMA to Stand-Alone Agency	1,734,470	14,775,673	450,095	1,494,414	18,454,652
	Environmental Management					
174	Capital - Natural Resources Offices/Visitor's Center	-	-	-	(4,500,000)	(4,500,000)
175	Clean Diesel	(1,000,000)	-	-	-	(1,000,000)
176	Excess Eisenhower House Receipts	(100,000)	-	-	-	(100,000)
177	Local Agriculture and Seafood Grants	(200,000)	-	-	-	(200,000)
178	Minimum Wage Adjustment	(54,230)	-	-	-	(54,230)
179	New Environmental Protection Staff (2.0	(162,386)	-	-	-	(162,386)
180	Outdoor Recreation	(2,500,000)	-	-	-	(2,500,000)
181	Volvo Ocean Race to Commerce Tourism Funds	(775,000)	-	-	-	(775,000)
	Coastal Resources Management Council					
182	Capital - Green Pond Dredging Study	-	-	-	50,000	50,000
183	Capital - RI Coastal Storm Risk Study	-	-	-	(375,000)	(375,000)
184	Turnover and Operations	(70,754)	-	-	-	(70,754)
	Transportation					
185	Capital - Highway Match Program	-	-	-	3,400,000	3,400,000
186	Capital - Portsmouth Facility	-	-	-	(575,256)	(575,256)
187	Capital - Salt Storage	-	-	-	750,000	750,000
188	Capital - T.F. Green Airport Improvements	-	-	-	2,000,000	2,000,000
189	Federal Highway Projects	-	12,000,000	-	(12,000,000)	-
190	Turnover	-	(2,000,000)	-	-	(2,000,000)
	Total	(37,489,650)	19,241,445	(11,946,497)	(20,476,363)	(50,671,065)

FY 2018 Changes to Governor

Revenue Changes

- 1. May Conference.** The May 2017 Revenue Estimating Conference decreased the FY 2018 forecast to \$3,572.1 million based on its FY 2017 revisions and the new economic forecast. The estimate is \$87.4 million less than the November estimate, and \$58.3 million less than the Governor's proposed budget, for which recommended changes could not be included in the estimate.
- 2. Electric and Gas Distribution Transfer.** The House Finance Committee recommends that the electric and gas distribution company transfer \$12.5 million to state general revenues by June 30, 2018 from the Public Utilities Commission approved 2018 System Reliability and Energy Efficiency and Conservation Procurement Programmatic Budget Plan.
- 3. Infrastructure Bank Transfer.** The Governor's FY 2018 recommended budget includes a transfer of \$1.0 million from the Infrastructure Bank to state general revenues by June 30, 2018. As of October 2016, the Infrastructure Bank's unrestricted balance was \$57.6 million including liquid assets of \$5.4 million. The House Finance Committee recommends an additional transfer of \$2.5 million, for a total of \$3.5 million.
- 4. Narragansett Bay Commission Transfer.** The Governor's FY 2018 recommended budget includes a transfer of \$2.5 million from the Narragansett Bay Commission to state general revenues by June 30, 2018. As of May 2017, the Commission's unrestricted balance was \$72.6 million including liquid assets of \$18.2 million. The House Finance Committee recommends an additional transfer of \$2.5 million, for a total of \$5.0 million.
- 5. Quonset Development Corporation Transfer.** The House Finance Committee recommends a transfer of \$1.0 million from the Quonset Development Corporation to state general revenues by June 30, 2018.
- 6. Refundable Investment Tax Credit.** The House Finance Committee does not concur with the Governor's budget proposal to establish a new refundable investment tax credit for qualifying business capital investments. The initiative is valued at \$3.3 million, and the Committee's recommendation adjusts revenues accordingly.
- 7. Refundable Job Training Tax Credit.** *The House Finance Committee does not concur with the Governor's proposal to establish a new refundable jobs training tax credit for manufacturers and businesses in targeted industries for training qualifying employees. The initiative is valued at \$2.0 million, and the Committee's recommendation adjusts revenues accordingly.*
- 8. Remote Sellers Catalog Sales.** The House Finance Committee concurs with the Governor's requested amendment to include catalog sellers as part of the proposal related to remote sellers to collect and remit sales and use taxes or be responsible for multiple notifications. This is expected to yield \$2.6 million in additional revenues beyond the revised estimate for the original proposal.
- 9. Resource Recovery Transfer.** The House Finance Committee does not concur with the Governor's proposal requiring that the Resource Recovery Corporation transfer \$6.0 million to general revenues by June 30, 2018.
- 10. Rhode Island Housing Transfer.** The House Finance Committee recommends a transfer of \$1.0 million from Rhode Island Housing to state general revenues by June 30, 2018.

11. RIHEBC Transfer. The Governor's FY 2018 recommended budget includes a transfer of \$1.2 million from the Rhode Island Health and Educational Building Corporation to state general revenues by June 30, 2018. The Corporation's FY 2016 annual report indicates reserves of \$11.9 million as of June 30, 2016. The House Finance Committee recommends an additional transfer of \$4.8 million, for a total of \$6.0 million.

12. Turnpike and Bridge Transfer. The House Finance Committee does not concur with the Governor's proposal requiring that the Rhode Island Turnpike and Bridge Authority transfer \$2.6 million to state general revenues by June 30, 2018.

13. AG Settlements. The House Finance Committee increases revenues by \$580,000 to reflect a settlement received through the Office of the Attorney General.

14. Corporate Tax Payment Schedule. The House Finance Committee concurs with the Governor's requested budget amendment to change the corporate tax payment schedule to align the state's practices with federal reporting timelines and recognized best practices. The current payment schedule requires two payments equal to 100 percent of estimated payments in the first six months of the tax year, which results in carry forward balances to the next fiscal year. The schedule requires four payments and allocates half of estimated payments to each six month period. Changing the payment schedule will avoid a revenue loss of at least \$10.0 million related to how deferred revenue is accounted for in FY 2017, which was identified after completion of the May consensus revenue estimate. The change is estimated to reduce FY 2018 general revenues by \$0.2 million.

15. E-Procurement Indirect Cost Recovery. The House Finance Committee concurs with the Governor's requested amendment to authorize the chief purchasing officer to establish, charge, and collect a statewide contract administrative fee not to exceed 1.0 percent of master price agreements from vendors. Anticipated collections of \$0.6 million would add \$60,000 to general revenues from the 10.0 percent indirect cost recovery charge.

16. Historic Homeowner Tax Credit Carry Forward. The House Finance Committee recommends allowing taxpayers currently in possession of Historic Homeownership Assistance Act certification to claim those existing tax credits. The 2009 Assembly enacted personal income tax reforms that lowered rates and eliminated the ability to claim a variety of tax credits, including this one. The Division of Taxation reports that 115 taxpayers had \$0.8 million available to carry forward when this change occurred. Reinstating the ability to take credits reduces revenues by \$95,511 for FY 2017 and \$160,276 for FY 2018. The remaining credits would be taken in subsequent years.

17. Hospital License Fee at 5.57 Percent. The House Finance Committee increases revenue by \$4.2 million from changing the hospital license fee from 5.652 percent to 5.57 percent in FY 2018 based on updated 2016 revenues. Total license fees collected would be \$173.1 million including \$166.6 million from community hospital payments and \$6.4 million from state payments for Eleanor Slater Hospital.

18. MV Fees Transfer Adjustment. The 2014 Assembly adopted a schedule to transfer transportation related fees collected by the Division of Motor Vehicles to the Highway Maintenance Account, incrementally beginning with 25.0 percent in FY 2016, 75.0 percent in FY 2017 and all in FY 2018. The House Finance Committee recommends retaining 20.0 percent in FY 2018 and the associated \$9.4 million in revenues. All funds collected in FY 2019 would be transferred to the account.

19. Plate Reissuance - to Jan 2019. Rhode Island General Law Section 31-3-33 requires that the state issue new fully reflective license plates no less than every ten years. The Governor's proposed budget Article 4 delays the mandatory reissuance of fully reflective license plates from April 1, 2017 to April 1,

2018. The House Finance Committee recommends delaying this until January 1, 2019 and adjusts revenues and expenditures accordingly.

20. Registration Refunds. The House Finance Committee recommends an initiative proposed by the Department of Revenue, but not included in the Governor's budget, to end the practice of providing refunds for registrations that are valid for more than one year at the time they are returned to the Division of Motor Vehicles. This is estimated to result in an additional \$539,000 in resources for the Highway Maintenance Account annually based on recent average refunds.

21. Sales and Use Tax for Document Fees. The House Finance Committee recommends an initiative proposed by the Department of Revenue, but not included in the Governor's budget to include document and title preparation fees charged by motor vehicle dealers in the sales price that is subject to state sales tax. The Department reports an average of 2,000 transactions weekly with an average cost of \$250; taxing those at the 7.0 percent rate would yield \$1.8 million. Massachusetts, Connecticut, Vermont and Florida currently tax these fees. The change would be done administratively and does not require a statutory adjustment.

22. Tax Amnesty. The House Finance Committee recommends \$12.5 million in additional general revenues from enacting the state's fifth 75-day tax amnesty initiative, ending February 15, 2018. Filers will not be subject to penalties or prosecution and will pay interest as computed under Rhode Island General Law, Section 44-1-7, reduced by 25.0 percent. Filers may enter into a tax payment plan with the tax administrator. The Budget assumes \$12.5 million in one-time revenues and expenditures of \$0.5 million for expenses relating to the Tax Amnesty, making the net impact \$12.0 million.

23. Truck Registration Fees to Prior Level. The 2016 Assembly adopted legislation establishing a new schedule for annual registration fees for commercial trucks, truck tractors, and truck trailers with gross vehicle weight of over 10,000 pounds that are used for commercial purposes, effective July 1, 2017. The House Finance Committee recommends repealing that change. This results in \$4.2 million of additional resources annually for transportation, with \$0.8 million impacting general revenues for FY 2018 only.

Expenditures Changes

Statewide

24. Undistributed Savings. The House Finance Committee recommends \$25.0 million in general revenue savings which equates to a reduction of approximately five percent to expenditures for salaries and benefits and a one percent reduction to contracted services and other operating costs within the executive branch, excluding the Department of Corrections, Eleanor Slater Hospital and Public Higher Education. The savings are included in the Department of Administration for later distribution. Some of the savings are expected to be achieved through the establishment of a new billing methodology for the state's centralized functions authorized in Article 7. The Administration also reported that it was not maximizing available non-general revenue sources under the current system.

Administration

25. Capital - Chapin Health Laboratory. The recommended capital budget includes a total of \$6.8 million to be used in FY 2017 and FY 2018 to renovate the Chapin Health Laboratory. Infrastructure updates will include laboratory exhaust retrofit, new decomposition room ventilation, a new boiler system and upgrading the heating, ventilating and air conditioning system. Based on a project delay, the House Finance Committee concurs with the total project costs; however, includes \$0.1 million in FY 2017, \$3.6 million in FY 2018, \$2.0 million in FY 2019 and \$1.2 million in FY 2020.

- 26. Capital - Dunkin Donuts Center.** The House Finance Committee concurs with the Governor's requested amendment to shift \$1.0 million from Rhode Island Capital Plan funds for renewal and replacement expenses for the Dunkin Donuts Center from FY 2017 and to include \$0.5 million each in FY 2018 and FY 2019 based on anticipated expenditures.
- 27. Capital - McCoy Stadium Repairs.** The House Finance Committee concurs with the Governor's requested amendment to shift \$0.1 million from Rhode Island Capital Plan funds from FY 2018 to FY 2017 based on anticipated expenditures for the McCoy Stadium building assessment study and minor repairs being completed.
- 28. Capital - Pastore Center Power Plant.** The House Finance Committee concurs with the Governor's requested amendment to reduce project costs of the Pastore Center Power Plant by \$650,000 from Rhode Island Capital Plan funds. This includes a savings of \$800,000 in the current year and adding \$150,000 in FY 2018 based on the Department's updated construction costs.
- 29. Capital - RI Convention Center Authority.** The FY 2017 revised budget includes \$1.8 million from Rhode Island Capital Plan funds for improvements to the Convention Center facility. The Governor requested an amendment to shift \$750,000 from FY 2017 to FY 2018 through FY 2020, including \$250,000 in each year. The House Finance Committee concurs and adjusts expenditures accordingly.
- 30. Capital Asset Management and Maintenance 4.0 New Positions.** The House Finance Committee does not concur with the Governor's recommendation to provide \$0.7 million from general revenues to fund 4.0 new senior level positions in the new Division of Capital Asset Management and Maintenance and adjusts funding and staffing accordingly. The positions were requested and recommended as part of the FY 2017 budget; however, they were not authorized by the Assembly but filled anyway.
- 31. City Year.** The House Finance Committee recommends an additional \$50,000 from general revenues for total funding of \$100,000 to City Year for the Whole School Whole Child Program, which provides individualized support to at-risk students.
- 32. Contractors' Registration Board Staffing (3.0 FTE).** The House Finance Committee recommends reducing staffing in the Contractors' Registration Board by three positions and includes a savings of \$250,000 from restricted receipts. The Board is currently staffed by 12.0 full-time equivalent positions.
- 33. Disparity Study.** The Governor recommended \$0.1 million from general revenues for a vendor to conduct a disparity study to examine procurement practices of state agencies that purchase goods and services pursuant to the provisions of the State Purchasing Act. The House Finance Committee does not recommend funding as it is likely that this study will take several years and actual costs have not been determined.
- 34. Electric Vehicle Rebate Program.** The Office of Energy Resources currently administers an electric vehicle rebate program, which provides a rebate of up to \$2,500 for the purchase or lease of new electric vehicles. This program is currently funded from restricted sources. The Governor proposes legislation to establish this program in statute and recommends \$250,000 from general revenues to fund it. The House Finance Committee does not concur and removes the general revenue funding.
- 35. Energy Resources Staffing (1.0 FTE).** The Governor's budget includes \$0.1 million from restricted receipts to fund a new chief program development position in the Office of Energy Resources. The House Finance Committee does not concur and adjusts staffing and funding accordingly.
- 36. E-Procurement.** The House Finance Committee concurs with the Governor's requested amendment authorizing the chief purchasing officer to establish, charge, and collect a statewide contract administrative

fee not to exceed 1.0 percent of master price agreements from vendors. Based on anticipated collections, the Committee includes expenditures of \$540,000 from restricted receipts for the development of an e-procurement system.

37. Fraud and Waste Data Tool – Shift from FY 2017. The revised budget includes a total of \$1.5 million, including \$0.5 million for annual service agreements and \$1.0 million to purchase a fraud and waste data tool that will combine data across agencies, including the Department of Labor and Training, the Department of Revenue and health and human service agencies to detect fraud and waste. The House Finance Committee concurs with the Governor’s requested amendment to shift \$1.4 million to FY 2018, based on a project delay.

38. Human Resources 4.0 New Positions. The House Finance Committee does not concur with the Governor’s recommendation to provide \$0.7 million from all sources, including \$0.5 million from general revenues to fund four new positions in the Division of Human Resources and \$30,000 for staff training. The positions consist of an executive director to provide strategic leadership, an administrative officer, a human resources analyst and a director of recruitment.

39. Labor Contract Negotiations. The House Finance Committee does not concur with the Governor’s recommendation to include \$0.1 million from general revenues for labor contract negotiation costs.

40. Library Construction Aid. The House Finance Committee includes general revenue savings of \$158,661 based on updated library construction aid costs, for which the FY 2018 recommended budget includes \$2.3 million. 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.

41. New Building Code Positions (2.0 FTE). The recommended budget includes \$0.4 million from general revenues to fund three new positions for the Building Code Commission, consisting of chief inspectors of plumbing and mechanical, building codes, and electrical. The Governor increased the staffing authorization by two; the third position would be filled within the Division’s current authorization. The House Finance Committee does not concur and adjusts funding and staffing accordingly.

42. New Senior Economic and Policy Analyst (2.0 FTE). The House Finance Committee does not concur with the Governor’s recommendation to include \$0.2 million from general revenues to fund 2.0 new economic and policy positions in the Office of Performance Management. The Department included funding for these positions as part of its FY 2017 budget request; however, the Assembly did not concur and removed the funding. It appears that both positions were filled anyway.

43. Office of Regulatory Reform - Staffing and Operations. The House Finance Committee recommends funding the Office of Regulatory Reform at the enacted level. The Governor had recommended an additional \$0.3 million from general revenues for a new senior economic policy analyst, a policy intern and personnel upgrades of several positions in the Office.

44. Pay for Success Program. The House Finance Committee removes the recommended funding of \$0.4 million from general revenues for the Pay for Success Program, intended to increase employment and reduce recidivism of formerly incarcerated individuals. It was first funded in FY 2017 but has not yet been implemented.

45. Personnel Classification and Compensation Study – Implementation. The recommended budget includes \$250,000 from general revenues for implementation of the Personnel Classification and Compensation Study. This would bring total funding to \$1.5 million; this also includes \$250,000 for

implementation in FY 2017. The House Finance Committee does not recommend additional funding for implementation.

46. Purchasing – Administrator. The House Finance Committee does not concur with the Governor’s recommendation to add \$0.1 million from general revenues for a new administrator position in the Division of Purchasing and recommends removing funding and adjusting staffing authorization accordingly. The position was also requested and recommended as part of the FY 2017 budget; however, the Assembly did not concur and removed the funding as well as the staffing authorization.

47. Refunding Debt Savings. The House Finance Committee concurs with the Governor’s requested amendment to include general revenue savings of \$1.9 million from lower than anticipated interest rates from a recent refunding of general obligation bonds.

48. Refunding Debt Savings – CCA. As of June 30, 2016, the Convention Center Authority had \$203.9 million in outstanding bonds, including \$66.1 million from its 2009 Series A, which the Authority anticipates refinancing. The House Finance Committee includes debt service savings of \$2.0 million to reflect the expected savings. Under the terms of the lease agreement between the state and the Authority, the minimum rentals payable to the state in any fiscal year are equal to the gross debt service costs in that year; the state is responsible for covering any operating shortfalls and recoups any operating profits.

49. RIPTA Debt Service. The House Finance Committee recommends providing the Authority with additional resources beyond its current five percent share from the Highway Maintenance Account sufficient to cover its debt service payments. The Governor recommended \$1.6 million from general revenues to continue paying this expense. The Authority’s debt service payment was proposed to be paid with general revenues for two years to help reduce its projected operating shortfalls in FY 2013 and FY 2014; it has been funded from general revenues since then.

Business Regulation

50. OHIC - Lost Federal Funds. The House Finance Committee does not concur with the Governor’s recommendation to add \$147,000 from general revenues to fund positions in the Office of the Health Insurance Commissioner previously funded from federal grant funds. The 2016 Assembly provided an additional \$0.3 million from general revenues to support staff previously funded from federal funds. The federal grant ended September 2016.

51. Turnover and New Positions. The House Finance Committee does not concur with the Governor’s proposal to add \$0.3 million from general revenues and 10.0 additional full-time equivalent positions in the Department of Business Regulation. Six vacancies were reduced in the enacted budget; however, no funding was eliminated. The Department reports that all but one position has been filled.

Executive Office of Commerce

52. Deputy Secretary of Commerce. The House Finance Committee recommends maintaining the Deputy Secretary of Commerce vacancy to achieve general revenue savings of \$225,000 in the Executive Office for FY 2018.

53. First Wave Closing Fund. The House Finance Committee recommends an additional \$1.8 million to the First Wave Closing Fund for FY 2018. The 2015 Assembly established the fund to provide financing to ensure that certain transactions that are critical to the state’s economy occur, subject to the Commerce Corporation’s Board approval. The program sunsets on December 31, 2018. The enacted budget includes \$7.0 million and the FY 2016 budget provided \$5.0 million.

54. Housing Resources Commission Lead Abatement. The House Finance Committee does not concur with the Governor's proposal to allow the Department of Health to obtain an annual transfer of not less than \$590,000 from the Housing Resources Commission's share of the Real Estate Conveyance Tax to fund a consolidated lead poisoning program. It adjusts funding and staffing accordingly.

55. I-195 Redevelopment Fund. The Governor's recommended budget includes \$10.1 million from general revenues for the I-195 Redevelopment Fund. The 2015 Assembly created the I-195 Redevelopment Project Fund to provide developers and businesses with financing for capital investment, including land acquisition in order to promote the development of the land. The FY 2016 enacted budget allocated \$25.0 million from general revenues to the Fund. The House Finance Committee recommends adding only \$2.0 million, which is \$8.1 million less than the Governor.

56. Innovation Vouchers. The Governor recommended legislation to expand the eligible uses of innovation vouchers to include internal activities small business manufacturers consistent with those authorized under current law. The recommendation reserves a portion of the proposed \$2.5 million for vouchers for small business manufacturers. The House Finance Committee accepts the proposed expansion to the program, and recommends a total of \$1.0 million, provided no more than 50.0 percent be reserved for small business manufacturers.

57. Main Street Streetscape. The Governor's budget recommendation includes \$1.0 million for the Main Street Streetscape program for FY 2018. The Commerce Corporation is authorized to award loans, matching grants and other forms of financing to enhance sidewalks, signage of public space and lighting in order to create an attractive environment in local business districts. The FY 2016 and FY 2017 budgets included \$1.0 million each, and FY 2018 funding represents a third installment. The House Finance Committee recommends a total of \$0.5 million for FY 2018.

58. Municipal Technical Assistance Fund. The House Finance Committee does not concur with the Governor's recommendation to include \$250,000 from general revenues to establish a new fund at the Commerce Corporation to award loans, grants and other forms of financing to support municipalities' access to technical assistance to evaluate and streamline zoning, planning, and permitting codes and processes.

59. National Security Infrastructure Fund. The House Finance Committee does not concur with the Governor's recommendation to include \$0.2 million from new general revenues for the National Security Infrastructure Fund. The Fund was authorized in Chapter 30-32 of the Rhode Island General Laws by the 2005 Assembly. The fund was established to provide grants and loans in support of national security infrastructure and supporting strategies to repurpose surplus defense facilities and properties.

60. Polaris Manufacturing Extension Partnership to Enacted. The House Finance Committee recommends funding the Polaris Manufacturing Extension Partnership at the enacted level of \$250,000 for FY 2018 in the Commerce Corporation's budget. Polaris is a Providence-based nonprofit organization and is a division of the University of Rhode Island's Research Foundation. The Governor's budget transfers funding from the University of Rhode Island Corporation and proposed \$300,000 in additional general revenue support.

61. P-Tech. The House Finance Committee removes the new \$1.2 million from general revenues in the recommended budget for the High School, College, and Employer Partnerships program for FY 2018; existing funding remains available for the program to continue. The FY 2017 budget includes \$1.2 million and \$0.9 million was provided in FY 2016.

62. Rebuild RI. The House Finance Committee recommends reducing the Rebuild Rhode Island Tax Credit program by \$7.5 million based on the program's estimated disbursement schedule. The Rebuild

Rhode Island Tax Credit program establishes a real estate development tax credit for qualified construction. The enacted budget included \$25.0 million, and the FY 2016 budget included \$1.0 million, to provide funding for tax credits to be redeemed over time. The Corporation estimates a total of \$12.5 million to be redeemed between FY 2017 and FY 2018, and an additional \$28.5 million to be redeemed in FY 2019 and FY 2020. New approved projects will increase those totals.

63. University Research Collaborative. The House Finance Committee recommends eliminating \$150,000 from general revenues for the University Research Collaborative, a public and private university and college research collaborative, to conduct ongoing economic analysis by the state's public and private higher education institutions.

64. Urban Ventures. The House Finance Committee recommends \$140,000 from general revenues to support Urban Ventures, Inc. Rhode Island General Law, Section 42-64-13.1(e) requires an annual appropriation to an urban business incubator and that incubator is operated by Urban Ventures. Urban Ventures was previously funded through the community service grant program. The 2016 Assembly ended the program and no funding was provided for Urban Ventures in the FY 2017 enacted budget.

65. Wavemaker. The Governor's recommended budget includes \$1.6 million in new funding for the Wavemaker Fellowship program. The Corporation awarded 215 Fellowships at \$0.8 million a year for two years in FY 2016. The House Finance Committee recommends reducing general revenues by \$0.8 million consistent with the current cash flow needs of the program.

Labor and Training

66. America's Promise Grant. The House Finance Committee concurs with the Governor's requested budget amendment to add \$1.5 million for FY 2018 from a new federal America's Promise grant. The grant is designed to accelerate the development and expansion of regional workforce partnerships committed to providing a pipeline of skilled workers in specific sectors. The Department indicated that the grant will be used to support the Real Jobs Rhode Island initiative to continue strengthening partnerships in the manufacturing sector.

67. Capital - Center General Asset Protection. The Governor's capital budget includes a total of \$5.9 million from Rhode Island Capital Plan funds from FY 2017 through FY 2021 for nine different asset protection projects for the Center General Complex in Cranston and the Donley Rehabilitation Center in Providence. The House Finance Committee recommends shifting \$1.2 million from FY 2017 to FY 2018 through FY 2022 based on actual expenditures. Total funding is essentially as recommended.

68. Public Relations (1.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to include \$0.1 million from all funds including \$11,521 from general revenues for 1.0 new Chief of Information and Public Relations position in the marketing and communications unit.

69. Shift to Discretionary Sources. The Governor recommends \$8.5 million from general revenues for the Department of Labor and Training, which is \$0.5 million more than enacted. The House Finance Committee recommends using \$0.4 million from available balances in the Tardy and Interest restricted receipt account in lieu of general revenues.

70. Workplace Regulation and Safety (4.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to include \$400,737 from all funds including \$0.2 million from general revenues for 4.0 new positions for the Department of Labor and Training. None of these positions were requested as part of the Department's FY 2017 budget.

Revenue

71. Car Tax Phase-Out. The House Finance Committee recommends adding \$26.0 million from general revenues to offset municipal revenue losses in FY 2018 associated with the phase-out of the car tax contained in Article 11. This funding represents the estimated reimbursement level associated with the first year changes, which include increasing the vehicle exemption floor to \$1,000, no longer taxing cars more than 15 years old and using 95 percent of retail value, down from 100 percent.

72. Central Falls Operating. The House Finance Committee recommends adding \$0.6 million from general revenues for operational support for Central Falls, consistent with the enacted budget.

73. DMV RIMS Staff (6.0 FTE). The Governor's recommended budget includes \$0.3 million to fund eight new full-time equivalent positions in the Division of Motor Vehicles in support of implementation of its information technology modernization project. The Governor's recommended budget underfunds the cost of positions; the House Finance Committee recommends an additional \$130,455 from general revenues to correctly fund six positions.

74. Plate Reissuance - to Jan 2019. Rhode Island General Law Section 31-3-33 requires that the state issue new fully reflective license plates no less than every ten years. The Governor proposes delaying the mandatory reissuance of fully reflective license plates from April 1, 2017 to April 1, 2018. The House Finance Committee recommends delaying until January 1, 2019 and adjusts revenues and expenditures accordingly.

75. Tax Amnesty Administration. The House Finance Committee recommends an additional \$0.5 million from general revenues for the Division of Taxation to support the implementation of its tax amnesty initiative to support staffing assistance, printing and mailing notices, advertising, and computer system support.

Legislature

76. Personnel and Operating. The House Finance Committee recommends \$2.0 million of general revenue personnel and operating savings in the Legislature's budget for FY 2018.

Office of the General Treasurer

77. CollegeBoundSaver Transfer Accounting. The House Finance Committee concurs with the Governor's requested budget amendment to make an adjustment to avoid double counting an expense. The double counting had been included in the Governor's budget to remedy an audit finding, but that remedy can be achieved in an alternate way.

78. Crime Victim Compensation Grants. The House Finance Committee concurs with the Governor's requested budget amendment to add \$200,000 from federal funds for crime victim compensation grants for FY 2018. Restricted monies come from fees collected by the state courts. Federal funds come from the Victims of Violent Crimes program administered by the United States Department of Justice and are drawn down on a reimbursement basis after awards are paid or administrative expenses are incurred. Total funding would be \$1.7 million.

79. Retirement System New Counselors (2.0 FTE). The House Finance Committee concurs with the Governor's requested budget amendment to add authorization for 2.0 full-time equivalent positions and \$0.1 million from restricted receipts in the Office of the General Treasurer. This reflects \$0.3 million for 2.0 new retirement counselors and 1.0 new operations assistant for the Retirement System and \$11,500 for new computers and workspace configuration offset by the removal of \$0.2 million and authorization for

1.0 vacant position. This is based on a request made by the Office and approved by the Retirement Board at its April 12 meeting.

80. Unclaimed Property. The House Finance Committee recommends adding \$2.4 million for the unclaimed property program, including claims and the transfer to the state for FY 2018 to reflect the estimate of the May Revenue Estimating Conference. This includes a \$1.3 million increase in the transfer to the state General Fund estimated to be \$10.9 million for FY 2018.

Public Utilities Commission

81. Administrative Assistant (2.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to add \$171,786 from restricted receipts assessed to the regulated utilities and authorization for 2.0 new full-time equivalent administrative assistant positions. Both positions would work for senior staff on a variety of issues; one for the Division and one for the Commission.

82. Chief Program Development (1.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to add \$119,192 from restricted receipts assessed to the regulated utilities and authorization for one new full-time chief of program development position. This position would be responsible for program development and research around net metering and net metering options.

83. Deputy Chief of Legal Services (1.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to add \$129,669 from restricted receipts assessed to the regulated utilities and authorization for one new full-time deputy chief of legal services position for the Division. The 2016 Assembly added authorization for a senior legal counsel position as part of the FY 2017 enacted budget.

84. Fiscal Management Officer (1.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to add \$89,183 from restricted receipts assessed to the regulated utilities and authorization for a new full-time fiscal management officer position for the Commission. This position would be responsible for fiscal and financial management functions relating to reporting within the Commission.

85. Regulatory Research Specialist (1.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to add \$87,204 from restricted receipts assessed to the regulated utilities and authorization for a new full-time regulatory research specialist position. This position would be responsible for conducting research involving the collection, analysis and presentation of data pertaining to the law, rules and regulations governing public utilities.

Executive Office of Health and Human Services

86. Children's Health Insurance Enhanced Claiming. The House Finance Committee includes \$3.6 million in general revenue savings from enhanced efforts to claim the enhanced Medicaid match for medical services provided to certain populations. This includes current and prior year expenses.

87. Enhanced Medicaid Claiming Technical Assistance. The House Finance Committee adds \$500,000, including \$250,000 from general revenues, for technical assistance with enhanced claiming Medicaid activities in the Executive Office's budget and the Department of Children, Youth and Families.

88. Excess Contract Spending. The House Finance Committee recommends reducing spending on contracted services by \$3.9 million, including \$1.9 million from general revenues for FY 2018. The Executive Office entered into several new one-year contracts in FY 2017 using available resources that were not identified for any specific purposes in the enacted budget. The Committee recommends adjusting FY 2018 expenditures to reflect the expiration of the time-limited contracts.

89. Graduate Medical Education. The House Finance Committee recommends providing \$4.0 million, from general revenues, for graduate medical education funding for academic medical centers that meet certain criteria, including designation as a Level 1 trauma centers. The Governor's budget had eliminated the general revenue funding.

90. Health Analytics and Policy. The House Finance Committee does not concur with the Governor's recommendation to add \$250,000 from general revenues to hire a contractor to oversee health analytics and policy activities.

91. Health System Transformation Project - Incentive Payment. The House Finance Committee concurs with the Governor's requested budget amendment to add \$23.5 million from federal funds for payments to community hospitals and accountable care entities that are participating in the Health System Transformation Project so that the Executive Office can develop shared savings agreements in order to manage long term services and supports through this rebalancing strategy.

92. Health System Transformation Project - Workforce Training Investments. The House Finance Committee concurs with the Governor's requested budget amendment to add \$2.2 million from federal funds for workforce training investments at the University of Rhode Island, Rhode Island College and the Community College of Rhode Island as part of the Health System Transformation Project. The federal funds will allow for opportunity to expand the health care workforce to meet the goals of Reinventing Medicaid.

93. Home Care Rate Oct. 1 Implementation. The House Finance Committee concurs with the Governor's recommendation to provide a rate increase to home care workers and personal care attendants but makes the rate effective October 1, 2017 to give adequate time for implementation. The Committee reduces expenditures by \$1.3 million, including \$0.6 million from general revenues to reflect this change.

94. Hospital Rates to Current Law. The House Finance Committee does not concur with the Governor's proposal to freeze hospital rates and further reduce those rates by one percent starting January 1, 2018 and restores \$16.2 million from all sources, including \$5.5 million from general revenues.

95. Hospital UPL Payments Elimination. The Governor's recommended budget reduced the upper payment limit reimbursement by 50 percent and the House Finance Committee eliminates it for FY 2018 savings totaling \$22.3 million, including \$9.4 million from general revenues.

96. Integrated Care Initiative/Healthy Aging. The House Finance Committee does not concur with the Governor's proposal to limit enrollment in Rhody Health Options and restores \$16.2 million, including \$7.9 million from general revenues. Offsetting this is removal of the \$6.8 million, including \$3.3 million from general revenues added for community based program investments. The Committee does continue to include the \$6.0 million, \$3.0 million from general revenues, available for home and community based programs as a result of the reduction in nursing home bed days consistent with the long-term financing reform statute, also referred to as "Perry/Sullivan" funds. The combined changes result in the restoration of \$9.4 million from all sources including \$4.6 million from general revenues.

97. Logisticare Contract Extension. The House Finance Committee reduces funding by \$0.9 million, \$0.4 million from general revenues, based on an extension to the Logisticare transportation contract that resulted in an overall savings.

98. Long Term Care Rebalancing - Home Modification. The House Finance Committee recommends using \$250,000 of the \$3.0 million from general revenues available through the long-term financing reform adjustment, known as "Perry/Sullivan." Funding will be used for a home modification and accessibility enhancements program to construct, retrofit and renovate residences for individuals to remain in the

community and delay entry into a nursing home. The program will be in coordination with the Governor's Commission on Disabilities.

99. Managed Care Administration. The House Finance Committee includes an additional \$7.1 million in savings, including \$2.7 million from general revenues, to reduce the administrative rate paid to the managed care plans. This is above the \$2.2 million included in the Governor's recommended budget for total savings of \$9.3 million, \$3.5 million from general revenues.

100. Medicaid Caseload - May Conference. The House Finance Committee recommends reducing medical assistance expenses by \$9.0 million from all sources, including \$17.0 million less from federal funds, \$1.9 million less from restricted receipts and \$10.0 million more from general revenues. This reflects the caseload estimate adopted in May.

101. Nursing Home Acuity. The House Finance Committee does not concur with the Governor's recommended proposal to reduce rates paid to nursing facilities based on acuity and restores the \$10.7 million in savings, including \$5.2 million from general revenues.

102. Turnover. The House Finance Committee recommends reducing general revenue expenditures by \$0.6 million to reflect increased turnover savings in the Executive Office for FY 2018 which is consistent with FY 2017.

Children, Youth and Families

103. 18-21 Year Olds - Enhanced Medicaid Claiming. The House Finance Committee includes general revenue savings of \$2.0 million from leveraging Medicaid funds for services provided to 18 to 21 year olds formerly in the care of the Department. There is an agreement between the Department and the Executive Office of Health and Human Services to leverage Medicaid for the services provided. The Governor's recommended budget assumes that 18 percent of the state costs can be matched by Medicaid. The Committee assumes that approximately 30 percent can be matched. The Committee also includes funding in the Executive Office of Health and Human Services' budget for technical assistance with ensuring the proper claiming of these matching funds.

104. 18-21 Year Olds - Enhanced Medicaid Claiming - Prior Year. The House Finance Committee includes general revenue savings of \$2.0 million from leveraging Medicaid funds for services provided to 18 to 21 year olds formerly in the care of the Department in FY 2016 and FY 2017. There is an agreement between the Department and the Executive Office of Health and Human Services to leverage Medicaid for the services provided, which include behavioral health care services. The state has two years to claim federal match for services provided, and the Committee includes savings based on executing at least a portion of these claims.

105. Capital - Training School - Maintenance Building. The Governor's recommended capital budget includes \$385,000 for FY 2017 and \$150,000 for FY 2018 from Rhode Island Capital Plan funds to refurbish the former North American Family Institute building into a new storage and maintenance facility. The House Finance Committee does not recommend funding for either fiscal year as no funds have been spent, and plans have not been finalized for the facility.

106. Capital - Training School Repairs/Improvements. The Governor's recommended capital budget includes \$483,816 from Rhode Island Capital Plan funds for FY 2017 for various repairs and improvements at the Youth Development Center and the Youth Assessment Center. The Department projects spending \$42,816 in its third quarter report. Based on that, the House Finance Committee reduces FY 2017 funding by \$441,000 and adds \$100,000 for FY 2018.

107. Casey Foundation. The House Finance Committee concurs with the Governor's requested budget amendment to add \$29,776 from restricted receipts to reflect funding received through the Casey Foundation.

Health

108. 3.0 New Positions. The House Finance Committee does not concur with the Governor's recommendation to add \$0.3 million from general revenues to fund 3.0 new positions in the Department of Health, consisting of a hospital inspector, health program administrator position to address the backlog in regulations, and a public health promotion specialist to investigate complaints.

109. Lead Poisoning Prevention. The House Finance Committee does not concur with the Governor's proposal to allow the Department of Health to obtain an annual transfer of not less than \$590,000 from the Housing Resources Commission's share of the Real Estate Conveyance Tax to fund a consolidated lead poisoning program. The House Finance Committee maintains current law distribution and it adjusts funding and staffing accordingly.

110. New Scene Investigator Position. The House Finance Committee does not concur with the Governor's FY 2018 recommendation to include \$0.1 million from general revenues to fund a new scene investigator position in the Office of the State Medical Examiners. The Governor recommended funding for this position as part of her FY 2017 budget; however, the 2016 Assembly did not concur and removed the funding.

111. Shift to Indirect Cost Recovery Receipts. The House Finance Committee recommends shifting general revenue expenses for staff in the Medical Examiner's Office and the Health Laboratory to available restricted receipts, including \$250,000 in FY 2017 and \$500,000 in FY 2018. Based on projected receipts, the Department appears to have \$1.2 million available from its indirect cost recovery restricted receipts, which it receives to offset costs associated with administering federally funded programs.

112. Tobacco Cessation. The Governor's FY 2018 recommended budget adds \$0.5 million from general revenues to fund anti-smoking media campaigns. The House Finance Committee does not recommend the additional funding and includes \$1.6 million from all sources, funding the program essentially at the enacted level.

Human Services

113. Bus Pass Funding - RIPTA. The House Finance Committee includes sufficient funding for the next two years to resume offering no fare bus passes and therefore excludes the \$300,000 of general revenues, as recommended by the Governor, to purchase bus passes for elderly and disabled individuals in FY 2018 in lieu of the no fare service.

114. Cash Assistance Caseload - May Conference. The House Finance Committee recommends \$2.0 million, including \$4,942 from general revenues to adjust the FY 2018 recommended budget to reflect the May Caseload Conference estimates for cash assistance caseloads, including the Rhode Island Works, subsidized child care, supplemental security income and general public assistance bridge programs.

115. Child Care Reimbursement Enhancement. The House Finance Committee does not concur with the Governor's recommendation that includes \$1.0 million from general revenues to address rates paid for subsidized child care services and reduces funding accordingly.

116. Child Care to Available TANF Block Grant. The House Finance Committee recommends reallocating \$2.8 million in child care expenses adopted at the May caseload conference from general revenues to available federal Temporary Assistance to Needy Families grant funds.

117. ORS - Medicaid Match Correction. The House Finance Committee recommends adding \$112,175 from Medicaid funds to restore personal care and home modification funding to the FY 2017 enacted level of \$0.6 million.

118. RIPAE Correction. The House Finance Committee adds \$120,693 from restricted receipts for the Rhode Island Pharmaceutical Assistance to the Elderly program in FY 2018. Funds were excluded from the Governor's recommendation.

119. Transportation - Medicaid Match Correction. The House Finance Committee recommends \$500,000 in general revenue savings from leveraging allowable Medicaid funds for transportation services in FY 2018.

120. Veterans Home Funding to FY 2017. The House Finance Committee concurs with the Governor's requested amendment to shift \$40.0 million from federal funds recommended for FY 2018 to FY 2017 to reflect updated spending to complete the new Veterans Home. The home will be open in October 2017.

Behavioral Healthcare, Developmental Disabilities and Hospitals

121. Administrative Match Correction. The House Finance Committee recommends general revenue savings of \$208,000 from claiming Medicaid match for administrative expenses in the Division of Developmental Disabilities. The community based services that the Division provides to developmentally disabled individuals are matched by Medicaid so any administrative expenses are also Medicaid match at the 50 percent administrative rate. The Governor's recommended budget includes a 46.62 percent match, and the Committee corrects for the higher allowable rate.

122. BH - Overdose Prevention & Intervention. The House Finance Committee concurs with the Governor's requested amendment to add \$2.2 million from federal State Targeted Response funds to support the state's Overdose Prevention and Intervention Action Plan that includes access to treatment and reducing deaths from overdose through prevention and recovery support initiatives.

123. Capital - Hospital Reorganization. The House Finance Committee recommends reducing FY 2017 Rhode Island Capital Plan fund expenses by \$2.5 million to reflect a delay in implementing the hospital reorganization plan funded in the Governor's capital budget. The Committee concurs with the Governor's requested amendment to shift \$1.0 million each year to FY 2018 and FY 2019 and \$0.5 million to FY 2020 for the reorganization plan.

124. Capital - Regional Center Repair. The House Finance Committee concurs with the Governor's requested amendment to reduce FY 2017 by \$0.5 million from Rhode Island Capital Plan funds for repairs and renovations to the 11 state-owned regional workshop centers to reflect current spending. The Committee also recommends reducing spending by \$0.2 million annually in the five-year capital plan. This would provide \$0.3 million for FY 2018 through FY 2022 which is consistent with FY 2015 and FY 2016 spending.

125. Hospital Lab Alternate Efficiencies. The House Finance Committee does not concur with the plan to privatize laboratory services at Eleanor Slater Hospital and adds back \$1.0 million, including \$0.5 million from general revenues, and assumes the Department will continue to work to achieve efficiencies in other areas.

126. Hospital License Fee. The House Finance Committee includes \$6.4 million for the FY 2018 hospital license fee for Eleanor Slater Hospital and lowers the Department's budget by \$0.2 million to make the payment. The fee, paid by both the community hospitals and the state, is decreasing from 5.652 percent to 5.57 percent with an updated base year. There is also a corresponding revenue adjustment.

127. Medication Assistance Treatment Program - Back to DOC. The Governor's recommended budget transfers \$2.0 million from the Department of Corrections so that the general revenues can be used towards the state's maintenance of effort requirement for its Substance Abuse Block Grant in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' budget. The Governor also included legislation to clarify language passed by the 2016 Assembly to allow the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to count Medicaid funds in the Executive Office of Health and Human Services' budget toward the federal requirement. The House Finance Committee includes the legislation and transfers \$2.0 million back to the Department of Corrections since it is no longer necessary to use those resources to meet the maintenance requirement.

128. Oasis Wellness and Recovery Center. The House Finance Committee recommends using \$250,000 from existing federal block grant funds to support activities and services at the Oasis Wellness and Recovery Center.

129. Third Party Billing to Enacted Level. The House Finance Committee recommends general revenue savings of \$1.6 million from shifting expenses at the state-run Eleanor Slater Hospital to third party resources consistent with the enacted level of \$6.5 million. The Governor's recommended budget lowered receipts from third party billing sources, which are a direct offset to general revenue expenses.

130. Youth Treatment Implementation Grant. The House Finance Committee concurs with the Governor's requested amendment to add \$0.6 million from federal Youth Treatment Implementation grant funds to support the state's Overdose Prevention and Intervention Action Plan that includes access to treatment and reducing deaths from overdose through prevention and recovery support initiatives.

Child Advocate

131. Enhanced Staffing (1.0 FTE). The House Finance Committee recommends an additional \$0.1 million from general revenues and authorization for 1.0 new full-time equivalent position to enhance the ability of the Office of the Child Advocate to fulfill its mission. Funding assumes the new position would be hired during the second quarter of FY 2018. This would provide a total of 8.0 positions for the Office including one additional position already recommended in the Governor's budget.

Elementary and Secondary Education

132. Capital - Davies School HVAC. The Governor recommends \$3.0 million from Rhode Island Capital Plan funds for FY 2017 and FY 2018 to repair the HVAC system at the Davies Career and Technical Center. Based on the current project schedule, the House Finance Committee recommends shifting expenditures of \$0.5 million and \$1.5 million from FY 2017 and FY 2018, respectively, to FY 2019. Total funding is as recommended.

133. Capital - Met School HVAC. The Governor recommends \$3.1 million from Rhode Island Capital Plan funds for FY 2017 to complete repairs to the HVAC systems at the five buildings of the Metropolitan Career and Technical Center's Peace Street and Public Street campuses. The House Finance Committee recommends shifting expenditures of \$2.2 million from FY 2017 to FY 2018 based on current spending. Total funding is as recommended.

134. Computer Science to FY 2017 Spend. The House Finance Committee recommends providing \$210,000 from general revenues to fund Computer Science for RI. This is \$50,000 less than the Governor's FY 2018 recommended budget to reflect actual FY 2017 expenditures. The initiative was created as part of the FY 2017 enacted budget to expand access to computer science courses for elementary and secondary education students to improve science, technology, engineering and mathematics (STEM) education in Rhode Island schools. Funding is used to support stipends for teacher professional development, professional development programs, technology support by Brown University, and a computer science summit.

135. Council of Chief State School Officers Grant. The House Finance Committee concurs with the Governor's requested budget amendment to add \$0.8 million from restricted receipts for FY 2018 from a grant from the Council of Chief State School Officers to help the Department improve access to career education opportunities and better align its career preparation system.

136. ELL New Regulations Training. The House Finance Committee does not concur with the Governor's recommendation to provide \$60,000 from new general revenues to the Department to assist school districts with implementing new English language learner regulations. The Council has not approved the new regulations for implementation and the Department is currently revising its proposal.

137. Kindergarten Entry Profile (RTTT). The House Finance Committee does not concur with the Governor's recommendation to provide \$200,000 from new general revenues for the kindergarten entry profile initiative previously funded through federal Race to the Top funds.

138. March Data Update. The House Finance Committee recommends an additional \$1.5 million from general revenues for the seventh year of the education funding formula aid based on updated student enrollment and free and reduced lunch eligibility data provided in April. The increase reflects higher district enrollments partially offset by savings from two projected charter school expansions not occurring. The update affects districts differently with some receiving more and some receiving less than the Governor's budget assumed.

139. Nellie Mae Grant. The House Finance Committee concurs with the Governor's requested budget amendment to add \$0.1 million from restricted receipts for FY 2018 from a Nellie Mae Education Foundation grant to help the Department with a district-level systems change initiative.

140. Shift Personnel Costs to Indirect Cost Recovery. The Department uses its indirect cost recovery restricted receipts to offset costs associated with administering federally funded programs. Revenues for the indirect cost recovery account are based on the expenditure of certain federal grants and exclude expenditures such as assistance and grants. Based on projected receipts, the House Finance Committee recommends shifting \$100,000 of personnel costs from general revenues to available restricted receipts. This represents approximately one half of the estimated balance for FY 2018.

141. Stabilization Fund - State Schools. The House Finance Committee recommends an additional \$0.1 million from general revenues for the stabilization fund to support the state schools. Based on updated enrollment data provided in April, the Committee recommends \$135,365 for Davies and \$2,212 for the Met to offset funding lost through the funding formula. The 2016 Assembly enacted a new stabilization fund for the state schools to mitigate some of the losses in funding from the implementation of the funding formula and recognize the additional costs associated with running a stand-alone school that offers both academic and career and technical education.

142. Teacher Retirement Update. The House Finance Committee concurs with the Governor's requested budget amendment to add \$1.2 million from general revenues for FY 2018 for teacher retirement costs based on FY 2017 spending and wage growth.

143. Turnover. The Governor recommends \$40.1 million from all funds for salary and benefit expenditures for the Department of Elementary and Secondary Education for FY 2018. As of the pay period ending April 29, 2017, the Department has 26.3 vacancies, or eight percent of its authorized positions. The House Finance Committee recommends eliminating \$0.4 million from general revenues to maintain its current staffing level.

Higher Education

144. Capital - RIC Residence Hall. The Governor recommends \$43.1 million, including \$40.0 million from unidentified third party funding, \$3.0 million from Rhode Island Capital Plan funds, and \$0.1 million from College funds for a feasibility study for the construction of a new residence hall at Rhode Island College. Use of state funds for auxiliary facilities has been limited to a select few projects identified in statutory exemptions to the self-supporting requirement. The House Finance Committee does not concur with the Governor's recommendation for Rhode Island Capital Plan funding pending completion of a comprehensive review that identifies the total requested state subsidy and a plan for self-sufficiency.

145. Dual Enrollment Increase. The House Finance Committee does not recommend providing \$0.5 million from new general revenues for the Dual Enrollment program. The FY 2018 recommended budget includes \$1.3 million from tuition savings fees and \$0.5 million from new general revenues. This program is in its third year and allows students to take courses on either a higher education institute's campus or at their high school. It is intended to allow qualified high school students to earn college credit through dual and concurrent enrollment at no cost to the students. It should be noted that the Office overspent its original appropriation for this scholarship program in FY 2016 and is on target to overspend its FY 2017 appropriation by \$1.0 million; the Office does not have a policy on limiting the number of courses reimbursed. The House Finance Committee recommends providing funding at the enacted level, legislation requiring state payments be limited to the amount of the appropriation, and that by September 30, 2017, the Council on Postsecondary Education promulgate rules and regulations enforcing this limitation.

146. RI Promise Scholarship/Higher Education. The Governor's budget included \$10.0 million to establish a comprehensive scholarship program to provide two years of free tuition and mandatory fees at the University of Rhode Island, Rhode Island College, or the Community College of Rhode Island for qualifying Rhode Island students and operating support for the institutions in the early years. The House Finance Committee recommends \$5.5 million to establish a program at the Community College only and operating support for the institutions. The program would begin in FY 2018 and serve four cohorts of students. The legislation includes annual reporting requirements as well as a program evaluation halfway through the program. The House Finance Committee recommends \$2.8 million for the first year of scholarships as well as operating support for the three institutions of higher education including \$1.5 million for the University, \$0.8 million for Rhode Island College and \$0.5 million for the Community College of Rhode Island.

147. Small Business Development Center. The House Finance Committee recommends adding \$100,000 from general revenues for the Small Business Development Center to bring total funding to \$350,000. The Center was recently awarded \$0.7 million from federal funds; there is a 50 percent match requirement. The additional general revenue funding will allow the Center to utilize its entire federal award.

Historical Preservation & Heritage Commission

148. Turnover. The House Finance Committee does not concur with the Governor's recommendation to include \$47,572 from general revenues to restore turnover savings equivalent to a 0.6 full-time equivalent position. The Committee recommends removing the funding consistent with the Commission's constrained budget request.

Attorney General

149. Forfeiture Funds Adjustment. The House Finance Committee concurs with the Governor's requested amendment to classify federal forfeiture expenditures as federal funds instead of restricted receipts, per the request of the U.S. Department of Justice. The state budget includes a total of \$35.0 million from federal forfeiture funds charged to various state agencies including \$15.2 million from Google Settlement funds in the Office of the Attorney General.

Corrections

150. Crossroads - Enhanced Discharge Planning. The Governor's recommended budget includes \$250,000 from general revenues for a contract with Crossroads RI to provide discharge planning services to sex offenders, consistent with the enacted budget. Formerly known as Travelers Aid of Rhode Island, Crossroads RI is a non-profit organization that offers shelter and services to the state's homeless, including comprehensive case management and education and employment services. The House Finance Committee recommends an additional \$0.8 million from general revenues, for total funding of \$1.1 million, to enhance the discharge planning services provided by the organization.

151. Federal Asset Forfeiture. The Governor's FY 2018 budget recommendation includes \$35,000 from restricted receipts received from federal forfeiture funds. The House Finance Committee concurs with the Governor's requested amendment to move these funds from restricted receipt accounts to federal accounts per a request of the U.S. Department of Justice.

152. Medication Assistance Treatment Program - Back to DOC. The House Finance Committee does not concur with the Governor's recommendation to shift \$2.0 million from general revenues from the Department of Corrections for its medication assistance treatment program to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. According to supporting documentation, the funding transfer reflected the need to meet a maintenance of effort requirement for federal substance abuse funding awarded to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The House Finance Committee transfers funding back to the Department of Corrections as it is no longer necessary to use those resources to meet the maintenance requirement.

153. New Mental Health Services and Staffing (3.0 FTE). The House Finance Committee does not concur with the Governor's proposal to add \$0.4 million from general revenues and authorization for 3.0 new full-time equivalent positions to support inmates with mental health needs. The Department of Corrections currently employs 11.0 clinical social workers across its six facilities. The Governor recommends funding and authorization for 2.0 additional clinical social workers and 1.0 behavioral health administrative assistant as well as \$0.1 million for additional discharge planning.

154. Population - Per Diem. The Governor's FY 2018 budget recommendation assumes a population of 3,059 inmates and \$5,068 per inmate for population related expenditures calculated on a per diem basis, excluding staffing and mental health services. The Governor recommends a total of \$15.5 million for FY 2018, or \$1.1 million more than enacted. From July to April of FY 2017, the Department of Corrections has averaged 2,980 inmates. Based on the declining inmate population and projected expenditures, the House Finance Committee removes \$0.8 million and assumes a population of 3,000.

Judicial

155. State Justice Institute Grant. The House Finance Committee concurs with the Governor's requested amendment to add \$18,000 from restricted receipts in FY 2018 to reflect the second year of a two-year grant from the State Justice Institute for best practices and strategies in implementing the case management system.

Military Staff

156. Counterdrug Asset Forfeiture. The Governor's FY 2018 budget recommendation includes \$29,500 from restricted receipts received from federal forfeiture funds. The House Finance Committee concurs with the Governor's requested amendment to classify federal forfeiture expenditures as federal funds instead of restricted receipts, per the request of the U.S. Department of Justice.

Public Safety

157. Batters Intervention Program. The House Finance Committee does not concur with the Governor's recommendation to add \$100,000 from general revenues for the Batters' Intervention program, which would be used to support domestic violence intervention programs. It appears that other sources are available to fund this.

158. Civilian Support Positions (2.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to include \$0.2 million from general revenues to fund two new positions, including a planning and a program development specialist.

159. Cybersecurity Positions (2.0 FTE). The House Finance Committee does not concur with the Governor's proposal to add \$0.3 million from general revenues to fund two positions, a cyber analyst and a computer and forensic analyst.

160. EMA to Stand-Alone Agency. The House Finance Committee does not concur with the Governor's proposal to merge the Emergency Management Agency into the Department of Public Safety. It maintains the Emergency Management Agency as a stand-alone agency, with the recommended level of 32.0 full-time equivalent positions and \$18.5 million in total funding for FY 2018.

161. Fingerprint Equipment. The House Finance Committee does not concur with the Governor's recommendation to provide \$0.1 million from general revenues for the purchase of Livescan fingerprint machines. The Department has resources available from other sources for this type of expenditure.

162. Maintenance & Capital Projects Positions (2.0 FTE). The House Finance Committee does not concur with the Governor's proposal to add \$0.2 million from general revenues to fund two positions: a project manager and a chief of motor pool and maintenance to assist with fleet and capital project management.

163. Municipal Police Training - New Vehicle. The House Finance Committee recommends use of resources from the State Fleet Revolving Loan Fund for the purchase of a new vehicle for the Municipal Police Training Academy. The Governor had recommended \$30,000 from general revenues.

164. New Capitol Police Officers and Screeners. The House Finance Committee does not concur with the Governor's recommendation to provide \$0.4 million from general revenues to support five new screeners and two other Capitol Police officer positions supported through an internal service fund.

165. New Commissioner and Support Staff (3.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to include \$0.5 million from general revenues to fund a new commissioner as well as two other support staff positions, consisting of an executive assistant and a director of policy.

166. Public Information Officer (1.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to provide \$0.2 million from general revenues to fund a new public information officer position.

167. State Police - Taskforce Reimbursement. The House Finance Committee concurs with the Governor's requested amendment to include \$103,212 from restricted receipts for overtime reimbursement for six State Police members assigned to four federal task forces. The federal agencies have agreed to pay up to \$17,202 per member for overtime. The Budget already assumes the general revenue savings.

168. State Police Federal Forfeiture Funds Adjustment. The House Finance Committee concurs with the Governor's requested amendment to classify federal forfeiture expenditures as federal funds instead of restricted receipts, per the request of the U.S. Department of Justice. The budget includes a total of \$435,400 from federal forfeiture funds, including \$405,900 in the Department of Public Safety.

169. Sworn Member Training. The House Finance Committee does not concur with the Governor's recommendation to include new expenditures of \$0.2 million from general revenues to fund training initiatives for sworn members.

170. Technician - Bomb Squad (1.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to include \$0.1 million from general revenues to fund a new assistant explosives and flammable liquids technician. The State Fire Marshal currently has three explosives and flammable liquids technicians assigned to the bomb squad.

Public Defender

171. New Attorney (1.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to add \$0.1 million from general revenues for a new assistant public defender position.

172. Pre-Arrest Diversion Program. The House Finance Committee does not concur with the Governor's proposal to add \$185,000 from general revenues in FY 2018 for a pre-arrest diversion program in the Office of the Public Defender. It appears other sources are available to fund this program.

Emergency Management Agency

173. EMA to Stand-Alone Agency. The House Finance Committee does not concur with the Governor's proposal to merge the Emergency Management Agency into the Department of Public Safety. It maintains the Emergency Management Agency as a stand-alone agency, with the recommended level of 32.0 full-time equivalent positions and \$18.5 million in total funding for FY 2018.

Environmental Management

174. Capital - Natural Resources Offices/Visitor's Center. The Governor recommends \$6.6 million from Rhode Island Capital Plan funds for FY 2017 and FY 2018 for the construction of a new office facility for the Natural Resources Offices Visitor's Center in the Arcadia Management Area at Browning Mill Pond in the town of Richmond. Based on current delays in the project, the House Finance Committee recommends shifting expenditures of \$1.1 million from FY 2017 and \$4.5 million from FY 2018 to FY 2019. Total funding is \$1.1 million less than recommended.

175. Clean Diesel. The 2016 Assembly included Article 16 to establish a Rhode Island Clean Diesel Fund within the Department. The Governor recommends \$2.0 million from general revenues for the Clean Diesel Program for FY 2018. The House Finance Committee recommends reducing funding for FY 2018 to \$1.0 million.

176. Excess Eisenhower House Receipts. The Governor recommends \$288,150 from all funds for staff and operations of the Eisenhower House. This includes \$150,000 from general revenues and \$138,150 from new restricted receipts, which would be derived from booking fees of the facility. FY 2016

expenditures for the facility were \$135,536. The House Finance Committee recommends the restricted receipts as requested and only \$50,000 from general revenues.

177. Local Agriculture and Seafood Grants. The House Finance Committee recommends removing the \$0.2 million from general revenues in the recommended budget for the Local Agriculture and Seafood program to promote the marketing of Rhode Island seafood and farm products.

178. Minimum Wage Adjustment. The Governor recommends increasing the minimum wage from \$9.60 per hour to \$10.50 per hour, effective October 1, 2017. The recommendation includes \$120,000 from general revenues for the Department of Environmental Management, which employs a number of seasonal workers who earn minimum wage. The House Finance Committee recommends providing \$65,770 from general revenues to reflect its recommendation for the \$0.90 increase of the minimum wage over two years with a \$0.50 increase beginning January 1, 2018 and a \$0.40 increase beginning January 1, 2019.

179. New Environmental Protection Staff (2.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to provide \$162,386 from general revenues for 2.0 new positions for the Department of Environmental Management. The recommendation includes a new Senior Environmental Scientist in the Office of Water Resources and a new Environmental Scientist in the Office of Compliance and Inspection.

180. Outdoor Recreation. The House Finance Committee does not concur with the Governor's recommendation to provide \$2.5 million from general revenues to support outdoor recreation activities. The Governor's budget identifies funding for this program as being derived from a portion of funding generated by the increase to the cigarette tax.

181. Volvo Ocean Race to Commerce Tourism Funds. The Governor's recommended budget provides \$775,000 from general revenues to provide support for the 2018 Volvo Ocean Race, which will take place in May of 2018 at Fort Adams State Park in Newport. The race is offered by Volvo Ocean Race, in conjunction with Sail Newport. The last time the race was hosted in Rhode Island was for the 12th Edition held in May 2015; a total of \$775,000 in general revenues were appropriated for the race that year. The House Finance Committee recommends this expense be funded through Commerce Tourism funds in lieu of general revenues.

Coastal Resources Management Council

182. Capital - Green Pond Dredging Study. The House Finance Committee recommends \$50,000 from Rhode Island Capital Plan funds for the study of the dredging of Green Hill Pond. The study would be aimed at lifting the shell fishing ban in Green Hill Pond and Eastern Ninigret. The \$50,000 of state funds will be matched by the towns of Charlestown and South Kingstown, with each town contributing \$25,000 for a total of \$50,000.

183. Capital - RI Coastal Storm Risk Study. The Governor recommends \$1.5 million from Rhode Island Capital Plan funds from FY 2017 through FY 2020 to be used as state match for a project to identify coastal risk management strategies, building on work done by the Army Corps of Engineers. The Council has indicated that the Army Corps of Engineers has delayed the project. Based on that delay, the House Finance Committee recommends shifting expenditures of \$0.2 million from FY 2017 and \$0.4 million from FY 2018 to FY 2021. Total funding is as recommended.

184. Turnover and Operations. The Governor recommends \$2.5 million from general revenues for personnel and operating expenditures in FY 2018. The House Finance Committee recommends removing \$70,754 from general revenues, which would fund the agency at its FY 2017 level.

Transportation

185. Capital - Highway Match Program. The House Finance Committee concurs with the Governor's requested amendment to include \$3.4 million from Rhode Island Capital Plan funds to match federal funds for highway improvement projects, which include interstate highway projects, the pavement management program, the bicycle pedestrian program, the enhancement program, the bridge improvement program, the traffic safety program, and the congestion mitigation and air quality program.

186. Capital - Portsmouth Facility. The House Finance Committee concurs with the Governor's requested amendment to shift \$1.1 million from Rhode Island Capital Plan funds from FY 2018 and FY 2019 to FY 2017 based on anticipated completion of the Portsmouth maintenance facility.

187. Capital - Salt Storage. The House Finance Committee concurs with the Governor's requested amendment to shift \$1.5 million from Rhode Island Capital Plan funds salt storage facilities project from FY 2017 to include \$750,000 each in FY 2018 and FY 2019. Funds will be used for the construction of salt storage facilities.

188. Capital - T.F. Green Airport Improvements. The House Finance Committee concurs with the Governor's subsequent amendment to provide \$5.0 million from Rhode Island Capital Plan funds for projects at T.F. Green Airport. This includes \$3.0 million in FY 2017 and \$2.0 million in FY 2018 for expansion to the Federal Inspection Services facility to support new international flights and for improvements to Runway 16/34.

189. Federal Highway Projects. Based on lower than projected FY 2017 staffing costs, the House Finance Committee shifts \$12.0 million in savings from federal funds to capital projects in FY 2018 and assumes a like amount of savings from other funds.

190. Turnover. The FY 2018 recommended budget includes \$9.3 million from federal funds and gas tax to fund 74.0 new full-time equivalent positions, consisting of project managers, bridge and highway maintenance workers, and others. The House Finance Committee recommends \$2.0 million less from federal funds to reflect the fact that not all new positions will be filled immediately.

Section III

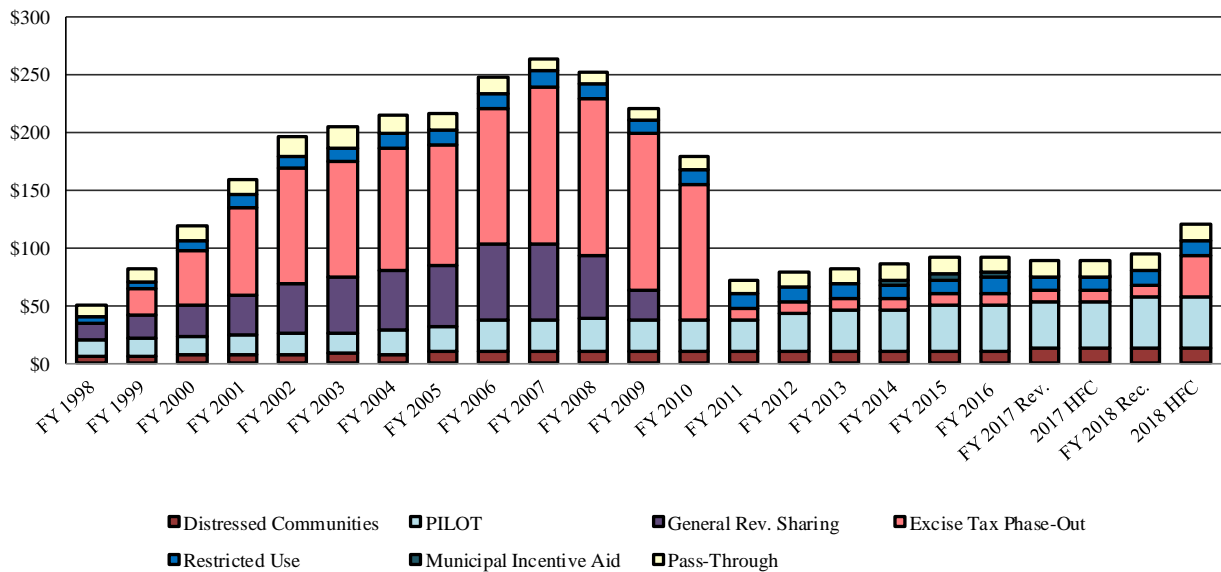
Special Reports

State Aid to Local Governments

Introduction

The House Finance Committee recommends state aid to cities and towns totaling \$76.8 million in FY 2017 and \$106.2 million in FY 2018. Funding for general aid programs in FY 2017 includes \$64.5 million, which is \$0.1 million more than enacted and is consistent with the Governor’s revised budget. Funding for general aid programs in FY 2018 includes \$93.6 million, \$29.2 million more than enacted and \$26.0 million more than the Governor recommended. The recommendation for restricted use programs includes the enacted level of \$12.3 million for FY 2017 and \$12.6 million, which is \$0.3 million more than enacted for FY 2018. Local communities will also receive \$13.6 million for FY 2017 and \$13.2 million in public service corporation property taxes, which the state collects and passes through to the communities.

The following graph shows historical funding data, in millions. The graph below also shows the allocation of funding for state aid programs from FY 1998 through for FY 2018.



The major changes included in the aid proposal are discussed on the following pages, followed by tables that show recommended distribution of general aid by community as well as restricted aid programs by community, including library operating aid, which is considered restricted and is not included in the general aid totals, and public service corporations’ tax collections, a local levy collected at the state level and returned to local governments for tax collection efficiency purposes. It should be noted that the FY 2018 recommendation for the Motor Vehicle Excise Tax will require data updates not reflected in the distributions. An estimated impact has been included in the total for those updates, but will change allocations to each community.

General. The House Finance Committee recommends the enacted level of \$64.5 million for FY 2017 and \$93.6 million for FY 2018 for general state aid programs to local governments.

Fiscal Year	1995	2000	2005	2010	2015	2017 Enacted	2017 Gov. Rev.	Rev. Diff.	2017 HFC	2017 HFC to Gov. Rev.	2018 Gov. Rec.	2018 HFC	HFC to Gov. Rec.
General Aid - State Sources													
Distressed Communities	\$ 7.2	\$ 6.6	\$ 9.5	\$ 10.4	\$ 10.4	\$ 12.4	\$ 12.4	\$ -	\$ 12.4	\$ -	\$ 12.4	\$ 12.4	\$ -
PILOT	12.2	16.1	22.7	27.6	40.1	42.0	42.0	-	42.0	-	45.2	45.2	-
Excise Tax Phase-Out	-	47.3	105.0	117.2	10.0	10.0	10.0	-	10.0	-	10.0	36.0	26.0
Municipal Incentive Aid	-	-	-	-	5.0	-	0.1	0.1	0.1	-	-	-	-
General Rev. Sharing	13.6	27.6	52.4	-	-	-	-	-	-	-	-	-	-
Subtotal	\$33.0	\$ 97.5	\$189.7	\$155.1	\$65.5	\$ 64.4	\$ 64.5	\$ 0.1	\$ 64.5	\$ -	\$ 67.6	\$ 93.6	\$ 26.0
Restricted Use Aid - State Sources													
Library Resource Aid	\$ 3.3	\$ 5.7	\$ 8.1	\$ 8.8	\$ 8.8	\$ 9.4	\$ 9.4	\$ -	\$ 9.4	\$ -	\$ 9.4	\$ 9.4	\$ -
Library Const. Aid	1.9	1.6	2.5	2.6	2.3	2.2	2.2	(0.0)	2.2	-	2.3	2.2	(0.2)
Police & Fire Incentive	1.3	0.9	1.1	-	-	-	-	-	-	-	-	-	-
Prop. Val. Reimb.	-	0.0	0.6	1.6	0.7	0.6	0.6	-	0.6	-	0.9	0.9	-
Oversight Reimbursement	-	-	-	-	0.1	0.1	0.1	-	0.1	-	0.1	0.1	-
Subtotal	\$ 6.5	\$ 8.2	\$ 12.3	\$ 13.0	\$ 11.9	\$ 12.3	\$ 12.3	\$ (0.0)	\$ 12.3	\$ -	\$ 12.7	\$ 12.6	\$ (0.2)
Total - State Sources	\$39.5	\$105.7	\$202.0	\$168.2	\$77.4	\$ 76.6	\$ 76.8	\$ 0.1	\$ 76.8	\$ -	\$ 80.3	\$ 106.2	\$ 25.8
Other Aid - Pass-Through													
Public Service Corp.	\$ 7.2	\$ 12.8	\$ 14.6	\$ 10.2	\$14.3	\$ 13.6	\$ 13.6	\$ -	\$ 13.6	\$ -	\$ 13.6	\$ 13.2	\$ (0.4)

In millions

- **Distressed Communities Relief Fund.** The House Finance Committee recommends the enacted amount of \$12.4 million for the Distressed Communities Relief Fund. Communities' aid distribution is based on updated qualifying tax levies and reflects inclusion of Johnston and exclusion of Cranston as distressed communities for FY 2018. For both the first year of a community's qualification as a distressed community and the year that a community no longer qualifies, it receives a transition payment of half its proportional share.

The 2016 Assembly enacted legislation requiring that all communities qualifying as distressed participate in the Division of Taxation's refund offset program to collect taxes owed. All do participate.

- **Payment in Lieu of Taxes Program.** Consistent with the Governor's budget, the House Finance Committee recommends \$45.2 million for FY 2018 for the Payment in Lieu of Taxes program that reimburses municipalities for property taxes that would have been due on real property exempted from taxation by state law, including property owned by private nonprofit higher educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility, or correctional facility. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. If the appropriation is less than the necessary amount, the reimbursements are ratably reduced. The recommendation is \$3.2 million more than enacted and represents full funding for the program.

- **Motor Vehicle Excise Tax Phase-Out.** The House Finance Committee funds the Motor Vehicle Excise at \$36.0 million for FY 2018. The Committee recommends \$26.0 million above the enacted based on the legislation that ends the ability of municipalities to tax motor vehicles over time allowing no tax in FY 2024, and reimburses them for the lost tax revenues. By lowering values, increasing the minimum exemption, and lowering tax rates, the changes provide immediate and increasing relief to tax payers, improve interstate comparability and decrease intrastate variation. The new proposal fixes the current \$10 million reimbursement in statute as the base for reimbursements under the new program, and municipalities must maintain current calculation practices. Beginning with FY 2018, reimbursements are based on revenues lost resulting from the law changes.

The FY 2018 changes include increasing the vehicle exemption floor to \$1,000, no longer taxing cars more than 15 years old and using 95 percent of retail value, down from 100 percent. The minimum exemption and discount to the retail value grows over the next five years until the tax is no longer levied. For FY 2019, a \$50 rate ceiling is imposed and lowered over the phase out period.

There is a separate provision to account for the fiscal year differential with the City of East Providence and other protection to ensure tax payers receive the relief.

- ***Municipal Incentive Aid.*** While FY 2016 was the final year of the three-year Municipal Incentive Aid program, an ineligible municipality's share is reappropriated to the following fiscal year. Johnston was ineligible in FY 2016 and its funds were reappropriated to FY 2017; as Johnston remained ineligible its share was redistributed among eligible communities consistent with current law. No funding is provided for FY 2018 consistent with current law.
- ***Library Resource Sharing Aid.*** The House Finance Committee recommends the enacted amount of \$9.4 million for library aid. Current law allows 25.0 percent reimbursement of second prior year expenditures.
- ***Library Construction Aid.*** The House Finance Committee recommends \$2.2 million in both years to fully fund library construction aid requirements. The state reimburses libraries up to half of the total costs for eligible projects on an installment basis, for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project. The 2011 Assembly adopted a three-year moratorium on the acceptance of applications for library construction aid projects that ended on July 1, 2014.
- ***Property Valuation Reimbursement.*** The House Finance Committee recommends \$0.6 million for FY 2017 and \$0.9 million for FY 2018 to reimburse communities conducting property valuation updates.
- ***Oversight Reimbursement.*** The House Finance Committee recommends the enacted amount of \$0.1 million for both FY 2017 and FY 2018 to provide reimbursements of 50.0 percent of the cost of a financial advisor position to communities no longer under state Fiscal Stability Act oversight.
- ***Public Service Corporation Tax.*** The FY 2018 budget assumes the state will collect and distribute the enacted level of \$13.2 million of property taxes from public service corporations on behalf of municipalities and pass that back to them. A final figure was calculated in spring 2017 when updated data became available. The 2009 Assembly adopted the Governor's recommendation to freeze the tax rate applied to the tangible personal property of public service corporations at the FY 2008 rate.

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

<i>City or Town</i>	<i>FY 2017 Enacted</i>	<i>FY 2017 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2017 HFC</i>	<i>FY 2017 HFC to Gov. Rev.</i>
Barrington	\$ 233,472	233,472	\$ -	\$ 239,765	\$ 6,293
Bristol	1,049,086	1,049,086	-	1,067,255	18,169
Burrillville	345,996	345,996	-	354,413	8,417
Central Falls	344,609	344,609	-	353,188	8,579
Charlestown	44,097	44,097	-	45,865	1,768
Coventry	244,791	244,791	-	255,942	11,151
Cranston	7,668,224	7,668,224	-	7,716,386	48,162
Cumberland	247,620	247,620	-	258,309	10,689
East Greenwich	516,397	516,397	-	520,854	4,457
East Providence	1,566,995	1,566,995	-	1,588,937	21,942
Exeter	92,110	92,110	-	94,316	2,206
Foster	72,955	72,955	-	74,795	1,840
Glocester	102,420	102,420	-	106,027	3,607
Hopkinton	69,295	69,295	-	73,478	4,183
Jamesstown	22,042	22,042	-	23,062	1,020
Johnston ¹	422,637	559,977	137,340	437,352	(122,625)
Lincoln	198,583	198,583	-	209,041	10,458
Little Compton	12,896	12,896	-	13,934	1,038
Middletown	63,006	63,006	-	78,315	15,309
Narragansett	60,810	60,810	-	63,843	3,033
Newport	1,435,708	1,435,708	-	1,441,630	5,922
New Shoreham	6,714	6,714	-	7,023	309
North Kingstown	187,428	187,428	-	197,865	10,437
North Providence	1,422,762	1,422,762	-	1,431,086	8,324
North Smithfield	177,990	177,990	-	184,877	6,887
Pawtucket	2,873,394	2,873,394	-	2,909,735	36,341
Portsmouth	84,669	84,669	-	96,974	12,305
Providence	37,624,443	37,624,443	-	37,386,401	(238,042)
Richmond	65,687	65,687	-	67,738	2,051
Scituate	68,633	68,633	-	72,660	4,027
Smithfield	965,856	965,856	-	980,670	14,813
South Kingstown	337,948	337,948	-	344,771	6,823
Tiverton	59,170	59,170	-	64,720	5,549
Warren	92,183	92,183	-	95,772	3,589
Warwick	2,677,487	2,677,487	-	2,737,727	60,239
Westerly	375,840	375,840	-	382,393	6,553
West Greenwich	54,390	54,390	-	56,815	2,425
West Warwick	1,123,696	1,123,696	-	1,134,244	10,548
Woonsocket	1,351,520	1,351,520	-	1,332,724	(18,796)
Total	\$ 64,363,560	\$ 64,500,900	\$ 137,340	\$ 64,500,900	\$ -

¹ FY 2017 Revised reflects Johnston Municipal Incentive Aid reappropriated to FY 2017. Johnston was out of compliance and its aid was distributed amongst all other communities pursuant to Rhode Island General Law, Chapter 45-13.2

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

<i>City or Town</i>	<i>FY 2017 Enacted</i>	<i>FY 2018 Gov. Rec.</i>	<i>FY 2018 Rec. to Enacted</i>	<i>FY 2018 HFC</i>	<i>FY 2018 HFC to Enacted</i>
Barrington	\$ 233,472	\$ 233,634	\$ 162	\$ 653,355	\$ 419,883
Bristol	1,049,086	1,130,275	81,189	1,437,620	388,534
Burrillville	345,996	298,120	(47,876)	792,150	446,154
Central Falls	344,609	346,901	2,292	658,924	314,315
Charlestown	44,097	44,097	-	153,869	109,772
Coventry	244,791	244,791	-	946,836	702,045
Cranston	7,668,224	7,634,037	(34,187)	10,060,422	2,392,198
Cumberland	247,620	247,620	-	837,112	589,492
East Greenwich	516,397	541,286	24,889	734,771	218,374
East Providence	1,566,995	744,350	(822,645)	1,913,055	346,060
Exeter	92,110	92,110	-	339,178	247,068
Foster	72,955	72,955	-	312,994	240,039
Glocester	102,420	102,420	-	429,132	326,712
Hopkinton	69,295	69,295	-	288,401	219,106
Jamestown	22,042	22,042	-	72,145	50,103
Johnston ¹	422,637	1,023,970	601,333	2,325,115	1,902,478
Lincoln	198,583	198,583	-	620,593	422,010
Little Compton	12,896	12,896	-	44,361	31,465
Middletown	63,006	63,006	-	218,789	155,783
Narragansett	60,810	60,810	-	199,464	138,654
Newport	1,435,708	1,483,237	47,529	1,664,177	228,469
New Shoreham	6,714	6,714	-	28,561	21,847
North Kingstown	187,428	187,403	(25)	614,912	427,484
North Providence	1,422,762	1,419,907	(2,855)	2,850,249	1,427,487
North Smithfield	177,990	177,990	-	610,666	432,676
Pawtucket	2,873,394	2,889,361	15,967	5,326,395	2,453,001
Portsmouth	84,669	84,669	-	301,276	216,607
Providence	37,624,443	40,983,508	3,359,065	44,898,543	7,274,100
Richmond	65,687	65,687	-	256,116	190,429
Scituate	68,633	68,633	-	233,537	164,904
Smithfield	965,856	974,428	8,572	1,548,572	582,716
South Kingstown	337,948	343,766	5,818	670,014	332,066
Tiverton	59,170	59,170	-	208,862	149,692
Warren	92,183	92,183	-	362,400	270,217
Warwick	2,677,487	2,655,097	(22,390)	4,757,842	2,080,355
Westerly	375,840	377,706	1,866	981,202	605,362
West Greenwich	54,390	54,390	-	223,181	168,791
West Warwick	1,123,696	1,156,150	32,454	1,635,457	511,761
Woonsocket	1,351,520	1,326,865	(24,655)	2,549,628	1,198,109
Subtotal	\$ 64,363,560	\$ 67,590,063	\$ 3,226,503	\$ 92,759,878	\$ 28,396,318
FY 2018 MV Data Update*				\$ 830,186	
Total				\$ 93,590,064	

¹ FY 2017 Revised reflects Johnston Municipal Incentive Aid reappropriated to FY 2017. Johnston was out of compliance and its aid was distributed amongst all other communities pursuant to Rhode Island General Law, Chapter 45-13.2

*MV Figures reflect value of FY 2017 levy but legislation uses FY 2018 levy, which is likely to be higher

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2017 Enacted</i>	<i>FY 2017 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2017 HFC</i>	<i>FY 2017 HFC to Gov. Rev.</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-	-
Burrillville	-	-	-	-	-
Central Falls	223,894	223,894	-	223,894	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	1,341,001	1,341,001	-	1,341,001	-
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	817,097	817,097	-	817,097	-
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	1,032,992	1,032,992	-	1,032,992	-
North Smithfield	-	-	-	-	-
Pawtucket	1,523,936	1,523,936	-	1,523,936	-
Portsmouth	-	-	-	-	-
Providence	5,604,286	5,604,286	-	5,604,286	-
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	-	-	-	-	-
Westerly	-	-	-	-	-
West Greenwich	-	-	-	-	-
West Warwick	891,916	891,916	-	891,916	-
Woonsocket	949,336	949,336	-	949,336	-
Total	\$ 12,384,458	\$ 12,384,458	\$ -	\$ 12,384,458	\$ -

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2017 Enacted</i>	<i>FY 2018 Gov. Rec.</i>	<i>FY 2018 Rec. to Enacted</i>	<i>FY 2018 HFC</i>	<i>FY 2018 HFC to Enacted</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-	-
Burrillville	-	-	-	-	-
Central Falls	223,894	225,398	1,504	225,398	1,504
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	1,341,001	1,341,001	-	1,341,001	-
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	817,097	-	(817,097)	-	(817,097)
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	601,333	601,333	601,333	601,333
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	1,032,992	1,030,137	(2,855)	1,030,137	(2,855)
North Smithfield	-	-	-	-	-
Pawtucket	1,523,936	1,539,903	15,967	1,539,903	15,967
Portsmouth	-	-	-	-	-
Providence	5,604,286	5,797,634	193,348	5,797,634	193,348
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	-	-	-	-	-
Westerly	-	-	-	-	-
West Greenwich	-	-	-	-	-
West Warwick	891,916	924,370	32,454	924,370	32,454
Woonsocket	949,336	924,681	(24,655)	924,681	(24,655)
Total	\$ 12,384,458	\$ 12,384,458	\$ -	\$ 12,384,458	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY2017 Enacted</i>	<i>FY2017 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY2017 HFC</i>	<i>FY2017 HFC to Gov. Rev.</i>
Barrington	\$ 15,995	\$ 15,995	\$ -	\$ 15,995	\$ -
Bristol	954,792	954,792	-	954,792	-
Burrillville	145,198	145,198	-	145,198	-
Central Falls	24,507	24,507	-	24,507	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	5,322,139	5,322,139	-	5,322,139	-
Cumberland	135	135	-	135	-
East Greenwich	434,980	434,980	-	434,980	-
East Providence	248,601	248,601	-	248,601	-
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	1,357,719	1,357,719	-	1,357,719	-
New Shoreham	-	-	-	-	-
North Kingstown	1,737	1,737	-	1,737	-
North Providence	-	-	-	-	-
North Smithfield	-	-	-	-	-
Pawtucket	554,958	554,958	-	554,958	-
Portsmouth	-	-	-	-	-
Providence	30,137,743	30,137,743	-	30,137,743	-
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	710,097	710,097	-	710,097	-
South Kingstown	198,218	198,218	-	198,218	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	1,712,951	1,712,951	-	1,712,951	-
Westerly	159,333	159,333	-	159,333	-
West Greenwich	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	-	-	-	-	-
Total	\$ 41,979,103	\$ 41,979,103	\$ -	\$ 41,979,103	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY2017 Enacted</i>	<i>FY2018 Gov. Rec.</i>	<i>FY2018 Rec. to Enacted</i>	<i>FY2018 HFC</i>	<i>FY2018 HFC to Enacted</i>
Barrington	\$ 15,995	\$ 16,157	\$ 162	\$ 16,157	\$ 162
Bristol	954,792	1,035,981	81,189	1,035,981	81,189
Burrillville	145,198	97,322	(47,876)	97,322	(47,876)
Central Falls	24,507	25,295	788	25,295	788
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	5,322,139	5,287,952	(34,187)	5,287,952	(34,187)
Cumberland	135	135	-	135	-
East Greenwich	434,980	459,869	24,889	459,869	24,889
East Providence	248,601	243,053	(5,548)	243,053	(5,548)
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	1,357,719	1,405,248	47,529	1,405,248	47,529
New Shoreham	-	-	-	-	-
North Kingstown	1,737	1,712	(25)	1,712	(25)
North Providence	-	-	-	-	-
North Smithfield	-	-	-	-	-
Pawtucket	554,958	554,958	-	554,958	-
Portsmouth	-	-	-	-	-
Providence	30,137,743	33,303,459	3,165,716	33,303,459	3,165,716
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	710,097	718,669	8,572	718,669	8,572
South Kingstown	198,218	204,036	5,818	204,036	5,818
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	1,712,951	1,690,561	(22,390)	1,690,561	(22,390)
Westerly	159,333	161,199	1,866	161,199	1,866
West Greenwich	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	-	-	-	-	-
Total	\$ 41,979,103	\$ 45,205,606	\$ 3,226,503	\$ 45,205,606	\$ -

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2017 Enacted</i>	<i>FY 2017 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2017 HFC</i>	<i>FY 2017 HFC to Gov. Rev.</i>
Barrington	\$ 217,477	\$ 217,477	\$ -	\$ 221,581	\$ 4,104
Bristol	94,294	94,294	-	109,436	15,142
Burrillville	200,798	200,798	-	207,065	6,267
Central Falls	96,208	96,208	-	102,184	5,976
Charlestown	44,097	44,097	-	44,815	718
Coventry	244,791	244,791	-	251,244	6,453
Cranston	1,005,084	1,005,084	-	1,042,441	37,357
Cumberland	247,485	247,485	-	253,650	6,165
East Greenwich	81,417	81,417	-	84,112	2,695
East Providence	501,297	501,297	-	516,914	15,617
Exeter	92,110	92,110	-	93,419	1,309
Foster	72,955	72,955	-	74,174	1,219
Glocester	102,420	102,420	-	104,711	2,291
Hopkinton	69,295	69,295	-	72,384	3,089
Jamestown	22,042	22,042	-	22,334	292
Johnston	422,637	422,637	-	437,352	14,715
Lincoln	198,583	198,583	-	206,198	7,615
Little Compton	12,896	12,896	-	13,465	569
Middletown	63,006	63,006	-	76,147	13,141
Narragansett	60,810	60,810	-	61,720	910
Newport	77,989	77,989	-	80,642	2,653
New Shoreham	6,714	6,714	-	6,910	196
North Kingstown	185,691	185,691	-	192,589	6,898
North Providence	389,770	389,770	-	393,779	4,009
North Smithfield	177,990	177,990	-	183,264	5,274
Pawtucket	794,500	794,500	-	821,285	26,785
Portsmouth	84,669	84,669	-	94,646	9,977
Providence	1,882,415	1,882,415	-	1,620,464	(261,951)
Richmond	65,687	65,687	-	66,710	1,023
Scituate	68,633	68,633	-	71,269	2,636
Smithfield	255,759	255,759	-	267,692	11,933
South Kingstown	139,730	139,730	-	142,445	2,715
Tiverton	59,170	59,170	-	62,598	3,428
Warren	92,183	92,183	-	94,349	2,166
Warwick	964,536	964,536	-	1,013,712	49,176
Westerly	216,507	216,507	-	220,009	3,502
West Greenwich	54,390	54,390	-	55,996	1,606
West Warwick	231,779	231,779	-	238,429	6,650
Woonsocket	402,183	402,183	-	377,867	(24,317)
Subtotal	\$ 10,000,000	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -
FY 2018 MV Data Update*	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2017 Enacted</i>	<i>FY 2018 Gov. Rec.*</i>	<i>FY 2018 Rec. to Enacted</i>	<i>FY 2018 HFC</i>	<i>FY 2018 HFC to Enacted</i>
Barrington	\$ 217,477	\$ 217,477	\$ -	\$ 637,198	\$ 419,721
Bristol	94,294	94,294	-	401,639	307,345
Burrillville	200,798	200,798	-	694,828	494,030
Central Falls	96,208	96,208	-	408,231	312,023
Charlestown	44,097	44,097	-	153,869	109,772
Coventry	244,791	244,791	-	946,836	702,045
Cranston	1,005,084	1,005,084	-	3,431,469	2,426,385
Cumberland	247,485	247,485	-	836,977	589,492
East Greenwich	81,417	81,417	-	274,902	193,485
East Providence	501,297	501,297	-	1,670,002	1,168,705
Exeter	92,110	92,110	-	339,178	247,068
Foster	72,955	72,955	-	312,994	240,039
Glocester	102,420	102,420	-	429,132	326,712
Hopkinton	69,295	69,295	-	288,401	219,106
Jamestown	22,042	22,042	-	72,145	50,103
Johnston	422,637	422,637	-	1,723,782	1,301,145
Lincoln	198,583	198,583	-	620,593	422,010
Little Compton	12,896	12,896	-	44,361	31,465
Middletown	63,006	63,006	-	218,789	155,783
Narragansett	60,810	60,810	-	199,464	138,654
Newport	77,989	77,989	-	258,929	180,940
New Shoreham	6,714	6,714	-	28,561	21,847
North Kingstown	185,691	185,691	-	613,200	427,509
North Providence	389,770	389,770	-	1,820,112	1,430,342
North Smithfield	177,990	177,990	-	610,666	432,676
Pawtucket	794,500	794,500	-	3,231,534	2,437,034
Portsmouth	84,669	84,669	-	301,276	216,607
Providence	1,882,415	1,882,415	-	5,797,450	3,915,035
Richmond	65,687	65,687	-	256,116	190,429
Scituate	68,633	68,633	-	233,537	164,904
Smithfield	255,759	255,759	-	829,903	574,144
South Kingstown	139,730	139,730	-	465,978	326,248
Tiverton	59,170	59,170	-	208,862	149,692
Warren	92,183	92,183	-	362,400	270,217
Warwick	964,536	964,536	-	3,067,281	2,102,745
Westerly	216,507	216,507	-	820,003	603,496
West Greenwich	54,390	54,390	-	223,181	168,791
West Warwick	231,779	231,779	-	711,086	479,307
Woonsocket	402,183	402,183	-	1,624,947	1,222,764
Subtotal	\$ 10,000,000	\$ 10,000,000	\$ -	\$ 35,169,814	\$ -
FY 2018 MV Data Update*	-	-	-	830,186	-
Total	\$ -	\$ -	\$ -	\$ 36,000,000	\$ -

*Figures reflect value of FY 2017 levy but legislation uses FY 2018 levy, which is likely to be higher

Municipal Incentive Aid

<i>City or Town</i>	<i>FY 2017 Enacted</i>	<i>FY 2017 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2017 HFC*</i>	<i>FY 2017 HFC to Gov. Rev.*</i>
Barrington	\$ -	\$ -	\$ -	\$ 2,189	\$ 2,189
Bristol	-	-	-	3,027	3,027
Burrillville	-	-	-	2,150	2,150
Central Falls	-	-	-	2,603	2,603
Charlestown	-	-	-	1,050	1,050
Coventry	-	-	-	4,698	4,698
Cranston	-	-	-	10,805	10,805
Cumberland	-	-	-	4,524	4,524
East Greenwich	-	-	-	1,762	1,762
East Providence	-	-	-	6,325	6,325
Exeter	-	-	-	897	897
Foster	-	-	-	621	621
Glocester	-	-	-	1,316	1,316
Hopkinton	-	-	-	1,094	1,094
Jamestown	-	-	-	728	728
Johnston	-	137,340	137,340	-	(137,340)
Lincoln	-	-	-	2,843	2,843
Little Compton	-	-	-	469	469
Middletown	-	-	-	2,168	2,168
Narragansett	-	-	-	2,123	2,123
Newport	-	-	-	3,269	3,269
New Shoreham	-	-	-	113	113
North Kingstown	-	-	-	3,539	3,539
North Providence	-	-	-	4,315	4,315
North Smithfield	-	-	-	1,613	1,613
Pawtucket	-	-	-	9,556	9,556
Portsmouth	-	-	-	2,328	2,328
Providence	-	-	-	23,908	23,908
Richmond	-	-	-	1,028	1,028
Scituate	-	-	-	1,391	1,391
Smithfield	-	-	-	2,881	2,881
South Kingstown	-	-	-	4,108	4,108
Tiverton	-	-	-	2,122	2,122
Warren	-	-	-	1,423	1,423
Warwick	-	-	-	11,064	11,064
Westerly	-	-	-	3,051	3,051
West Greenwich	-	-	-	819	819
West Warwick	-	-	-	3,899	3,899
Woonsocket	-	-	-	5,522	5,522
Total	\$ -	\$ 137,340	\$ 137,340	\$ 137,340	\$ -

**FY 2017 Revised reflects Johnston Municipal Incentive Aid reappropriated to FY 2017. Johnston was out of compliance and its aid was distributed amongst all other communities pursuant to Rhode Island General Law, Chapter 45-13.2*

Municipal Incentive Aid

<i>City or Town</i>	<i>FY2017 Enacted</i>	<i>FY2018 Gov. Rec.</i>	<i>FY2018 Rec. to Enacted</i>	<i>FY2018 HFC</i>	<i>FY2018 HFC to Enacted</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-	-
Burrillville	-	-	-	-	-
Central Falls	-	-	-	-	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	-	-	-	-	-
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	-	-	-	-	-
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston ¹	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	-	-	-	-	-
North Smithfield	-	-	-	-	-
Pawtucket	-	-	-	-	-
Portsmouth	-	-	-	-	-
Providence	-	-	-	-	-
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	-	-	-	-	-
Westerly	-	-	-	-	-
West Greenwich	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Library Aid

<i>City or Town</i>	<i>FY2017 Enacted</i>	<i>FY2017 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY2017 HFC</i>	<i>FY2017 HFC to Gov. Rev.</i>
Barrington	\$ 374,284	\$ 374,284	\$ -	\$ 374,284	\$ -
Bristol	185,859	185,859	-	185,859	-
Burrillville	165,414	165,414	-	165,414	-
Central Falls	30,523	30,523	-	30,523	-
Charlestown	51,221	51,221	-	51,221	-
Coventry	244,374	244,374	-	244,374	-
Cranston	595,274	595,274	-	595,274	-
Cumberland	287,647	287,647	-	287,647	-
East Greenwich	134,295	134,295	-	134,295	-
East Providence	422,447	422,447	-	422,447	-
Exeter	52,087	52,087	-	52,087	-
Foster	34,462	34,462	-	34,462	-
Glocester	78,763	78,763	-	78,763	-
Hopkinton	36,298	36,298	-	36,298	-
Jamestown	115,055	115,055	-	115,055	-
Johnston	122,211	122,211	-	122,211	-
Lincoln	210,541	210,541	-	210,541	-
Little Compton	36,397	36,397	-	36,397	-
Middletown	147,598	147,598	-	147,598	-
Narragansett	153,079	153,079	-	153,079	-
Newport	417,539	417,539	-	417,539	-
New Shoreham	88,318	88,318	-	88,318	-
North Kingstown	293,678	293,678	-	293,678	-
North Providence	192,234	192,234	-	192,234	-
North Smithfield	78,789	78,789	-	78,789	-
Pawtucket	384,468	384,468	-	384,468	-
Portsmouth	116,931	116,931	-	116,931	-
Providence*	2,047,753	2,047,753	-	2,047,753	-
Richmond	27,268	27,268	-	27,268	-
Scituate	104,517	104,517	-	104,517	-
Smithfield	298,995	298,995	-	298,995	-
South Kingstown	225,653	225,653	-	225,653	-
Tiverton	116,085	116,085	-	116,085	-
Warren	57,784	57,784	-	57,784	-
Warwick	739,844	739,844	-	739,844	-
Westerly	318,145	318,145	-	318,145	-
West Greenwich	32,312	32,312	-	32,312	-
West Warwick	162,630	162,630	-	162,630	-
Woonsocket	181,300	181,300	-	181,300	-
Total	\$ 9,362,072	\$ 9,362,072	\$ -	\$ 9,362,072	\$ -

*Includes the Statewide Reference Library Resource Grant.

Library Aid

<i>City or Town</i>	<i>FY2017 Enacted</i>	<i>FY2018 Gov. Rec.</i>	<i>FY2018 Rec. to Enacted</i>	<i>FY2018 HFC</i>	<i>FY2018 HFC to Enacted</i>
Barrington	\$ 374,284	\$ 380,070	\$ 5,786	\$ 380,070	\$ 380,070
Bristol	185,859	187,103	1,244	187,103	187,103
Burrillville	165,414	170,118	4,704	170,118	170,118
Central Falls	30,523	27,075	(3,448)	27,075	27,075
Charlestown	51,221	50,815	(406)	50,815	50,815
Coventry	244,374	238,140	(6,234)	238,140	238,140
Cranston	595,274	582,746	(12,528)	582,746	582,746
Cumberland	287,647	285,364	(2,283)	285,364	285,364
East Greenwich	134,295	132,321	(1,974)	132,321	132,321
East Providence	422,447	415,613	(6,834)	415,613	415,613
Exeter	52,087	52,931	844	52,931	52,931
Foster	34,462	34,371	(91)	34,371	34,371
Glocester	78,763	77,938	(825)	77,938	77,938
Hopkinton	36,298	35,323	(975)	35,323	35,323
Jamestown	115,055	126,828	11,773	126,828	126,828
Johnston	122,211	124,168	1,957	124,168	124,168
Lincoln	210,541	203,414	(7,127)	203,414	203,414
Little Compton	36,397	35,067	(1,330)	35,067	35,067
Middletown	147,598	145,593	(2,005)	145,593	145,593
Narragansett	153,079	191,652	38,573	191,652	191,652
Newport	417,539	411,403	(6,136)	411,403	411,403
New Shoreham	88,318	74,303	(14,015)	74,303	74,303
North Kingstown	293,678	282,085	(11,593)	282,085	282,085
North Providence	192,234	202,114	9,880	202,114	202,114
North Smithfield	78,789	78,305	(484)	78,305	78,305
Pawtucket	384,468	409,155	24,687	409,155	409,155
Portsmouth	116,931	113,853	(3,078)	113,853	113,853
Providence*	2,047,753	2,028,860	(18,893)	2,028,860	2,028,860
Richmond	27,268	26,001	(1,267)	26,001	26,001
Scituate	104,517	104,815	298	104,815	104,815
Smithfield	298,995	294,639	(4,356)	294,639	294,639
South Kingstown	225,653	218,810	(6,843)	218,810	218,810
Tiverton	116,085	123,043	6,958	123,043	123,043
Warren	57,784	56,598	(1,186)	56,598	56,598
Warwick	739,844	739,962	118	739,962	739,962
Westerly	318,145	318,791	646	318,791	318,791
West Greenwich	32,312	33,299	987	33,299	33,299
West Warwick	162,630	162,506	(124)	162,506	162,506
Woonsocket	181,300	186,880	5,580	186,880	186,880
Total	\$ 9,362,072	\$ 9,362,072	\$ -	\$ 9,362,072	\$ 9,362,072

*Includes the Statewide Reference Library Resource Grant.

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2017 Enacted</i>	<i>FY 2017 Gov. Rev.</i>	<i>Revised Difference</i>	<i>FY 2017 HFC</i>	<i>FY 2017 HFC to Gov. Rev.</i>
Barrington	\$ 209,719	\$ 209,719	\$ -	\$ 209,719	\$ -
Bristol	289,577	289,577	-	289,577	-
Burrillville	207,376	207,376	-	207,376	-
Central Falls	249,834	249,834	-	249,834	-
Charlestown	100,263	100,263	-	100,263	-
Coventry	450,490	450,490	-	450,490	-
Cranston	1,038,680	1,038,680	-	1,038,680	-
Cumberland	436,817	436,817	-	436,817	-
East Greenwich	168,882	168,882	-	168,882	-
East Providence	607,219	607,219	-	607,219	-
Exeter	85,909	85,909	-	85,909	-
Foster	59,761	59,761	-	59,761	-
Glocester	126,732	126,732	-	126,732	-
Hopkinton	104,846	104,846	-	104,846	-
Jamestown	70,086	70,086	-	70,086	-
Johnston	373,181	373,181	-	373,181	-
Lincoln	274,218	274,218	-	274,218	-
Little Compton	44,943	44,943	-	44,943	-
Middletown	207,028	207,028	-	207,028	-
Narragansett	203,230	203,230	-	203,230	-
Newport	316,689	316,689	-	316,689	-
New Shoreham	11,497	11,497	-	11,497	-
North Kingstown	339,927	339,927	-	339,927	-
North Providence	414,648	414,648	-	414,648	-
North Smithfield	155,854	155,854	-	155,854	-
Pawtucket	918,089	918,089	-	918,089	-
Portsmouth	223,391	223,391	-	223,391	-
Providence	2,298,821	2,298,821	-	2,298,821	-
Richmond	98,461	98,461	-	98,461	-
Scituate	134,071	134,071	-	134,071	-
Smithfield	276,509	276,509	-	276,509	-
South Kingstown	393,252	393,252	-	393,252	-
Tiverton	203,475	203,475	-	203,475	-
Warren	135,886	135,886	-	135,886	-
Warwick	1,056,511	1,056,511	-	1,056,511	-
Westerly	292,589	292,589	-	292,589	-
West Greenwich	78,764	78,764	-	78,764	-
West Warwick	372,833	372,833	-	372,833	-
Woonsocket	529,588	529,588	-	529,588	-
Total	\$ 13,559,646	\$ 13,559,646	\$ -	\$ 13,559,646	\$ -

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2017 Enacted</i>	<i>FY 2018 Gov. Rec.</i>	<i>FY 2018 Rec. to Enacted</i>	<i>FY 2018 HFC*</i>	<i>HFC to Enacted</i>
Barrington	\$ 209,719	\$ 209,719	\$ -	\$ 203,389	\$ (6,330)
Bristol	289,577	289,577	-	279,397	(10,180)
Burrillville	207,376	207,376	-	202,015	(5,361)
Central Falls	249,834	249,834	-	242,093	(7,742)
Charlestown	100,263	100,263	-	97,097	(3,166)
Coventry	450,490	450,490	-	437,024	(13,466)
Cranston	1,038,680	1,038,680	-	1,008,961	(29,720)
Cumberland	436,817	436,817	-	426,317	(10,500)
East Greenwich	168,882	168,882	-	163,835	(5,047)
East Providence	607,219	607,219	-	590,502	(16,717)
Exeter	85,909	85,909	-	83,592	(2,317)
Foster	59,761	59,761	-	58,356	(1,406)
Glocester	126,732	126,732	-	123,645	(3,088)
Hopkinton	104,846	104,846	-	101,482	(3,364)
Jamestown	70,086	70,086	-	68,263	(1,824)
Johnston	373,181	373,181	-	363,489	(9,692)
Lincoln	274,218	274,218	-	267,304	(6,914)
Little Compton	44,943	44,943	-	43,776	(1,167)
Middletown	207,028	207,028	-	200,603	(6,425)
Narragansett	203,230	203,230	-	196,380	(6,850)
Newport	316,689	316,689	-	305,570	(11,119)
New Shoreham	11,497	11,497	-	11,319	(178)
North Kingstown	339,927	339,927	-	328,695	(11,232)
North Providence	414,648	414,648	-	403,417	(11,231)
North Smithfield	155,854	155,854	-	151,904	(3,950)
Pawtucket	918,089	918,089	-	891,950	(26,139)
Portsmouth	223,391	223,391	-	216,894	(6,497)
Providence	2,298,821	2,298,821	-	2,232,279	(66,542)
Richmond	98,461	98,461	-	95,248	(3,213)
Scituate	134,071	134,071	-	130,554	(3,517)
Smithfield	276,509	276,509	-	268,766	(7,744)
South Kingstown	393,252	393,252	-	382,004	(11,248)
Tiverton	203,475	203,475	-	197,617	(5,858)
Warren	135,886	135,886	-	131,578	(4,308)
Warwick	1,056,511	1,056,511	-	1,022,628	(33,883)
Westerly	292,589	292,589	-	283,383	(9,207)
West Greenwich	78,764	78,764	-	76,421	(2,343)
West Warwick	372,833	372,833	-	360,940	(11,893)
Woonsocket	529,588	529,588	-	514,881	(14,707)
Total	\$ 13,559,646	\$ 13,559,646	\$ -	\$ 13,163,564	\$ (396,082)

*FY 2018 Gov. Rec. based on prior data; HFC reflects actual data.

FY 2018 Education Aid

The House Finance Committee budget funds the seventh year of the education funding formula adopted by the 2010 Assembly. The calculation for FY 2018 uses March 13, 2017 student enrollment data adjusted for FY 2018 anticipated charter school enrollments, a per pupil core instruction amount of \$9,163 and state share ratio variables updated with June 30, 2016 data. It was designed such that districts that are going to receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less funding will have that loss phased in over ten years. As FY 2018 is the seventh year of the transition period, only districts that are receiving less state aid will have that remaining loss phased in; the gaining districts will now receive the full amount of the aid produced by the formula each year.

Total Funding to Districts

A. Column **A** is the amount that districts would receive in the seventh year of the formula's implementation pursuant to the ten-year phase in of the formula. As FY 2018 is the seventh year of the transition period, only districts that are receiving less state aid will have that remaining loss phased in; the gaining districts will now receive the full amount of the aid produced by the formula each year.

B. Column **B** is the amount of group home aid districts will receive in FY 2018. Group home aid is paid pursuant to current law in addition to aid paid through the funding formula.

C. The formula allows for additional resources from the state for high-cost special education students, high-cost career and technical programs, early childhood education programs, and transportation costs. Also included is year two of density aid funding, a three-year program that will phase out in FY 2020. The FY 2018 budget also includes a permanent category of funding for English language learners. Column **C** shows the House Finance Committee recommendation for distribution from high-cost special education, transportation, English language learners and charter school density funds.

D. Column **D** shows the House Finance Committee's FY 2018 total education aid recommendation.

E. Column **E** is the FY 2017 enacted aid.

F. Column **F** is the difference between the House Finance Committee's FY 2018 recommendation shown in Column **D** and the FY 2017 enacted budget in Column **E**.

G. Column **G** is the Governor's FY 2018 recommended budget. It was based on March 14, 2016 student enrollment data.

H. Column **H** is the difference between the House Finance Committee's FY 2018 recommendation shown in Column **D** and the Governor's FY 2018 recommendation shown in Column **G**.

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
<i>District</i>	<i>FY2018 Formula Aid</i>	<i>Group Home Aid</i>	<i>Categoricals</i>	<i>Total FY2018 HFC</i>
Barrington	\$ 5,157,779	\$ -	\$ 190,028	\$ 5,347,807
Burrillville	13,040,423	80,233	65,206	13,185,862
Charlestown	1,660,642	-	7,100	1,667,742
Coventry	23,060,907	85,982	56,086	23,202,975
Cranston	57,303,969	40,942	1,660,681	59,005,591
Cumberland	18,967,499	-	221,164	19,188,663
East Greenwich	2,535,361	-	204,580	2,739,941
East Providence	34,854,923	475,998	188,204	35,519,125
Foster	1,142,883	-	64,166	1,207,049
Glocester	2,389,577	-	17,807	2,407,384
Hopkinton	5,273,139	-	-	5,273,139
Jamestown	452,432	-	21,319	473,751
Johnston	18,225,966	-	412,842	18,638,808
Lincoln	12,332,011	105,292	73,190	12,510,493
Little Compton	397,073	-	40	397,113
Middletown	7,862,135	322,549	78,143	8,262,827
Narragansett	2,102,116	-	37,355	2,139,471
Newport	11,378,178	154,312	57,429	11,589,919
New Shoreham	122,100	-	19,968	142,068
North Kingstown	10,705,101	-	44,442	10,749,543
North Providence	21,512,305	153,801	353,039	22,019,145
North Smithfield	5,842,519	106,653	75,890	6,025,062
Pawtucket	88,188,641	294,434	670,947	89,154,022
Portsmouth	3,821,874	590,830	63,396	4,476,100
Providence	245,114,202	601,950	3,074,705	248,790,857
Richmond	4,676,150	-	-	4,676,150
Scituate	3,548,201	-	64,303	3,612,503
Smithfield	6,009,184	218,712	113,308	6,341,204
South Kingstown	6,478,789	249,723	226,943	6,955,455
Tiverton	6,456,229	-	75,055	6,531,284
Warwick	38,216,746	354,602	574,990	39,146,338
Westerly	8,690,035	-	161,918	8,851,953
West Warwick	24,295,114	-	81,784	24,376,898
Woonsocket	59,367,500	47,695	231,381	59,646,576
Bristol-Warren	14,194,634	108,583	1,289,547	15,592,765
Chariho	114,962	-	1,709,819	1,824,780
Exeter-West Greenwich	4,949,253	115,918	1,019,223	6,084,394
Foster-Glocester	4,623,248	-	373,575	4,996,823
Central Falls	39,878,367	-	442,279	40,320,646
Total	\$ 814,942,166	\$ 4,108,209	\$ 14,021,851	\$ 833,072,226
<i>Adjusted Chariho</i>	11,724,892	-	1,716,919	13,441,811

	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>
<i>District</i>	<i>FY2017 Enacted</i>	<i>FY2018 HFC Chg. to Enacted</i>	<i>FY2018 Governor</i>	<i>FY2018 HFC Chg. to Governor</i>
Barrington	\$ 5,551,766	\$ (203,960)	\$ 5,330,690	\$ 17,117
Burrillville	13,111,036	74,826	13,526,436	(340,575)
Charlestown	1,683,295	(15,554)	1,653,819	13,923
Coventry	23,602,823	(399,848)	23,735,308	(532,333)
Cranston	56,028,985	2,976,607	59,866,615	(861,024)
Cumberland	17,980,588	1,208,075	18,746,381	442,282
East Greenwich	2,810,467	(70,526)	2,730,740	9,201
East Providence	33,101,436	2,417,689	36,021,616	(502,491)
Foster	1,199,424	7,625	1,218,824	(11,774)
Glocester	2,546,748	(139,364)	2,398,858	8,526
Hopkinton	5,386,069	(112,929)	5,290,964	(17,825)
Jamestown	473,875	(124)	478,188	(4,437)
Johnston	16,142,240	2,496,568	18,796,575	(157,767)
Lincoln	11,192,952	1,317,541	12,224,790	285,703
Little Compton	413,267	(16,154)	398,001	(888)
Middletown	8,621,818	(358,990)	8,317,752	(54,924)
Narragansett	2,150,151	(10,680)	2,137,486	1,986
Newport	10,938,355	651,564	11,703,496	(113,577)
New Shoreham	131,168	10,900	137,176	4,892
North Kingstown	10,897,112	(147,569)	10,740,244	9,299
North Providence	20,168,707	1,850,438	22,195,389	(176,244)
North Smithfield	6,177,521	(152,459)	6,045,280	(20,219)
Pawtucket	83,927,607	5,226,416	88,992,089	161,934
Portsmouth	4,787,381	(311,281)	4,482,590	(6,490)
Providence	235,212,373	13,578,484	244,810,080	3,980,777
Richmond	4,840,982	(164,832)	4,637,363	38,787
Scituate	3,794,601	(182,098)	3,637,924	(25,421)
Smithfield	5,961,894	379,309	6,321,221	19,983
South Kingstown	7,485,517	(530,062)	6,996,426	(40,971)
Tiverton	6,284,270	247,014	6,552,625	(21,341)
Warwick	38,252,322	894,016	39,154,478	(8,140)
Westerly	8,904,660	(52,707)	9,132,701	(280,748)
West Warwick	23,082,050	1,294,848	24,310,492	66,406
Woonsocket	56,340,793	3,305,783	58,982,216	664,360
Bristol-Warren	16,003,657	(410,893)	15,715,892	(123,127)
Chariho	1,810,108	14,672	1,132,795	691,985
Exeter-West Greenwich	6,384,057	(299,663)	6,767,194	(682,800)
Foster-Glocester	5,130,308	(133,485)	5,017,658	(20,834)
Central Falls	39,687,299	633,347	39,799,883	520,763
Total	\$ 798,199,682	\$ 34,872,544	\$ 830,138,253	\$ 2,933,972
<i>Adjusted Chariho</i>	13,720,454	(278,643)	12,714,942	726,869

Total Funding to Charter and State Schools

- A.** Column **A** is the FY 2017 enacted formula aid.
- B.** Column **B** includes mid-year revisions to FY 2017 based on current law requirements that any changes in enrollment as of October 1 that are greater than 10.0 percent get adjusted in that year.
- C.** Column **C** is the base formula aid calculation for FY 2018. It uses March 13, 2017 enrollment and lottery data.
- D.** Column **D** is the difference between FY 2018 base funding and FY 2017 enacted formula aid.
- E.** Column **E** shows the transition calculation. Charter and state schools that will receive more state funding will have the additional funding phased in over seven years and those that are going to receive less state funding will have that loss phased in over ten years. As FY 2018 is the seventh year of the transition period, Column **E** is the same as Column **D** for gaining districts. Beginning in FY 2018, only districts that are receiving less state aid will have that remaining loss phased in.
- F.** Column **F** is the House Finance Committee's FY 2018 recommended formula aid. It is the transition calculation in Column **E** added or subtracted from the FY 2017 enacted formula aid shown in Column **A**. Growth due to adding grades is paid in the year of the growth.
- G.** Column **G** is the difference between the seventh year of funding under the formula and total state formula aid shown in Column **C**.
- H.** The formula allows for additional resources from the state for high-cost special education students. The FY 2018 budget also includes a permanent category of funding for English language learners. Column **H** shows the House Finance Committee recommendation for distribution from high-cost special education and English language learners funds.
- I.** Column **I** shows the Governor's FY 2018 recommended formula aid.
- J.** Column **J** is the difference between the House Finance Committee's recommendation shown in Column **F** and the Governor's recommendation shown in Column **H**.

<i>School</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
	<i>FY2017</i>		<i>FY2018 Base</i>		
	<i>Enacted</i>	<i>FY2017 Rev.</i>	<i>Formula</i>	<i>Change to</i>	<i>Transition =D</i>
	<i>Formula Aid</i>	<i>Formula Aid</i>	<i>Funding</i>	<i>Enacted</i>	<i>or 1/4th*</i>
Academy for Career Exploration (Textron)	\$ 2,350,612	\$ 2,350,612	\$ 2,114,269	\$ (236,343)	\$ (59,086)
Achievement First	7,220,957	7,220,957	9,209,052	1,988,095	1,988,095
Beacon	2,353,074	2,353,074	2,761,557	408,483	408,483
Blackstone	3,107,898	3,107,898	3,713,520	605,622	605,622
Compass	485,495	485,495	362,514	(122,981)	(30,745)
Greene School	1,064,989	1,064,989	1,259,306	194,317	194,317
Highlander	5,015,985	5,015,985	5,489,465	473,480	473,480
Hope Academy	1,027,078	1,027,078	1,415,780	388,702	388,702
International	3,031,448	3,031,448	3,166,641	135,193	135,193
Kingston Hill	592,656	592,656	519,645	(73,011)	(18,253)
Learning Community	6,121,487	6,121,487	6,323,147	201,660	201,660
New England Laborers	1,148,340	1,148,340	1,125,517	(22,823)	(5,706)
Nowell	1,615,892	1,615,892	1,531,204	(84,688)	(21,172)
Nurses Institute	2,542,960	2,542,960	2,589,415	46,456	46,456
Paul Cuffee	7,941,389	7,941,389	8,401,014	459,625	459,625
RI Mayoral Academies					
Blackstone Prep.	13,436,201	13,436,201	15,265,732	1,829,531	1,829,531
RISE Mayoral Academy	868,551	868,551	1,351,280	482,729	482,729
Segue Institute	2,720,353	2,720,353	2,702,978	(17,375)	(4,344)
Southside Elementary	757,281	757,281	1,034,710	277,429	277,429
Times2 Academy	7,545,985	7,545,985	7,545,696	(290)	(72)
Trinity	2,187,348	2,187,348	2,187,948	600	600
Village Green	2,041,748	2,041,748	2,260,023	218,275	218,275
Charter Schools Subtotal	\$ 75,177,727	\$ 75,177,727	\$ 82,330,413	\$ 7,152,687	\$ 7,570,821
Davies Career and Tech	11,043,048	11,043,048	7,641,216	(3,401,832)	(850,458)
Met School	9,209,491	9,209,491	6,700,371	(2,509,120)	(627,280)
Urban Collaborative	1,115,290	1,115,290	1,539,678	424,388	379,451
Total	\$ 96,545,556	\$ 96,545,556	\$ 98,211,675	\$ 1,666,123	\$ 6,472,534

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

<i>School</i>	<i>F</i> <i>FY 2018 HFC</i> <i>Formula Aid**</i>	<i>G</i> <i>Change to</i> <i>Base</i> <i>Calculation</i>	<i>H</i> <i>Categoricals</i>	<i>I</i> <i>FY 2018</i> <i>Governor Rec.</i> <i>Formula Aid</i>	<i>J</i> <i>Change to</i> <i>Governor</i>
Academy for Career Exploration (Textron)	\$ 2,291,526	\$ 177,257	\$ 10,007	\$ 2,439,814	\$ (138,281)
Achievement First	9,209,052	-	24,950	9,187,122	46,880
Beacon	2,761,557	-	-	2,750,059	11,498
Blackstone	3,713,520	-	2,523	3,688,815	27,228
Compass	454,750	92,236	-	459,614	(4,864)
Greene School	1,259,306	-	2,129	1,155,709	105,726
Highlander	5,489,465	-	15,907	5,506,860	(1,488)
Hope Academy	1,415,780	-	1,072	1,393,722	23,130
International	3,166,641	-	21,587	3,143,958	44,270
Kingston Hill	574,403	54,758	5,155	582,699	(3,141)
Learning Community	6,323,147	-	34,456	6,262,516	95,087
New England Laborers	1,142,634	17,117	2,488	1,176,222	(31,100)
Nowell	1,594,720	63,516	7,290	2,442,259	(840,249)
Nurses Institute	2,589,415	-	4,289	2,679,347	(85,643)
Paul Cuffee	8,401,014	-	25,732	8,050,342	376,404
RI Mayoral Academies					
Blackstone Prep.	15,265,732	-	20,497	16,116,547	(830,318)
RISE Mayoral Academy	1,351,280	-	-	1,368,632	(17,352)
Segue Institute	2,716,009	13,031	8,847	2,825,598	(100,742)
Southside Elementary	1,034,710	-	1,072	1,026,172	9,610
Times2 Academy	7,545,913	-	10,722	7,671,742	(115,107)
Trinity	2,187,948	-	5,361	2,218,936	(25,627)
Village Green	2,260,023	-	5,388	2,243,971	21,440
Charter Schools Subtotal	\$ 82,748,542	\$ 417,915	\$ 209,472	\$ 84,390,657	\$(1,432,640)
Davies Career and Tech	13,358,058	5,716,842	9,767	13,367,825	-
Met School	9,342,007	2,641,636	10,505	9,352,512	-
Urban Collaborative	1,494,741	(44,937)	5,204	1,395,998	103,947
Total	\$ 106,943,348	\$ 8,731,456	\$ 234,948	\$ 108,272,042	\$ (1,328,693)

**Includes a state schools stabilization payment of \$3.1 million to Davies and \$0.8 million to Met.

Section IV

Adjustments to Governor's Revised Budget

	FY 2017 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
	<i>Revenue Changes</i>					
1	May Revenue Conference	(59,624,348)	-	-	-	(59,624,348)
2	Attorney General Settlements	3,161,130	-	-	-	3,161,130
3	Historic Homeowner Tax Credit Carry Forward	(95,511)	-	-	-	(95,511)
4	MV Fees Transfer Adjustment	13,000,000	-	-	-	13,000,000
	Total	(43,558,729)	86,529,642	(30,491,124)	(41,177,313)	(28,697,524)
	<i>Expenditures Changes</i>					
	Administration					
5	38 Studios Settlement	(2,523,261)	-	-	-	(2,523,261)
6	Building Code Rent	(43,555)	-	-	-	(43,555)
7	Building Code Study	(100,000)	-	-	-	(100,000)
8	Capital - Big River Management Area	-	-	-	(100,000)	(100,000)
9	Capital - Chapin Health Laboratory	-	-	-	(650,000)	(650,000)
10	Capital - Dunkin Donuts Center	-	-	-	(1,000,000)	(1,000,000)
11	Capital - Environmental Compliance	-	-	-	(100,000)	(100,000)
12	Capital - IT Operations Center	-	-	-	(370,000)	(370,000)
13	Capital - McCoy Stadium Repairs	-	-	-	115,000	115,000
14	Capital - Old State House	-	-	-	(200,000)	(200,000)
15	Capital - Pastore Cottages Rehab.	-	-	-	(100,782)	(100,782)
16	Capital - Pastore Parking	-	-	-	(185,000)	(185,000)
17	Capital - Pastore Power Plant	-	-	-	(800,000)	(800,000)
18	Capital - Pastore Strategic Plan	-	-	-	200,000	200,000
19	Capital - Pastore Utilities Upgrade	-	-	-	(500,000)	(500,000)
20	Capital - Replacement of Fueling Tanks	-	-	-	(100,000)	(100,000)
21	Capital - RI Convention Center Authority	-	-	-	(750,000)	(750,000)
22	Capital - Shepard Building	-	-	-	(95,000)	(95,000)
23	Capital - State House Energy Improvement	-	-	-	(108,333)	(108,333)
24	Capital - Veterans Land Purchase	-	-	-	45,000	45,000
25	Capital - William Powers Administration Bldg.	-	-	-	(200,000)	(200,000)
26	Capital - Zambarano Utilities & Infrastructure	-	-	-	(1,000,000)	(1,000,000)
27	Clean Energy Grants Adjustment	-	107,735	(107,735)	-	-
28	Cost Allocation for Governor's Office Position	(114,779)	-	-	-	(114,779)
29	Debt Service	(102,365)	-	-	-	(102,365)
30	Fraud and Waste Data Tool Delay	(1,440,000)	-	-	-	(1,440,000)
31	Pay for Success Pilot Delay	(500,000)	-	-	-	(500,000)
32	Turnover	(1,500,000)	-	-	-	(1,500,000)
33	UHIP Legal	(50,000)	-	-	-	(50,000)
34	Water Management	(100,000)	-	-	-	(100,000)
	Business Regulation					
35	Dues and Subscriptions	-	-	25,000	-	25,000
36	Medical Marijuana Program	-	-	(470,000)	-	(470,000)
37	Turnover	(600,000)	-	-	-	(600,000)

	FY 2017 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
	Executive Office of Commerce					
38	Anchor Institution Tax Credit	(700,000)	-	-	-	(700,000)
39	Capital - I-195 Commission	-	-	-	33,317	33,317
40	Cost Allocation for Governor's Office Position	(54,950)	-	-	-	(54,950)
41	Turnover and Operations (3rd Quarter)	(245,000)	-	-	-	(245,000)
	Labor and Training					
42	America's Promise Grant	-	1,347,386	-	-	1,347,386
43	Capital - Center General Asset Protection	-	-	-	(1,164,438)	(1,164,438)
44	Governor's Workforce Board (1.0 FTE)	-	-	(93,110)	-	(93,110)
45	Hearing Unit (1.5 FTE)	-	-	(86,907)	-	(86,907)
46	Integrity and Compliance Unit (2.0 FTE)	-	(237,335)	-	-	(237,335)
47	Linking to Employment Activities Pre-release (1.0 FTE)	-	(92,719)	-	-	(92,719)
48	Police and Fire Relief Savings	(91,255)	-	-	-	(91,255)
49	Public Relations (1.0 FTE)	(7,354)	(44,125)	(3,741)	(14,708)	(69,928)
50	Real Jobs Rhode Island (1.0 FTE)	-	-	(81,107)	-	(81,107)
51	Shift to Discretionary Sources	(746,843)	-	746,843	-	-
52	State Workforce & Ed. Alignment Project (1.0 FTE)	-	(76,212)	-	(32,662)	(108,874)
53	Ticket to Work Milestones	-	-	-	26,787	26,787
54	Unemployment Insurance (14.2 FTE)	-	(1,390,657)	-	-	(1,390,657)
55	Workplace Regulation and Safety (4.0 FTE)	(240,431)	-	(152,431)	-	(392,862)
	Department of Revenue					
56	Municipal Transparency Portal	(55,035)	-	-	-	(55,035)
	Office of the General Treasurer					
57	CollegeBoundSaver Transfer Accounting	-	-	-	(8,000,000)	(8,000,000)
58	Crime Victim Compensation Grants	-	200,000	-	-	200,000
59	Unclaimed Property	-	-	2,082,682	-	2,082,682
	Office of the Governor					
60	Excess Contingency	(300,000)	-	-	-	(300,000)
	Public Utilities Commission					
61	Administrative Assistant (2.0 FTE)	-	-	(91,426)	-	(91,426)
62	Chief Program Development (1.0 FTE)	-	-	(35,584)	-	(35,584)
	Executive Office of Health and Human Services					
63	Cost Allocation for Governor's Office Position	(182,928)	-	-	-	(182,928)
64	Excess Contracts	(100,000)	(100,000)	-	-	(200,000)
65	Health System Transformation Project - Administrative Costs (GBA)	-	1,000,000	-	-	1,000,000
66	Health System Transformation Project - Incentive Payment (GBA)	-	7,300,000	-	-	7,300,000
67	HIV Care Grant - Pharmacy Expenses	-	1,992,263	-	-	1,992,263
68	Medicaid Caseload - May Conference	9,079,556	22,682,379	-	-	31,761,935
69	Recovery Center RFP Delay	(250,000)	-	-	-	(250,000)

	FY 2017 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
70	Turnover	(601,530)	-	-	-	(601,530)
71	UHIP System Cost Delay	(3,331,186)	(24,646,662)	-	-	(27,977,848)
	Children, Youth and Families					
72	Capital - Training School - Maintenance Building	-	-	-	(385,000)	(385,000)
73	Capital - Training School Repairs/Improvements	-	-	-	(441,000)	(441,000)
74	Casey Foundation Grants	-	-	35,771	-	35,771
75	Education Vouchers	-	196,407	-	-	196,407
76	Juvenile Corrections - 3rd Quarter	(610,425)	-	-	-	(610,425)
77	Other Staffing and Operations - 3rd Quarter	610,425	(1,273,118)	-	-	(662,693)
78	RI Foundation Grant	-	-	38,700	-	38,700
	Health					
79	Behavioral Risk Surveillance	-	81,000	-	-	81,000
80	Shift to Indirect Cost Recovery Receipts	(250,000)	-	250,000	-	-
81	Software Maintenance Costs	-	-	160,000	-	160,000
82	Turnover	(250,000)	-	-	-	(250,000)
	Human Services					
83	Cash Assistance Caseload - May Conference	375,506	3,702,425	-	-	4,077,931
84	Child Support Settlement Set-Aside	(300,000)	-	-	-	(300,000)
85	Deloitte Credit	(283,185)	-	-	-	(283,185)
86	ORS - Medicaid Match Correction	-	112,175	-	-	112,175
87	Third Quarter Turnover and Operating Savings	(1,239,574)	-	-	-	(1,239,574)
88	Veterans Home Funding from FY 2018	-	40,000,000	-	-	40,000,000
	BHDDH					
89	Administrative Match Correction	(204,000)	204,000	-	-	-
90	Capital - Community Facilities - Fire Code Upgrades	-	-	-	(400,000)	(400,000)
91	Capital - DD Community Facilities	-	-	-	(100,000)	(100,000)
92	Capital - Hospital Equipment	-	-	-	(120,771)	(120,771)
93	Capital - Hospital Reorganization	-	-	-	(2,500,000)	(2,500,000)
94	Capital - Regional Center Repair	-	-	-	(500,000)	(500,000)
95	Capital - Substance Abuse Asset Protection	-	-	-	62,223	62,223
96	Capital - Zambarano Buildings Repair	-	-	-	(380,000)	(380,000)
97	ESH Third Party Billing to Enacted Level	(1,600,000)	-	1,600,000	-	-
98	Medication Assistance Treatment Program - Back to DOC	(2,000,000)	-	-	-	(2,000,000)
	Office of the Child Advocate					
99	Turnover Savings	(90,000)	-	-	-	(90,000)
	Deaf and Hard of Hearing					
100	Turnover Savings	(25,000)	-	-	-	(25,000)

	FY 2017 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
	Elementary and Secondary Education					
101	Advanced Coursework Network	-	-	-	(100,000)	(100,000)
102	Capital - Davies School HVAC	-	-	-	(475,000)	(475,000)
103	Capital - Met School HVAC	-	-	-	(2,173,000)	(2,173,000)
104	Cost Allocation for Governor's Office Position	(109,450)	-	-	-	(109,450)
105	Council of Chief State School Officers Grant	-	-	100,000	-	100,000
106	Education Aid Data Adjustments	(244,507)	-	-	-	(244,507)
107	Nellie Mae Grant	-	-	65,727	-	65,727
108	PSAT/SAT Testing	(100,000)	-	-	-	(100,000)
109	Teacher Retirement	1,145,659	-	-	-	1,145,659
110	Textbook Reimbursement	(80,459)	-	-	-	(80,459)
111	Turnover	(300,000)	-	-	-	(300,000)
	Higher Education					
112	College Access Challenge Grant	-	683,000	-	-	683,000
113	Cost Allocation for Governor's Office Position	(53,472)	-	-	-	(53,472)
114	Higher Education Partnership Grant	-	(2,542,500)	-	-	(2,542,500)
115	OPC - Turnover	(130,525)	-	-	-	(130,525)
	Arts Council					
116	Turnover	(33,000)	-	-	-	(33,000)
	Attorney General					
117	Capital - Building Renovations and Repairs	-	-	-	(250,000)	(250,000)
118	Forfeiture Funds Adjustment	-	15,404,290	(15,404,290)	-	-
119	Turnover	(264,633)	-	-	-	(264,633)
	Corrections					
120	Capital - Gloria McDonald	-	-	-	(538,000)	(538,000)
121	Capital - Intake Service Center Renovations	-	-	-	(425,000)	(425,000)
122	Capital - Maximum General Renovations	-	-	-	(500,000)	(500,000)
123	Capital - Medium Infrastructure	-	-	-	(1,565,000)	(1,565,000)
124	Cognitive Behavioral Therapy Contract Delay	(258,000)	-	-	-	(258,000)
125	Federal Asset Forfeiture	-	35,000	(35,000)	-	-
126	Lab Costs	(60,000)	-	-	-	(60,000)
127	Medication Assistance Treatment Program - Back to DOC	2,000,000	-	-	-	2,000,000
128	Population - Per Diem	(1,066,428)	-	-	-	(1,066,428)
129	Renovations to RICAP	(338,000)	-	-	102,000	(236,000)
	Judicial					
130	Capital - Noel Shelled Courtroom Build Out	-	-	-	(1,650,000)	(1,650,000)
131	State Justice Institute Grant	-	-	18,000	-	18,000
	Military Staff					
132	Capital - Joint Force Headquarters Building	-	-	-	(525,000)	(525,000)
133	Counterdrug Asset Forfeiture	-	420,000	(32,000)	-	388,000
134	Cybersecurity	(50,000)	-	-	-	(50,000)

	FY 2017 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
	Public Safety					
135	Cost Allocation for Governor's Office Position	(69,271)	-	-	-	(69,271)
136	Cybersecurity Delay	(305,000)	-	-	-	(305,000)
137	Federal Grant Adjustments	-	483,845	-	-	483,845
138	Fire Academy Training Equipment	-	-	114,157	-	114,157
139	Municipal Police Training Highway Safety Grant	-	115,945	-	-	115,945
140	New Commissioner	(55,054)	-	-	-	(55,054)
141	State Police Federal Forfeiture Funds Adjustment	-	19,446,673	(19,446,673)	-	-
142	State Police Vehicle Purchase	-	-	62,000	-	62,000
143	Third Quarter Turnover and Operating Savings	(800,000)	-	-	-	(800,000)
	Public Defender					
144	Turnover and Operations (3rd Quarter)	(66,000)	-	-	-	(66,000)
	Emergency Management					
145	Capital - Hurricane Sandy Cleanup	-	-	-	(232,075)	(232,075)
	Environmental Management					
146	Capital - Natural Resources Offices/Visitor's Center	-	-	-	(1,050,000)	(1,050,000)
147	Environmental Trust	-	-	250,000	-	250,000
	Coastal Resources Management Council					
148	Capital - RI Coastal Storm Risk Study	-	-	-	(150,000)	(150,000)
149	Turnover	(30,651)	-	-	-	(30,651)
	Transportation					
150	Capital - Portsmouth Facility	-	-	-	1,075,256	1,075,256
151	Capital - Salt Storage	-	-	-	(1,500,000)	(1,500,000)
152	Capital - T.F. Green Airport Improvements	-	-	-	3,000,000	3,000,000
153	Capital - Train Station Maintenance	-	-	-	(323,555)	(323,555)
154	Commuter Rail Project	-	11,418,447	-	-	11,418,447
155	Cost Allocation for Governor's Office Position	-	-	-	(82,572)	(82,572)
156	Equipment Purchase Delays	-	-	-	(8,000,000)	(8,000,000)
157	Turnover - Federal Highway Funds	-	(10,000,000)	-	-	(10,000,000)
158	Winter Maintenance	-	-	-	(6,000,000)	(6,000,000)
	Total	(12,035,960)	86,529,642	(30,491,124)	(41,177,313)	2,825,245

FY 2017 Changes to Governor

Revenue Changes

- 1. May Revenue Conference.** The Revenue Estimating Conference concluded May 10 and revised the FY 2017 estimate to \$3,659.5 million, which is \$60.1 million less than the revenues included in the November estimate and \$59.6 million less than the Governor's budget revised for her changes included in the estimate.
- 2. Attorney General Settlements.** The House Finance Committee adds \$3.2 million from a settlement received through the Office of the Attorney General after the May Revenue Conference.
- 3. Historic Homeowner Tax Credit Carry Forward.** The House Finance Committee recommends allowing taxpayers currently in possession of Historic Homeownership Assistance Act certification to claim those existing tax credits. The 2009 Assembly enacted personal income tax reforms that lowered rates and eliminated the ability to claim a variety of tax credits, including this one. The Division of Taxation reports that 115 taxpayers had \$0.8 million available to carry forward when this change occurred. Reinstating the ability to take credits reduces revenues by \$95,511 for FY 2017 and \$160,276 for FY 2018. The remaining credits would be taken in subsequent years.
- 4. MV Fees Transfer Adjustment.** The 2014 Assembly enacted legislation in Article 21 of 2014-H 7133, Substitute A, as amended adopting a schedule to transfer transportation related fees collected by the Division of Motor Vehicles to the Highway Maintenance Account, incrementally beginning with 25.0 percent in FY 2016, 75.0 percent in FY 2017 and all in FY 2018. The Department of Transportation has experienced personnel and operating savings compared to budgeted amounts and the House Finance Committee recommends recapturing \$13.0 million of these savings by adjusting the transfer in FY 2017 to 50.0 percent.

Expenditures Changes

Administration

- 5. 38 Studios Settlement.** In February 2017, additional settlements relating to 38 Studios were identified. The House Finance Committee assumes use of the settlement proceeds to pay the \$2.5 million portion of the debt service in the current year budgeted to come from general revenues. It is likely no state payment will be needed until FY 2020 or FY 2021.
- 6. Building Code Rent.** The House Finance Committee recommends general revenue savings of \$43,555 based on a revision to the Department's projected rent cost for the Building Code Commission, which relocated to leased space in Warwick.
- 7. Building Code Study.** The Department's third quarter report did not assume any expenditures for the Building Code Commission to obtain services for regulatory review of revised building codes. The revised budget includes \$0.1 million from general revenues and the House Finance Committee recommends adjusting funding accordingly.
- 8. Capital - Big River Management Area.** The revised budget includes \$131,720 from Rhode Island Capital Plan funds for infrastructure repairs and improvements, security, litter/dumping enforcement and demolition of vacant homes through the Big River Management Area project. Based on the Department's projected expenditures, the House Finance Committee recommends \$0.1 million less.

- 9. Capital - Chapin Health Laboratory.** The recommended capital budget includes a total of \$6.8 million to be used in FY 2017 and FY 2018 to renovate the Chapin Health Laboratory. Infrastructure updates will include laboratory exhaust retrofit, new decomposition room ventilation, a new boiler system and upgrading the heating, ventilating and air conditioning system. Based on a project delay, the House Finance Committee concurs with the total project costs; however, includes \$0.1 million in FY 2017, \$3.6 million in FY 2018, \$2.0 million in FY 2019 and \$1.2 million in FY 2020.
- 10. Capital - Dunkin Donuts Center.** The House Finance Committee concurs with the Governor's requested amendment to shift \$1.0 million from Rhode Island Capital Plan funds for renewal and replacement expenses for the Dunkin Donuts Center from FY 2017 and to include \$0.5 million each in FY 2018 and FY 2019 based on anticipated expenditures.
- 11. Capital - Environmental Compliance.** The House Finance Committee concurs with the Governor's requested amendment to reduce \$0.1 million from the \$0.2 million from Rhode Island Capital Plan funds for projects that assist state agencies in maintaining compliance with all state and federal environmental rules and regulations.
- 12. Capital - IT Operations Center.** The Department anticipates expenditures of \$160,000 from Rhode Island Capital Plan funds from the \$530,000 in the FY 2017 revised budget for asset protection of the Information Technology Operations Center in Warwick. The House Finance Committee concurs with the Governor's requested amendment to reduce spending by \$370,000 in the current year.
- 13. Capital - McCoy Stadium Repairs.** The House Finance Committee concurs with the Governor's requested amendment to shift \$0.1 million from Rhode Island Capital Plan funds from FY 2018 to FY 2017 based on anticipated expenditures for the McCoy Stadium building assessment study and minor repairs being completed.
- 14. Capital - Old State House.** The House Finance Committee concurs with the Governor's requested amendment to include a savings of \$0.2 million in FY 2017 from Rhode Island Capital Plan funds based on anticipated expenditures for the Old State House project.
- 15. Capital - Pastore Center Cottages Rehab.** The House Finance Committee concurs with the Governor's requested amendment to remove \$0.1 million in FY 2017 of Rhode Island Capital Plan Fund expenditures for the Pastore Center Cottages; the project has been completed.
- 16. Capital - Pastore Center Parking.** The House Finance Committee concurs with the Governor's requested amendment to include a savings of \$185,000 from Rhode Island Capital Plan funds in FY 2017 based on the Department's projected expenditures for the Pastore Center Parking project. The plan also includes \$1.3 million in FY 2018 for the construction of parking spaces.
- 17. Capital - Pastore Center Power Plant.** The House Finance Committee concurs with the Governor's requested amendment to reduce project costs of the Pastore Center Power Plant by \$650,000 from Rhode Island Capital Plan funds. This includes a savings of \$800,000 in the current year and adding \$150,000 in FY 2018 based on the Department's updated construction costs.
- 18. Capital - Pastore Center Strategic Plan.** The House Finance Committee concurs with the Governor's requested amendment to add \$0.2 million from Rhode Island Capital Plan funds in FY 2017 to the \$1.3 million for the Division of Asset Management and Maintenance included in the revised budget to perform facility condition assessments of all properties under its purview.
- 19. Capital - Pastore Center Utilities Upgrade.** The House Finance Committee concurs with the Governor's requested amendment to shift Rhode Island Capital Plan Fund expenditures of \$0.5 million

from FY 2017 to FY 2019 Pastore Center Utilities Upgrade, reflecting a project delay. The capital plan includes a total of \$4.6 million to repair and make improvements to the electrical distribution system in the Pastore Center and to replace steam condensate pumps.

20. Capital - Replacement of Fueling Tanks. The FY 2017 revised budget includes \$0.3 million from Rhode Island Capital Plan funds to replace failing tanks at six of the 15 state-owned and operated fueling stations for state vehicles. Based on anticipated expenditures, the Governor requested an amendment to include savings of \$0.1 million. The House Finance Committee concurs and adjusts expenditures accordingly.

21. Capital - RI Convention Center Authority. The FY 2017 revised budget includes \$1.8 million from Rhode Island Capital Plan funds for improvements to the Convention Center facility. Subsequently, the Governor requested an amendment to shift \$750,000 from FY 2017 to FY 2018 through FY 2020, including \$250,000 in each year. The House Finance Committee concurs and adjusts expenditures accordingly.

22. Capital - Shepard Building. The capital budget includes a total of \$5.0 million from Rhode Island Capital Plan funds to make repairs to the Shepard Building, including roof replacement, receiving door replacement, renovations to the Westminster Street entrance, structural facade repair, and replacement of all restroom floors. The House Finance Committee concurs with the Governor's requested amendment to remove FY 2017 funding of \$0.1 million based on anticipated expenditures.

23. Capital - State House Energy Improvement. The House Finance Committee concurs with the Governor's requested amendment to include a savings of \$0.1 million in the current year from Rhode Island Capital Plan funds for the State House Energy Improvement project based on anticipated expenditures. The plan includes \$5.0 million to renovate the boiler room.

24. Capital - Veterans Land Purchase. The House Finance Committee concurs with the Governor's requested amendment to include \$45,000 from Rhode Island Capital Plan funds in the current year to close out the Veterans Auditorium Land project, which included site improvement and construction of parking spaces.

25. Capital - William Powers Administration Bldg. The Department anticipates Rhode Island Capital Plan fund expenditures of \$0.8 million for asset protection of the William Powers Administration building in FY 2017 for which the revised budget included \$1.0 million. The House Finance Committee concurs with the Governor's requested amendment to include \$0.2 million of savings.

26. Capital - Zambarano Utilities & Infrastructure. The Capital budget includes a total \$15.1 million from Rhode Island Capital Plan funds for capital repairs to various buildings and equipment at the Zambarano Campus of the Eleanor Slater Hospital in Burrillville. The House Finance Committee concurs with the Governor's requested amendment to shift \$1.0 million from FY 2017 to FY 2020 based on the Department's updated project schedule.

27. Clean Energy Grants Adjustment. The House Finance Committee concurs with the Governor's requested amendment to recategorize \$0.1 million of expenditures from two grants as federal sources instead of restricted receipts in order to comply with federal reporting requirements.

28. Cost Allocation for Governor's Office Position. The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Office of Governor to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount allocated to the Department of Administration is \$0.1 million.

29. Debt Service. Based on projected expenditures, the House Finance Committee recommends general revenue savings of \$0.1 million, for which the revised budget included \$3.4 million for required payments under the Fidelity Job Rent Credits agreement. Under the incentive based agreement between the state and Fidelity, the state provides job rent credits for each full-time equivalent employee in excess of a 1,000 employee base.

30. Fraud and Waste Data Tool Delay. The revised budget includes a total of \$1.5 million, including \$0.5 million for annual service agreements and \$1.0 million to purchase a fraud and waste data tool that will combine data across agencies, including the Department of Labor and Training, the Department of Revenue and health and human service agencies to detect fraud and waste. The House Finance Committee concurs with the Governor's requested amendment to shift \$1.4 million to FY 2018, based on a project delay.

31. Pay for Success Pilot Delay. The FY 2017 revised budget includes \$0.5 million from general revenues to fund a Pay for Success Pilot program, which is intended to increase employment and reduce recidivism of formerly incarcerated individuals. The House Finance Committee recommends removing the funding to reflect the delay in awarding the contract.

32. Turnover. The House Finance Committee recommends reducing general revenue expenditures by \$1.5 million to reflect additional turnover savings based on updated projections.

33. UHIP Legal. The Department's third quarter report projects expenditures of \$100,000 from general revenues for which the revised budget included \$150,000 for outside legal services regarding staffing changes as a result of implementing the Unified Health Infrastructure Project. The House Finance Committee recommends adjusting funding accordingly.

34. Water Management. The revised budget includes \$0.1 million from general revenues to obtain services for the development of a Water Management Program, which will include initiatives in three areas: freshwater resources, infrastructure and governance. The Department's third quarter report did not anticipate any expense for this item, and the House Finance Committee recommends adjusting expenditures accordingly.

Business Regulation

35. Dues and Subscriptions. The House Finance Committee concurs with the Governor's requested budget amendment to add \$25,000 from restricted receipts in FY 2017 to pay for dues and subscriptions purchased in FY 2016, which were billed in FY 2017. Final FY 2017 expenditures would be \$75,000.

36. Medical Marijuana Program. The House Finance Committee concurs with the Governor's requested budget amendment to decrease restricted receipts by \$470,000 to reflect actual expenses for the medical marijuana plant tagging system.

37. Turnover. Based on updated staffing projections from the third quarter report, the House Finance Committee recommends an additional \$0.6 million in general revenue turnover savings which is equivalent to 5.1 vacant full-time positions.

Executive Office of Commerce

38. Anchor Institution Tax Credit. The House Finance Committee recommends general revenue savings of \$700,000 by removing funding for the Anchor Institution Tax Credit for FY 2017. The 2015 and 2016 Assemblies provided a total of \$1.5 million for the Anchor Institution Tax Credit program; no credits have been awarded to date. The program provides a credit of an unspecified amount against

corporate income tax liability for up to five years for qualifying businesses that have successfully solicited the relocation of a separate business to the state or the relocation of at least ten employees of that separate business on a permanent basis. The program will sunset on December 31, 2018; no credits will be assigned to any projects after that date. With no awards made against the fund, the original appropriation appears sufficient to cover any future encumbrances.

39. Capital - I-195 Commission. The House Finance Committee concurs with the Governor's requested amendment to provide an additional \$33,317 from Rhode Island Capital Plan funds for FY 2017 in addition to the revised budget total of \$351,683 for the I-195 Redevelopment Commission. The increase is based on actual expenditures.

40. Cost Allocation for Governor's Office Position. The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Office of Governor to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount allocated to the Executive Office of Commerce for FY 2017 is \$54,950, which represents partial funding for a special counsel position.

41. Turnover and Operations (3rd Quarter). The House Finance Committee recommends reducing general revenues by \$245,000 to reflect turnover and other operating savings based on projected expenditures from the third quarter report.

Labor and Training

42. America's Promise Grant. The House Finance Committee concurs with the Governor's requested budget amendment to add \$1.3 million for FY 2017 from a new federal grant designed to accelerate the development and expansion of regional workforce partnerships committed to providing a pipeline of skilled workers in specific sectors. The Department indicated that the grant will be used for the Real Jobs Rhode Island initiative to continue strengthening partnerships in the manufacturing sector.

43. Capital - Center General Asset Protection. The Governor's capital budget includes a total of \$5.9 million from Rhode Island Capital Plan funds from FY 2017 through FY 2021 for nine different asset protection projects for the Center General Complex in Cranston and the Donley Rehabilitation Center in Providence. The House Finance Committee recommends shifting \$1.2 million from FY 2017 to FY 2018 through FY 2022 based on actual expenditures. Total funding is essentially as recommended.

44. Governor's Workforce Board (1.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to provide \$0.1 million from restricted receipts for 1.0 new Governor's Workforce Board Chief of planning position.

45. Hearing Unit (1.5 FTE). The House Finance Committee does not concur with the Governor's recommendation to provide \$0.1 million from restricted receipts for a new full-time administrative officer and a new part-time legal counsel for the Department of Labor and Training's hearing unit.

46. Integrity and Compliance Unit (2.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to include \$237,335 from federal funds for 2.0 new positions including 1.0 investigative auditor and 1.0 senior monitoring and evaluation specialist for the fraud and compliance unit.

47. Linking to Employment Activities Pre-Release (1.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to provide \$0.1 million from federal funds for 1.0 new Assistant Coordinator of Employment and Training for the Linking to Employment Activities Pre-release program.

48. Police and Fire Relief Savings. The Governor recommends \$4.0 million from general revenues for FY 2017 for police and fire benefits paid to surviving spouses of deceased police and firefighters and education benefits for spouses and children of deceased or disabled officers and firefighters, as well as disabled workers. The House Finance Committee recommends \$91,255 less based on updated cost projections.

49. Public Relations (1.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to include \$0.1 million from all funds including \$7,354 from general revenues for 1.0 new Chief of Information and Public Relations position in the marketing and communications unit.

50. Real Jobs Rhode Island (1.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to include \$0.1 million from restricted receipts for 1.0 new coordinator of employment and training in the Real Jobs Rhode Island program.

51. Shift to Discretionary Sources. The House Finance Committee recommends using \$0.7 million from available balances in the Tardy and Interest restricted receipt accounts in lieu of a like amount of general revenues.

52. State Workforce & Ed. Alignment Project (1.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to provide \$76,212 from federal funds and \$32,662 from other funds for a new Principal Research Technician position in the state workforce and education alignment project.

53. Ticket to Work Milestones. The House Finance Committee concurs with the Governor's requested budget amendment to add \$26,787 for FY 2017 to reflect the actual grant award for the ticket to work program. The Ticket to Work program is a free and voluntary program available to people ages 18 through 64 who are blind or have a disability and who receive Social Security Disability Insurance or Supplemental Security Income benefits.

54. Unemployment Insurance (14.2 FTE). The House Finance Committee does not concur with the Governor's recommendation to provide \$1.4 million from federal funds for 14.2 new full-time equivalent positions for the unemployment insurance program.

55. Workplace Regulation and Safety (4.0 FTE). The House Finance Committee does not concur with the Governor's recommendation to include \$392,862 from all funds, including \$0.2 million from general revenues for 4.0 new workforce regulation and safety positions.

Department of Revenue

56. Municipal Transparency Portal. Based on updated staffing projections, the House Finance Committee recommends an additional \$55,035 in general revenue turnover savings related to the delayed launch of the Department of Revenue's Municipal Transparency Portal.

Office of the General Treasurer

57. CollegeBoundSaver Transfer Accounting. The House Finance Committee concurs with the Governor's requested budget amendment to make an adjustment to avoid double counting an expense. The double counting had been included in the Governor's budget to remedy an audit finding, but that remedy can be achieved in an alternate way.

58. Crime Victim Compensation Grants. The House Finance Committee concurs with the Governor's requested budget amendment to add \$200,000 from federal funds for crime victim compensation grants

based on projected FY 2017 expenditures. Restricted monies come from fees collected by the state courts. Federal funds come from the Victims of Violent Crimes program administered by the United States Department of Justice and are drawn down on a reimbursement basis after awards are paid or administrative expenses are incurred. Total funding would be \$1.7 million.

59. Unclaimed Property. The House Finance Committee recommends adding \$2.1 million from restricted receipts for the unclaimed property program expenses, including claims and the transfer to the state, to reflect the estimate of the May Revenue Estimating Conference. This includes an additional \$1.1 million in transfer to the state General Fund for an FY 2017 transfer of \$12.1 million.

Office of the Governor

60. Excess Contingency. The House Finance Committee recommends reducing funding for the contingency fund by \$0.3 million based on historical spending patterns; this would provide \$0.2 million for FY 2017. The Contingency Fund may be used for expenditures in any state department or agency where funding is insufficient, or where such requirements are due to unforeseen conditions or are non-recurring items of an unusual nature. The Governor reappropriated \$0.3 million in unused funds from FY 2016 for a FY 2017 total of \$0.5 million. Expenditures for the last five fiscal years averaged \$79,146.

Public Utilities Commission

61. Administrative Assistant (2.0 FTE). The House Finance Committee does not concur with the Governor's revised recommendation to add \$0.1 million from restricted receipts assessed to the regulated utilities and authorization for 2.0 new full-time administrative assistants. Both positions would work for senior staff on a variety of issues; one for the Division and one for the Commission. These positions were not requested as part of the original FY 2017 budget.

62. Chief Program Development (1.0 FTE). The House Finance Committee does not concur with the Governor's revised recommendation to add \$35,584 from restricted receipts assessed to the regulated utilities and authorization for one new full-time chief of program development position. This position would be responsible for program development and research around net metering and net metering options. This position was not requested as part of the original FY 2017 budget.

Executive Office of Health and Human Services

63. Cost Allocation for Governor's Office Position. The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Governor's Office to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount charged to the Executive Office of Health and Human Services is \$0.2 million from general revenues.

64. Excess Contracts. The House Finance Committee recommends reducing spending on contracted services by \$0.2 million, including \$0.1 million from general revenues for FY 2017. The Executive Office contracted for administrative activities for the health system information project that required \$0.1 million from general revenues to match Medicaid funds. However, the cost for the activities were transferred to federal funds only and the Committee adjusts funding accordingly.

65. Health System Transformation Project - Administrative Costs. The House Finance Committee concurs with the Governor's requested budget amendment to add \$1.0 million from federal funds to pay Conduent to administer the Health System Transformation Project. Payments in FY 2017 will be made to the participating nursing facilities.

66. Health System Transformation Project - Incentive Payment. The House Finance Committee concurs with the Governor's requested budget amendment to add \$7.3 million from federal funds to make payments to nursing facilities that are participating in the Health System Transformation Project.

67. HIV Care Grant - Pharmacy Expenses. The House Finance Committee concurs with the Governor's requested amendment to add \$2.0 million from federal Ryan White HIV Care funds to pay for current year costs for pharmacy expense that was included in the Executive Office's third quarter report. The Executive Office expanded the drug formulary and other services covered by the program.

68. Medicaid Caseload - May Conference. The House Finance Committee recommends increasing medical assistance expenses by \$31.8 million from all sources, including \$22.7 million more from federal funds and \$9.1 million from general revenues. This reflects the caseload estimate adopted in May and includes \$17.0 million more for costs related to the Medicaid expansion program and increased costs for nursing homes and managed care programs to reflect the functionality issues with the Unified Health Infrastructure Project as well as savings in other areas.

69. Recovery Center RFP Delay. The House Finance Committee recommends reducing medical assistance expenses by \$250,000 from general revenues based on a delay in issuing a Request for Proposals for a recovery support center through the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. This is part of the Governor's Overdose Task Force funding that was included in the FY 2017 enacted and recommended budgets. With this adjustment, the May caseload estimate includes \$2.3 million from all sources, \$0.5 million from general revenues for the initiatives supported by the Task Force.

70. Turnover. The House Finance Committee recommends reducing general revenue expenditures by \$0.6 million to reflect additional savings in the Executive Office, based on current vacancies.

71. UHIP System Cost Delay. The House Finance Committee recommends reducing FY 2017 expenses for the Unified Health Infrastructure Project by \$28.0 million, including \$3.3 million from general revenues based on the agreement the state has with the main systems contractor, Deloitte, to delay infrastructure costs until system issues have been addressed. This is consistent with the Executive Office's third quarter report.

Children, Youth and Families

72. Capital - Training School - Maintenance Building. The Governor's recommended capital budget includes \$385,000 for FY 2017 and \$150,000 for FY 2018 from Rhode Island Capital Plan funds to refurbish the former North American Family Institute building into a new storage and maintenance facility. The House Finance Committee does not recommend funding for either fiscal year as no funds have been spent and plans have not been finalized for the facility.

73. Capital - Training School Repairs/Improvements. The Governor's recommended capital budget includes \$483,816 for FY 2017 for various repairs and improvements at the Youth Development Center and the Youth Assessment Center. The Department projects spending \$42,816 in its third quarter report. Based on that, the House Finance Committee reduces FY 2017 funding by \$441,000 and adds \$100,000 for FY 2018.

74. Casey Foundation Grants. The House Finance Committee concurs with the Governor's requested budget amendment to add \$35,771 from restricted receipts in FY 2017 to reflect funding received through the Casey Foundation.

75. Education Vouchers. The House Finance Committee concurs with the Governor's requested budget amendment to add \$196,407 from federal funds in FY 2017 to reflect funding received through the Chafee Education and Training grant program.

76. Juvenile Corrections - 3rd Quarter. The House Finance Committee reduces general revenues by \$0.6 million to reflect staffing costs included in the Department's third quarter report for Juvenile Correctional Services. This equates to six additional vacant positions.

77. Other Staffing and Operations - 3rd Quarter. The House Finance Committee recommends adding \$0.6 million from general revenues offset by \$1.3 million in federal funds savings for administrative and direct service support that were included in the Department's third quarter report. This includes increased staffing costs, offset by operating savings.

78. RI Foundation Grant. The House Finance Committee concurs with the Governor's requested budget amendment to add \$38,700 from restricted receipts in FY 2017 to reflect a grant the Department has received from the Rhode Island Foundation. The funding is for a pilot initiative in the Juvenile Corrections Program in which a subset of students at the Training School will participate in a blended, personalized learning program.

Health

79. Behavioral Risk Surveillance. The House Finance Committee concurs with the Governor's requested amendment to include an additional \$81,000 from federal funds for the annual survey that measures changes in the health of people in the state as part of the Behavioral Risk Surveillance System.

80. Shift to Indirect Cost Recovery Receipts. The House Finance Committee recommends shifting general revenue expenses for staff in the Medical Examiner's Office and the Health Laboratory to available restricted receipts, including \$250,000 in FY 2017 and \$500,000 in FY 2018. Based on projected receipts, the Department appears to have \$1.2 million available from its indirect cost recovery restricted receipts, which it receives to offset costs associated with administering federally funded programs.

81. Software Maintenance Costs. The House Finance Committee concurs with the Governor's requested amendment to allow the Department of Health to spend an additional \$160,000 from available restricted receipts for licensing software related expenses.

82. Turnover. Based on updated staffing projections, the House Finance Committee recommends an additional \$250,000 in general revenue turnover savings, which is equivalent to 2.3 full-time positions. The FY 2017 revised budget includes \$56.5 million from all sources to fund 503.6 full-time positions and assumes \$3.2 million in turnover savings.

Human Services

83. Cash Assistance Caseload - May Conference. *The House Finance Committee recommends an additional \$4.1 million, including \$0.4 million from general revenues to adjust the FY 2017 budget for the May Caseload Conference estimates for cash assistance caseloads, including Rhode Island Works, subsidized child care, supplemental security income and general public assistance bridge programs.*

84. Child Support Settlement Set-Aside. The House Finance Committee recommends reducing general revenues by \$0.3 million in the Division of Child Support Enforcement for settlement set-aside funds that have not been spent in FY 2017. The Internal Revenue Service may intercept owed child support and the state forwards the funds to the custodial parent who is owed the payment. There are cases where the tax return includes errors and the Internal Revenue Service will recover the intercept funds from the state. Since the state has forwarded the funds to the parent it is responsible for paying back the federal government. The resources were first included in the FY 2016 enacted budget but no funds were spent in that fiscal year.

85. Deloitte Credit. The House Finance Committee concurs with the Governor's requested amendment to reduce general revenue spending by \$283,185 for Unified Health Infrastructure Project expenses paid to Deloitte.

86. ORS - Medicaid Match Correction. The House Finance Committee recommends an additional \$112,175 from Medicaid funds to bring personal care and home modification funding back to the FY 2017 enacted level totaling \$0.6 million.

87. Third Quarter Turnover and Operating Savings. The House Finance Committee recommends reducing general revenue expenditures by \$1.2 million to reflect turnover and operating savings based on the Department of Human Services' third quarter report. This equates to 13 vacant positions.

88. Veterans Home Funding from FY 2018. The House Finance Committee concurs with the Governor's requested amendment to shift \$40.0 million from federal funds recommended for FY 2018 to FY 2017 to reflect updated spending to complete the new Veterans Home. The home will be open in October 2017.

Behavioral Healthcare, Developmental Disabilities and Hospitals

89. Administrative Match Correction. The House Finance Committee recommends general revenue savings of \$204,000 from claiming Medicaid match for all administrative expenses in the Division of Developmental Disabilities and shifting those costs to federal funds. The community based services that the Division provides to developmentally disabled individuals are matched by Medicaid so any administrative expenses are also matched by Medicaid at the 50 percent administrative rate. The Governor's recommended budget includes a 46.62 percent match and the Committee corrects for the higher allowable rate. The adjustment maintains the \$160,000 from general revenues for the family subsidies.

90. Capital - Community Facilities - Fire Code Upgrades. The Governor's capital budget includes \$1.4 million from Rhode Island Capital Plan funds to install new and upgrade existing fire alarm and sprinkler systems throughout the community developmental disability and mental health facilities. This includes \$376,140 in FY 2017. The House Finance Committee reduces FY 2017 funding by \$400,000 to reflect current spending consistent with the Governor's requested amendment.

91. Capital - DD Community Facilities. The Governor's capital budget includes \$4.0 million from Rhode Island Capital Plan funds for repairs to community residences for adults with developmental disabilities and including \$1.2 million for FY 2017. The House Finance Committee recommends reducing FY 2017 funding by \$0.1 million to reflect current year spending.

92. Capital - Hospital Equipment. The Governor's capital budget includes \$370,771 for FY 2017 to purchase hospital equipment. The House Finance Committee recommends reducing funding by \$0.1 million to reflect current year expenses.

93. Capital - Hospital Reorganization. The House Finance Committee recommends reducing FY 2017 Rhode Island Capital Plan fund expenses by \$2.5 million to reflect a delay in implementing a hospital reorganization plan that is funded in the Governor's capital budget. The Committee concurs with the Governor's requested amendment to shift \$1.0 million each year to FY 2018 and FY 2019 and \$0.5 million to FY 2020 for the reorganization plan.

94. Capital - Regional Center Repair. The House Finance Committee concurs with the Governor requested amendment to reduce FY 2017 funding by \$0.5 million from Rhode Island Capital Plan funds for repairs and renovations to the 11 state-owned regional workshop centers to reflect current spending. The Committee also reduces recommended spending by \$0.2 million annually in the five-year capital plan. This

would provide \$0.3 million for FY 2018 through FY 2022 which is consistent with FY 2015 and FY 2016 spending.

95. Capital - Substance Abuse Asset Protection. The House Finance Committee concurs with the Governor's requested amendment to add \$62,223 from Rhode Island Capital Plan funds for updated costs to provide \$162,233 for substance abuse asset protection projects at the 12 community facilities for FY 2017.

96. Capital - Zambarano Buildings Repair. The Governor's capital budget includes \$1.4 million from Rhode Island Capital Plan funds for asset protection projects at the Cranston campus unit of Eleanor Slater Hospital. This includes \$580,000 for FY 2017; the House Finance Committee recommends reducing that by \$0.4 million to reflect current year expenses.

97. ESH Third Party Billing to Enacted Level. The House Finance Committee recommends general revenue savings of \$1.6 million from shifting expenses at the state-run Eleanor Slater Hospital to third party resources and restoring restricted receipts to the enacted level. The Governor's revised recommended budget lowers receipts from third party billing sources, which are a direct offset to general revenue expenses, by \$1.6 million. The Committee restores expected collections to \$6.5 million for FY 2017; this is consistent with the FY 2016 collections of \$6.5 million.

98. Medication Assistance Treatment Program - Back to DOC. The Governor's revised budget transfers \$2.0 million from the Department of Corrections so that the general revenues can be used towards the state's maintenance of effort requirement for its Substance Abuse Block Grant in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' budget. The Governor also included legislation to clarify language passed by the 2016 Assembly to allow the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to count Medicaid funds in the Executive Office of Health and Human Services' budget toward the federal requirement. The House Finance Committee includes the legislation and transfers \$2.0 million back to the Department of Corrections since it is no longer necessary to use those resources to meet the maintenance requirement.

Office of the Child Advocate

99. Turnover Savings. The House Finance Committee recommends an additional \$90,000 in general revenue turnover savings consistent with the Budget Office third quarter report and staffing trends for the fiscal year.

Deaf and Hard of Hearing

100. Turnover Savings. The House Finance Committee recommends an additional \$25,000 in general revenue turnover savings based on projected expenditures for FY 2017. The Governor's recommended budget provided funding for approximately half of the year for a new interpreter position which has not been filled. Those turnover savings are partially offset by an increased need for contracted interpreter services.

Elementary and Secondary Education

101. Advance Coursework Network. The Governor's FY 2017 revised budget recommendation includes \$0.6 million from permanent school funds for the advanced coursework network, consistent with the enacted budget. Based on anticipated expenditures, the House Finance Committee recommends reducing funding by \$0.1 million.

102. Capital - Davies School HVAC. The Governor recommends \$3.0 million from Rhode Island Capital Plan funds for FY 2017 and FY 2018 to repair the HVAC system at the Davies Career and Technical Center. Based on the current project schedule, the House Finance Committee recommends shifting expenditures of \$0.5 million and \$1.5 million from FY 2017 and FY 2018, respectively, to FY 2019. Total funding is as recommended.

103. Capital - Met School HVAC. The Governor recommends \$3.1 million from Rhode Island Capital Plan funds for FY 2017 to complete repairs to the HVAC systems at the five buildings of the Metropolitan Career and Technical Center's Peace Street and Public Street campuses. The House Finance Committee recommends shifting expenditures of \$2.2 million from FY 2017 to FY 2018 based on current spending. Total funding is as recommended.

104. Cost Allocation for Governor's Office Position. The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Office of Governor to other state agencies. The FY 2017 revised budget included a total of \$0.8 million charged to various state agencies; the amount allocated to the Department of Elementary and Secondary Education is \$0.1 million, which represents 0.5 of a deputy chief of staff position.

105. Council of Chief State School Officers Grant. The Governor requested an amendment to add \$400,000 from restricted receipts in the current year to reflect a grant from the Council of Chief State School Officers. The grant is intended to help the Department improve access to career education opportunities and better align its career preparation system. The House Finance Committee recommends adding only \$100,000 based on anticipated expenditures.

106. Education Aid Data Adjustments. The House Finance Committee recommends reducing general revenue expenditures by \$0.2 million based on current law requirements. This reflects a \$0.1 million reduction to English language learner categorical funding based on the number of eligible students and a \$0.1 million reduction to formula aid paid to charter schools to reflect mid-year adjustments.

107. Nellie Mae Grant. The House Finance Committee concurs with the Governor's requested budget amendment to add \$0.1 million from restricted receipts in the current year from a Nellie Mae Education Foundation grant to help the Department with a district-level systems change initiative.

108. PSAT/SAT Testing. The Governor's revised FY 2017 budget recommendation includes \$0.6 million for PSAT and SAT testing expenses, including \$0.5 million from general revenues. Based on final PSAT and anticipated SAT expenditures, the House Finance Committee recommends \$0.1 million less from general revenues.

109. Teacher Retirement. The House Finance Committee concurs with the Governor's requested budget amendment to add \$1.1 million from general revenues in the current year for teacher retirement. This includes \$0.6 million for delayed prior year payments.

110. Textbook Reimbursement. The House Finance Committee recommends reducing general revenues by \$0.1 million for the state textbook loan program based on actual reimbursements.

111. Turnover. Based on updated staffing projections, the House Finance Committee recommends \$0.3 million in general revenue turnover savings, which is equivalent to approximately 2.7 positions. The FY 2017 revised budget includes \$39.5 million from all sources to fund 326.1 full-time equivalent positions; through the beginning of May, the Department has averaged 26.7 vacancies for FY 2017.

Higher Education

112. College Access Challenge Grant. The House Finance Committee concurs with the Governor's requested budget amendment to add \$0.7 million in available federal College Access Challenge grant funds. The College Access Challenge Grant program was originally launched in 2012 and has been awarded to the Office and distributed to the three institutions to encourage projects aimed at increasing the number of minority and lower-income students prepared to enter postsecondary education and increase retention and persistence among these student populations. The grant expired in October 2016 but there is a total of \$0.9 million that can be spent during FY 2017.

113. Cost Allocation for Governor's Office Position. The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Governor's Office to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount charged to the Office of Postsecondary Commissioner is \$53,472 from general revenues for half the cost of an education policy advisor employee for FY 2017.

114. Higher Education Partnership Grant. The House Finance Committee concurs with the Governor's requested budget amendment to remove \$2.5 million in federal Higher Education Partnership funds based on the actual grant award. The Governor's revised recommendation was consistent with the Office's request that mistakenly requested \$2.8 million more than the enacted budget. The Higher Education Partnership grant provides state educational agencies, local educational agencies, state agencies for higher education and eligible partnerships funding to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom.

115. OPC – Turnover. The House Finance Committee recommends adding general revenue turnover savings of \$130,525 consistent with the Budget Office third quarter report. This is equivalent to 1.0 vacant position. The Governor's FY 2017 revised recommendation includes \$12,442 of turnover savings. As of the pay period ending May 13, the Office had 3.0 general revenue funded vacancies.

Arts Council

116. Turnover. Based on updated staffing projections from the third quarter report, the House Finance Committee recommends an additional \$33,000 in general revenue turnover savings.

Attorney General

117. Capital - Building Renovations and Repairs. The Governor's five-year capital budget includes \$417,530 from Rhode Island Capital Plan funds for FY 2017 for building renovations and repairs. She also includes The House Finance Committee reduces expenditures by \$250,000 based on current year spending.

118. Forfeiture Funds Adjustment. The House Finance Committee concurs with the Governor's requested amendment to classify federal forfeiture expenditures as federal funds instead of restricted receipts, per the request of the U.S. Department of Justice. The budget includes a total of \$35.0 million from federal forfeiture funds, including \$15.4 million from Google Settlement and other forfeiture funds in the Office of the Attorney General.

119. Turnover. The House Finance Committee recommends general revenue savings of \$0.3 million from turnover for the Office of the Attorney General based on its third quarter report projections.

Corrections

120. Capital - Gloria McDonald. The Governor's capital budget includes a total of \$0.7 million from Rhode Island Capital Plan funds for renovations at the Gloria McDonald facility through FY 2018. The House Finance Committee recommends removing \$0.5 million from FY 2017, consistent with the Department's request.

121. Capital- Intake Service Center Renovations. The Governor's capital budget includes \$7.5 million from Rhode Island Capital Plan funds, of which \$0.4 million is for FY 2017 to restore the exterior of the Intake Service Center. The House Finance Committee recommends shifting \$0.4 million from FY 2017 to FY 2021 to reflect an updated project schedule.

122. Capital- Maximum General Renovations. The Governor's capital budget includes a total of \$3.5 million from Rhode Island Capital Plan funds for renovations to the maximum security facility. Based on an updated project schedule, the House Finance Committee recommends shifting \$0.5 million from FY 2017 to FY 2019. Total funding is as recommended.

123. Capital- Medium Infrastructure. The Governor's capital budget includes \$22.3 million from Rhode Island Capital Plan funds for infrastructure improvements at the John J. Moran medium security facility. Based on an updated project schedule, the House Finance Committee recommends shifting \$1.6 million from FY 2017 to FY 2021. Total funding is as recommended.

124. Cognitive Behavioral Therapy Contract Delay. The Governor's FY 2017 revised budget recommendation includes \$0.9 million from general revenues for a cognitive behavioral therapy initiative, consistent with the enacted budget. For FY 2017, the Assembly appropriated funding for a new contract to provide evidence-based programming to moderate and high risk offenders, as well as for four additional probation and parole officers. Based on the Department's third quarter report, the House Finance Committee recommends eliminating \$0.3 million of funding due to a delay in procuring a contract.

125. Federal Asset Forfeiture. The Governor's FY 2017 revised budget recommendation includes \$35,000 from restricted receipts received from federal forfeiture funds. The House Finance Committee concurs with the Governor's requested amendment to move these funds from restricted receipt accounts to federal accounts at the request of the United States Department of Justice.

126. Lab Costs. The House Finance Committee does not recommend providing \$60,000 from general revenues for a new vendor contract to provide laboratory testing services for the Department of Corrections. Prior to January 1, 2017, these services were provided by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals at the Eleanor Slater Hospital. Testing was provided at no cost to the Department of Corrections as the Hospital is fully state funded. East Side Clinical Laboratory, was selected as the vendor. The bid estimate was approximately \$130,000 and the contract includes a cap of \$165,000 for services.

127. Medication Assistance Treatment Program - Back to DOC. The House Finance Committee does not concur with the Governor's recommendation to shift \$2.0 million from general revenues from the Department of Corrections for its medication assistance treatment program to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. According to supporting documentation, the funding transfer reflected the need to meet a maintenance of effort requirement for federal substance abuse funding awarded to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The House Finance Committee transfers funding back to the Department of Corrections as it is no longer necessary to use those resources to meet the maintenance requirement.

128. Population - Per Diem. The Governor's FY 2017 revised budget recommendation includes an additional \$1.1 million from general revenues for inmate population expenses based on a population of 3,058, which are calculated on a per diem basis. Based on the declining inmate population and projected expenditures, the House Finance Committee recommends funding at the enacted level and removes the additional \$1.1 million.

129. Renovations to RICAP. The House Finance Committee recommends shifting \$0.3 million of general revenue expenditures to Rhode Island Capital Plan funds for facility renovations. According to the Department of Correction's third quarter report, general revenues were used to complete renovations that addressed items such as compliance with federal Prison Rape Elimination Act requirements and suicide prevention. The House Finance Committee recommends an additional \$0.1 million from Rhode Island Capital Plan funds be added to the asset protection project for these types of expenses, which would bring total funding to \$3.3 million.

Judicial

130. Capital - Noel Shelled Courtroom Build Out. The Governor recommends \$7.4 million from Rhode Island Capital Plan funds for FY 2017 and FY 2018 to build out the shelled courtrooms at the Noel Judicial Complex and construct a new parking lot. The House Finance Committee recommends shifting \$1.7 million from FY 2017 to FY 2019 to reflect that the project is behind schedule. This assumes the project completion date will be extended into FY 2019.

131. State Justice Institute Grant. The House Finance Committee recommends adding \$18,000 from restricted receipts in FY 2017 to reflect the first year of a two-year grant from the State Justice Institute for best practices and strategies in implementing the case management system, requested in a Governor's budget amendment.

Military Staff

132. Capital - Joint Force Headquarters Building. The Governor's capital recommendation includes \$10.7 million from Rhode Island Capital Plan funds to build a new joint force headquarters at Camp Fogarty in East Greenwich. The House Finance Committee concurs with the Governor's requested amendment to shift \$0.5 million from FY 2017 to FY 2019 to better reflect the current project schedule.

133. Counterdrug Asset Forfeiture. The Governor's recommendation includes \$32,000 from restricted receipts to reflect funds available from asset forfeitures generated from the National Guard's counterdrug activities. The House Finance Committee concurs with the Governor's requested amendment to classify federal forfeiture expenditures as federal funds instead of restricted receipts, per the request of the U.S. Department of Justice. The House Finance Committee also concurs with the Governor's requested amendment to add \$0.4 million from Google settlement funds, including \$378,000 to purchase equipment to assist the law enforcement community in responding to the opioid crisis and \$10,000 for an unanticipated equipment purchase.

134. Cybersecurity. The House Finance Committee recommends removing \$50,000 from general revenues from the Governor's FY 2017 revised recommendation for the Rhode Island National Guard to participate in the Governor's Cybersecurity Commission working groups. The Military Staff has indicated that it is unlikely the \$50,000 will be spent in FY 2017.

Public Safety

135. Cost Allocation for Governor's Office Position. The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Governor's Office

to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount allocated to the Department of Public Safety is \$0.1 million.

136. Cybersecurity Delay. The FY 2017 revised budget includes \$0.4 million from general revenues in the Department of Public Safety to fund a cybersecurity director and related software and training expenses. The House Finance Committee recommends savings of \$0.3 million to reflect a delay in filling the cybersecurity director position and savings for training related expenses.

137. Federal Grant Adjustments. The House Finance Committee concurs with the Governor's requested amendment to add \$0.5 million from federal funds for FY 2017 for two new awards and three updated grants that the Department of Public Safety received subsequent to the budget submission.

138. Fire Academy Training Equipment. The House Finance Committee concurs with the Governor's requested amendment to add \$0.1 million from restricted receipts for the Fire Academy to purchase training equipment.

139. Municipal Police Training Highway Safety Grant. The House Finance Committee concurs with the Governor's requested amendment to include \$0.1 million from federal funds from the State and Community Highway Safety Grant to improve driver behavior and reduce deaths and injuries from motor vehicle-related crashes.

140. New Commissioner. The Governor recommends \$0.1 million from general revenues to fund a new commissioner of Public Safety position in the current year; however, legislation creating the position is not effective until July 1, 2017. No stand-alone legislation was submitted. The House Finance Committee adjusts staffing and funding accordingly.

141. State Police Federal Forfeiture Funds Adjustment. The House Finance Committee concurs with the Governor's requested amendment to classify federal forfeiture expenditures as federal funds instead of restricted receipts, per the request of the U.S. Department of Justice. The budget includes a total of \$35.0 million from federal forfeiture funds, including \$19.4 million in the Department of Public Safety.

142. State Police Vehicle Purchase. The House Finance Committee concurs with the Governor's requested amendment to add \$0.1 million from restricted receipts to purchase two vehicles.

143. Third Quarter Turnover and Operating Savings. Based on spending projections, the House Finance Committee recommends general revenue savings of \$0.8 million from turnover and operating reductions.

Public Defender

144. Turnover and Operations (3rd Quarter). The House Finance Committee recommends reducing general revenue expenditures by \$66,000 to reflect updated staffing projections in the Office of the Public Defender.

Emergency Management

145. Capital - Hurricane Sandy Cleanup. The House Finance Committee concurs with the Governor's requested amendment to remove \$0.2 million from Rhode Island Capital Plan funds for the Hurricane Sandy project in FY 2017. The Budget Office indicates that no additional Rhode Island Capital Plan funds are needed to match federal reimbursements for this project.

Environmental Management

146. Capital - Natural Resources Offices/Visitor's Center. The Governor recommends \$6.6 million from Rhode Island Capital Plan funds for FY 2017 and FY 2018 for the construction of a new office facility for the Natural Resources Offices Visitor's Center in the Arcadia Management Area at Browning Mill Pond in the town of Richmond. Based on current delays in the project, the House Finance Committee recommends shifting \$1.1 million from FY 2017 and \$4.5 million from FY 2018 to FY 2019. Total funding is \$1.1 million less than recommended.

147. Environmental Trust. The House Finance Committee concurs with the Governor's requested budget amendment to add \$250,000 from restricted receipts for renovations to the showers and bathrooms at Scarborough State Beach. The project is expected to be completed in June 2017.

Coastal Resources Management Council

148. Capital - RI Coastal Storm Risk Study. The Governor recommends \$1.5 million from Rhode Island Capital Plan funds from FY 2017 through FY 2020 to be used as state match for a project to identify coastal risk management strategies, building on work done by the Army Corps of Engineers. The Council has indicated that the Army Corps of Engineers has delayed the project. Based on that delay, the House Finance Committee recommends shifting \$0.2 million from FY 2017 and \$0.4 million from FY 2018 to FY 2021. Total funding is as recommended.

149. Turnover. The House Finance Committee recommends reducing general revenue expenditures by \$30,651 to reflect additional turnover savings based on updated projections from the Council's third quarter report.

Transportation

150. Capital - Portsmouth Facility. The House Finance Committee concurs with the Governor's requested amendment to shift \$1.1 million from Rhode Island Capital Plan funds from FY 2018 and FY 2019 to FY 2017 based on anticipated completion of the Portsmouth maintenance facility.

151. Capital - Salt Storage. The House Finance Committee concurs with the Governor's requested amendment to shift \$1.5 million from Rhode Island Capital Plan funds for the salt storage facilities project from FY 2017 to include \$750,000 each in FY 2018 and FY 2019. Funds will be used for the construction of salt storage facilities.

152. Capital - T.F. Green Airport Improvements. The House Finance Committee concurs with the Governor's requested amendment to provide \$5.0 million from Rhode Island Capital Plan funds for projects at T.F. Green Airport. This includes \$3.0 million in FY 2017 and \$2.0 million in FY 2018 for expansion to the Federal Inspection Services facility to support new international flights and for improvements to Runway 16/34.

153. Capital - Train Station Maintenance. The FY 2017 revised budget includes \$0.7 million from Rhode Island Capital Plan funds for repairs at three train stations: Woonsocket, Kingston and Westerly. The House Finance Committee concurs with the Governor's requested amendment to reduce project costs by \$323,555 based on projected expenditures. The capital budget includes a total of \$2.1 million, \$350,000 from FY 2018 through FY 2022.

154. Commuter Rail Project. The House Finance Committee concurs with Governor's requested amendment to include \$11.4 million from federal funds for the Kingston Station as part of the Commuter Rail Project. The funds were inadvertently excluded from the budget and will be used for track

improvements at the Kingston station to enable high speed trains to pass other slower commuter trains at the station.

155. Cost Allocation for Governor's Office Position. The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within Governor's Office to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount allocated to the Department of Transportation is \$0.1 million.

156. Equipment Purchase Delays. The FY 2017 revised budget includes \$20.5 million from gasoline tax and Rhode Island Capital Plan funds for the Department to purchase heavy trucks, sweepers, loaders, backhoes and tractors to replace the Maintenance Division's existing fleet. Based on delays, the House Finance Committee reduces expenditures by \$8.0 million. The FY 2018 budget also includes \$9.3 million for vehicle and equipment purchases.

157. Turnover - Federal Highway Funds. The House Finance Committee recommends \$10.0 million in turnover savings from federal funds based on projected salary and benefit costs for which the FY 2017 revised budget includes \$80.2 million from all sources. The Department's average filled positions through the last pay period ending May 2017, were 640.0 full-time equivalent positions, or 61.0 positions below the authorized level of staffing.

158. Winter Maintenance. Based on actual expenditures the House Finance Committee recommends \$6.0 million less for winter maintenance, for which the FY 2017 revised budget includes \$21.1 million from gasoline tax proceeds.

Section V

Summary Tables

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Expenditures from All Funds

	FY 2017 Enacted	FY 2017 Committee	FY 2018 Recommended	FY 2018 Committee
General Government				
Administration	\$ 391,952,283	\$ 388,342,357	\$ 391,158,286	\$ 358,563,639
Business Regulation	15,859,889	15,830,344	15,906,183	15,459,183
Executive Office of Commerce	79,415,044	78,537,193	76,792,843	58,598,372
Labor and Training	419,517,728	442,149,771	428,383,022	429,907,376
Revenue	485,517,596	491,702,077	501,141,263	525,371,718
Legislature	42,749,302	47,547,814	44,252,464	42,252,464
Lieutenant Governor	1,079,576	1,053,288	1,084,217	1,084,217
Secretary of State	10,937,570	10,534,006	9,350,797	9,350,797
General Treasurer	37,560,433	43,429,579	48,025,446	42,764,450
Board of Elections	1,982,707	2,068,676	1,548,735	1,548,735
Rhode Island Ethics Commission	1,653,383	1,631,610	1,665,873	1,665,873
Governor's Office	5,091,069	5,075,482	5,397,554	5,397,554
Human Rights	1,581,423	1,646,008	1,690,102	1,690,102
Public Utilities Commission	8,926,973	9,050,791	9,733,377	9,136,343
Subtotal - General Government	\$ 1,503,824,976	\$ 1,538,598,996	\$ 1,536,130,162	\$ 1,502,790,823
Human Services				
Health and Human Services	\$ 2,398,192,585	\$ 2,501,875,545	\$ 2,466,045,748	\$ 2,498,011,921
Children, Youth and Families	216,489,823	216,455,797	209,069,952	209,049,728
Health	162,884,652	169,931,915	171,168,076	169,645,421
Human Services	602,087,123	662,983,300	653,721,813	614,699,037
BHDDH	385,632,555	395,151,028	394,366,931	396,759,239
Child Advocate	795,582	690,155	814,329	926,120
Deaf and Hard of Hearing	587,746	565,650	627,910	627,910
Commission on Disabilities	685,423	778,020	842,190	842,190
Mental Health Advocate	542,009	549,273	549,563	549,563
Subtotal - Human Services	\$ 3,767,897,498	\$ 3,948,980,683	\$ 3,897,206,512	\$ 3,891,111,129
Education				
Elementary and Secondary	\$ 1,353,972,840	\$ 1,355,839,541	\$ 1,398,479,535	\$ 1,402,113,543
Higher Education	1,161,281,203	1,135,224,767	1,187,999,008	1,180,099,008
Arts Council	3,030,538	3,698,796	3,072,310	3,072,310
Atomic Energy	1,333,049	1,539,039	1,304,373	1,304,373
Historical Preservation	2,803,698	3,218,083	2,538,339	2,490,767
Subtotal - Education	\$ 2,522,421,328	\$ 2,499,520,226	\$ 2,593,393,565	\$ 2,589,080,001

Expenditures from All Funds

	FY 2017 Enacted	FY 2017 Committee	FY 2018 Recommended	FY 2018 Committee
Public Safety				
Attorney General	\$ 35,142,783	\$ 45,565,488	\$ 44,129,197	\$ 44,129,197
Corrections	224,790,655	220,717,697	234,218,260	235,820,265
Judicial	117,067,369	118,620,202	121,038,254	121,056,254
Military Staff	23,177,316	20,809,945	38,177,942	38,177,942
Emergency Management	23,994,138	21,926,478	-	18,454,652
Public Safety	119,972,144	141,881,143	142,343,112	121,755,531
Public Defender	11,897,202	11,800,028	12,438,055	12,140,826
Subtotal-Public Safety	\$ 556,041,607	\$ 581,320,981	\$ 592,344,820	\$ 591,534,667
Natural Resources				
Environmental Management	\$ 102,747,614	\$ 102,641,715	\$ 113,264,686	\$ 103,973,070
CRMC	7,322,525	8,259,745	5,232,623	4,836,869
Subtotal-Natural Resources	\$ 110,070,139	\$ 110,901,460	\$ 118,497,309	\$ 108,809,939
Transportation				
Transportation	\$ 478,457,845	\$ 524,046,040	\$ 510,490,328	\$ 514,065,072
Subtotal-Transportation	\$ 478,457,845	\$ 524,046,040	\$ 510,490,328	\$ 514,065,072
Total	\$ 8,938,713,393	\$ 9,203,368,386	\$ 9,248,062,696	\$ 9,197,391,631

Expenditures from General Revenues

	FY 2017 Enacted	FY 2017 Committee	FY 2018 Recommended	FY 2018 Committee
General Government				
Administration	\$ 237,083,518	\$ 223,197,512	\$ 248,080,830	\$ 215,536,469
Business Regulation	10,583,452	10,021,228	11,115,093	10,668,093
Executive Office of Commerce	55,574,117	54,735,262	51,842,819	33,057,819
Labor and Training	8,212,636	7,053,913	8,751,313	8,094,063
Revenue	113,893,951	110,827,613	119,391,677	143,622,132
Legislature	41,052,730	45,936,290	42,522,507	40,522,507
Lieutenant Governor	1,079,576	1,053,288	1,084,217	1,084,217
Secretary of State	10,281,051	9,920,874	8,911,319	8,911,319
General Treasurer	2,736,231	2,733,044	2,698,692	2,698,692
Board of Elections	1,982,707	2,068,676	1,548,735	1,548,735
Rhode Island Ethics Commission	1,653,383	1,631,610	1,665,873	1,665,873
Governor's Office	5,091,069	5,075,482	5,397,554	5,397,554
Human Rights	1,258,128	1,247,603	1,258,074	1,258,074
Public Utilities Commission	-	-	-	-
Subtotal - General Government	\$ 490,482,549	\$ 475,502,395	\$ 504,268,703	\$ 474,065,547
Human Services				
Health and Human Services	\$ 936,987,012	\$ 949,973,952	\$ 938,634,987	\$ 953,370,574
Children, Youth and Families	151,773,764	156,296,331	149,855,862	145,855,862
Health	25,931,822	25,499,235	26,325,249	24,893,123
Human Services	97,636,314	91,700,364	95,725,491	91,130,433
BHDDH	173,184,239	177,917,907	179,645,532	176,285,871
Child Advocate	650,582	545,541	669,708	781,499
Deaf and Hard of Hearing	477,746	435,650	498,710	498,710
Commission on Disabilities	412,547	420,596	454,938	454,938
Mental Health Advocate	542,009	549,273	549,563	549,563
Subtotal - Human Services	\$ 1,387,596,035	\$ 1,403,338,849	\$ 1,392,360,040	\$ 1,393,820,573
Education				
Elementary and Secondary	\$ 1,112,847,293	\$ 1,113,248,602	\$ 1,158,617,116	\$ 1,160,611,396
Higher Education	196,357,528	198,426,426	225,782,593	220,882,593
Arts Council	1,951,884	1,906,368	1,945,056	1,945,056
Atomic Energy	981,100	979,682	982,157	982,157
Historical Preservation	1,202,559	1,162,001	1,168,706	1,121,134
Subtotal - Education	\$ 1,313,340,364	\$ 1,315,723,079	\$ 1,388,495,628	\$ 1,385,542,336

Expenditures from General Revenues

	FY 2017 Enacted	FY 2017 Committee	FY 2018 Recommended	FY 2018 Committee
Public Safety				
Attorney General	\$ 25,595,982	\$ 25,882,150	\$ 26,194,751	\$ 26,194,751
Corrections	211,700,506	213,627,370	216,818,823	218,420,828
Judicial	96,606,091	97,067,590	98,014,477	98,014,477
Military Staff	2,659,719	2,576,341	2,634,057	2,634,057
Emergency Management	1,848,876	1,847,848	-	1,734,470
Public Safety	99,442,148	100,335,839	105,028,142	101,057,531
Public Defender	11,784,382	11,702,208	12,340,235	12,043,006
Subtotal-Public Safety	\$ 449,637,704	\$ 453,039,346	\$ 461,030,485	\$ 460,099,120
Natural Resources				
Environmental Management	\$ 40,206,777	\$ 38,295,450	\$ 43,995,800	\$ 39,204,184
CRMC	2,452,438	2,469,896	2,558,332	2,487,578
Subtotal-Natural Resources	\$ 42,659,215	\$ 40,765,346	\$ 46,554,132	\$ 41,691,762
Transportation				
Transportation	\$ -	\$ -	\$ -	\$ -
Subtotal-Transportation	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,683,715,867	\$ 3,688,369,015	\$ 3,792,708,988	\$ 3,755,219,338

Expenditures from Federal Grants

	FY 2017 Enacted	FY 2017 Committee	FY 2018 Recommended	FY 2018 Committee
General Government				
Administration	\$ 14,896,706	\$ 21,555,372	\$ 13,215,878	\$ 13,162,089
Business Regulation	1,100,710	2,011,396	892,213	892,213
Executive Office of Commerce	17,790,927	18,266,931	17,890,642	17,890,642
Labor and Training	38,451,580	48,693,285	35,459,683	36,930,858
Revenue	2,145,367	4,375,213	1,567,500	1,567,500
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	-	22,859	-	-
General Treasurer	952,881	1,105,808	890,337	1,090,337
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	323,295	398,405	432,028	432,028
Public Utilities Commission	104,669	128,000	129,225	129,225
Subtotal - General Government	\$ 75,766,135	\$ 96,557,269	\$ 70,477,506	\$ 72,094,892
Human Services				
Health and Human Services	\$ 1,447,676,171	\$ 1,536,086,501	\$ 1,506,283,492	\$ 1,525,424,810
Children, Youth and Families	60,409,483	56,801,020	55,015,159	59,015,159
Health	100,365,021	103,588,285	105,373,312	105,373,312
Human Services	497,644,896	562,834,135	550,132,608	515,584,197
BHDDH	193,038,756	199,051,973	200,747,244	204,099,213
Child Advocate	145,000	144,614	144,621	144,621
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	228,750	298,064	343,542	343,542
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 2,299,508,077	\$ 2,458,804,592	\$ 2,418,039,978	\$ 2,409,984,854
Education				
Elementary and Secondary	\$ 206,229,553	\$ 207,575,449	\$ 203,500,000	\$ 203,500,000
Higher Education	14,308,847	14,879,354	13,933,669	13,933,669
Arts Council	775,454	786,728	781,454	781,454
Atomic Energy	32,422	228,863	-	-
Historical Preservation	1,093,966	1,547,028	860,963	860,963
Subtotal - Education	\$ 222,440,242	\$ 225,017,422	\$ 219,076,086	\$ 219,076,086

Expenditures from Federal Grants

	FY 2017 Enacted	FY 2017 Committee	FY 2018 Recommended	FY 2018 Committee
Public Safety				
Attorney General	\$ 1,692,545	\$ 18,755,297	\$ 1,779,505	\$ 16,988,288
Corrections	1,130,008	1,919,570	1,546,884	1,581,884
Judicial	3,254,091	3,948,329	3,411,144	3,411,144
Military Staff	17,497,797	17,080,113	27,717,460	27,746,960
Emergency Management	20,094,466	17,946,354	-	14,775,673
Public Safety	9,292,391	32,177,494	29,249,442	14,879,669
Public Defender	112,820	97,820	97,820	97,820
Subtotal-Public Safety	\$ 53,074,118	\$ 91,924,977	\$ 63,802,255	\$ 79,481,438
Natural Resources				
Environmental Management	\$ 29,728,792	\$ 34,155,995	\$ 33,399,312	\$ 33,399,312
CRMC	4,148,312	5,218,074	1,649,291	1,649,291
Subtotal-Natural Resources	\$ 33,877,104	\$ 39,374,069	\$ 35,048,603	\$ 35,048,603
Transportation				
Transportation	\$ 272,409,980	\$ 272,962,806	\$ 275,390,062	\$ 285,390,062
Subtotal-Transportation	\$ 272,409,980	\$ 272,962,806	\$ 275,390,062	\$ 285,390,062
Total	\$ 2,957,075,656	\$ 3,184,641,135	\$ 3,081,834,490	\$ 3,101,075,935

Expenditures from Restricted Receipts

	FY 2017 Enacted	FY 2017 Committee	FY 2018 Recommended	FY 2018 Committee
General Government				
Administration	\$ 34,263,955	\$ 42,185,356	\$ 33,095,338	\$ 33,225,906
Business Regulation	4,175,727	3,797,720	3,898,877	3,898,877
Executive Office of Commerce	4,750,000	4,750,000	4,159,382	4,749,911
Labor and Training	23,585,123	30,040,160	24,090,443	24,323,914
Revenue	5,947,043	5,033,373	3,962,015	3,962,015
Legislature	1,696,572	1,611,524	1,729,957	1,729,957
Lieutenant Governor	-	-	-	-
Secretary of State	556,519	440,273	439,478	439,478
General Treasurer	33,320,911	38,941,919	35,886,175	38,425,179
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	8,822,304	8,922,791	9,604,152	9,007,118
Subtotal - General Government	\$ 117,118,154	\$ 135,723,116	\$ 116,865,817	\$ 119,762,355
Human Services				
Health and Human Services	\$ 13,529,402	\$ 15,815,092	\$ 21,127,269	\$ 19,216,537
Children, Youth and Families	3,466,576	3,224,773	3,098,931	3,128,707
Health	36,587,809	40,844,395	39,469,515	39,378,986
Human Services	1,712,435	3,444,789	3,270,236	3,390,929
BHDDH	8,435,824	8,509,155	6,909,155	8,509,155
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	110,000	130,000	129,200	129,200
Commission on Disabilities	44,126	59,360	43,710	43,710
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 63,886,172	\$ 72,027,564	\$ 74,048,016	\$ 73,797,224
Education				
Elementary and Secondary	\$ 30,186,994	\$ 30,495,775	\$ 29,454,419	\$ 30,420,147
Higher Education	1,022,720	1,517,568	2,173,990	2,173,990
Arts Council	-	25,000	-	-
Atomic Energy	-	-	-	-
Historical Preservation	427,175	429,200	427,700	427,700
Subtotal - Education	\$ 31,636,889	\$ 32,467,543	\$ 32,056,109	\$ 33,021,837

Expenditures from Restricted Receipts

	FY 2017 Enacted	FY 2017 Committee	FY 2018 Recommended	FY 2018 Committee
Public Safety				
Attorney General	\$ 7,554,256	\$ 760,511	\$ 16,004,941	\$ 796,158
Corrections	60,141	61,336	94,368	59,368
Judicial	11,682,187	13,150,527	12,512,633	12,530,633
Military Staff	337,300	100,000	129,500	100,000
Emergency Management	861,046	448,112	-	450,095
Public Safety	4,452,070	472,175	1,168,707	415,924
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 24,947,000	\$ 14,992,661	\$ 29,910,149	\$ 14,352,178
Natural Resources				
Environmental Management	\$ 18,981,956	\$ 17,200,296	\$ 17,496,061	\$ 17,496,061
CRMC	250,000	250,000	250,000	250,000
Subtotal-Natural Resources	\$ 19,231,956	\$ 17,450,296	\$ 17,746,061	\$ 17,746,061
Transportation				
Transportation	\$ 180,219	\$ 3,610,153	\$ 3,168,128	\$ 3,168,128
Subtotal-Transportation	\$ 180,219	\$ 3,610,153	\$ 3,168,128	\$ 3,168,128
Total	\$ 257,000,390	\$ 276,271,333	\$ 273,794,280	\$ 261,847,783

Expenditures from Other Funds

	FY 2017 Enacted	FY 2017 Committee	FY 2018 Recommended	FY 2018 Committee
General Government				
Administration	\$ 105,708,104	\$ 101,404,117	\$ 96,766,240	\$ 96,639,175
Business Regulation	-	-	-	-
Executive Office of Commerce	1,300,000	785,000	2,900,000	2,900,000
Labor and Training	349,268,389	356,362,413	360,081,583	360,558,541
Revenue	363,531,235	371,465,878	376,220,071	376,220,071
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	100,000	150,000	-	-
General Treasurer	550,410	648,808	8,550,242	550,242
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	-	-	-	-
Subtotal - General Government	\$ 820,458,138	\$ 830,816,216	\$ 844,518,136	\$ 836,868,029
Human Services				
Health and Human Services	\$ -	\$ -	\$ -	\$ -
Children, Youth and Families	840,000	133,673	1,100,000	1,050,000
Health	-	-	-	-
Human Services	5,093,478	5,004,012	4,593,478	4,593,478
BHDDH	10,973,736	9,671,993	7,065,000	7,865,000
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	-	-	-	-
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 16,907,214	\$ 14,809,678	\$ 12,758,478	\$ 13,508,478
Education				
Elementary and Secondary	\$ 4,709,000	\$ 4,519,715	\$ 6,908,000	\$ 7,582,000
Higher Education	949,592,108	920,401,419	946,108,756	943,108,756
Arts Council	303,200	980,700	345,800	345,800
Atomic Energy	319,527	330,494	322,216	322,216
Historical Preservation	79,998	79,854	80,970	80,970
Subtotal - Education	\$ 955,003,833	\$ 926,312,182	\$ 953,765,742	\$ 951,439,742

Expenditures from Other Funds

	FY 2017 Enacted	FY 2017 Committee	FY 2018 Recommended	FY 2018 Committee
Public Safety				
Attorney General	\$ 300,000	\$ 167,530	\$ 150,000	\$ 150,000
Corrections	11,900,000	5,109,421	15,758,185	15,758,185
Judicial	5,525,000	4,453,756	7,100,000	7,100,000
Military Staff	2,682,500	1,053,491	7,696,925	7,696,925
Emergency Management	1,189,750	1,684,164	-	1,494,414
Public Safety	6,785,535	8,895,635	6,896,821	5,402,407
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 28,382,785	\$ 21,363,997	\$ 37,601,931	\$ 37,601,931
Natural Resources				
Environmental Management	\$ 13,830,089	\$ 12,989,974	\$ 18,373,513	\$ 13,873,513
CRMC	471,775	321,775	775,000	450,000
Subtotal-Natural Resources	\$ 14,301,864	\$ 13,311,749	\$ 19,148,513	\$ 14,323,513
Transportation				
Transportation	\$ 205,867,646	\$ 247,473,081	\$ 231,932,138	\$ 225,506,882
Subtotal-Transportation	\$ 205,867,646	\$ 247,473,081	\$ 231,932,138	\$ 225,506,882
Total	\$ 2,040,921,480	\$ 2,054,086,903	\$ 2,099,724,938	\$ 2,079,248,575

Full-Time Equivalent Positions

	FY 2017 Enacted	FY 2017 Committee	FY 2018 Recommended	FY 2018 Committee
General Government				
Administration	708.7	708.7	713.7	695.7
Business Regulation	97.0	100.0	106.0	100.0
Executive Office of Commerce	16.0	16.0	17.0	17.0
Labor and Training	409.5	409.5	433.7	428.7
Revenue	523.5	523.5	539.5	533.5
Legislature	298.5	298.5	298.5	298.5
Lieutenant Governor	8.0	8.0	8.0	8.0
Secretary of State	59.0	59.0	59.0	59.0
General Treasurer	88.0	87.0	87.0	89.0
Board of Elections	12.0	12.0	12.0	12.0
Rhode Island Ethics Commission	12.0	12.0	12.0	12.0
Governor's Office	45.0	45.0	45.0	45.0
Human Rights	14.5	14.5	14.5	14.5
Public Utilities Commission	51.0	51.0	57.0	51.0
Subtotal - General Government	2,342.7	2,344.7	2,402.9	2,363.9
Human Services				
Health and Human Services	179.0	178.0	269.0	269.0
Children, Youth and Families	629.5	628.5	616.5	616.5
Health	503.6	503.6	499.6	493.6
Human Services	937.1	937.1	838.1	838.1
BHDDH	1,352.4	1,352.4	1,319.4	1,319.4
Child Advocate	6.0	7.0	7.0	8.0
Deaf and Hard of Hearing	4.0	4.0	4.0	4.0
Commission on Disabilities	4.0	4.0	4.0	4.0
Mental Health Advocate	4.0	4.0	4.0	4.0
Subtotal - Human Services	3,619.6	3,618.6	3,561.6	3,556.6
Education				
Elementary and Secondary	325.1	325.1	325.1	325.1
Higher Education	4,296.8	4,296.8	4,306.8	4,306.8
Arts Council	8.6	8.6	8.6	8.6
Atomic Energy	8.6	8.6	8.6	8.6
Historical Preservation	16.6	15.6	15.6	15.6
Subtotal - Education	4,655.7	4,654.7	4,664.7	4,664.7

Full-Time Equivalent Positions

	FY 2017 Enacted	FY 2017 Committee	FY 2018 Recommended	FY 2018 Committee
Public Safety				
Attorney General	235.1	235.1	235.1	235.1
Corrections	1,423.0	1,423.0	1,426.0	1,423.0
Judicial	723.3	723.3	723.5	723.3
Military Staff	92.0	92.0	92.0	92.0
Emergency Management	29.0	29.0	-	32.0
Public Safety	610.2	615.6	660.6	610.6
Public Defender	93.0	93.0	94.0	93.0
Subtotal-Public Safety	3,205.6	3,211.0	3,231.2	3,209.0
Natural Resources				
Environmental Management	399.0	400.0	403.0	401.0
CRMC	29.0	29.0	29.0	29.0
Subtotal-Natural Resources	428.0	429.0	432.0	430.0
Transportation				
Transportation	701.0	701.0	775.0	775.0
Subtotal-Transportation	701.0	701.0	775.0	775.0
Total Positions	14,952.6	14,959.0	15,067.4	14,999.2

Section VI

Article Explanations

Explanations of Budget Articles

2017-H 5175, Substitute A

Article 1. FY 2018 Appropriations

Section 1. Appropriations. This section of Article 1 contains the appropriations for FY 2018.

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

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

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

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

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

Section 7. Temporary Disability Insurance Funds. This section appropriates all funds required for benefit payments from the Temporary Disability Insurance Fund and the Temporary Disability Insurance Reserve Fund for FY 2018.

Section 8. Employment Security Funds. This section appropriates all funds required for benefit payments to the unemployed from the Employment Security Fund for FY 2018.

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

Section 10. Full-Time Equivalent Positions. This section of Article 1 limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2018. It also provides that state employees whose funding is from non-state funds that are time limited shall receive appointments limited to the availability of the non-state funding source. In addition, this section provides that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization. Total staffing is 14,999.2 full-time equivalent positions, 46.6 positions more than enacted.

Section 11. Multi-Year Appropriations. This section makes multi-year appropriations for a number of capital projects included in the FY 2019 through FY 2022 Capital Budget that are funded from Rhode Island Capital Plan funds. The FY 2018 and multi-year appropriations supersede appropriations made for capital projects in Section 11 of Article 1 of the FY 2017 Appropriations Act.

Section 12. Reappropriations. This section provides that any unexpended and unencumbered funds for Rhode Island Capital Plan Fund projects shall be reappropriated in FY 2018. However, any such

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reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act. Unexpended funds of less than \$500 can be reappropriated at the discretion of the State Budget Officer.

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

Section 14. Appropriation of CollegeBoundSaver Funds. This section appropriates the funds received by the Office of the General Treasurer from the CollegeBoundSaver program for transfer to the Division of Higher Education Assistance within the Office of Postsecondary Commissioner to support student financial aid for FY 2018. The Budget includes \$1.3 million from these sources for state grant programs.

Section 15. Infrastructure Bank Transfer. This section requires the transfer of \$3.5 million from the Infrastructure Bank to state general revenues by June 30, 2018.

Section 15a (duplicate number in error). Health and Educational Building Corporation. This section of the article requires the transfer of \$6.0 million from the Rhode Island Health and Educational Building Corporation to state general revenues by June 30, 2018.

Section 16. Electric and Gas Distribution Company Transfer. This section requires that the electric and gas distribution company transfer \$12.5 million to state general revenues by June 30, 2018.

Section 17. Quonset Development Corporation Transfer. This section requires that the Quonset Development Corporation transfer \$1.0 million to state general revenues by June 30, 2018.

Section 18. Rhode Island Housing Transfer. This section requires that Rhode Island Housing and Mortgage Finance Corporation transfer \$1.0 million to state general revenues by June 30, 2018.

Section 19. Narragansett Bay Commission Transfer. This section requires the transfer of \$5.0 million from the Narragansett Bay Commission to state general revenues by June 30, 2018.

Section 20. PUC Rent Charge. This section includes an increase in the rent rate charged to the Public Utilities Commission beginning in FY 2018 from \$173,040 to \$333,420. The Commission is primarily funded from restricted receipts generated from billing the regulated utilities. The Budget includes the additional \$160,380 as revenues to the state.

Section 21. Effective Date. This section establishes July 1, 2017 as the effective date of the article.

Article 2. Economic Development and Tax Credits

This article would expand the eligible uses of innovation vouchers to include research and development for and by small business manufacturers and require the Commerce Corporation to reserve up to 50.0 percent of the program's annual appropriation for vouchers for this purpose, subject to appropriation. It also delays

Explanations of Budget Articles

the sunset of the 2013 Historic Preservation Tax Credit program two years, from June 30, 2017 to June 30, 2019.

Article 3. Rhode Island Promise Scholarship

Article 3 establishes a new Rhode Island Promise Scholarship program to provide two years of free tuition and mandatory fees at the Community College of Rhode Island for qualifying Rhode Island students. The program is intended to be a “last dollar scholarship,” meaning that after a student exhausts all other sources of student aid the program would cover the remainder of their tuition bill. Room and board and other non-mandatory fees would not be covered by this program. Recipients would be required to maintain a 2.5 grade point average and must commit to remaining in Rhode Island after graduation. The program would be implemented for four cohorts of students beginning in FY 2018 with the last cohort entering in the fall of 2020. The legislation requires a program evaluation be conducted on or before July 1, 2020, after the second cohort finishes.

The budget includes \$2.8 million for FY 2018. The FY 2019 impact would be \$5.9 million.

Article 4. Motor Vehicles

Section 1. Technology Surcharge. This section would allow the Division of Motor Vehicles to extend the \$1.50 surcharge on its transactions from FY 2018 through FY 2022, to be deposited in the Information Technology Investment Fund. The revenues are to be used for project-related payments, maintenance, and enhancements for the Division’s new information technology system. A settlement between the vendor, DXC Technology, and the State of Rhode Island was announced on April 12, 2017. Under the settlement agreement the state will pay an additional \$5.5 million over two payments; the first after the system goes live in July 2017, and the second a year later. The surcharge collections, estimated to generate \$2.1 million annually, are intended to defray these costs and cover other project-related expenses.

Section 2. License Plate Issuance Delay. This section delays the mandatory reissuance of fully reflective license plates from April 1, 2017 to January 1, 2019. The reissuance has been delayed four times previously, from September 1, 2011 to September 1, 2013, again to September 1, 2015, again to July 1, 2016 and from that date to April 1, 2017. The budget reduces related revenues and expenses to account for the delay.

Section 3. Refunds of Registration. This section repeals the section of law that requires the Division of Motor Vehicles to provide refunds for registrations with over one year of validity when voluntarily surrendered. This is expected to yield \$0.5 million annually for transportation uses.

Section 4. Truck Registration Fee Reversal. This section repeals legislation adopted by 2016 Assembly establishing a new schedule for annual registration fees for commercial trucks, truck tractors, and truck trailers with gross vehicle weight of over 10,000 pounds that are used for commercial purposes. This is expected to increase annual funding for transportation uses by \$4.2 million.

Sections 5 and 6. Highway Maintenance Account. The 2014 Assembly adopted a schedule to transfer transportation related fees collected by the Division of Motor Vehicles to the Highway Maintenance Account, incrementally beginning with 25.0 percent in FY 2016, 75.0 percent in FY 2017 and all in FY 2018. Section 5 amends the distribution to require transfers of 50.0 percent for FY 2017 and 80.0 percent for FY 2018. The Budget assumes use of \$13.0 million and \$9.4 million as general revenues in FY 2017 and FY 2018, respectively. All funds collected in FY 2019 and after would be transferred to the account. Section 6 of the article provides the Rhode Island Public Transit Authority with an additional \$5.0 million

Explanations of Budget Articles

in each FY 2018 and FY 2019 from the Highway Maintenance account, in addition to the current share of 5.0 percent that the Authority receives under current law. With this additional resource, the Authority will also be responsible for paying its own debt, for which the recommended budget had included \$1.6 million from general revenues. The remaining \$3.4 million would fund reinstating the bus pass program. The article also requires that the Authority convene a coordinating council to develop recommendations for sustainable funding of the free-fare program for low income seniors and persons with disabilities to maximize the use of federal funds. Recommendations must be submitted to the Speaker of the House and Senate President, no later than November 1, 2018.

Article 5. Government Reorganization

The article transfers the oversight of health care plan utilization review from the Department of Health to the Office of the Health Insurance Commissioner, effective January 1, 2018. The Budget reflects the transfer of funding and staffing of 2.0 full-time equivalent positions from the Department of Health to the Office of the Health Insurance Commissioner.

The article transfers the cybersecurity director position from the Department of Administration to the Department of Public Safety. It amends current law to allow the Governor for only 2017, to determine the salaries for the directors of administration and transportation, and the Secretary of Health and Human Services. It further requires that the personnel administrator or any director of a department to file a written report with the Speaker of the House, the Senate President and the chairpersons of the House and Senate Finance Committees when transferring or extending the duration of a transferred employee. This report must be filed within seven days of making or extending the transfer.

The article also permits the tax administrator to share information that he/she considers proper with the Office of Internal Audit for the purpose of detecting and preventing fraud. The information may be from tax reports, returns or audits.

Article 6. Debt Management Act

The Public Corporation Debt Management Act requires that all new non-general obligation debt authorizations be approved by the Assembly, except in certain circumstances. Article 6 contains three authorizations totaling \$110.9 million. It includes \$88.8 million from revenue bonds for the University of Rhode Island's White Horn Brook Apartments. Annual debt service would be \$5.9 million assuming 30 years and 5.0 percent interest. The legislation indicates that approximately 95 percent of the debt service would be supported from dorm fees and the remaining 5 percent would be supported from tuition and general revenues.

Article 6 also includes \$10.5 million for confined aquatic dredged material disposal cells, and \$11.6 million for the third phase of energy performance improvements at the University of Rhode Island. Annual debt service for all these projects would be \$2.5 million; there is no debt service assumed for FY 2018.

Article 7. State Funds

Section 1. Medical Marijuana. This section of the article transfers to state general revenues any remaining balances from medical marijuana receipts collected by the Department of Business Regulation and the Department of Health. The Budget assumes transfers of \$0.3 million and \$0.7 million in FY 2017 and FY 2018, respectively.

Explanations of Budget Articles

Section 2. Indirect Cost Recovery. Section 2 exempts two accounts from the state’s indirect cost recovery charge: OPEB System Restricted Receipt and the Reconciliation Funding restricted receipt accounts. It also removes three obsolete accounts: Providence Water Lead Grant, Office of Management and Budget and Rhode Island Highway Maintenance Account.

Section 3. Reconciliation Funding. The 2014 Assembly adopted legislation authorizing this funding mechanism for the Distributed Generation Board, whereby the Board submits its request to the Public Utilities Commission to review and approve through a docket proceeding. This section of the article includes statutory authority for the creation of the Reconciliation Funding restricted receipt account. Funds received are passed through to the Office of Energy Resources on behalf of the Board to conduct studies or reports that the Board requests.

Sections 4 and 6. Eisenhower House. Sections 4 and 6 transfer the authority to collect Eisenhower House rental fees from the Historical Preservation and Heritage Commission to the Department of Environmental Management and establish a restricted receipt account for deposit of the fees to be limited to use on the facility. The budget transfers staff and funding between the two agencies as well.

Section 5. Non-State Agency Reimbursement. This section creates a restricted receipt account to be known as the “State Police Non-State Agency Reimbursements Account.” All revenues deposited into the account will be used to reimburse the State Police for costs incurred in support of non-state agency programs and activities.

Section 7. Department of Children, Youth & Families. This section of the article allows the Department of Children, Youth and Families to deposit grant funds it receives from nonprofit charitable organizations as restricted receipts.

Section 8. Arts Council. This section repeals the one year limitation on the Rhode Island State Council on the Arts’ restricted receipt account.

Section 9. State Budget. This section of the article requires that in the event a budget submitted by the Governor to the General Assembly includes any transfers of resources from public corporations to the general fund, the submission must also include alternatives for those transfers.

Section 10. Rotary Funds. The state uses internal service funds to reimburse one agency for services provided to another. For example, the Central Utilities Internal Service Fund within the Department of Administration charges agencies for utilities expenses, such as electricity costs.

This section of the article authorizes internal service funds for centralized services including information technology, capital asset management and maintenance, and human resources. Agencies receiving these services would reimburse the internal service funds for the cost on a monthly basis, through a process to be established by the state controller. The article also requires that the Department of Administration reports on a quarterly basis the fund activities, including breakdown by each department and agency. The report must be submitted to the Speaker of the House and Senate President with copies to the chairpersons of the House and Senate Finance Committees.

Section 11. State Purchases. This section of the article authorizes the chief purchasing officer to establish, charge as well as collect a statewide contract administrative fee not to exceed 1.0 percent of master price agreements from vendors. Master price agreements establish a pre-qualified list of vendors and provided pricing. The funds would be deposited as restricted receipts and would be used for the implementation of

Explanations of Budget Articles

an electronic procurement system. The article requires the chief purchasing officer to file a report with the Governor, Speaker of the House and the Senate President on the amount of funds collected and deposited from the fee, the account balance and to itemize all expenditures and uses of the funds. Based on anticipated receipts of \$0.6 million, the Budget reflects \$540,000 of expenditures and \$60,000 of revenue from indirect cost recovery.

Sections 12 and 13. State Owned Property. These sections would allow that revenues from the sale of state-owned residential property supporting group home services for adults with developmental disabilities, be used to pay down the associated advanced payments owed by the operators. Decades ago, the state made \$13.3 million in advanced payments to private agencies to assist efforts to replace services provided at the Ladd School with community based residential and day programs. Remaining proceeds from each sale accrue to the Information Technology Fund consistent with current law.

Section 14. Contractors' Registration and Licensing Board. The Contractors' Registration and Licensing Board is responsible for registering building contractors and licensing home inspectors and commercial roofers. This section of the article requires that the Board files an annual report detailing the number of fines issued for a first violation and the number of fines issued for a subsequent violation, total amount of fees, fines and penalties collected and deposited for the most recently completed fiscal year and the account balance. The report must be submitted to the Speaker of the House and the Senate President, with copies to the chairpersons of the House and Senate Finance Committees.

Article 8. Taxes and Revenues

Sections 1-6. Twin River Promo Points and Marketing. This section extends current law with respect to the distribution of net terminal lottery income to be used for marketing purposes, until the Twin River–Tiverton facility begins operations. This section also increases the amount of 'free play' incentive credits permitted for distribution from 10.0 percent to 20.0 percent; provided that the respective facilities may distribute additional credits, subject to Division approval, at their own expense.

Section 7. Hospital Licensing Fee. This article extends the hospital licensing fee in FY 2018 at a rate of 5.57 percent on net patient services revenue for the hospital fiscal year ending on or after September 30, 2017, for all community hospitals except South County and Westerly, which will be assessed a 3.89 percent license fee. It includes the due date for filing returns and making the payment.

Revenue from the two-tiered fee will be \$173.1 million, including \$166.6 million from community hospital payments and \$6.4 million from state payments for Eleanor Slater Hospital. This article appears annually in the Appropriations Act.

Sections 8, 9 and 11. Taxation Enforcement. These sections would allow the Tax Administrator to impose penalties on violators of tax statutes including the revocation or suspension of licenses issued by the Division of Taxation, levy administrative penalties between \$100 and \$50,000, issue cease and desist orders, recover reasonable in-house legal fees, and add other legal protections to ensure recoveries including expanding notice requirements for sale and or transfer of assets in bankruptcies.

These sections also expand the scope of sales tax enforcement to include failure to remit taxes collected from a customer and increases the maximum fine from \$10,000 to \$25,000 and maximum imprisonment from one year to five years. The law prohibiting manipulation of sales transaction data would also be expanded to include more possible ways of doing so. The Budget does not assume any additional revenues from these measures.

Explanations of Budget Articles

Section 9. Corporate Tax Withholding. Section 9 corrects the Corporate Tax Withholding rate to 7.0 percent from 9.0 percent consistent with prior year changes. It also expands the requirement for notification of the Tax Administrator of the sale or transfer of assets outside of normal business operations to include foreign and domestic limited liability companies, limited partnerships, or any other business entity at least five days prior to the transaction by requesting a letter of good standing and requiring that all necessary tax returns be filed and requisite taxes paid upon notification of the Tax Administrator of the completed transaction.

Section 10. Sales Tax Exemption. Section 10 provides that certificates of the sales tax exemption will be valid for a period of four years, and stipulates that all tax exempt certificates issued prior to the act will expire four years from passage of the act.

Sections 12 and 13. Cigarette Tax. These sections increase the cigarette tax from \$3.75 to \$4.25 per pack effective August 1, 2017 and includes an inventory tax on cigarettes on hand upon which the existing rate was paid for the tax stamps. Whenever rates change, a tax on the differential rate, often called an inventory or floor tax, on existing inventory that had been taxed at the old rate is levied. The 2015 Assembly last increased the cigarette tax from \$3.50 to \$3.75 per pack, effective August 1, 2015. The FY 2018 budget assumes \$7.5 million in sales and tobacco tax revenues from the proposal.

Section 14 and 15. Other Tobacco Products. These sections include language to clarify existing statutes on products subject to state taxation to aid enforcement efforts. The section also enhances the penalties for noncompliance in a number of ways. It expands the revocation of licensed activities to include purchasing of tobacco products and preventing licensure for sale to parties associated with a person whose license is suspended. Additionally, the penalties for sale of these products without a license would be increased to a misdemeanor subject to a fine of \$10,000 for each offense, and/or imprisonment of not more than one year or both, and the sale of items without a tax stamp to 10 times the retail value, and/or imprisonment of not more than one year or both. Fraudulent or missing report penalties would also be increased for first offenses.

Section 16. Corporate Tax -Payment Schedule. This section changes the corporate tax payment schedule to align the state's practices with federal reporting timelines and recognized best practices. The current payment schedule requires two payments equal to 100 percent of estimated payments in the first six months of the tax year, which results in carry forward balances to the next fiscal year. The proposed change requires four payments and allocates 50.0 percent of estimated payments to each six month period, thereby, negating the need for a carry forward balance, which is treated differently than estimated payments. Changing the payment schedule avoids a revenue loss of at least \$10.0 million related to deferred revenue for FY 2017 and reduces FY 2018 general revenues by \$0.2 million.

Section 17. Tax Amnesty. This section enacts the state's fifth 75-day tax amnesty initiative, ending February 15, 2018. Filers will not be subject to penalties or prosecution and will pay interest as computed under Rhode Island General Law, Section 44-1-7, reduced by 25.0 percent. Filers may enter into a tax payment plan with the Tax Administrator. The Budget assumes \$12.5 million in one-time revenues and expenditures of \$0.5 million for expenses relating to the Tax Amnesty, making the net impact \$12.0 million.

Section 18. Remote Sellers Sales Tax Collection Act. This section requires that entities connected to remote sales, including catalogs, either collect and remit sales taxes, provide disclosures to the Department of Revenue for which retailers are and are not collecting taxes, or provide notices to consumers or sellers regarding their respective obligations under this section based on the type of entity and their level of

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connection to the sale. The budget assumes \$19.7 million in new revenue collections above those being voluntarily collected and remitted by Amazon for its direct sales, which it began doing on February 1.

Article 9. Health and Human Services

The article makes permanent the child care assistance transition program and increases rates paid to home care workers. The article extends uncompensated care payments for FY 2019 for a \$138.6 million payment to the community hospitals, eliminates the upper payment limit reimbursements and eliminates the October 1, 2017 rate increase for nursing facilities. It changes the methodology used to reimburse community health centers and increases the \$7,500 assessment made against commercial insurers to \$12,500 for services to be deposited into the children's health account.

The article expands the reporting requirements for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals for services for adults with developmental disabilities to capture data on services provided and any sale of state owned property if revenue is used to offset advanced payments previously made to community based providers. The article also requires that provider annual cost reports be submitted by the Department to House and Senate fiscal advisors and State Budget Officer by November 1 of each year. The article includes the necessary resolution language for changes to nursing home rates, managed care administration rates, efforts to collect patient liability and rebalance long term services and supports.

Article 10. Revised Budget

Article 10 contains the revised appropriations for FY 2017 including revisions to full-time equivalent positions. Total staffing is 14,959.0 full-time equivalent positions, 6.4 positions more than enacted.

Article 11. Motor Vehicle Excise Tax

This Article ends the ability of municipalities to tax motor vehicles over time allowing no tax in FY 2024, and reimburses them for the lost tax revenues. By lowering values, increasing the minimum exemption, and lowering tax rates, the changes provide immediate and increasing relief to tax payers, improve interstate comparability and decrease intrastate variation. This article ties the reimbursement rates to municipalities to increases in the sales tax to account for future growth. It fixes the current \$10 million reimbursement in statute as the base for reimbursements under the new program, and municipalities must maintain current calculation practices. Beginning with FY 2018, reimbursements are based on revenues lost resulting from the law changes.

The FY 2018 changes include increasing the vehicle exemption floor to \$1,000, no longer taxing cars more than 15 years old and using 95 percent of retail value, down from 100 percent. The minimum exemption and discount to the retail value grows over the next five years until the tax is no longer levied. For FY 2019, a \$50 rate ceiling is imposed and lowered over the phase out period.

There is a separate provision to account for the fiscal year differential with the City of East Providence and other protection to ensure tax payers receive the relief.

Article 12. Education

Article 12 makes permanent the categorical support for English language learners that are in the most intensive programs. The funding was to be for FY 2017 only and used on evidence-based programs proven

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to increase outcomes and would be monitored by the Department of Elementary and Secondary Education. The calculation is ten percent of the core instruction amount, adjusted for the state share ratio, for students based on criteria determined by the Commissioner. The Budget includes \$2.5 million for FY 2018.

This article also establishes a permanent appropriation of \$500,000 for the administration and programmatic costs of the state's recovery high school. Finally, Article 12 requires that state payments to public institutions of higher education for dual and concurrent enrollment courses shall be limited to the amount of the appropriation in the budget and that by September 30, 2017, the Council on Postsecondary Education promulgate rules and regulations enforcing this limitation. The FY 2018 budget provides \$1.3 million from tuition savings fees to support the dual and concurrent enrollment program.

Article 13. Department of Labor and Training Fees and Fines

Article 13 makes changes to several Department of Labor and Training fees and fines. It eliminates the \$20 fee associated with registered apprenticeships. It also increases the electrical trade violations penalty from \$500 to \$1,500 for the first violation and \$950 to \$2,000 for any subsequent violations, and the employee misclassification penalty from \$500 to \$1,500. The article establishes a new penalty of 15 percent to 25 percent of wages owed during the first offense for employer wage and hour violations. Finally, the article increases the penalties for employers' failure to submit timely wage reports and unemployment tax reports and payments from \$10 to \$25 with a maximum of \$200.

The Department of Labor and Training will also be instituting a new penalty of \$250 per quarter for employer failure to maintain payroll records, which it has the authority to do through rules and regulations. The budget includes an additional \$0.7 million in revenue associated with all of these changes. Of that total, \$0.6 million is general revenues with \$0.3 million directly related to the article.

Article 14. Minimum Wage

Article 14 would increase the minimum wage by \$0.90 over two years from \$9.60 per hour to \$10.50 per hour. The first increase is to \$10.10 per hour, effective January 1, 2018 and the second to \$10.50 per hour, effective January 1, 2019. The 2015 Assembly increased the minimum wage from \$9.00 per hour to the current \$9.60, effective January 1, 2016. There were three annual increases between 2013 and 2016; prior to that date, it had not increased since 2007. The FY 2018 Budget includes \$0.1 million for the impact of the increase on seasonal employees of the Department of Environmental Management.

Article 15. Effective Date

Article 15 provides that the act shall take effect on July 1, 2017, except where a provision within an article specifies a retroactive or prospective effective date.

Explanations of Budget Articles

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