



SENATE FISCAL OFFICE
REPORT

**GOVERNOR'S FY2021 AND
FY2020 SUPPLEMENTAL BUDGETS**

2020-H-7171 AND 2020-H-7170

FIRST LOOK

JANUARY 21, 2020

Senate Committee on Finance

William J. Conley, Jr.

Chairperson

Louis P. DiPalma

1st Vice Chairperson

Walter S. Felag, Jr.

2nd Vice Chairperson

Ryan W. Pearson

Secretary

Sandra Cano

Frank A. Ciccone, III

Melissa A. Murray

Thomas J. Paolino

James A. Seveney

V. Susan Sosnowski

Dominick J. Ruggiero

President of the Senate (ex officio)

Michael J. McCaffrey

Majority Leader (ex officio)

Dennis L. Algiere

Minority Leader (ex officio)

Maryellen Goodwin

Majority Whip (ex officio)

Elaine J. Morgan

Minority Whip (ex officio)

Jamie Plume

Committee Clerk

Kelly A. McElroy, Esq.

Legal Counsel

Table of Contents

Overview	1
Revenue Changes	5
Expenditure Changes by Agency	13
State Aid and Education Aid	31
FY2020 Supplemental	35
Articles	39
Summary Tables	59

Overview

The Governor's FY2021 Budget recommendation totals \$4,247.8 million in general revenue; \$224.4 million greater than the FY2020 Budget as Enacted. The recommendation includes \$10,195.0 million in all funds; an increase of \$224.4 million above the FY2020 Budget as Enacted.

Expenditures by Source	FY2019 Final	FY2020 Enacted	FY2020 Governor	Change to Enacted	FY2021 Governor	Change to Enacted
General Revenue	\$3,924.0	\$4,077.6	\$4,086.3	\$8.7	\$4,247.8	\$170.2
Federal Funds	3,118.7	3,325.4	3,325.2	(0.2)	3,323.1	(2.2)
Restricted Receipts	259.6	311.4	383.2	71.9	348.9	37.5
Other Funds	2,075.4	2,256.3	2,267.1	10.8	2,275.2	18.9
Total	\$9,377.7	\$9,970.6	\$10,061.8	\$91.1	\$10,195.0	\$224.4

Expenditures by Function	FY2019 Final	FY2020 Enacted	FY2020 Governor	Change to Enacted	FY2021 Governor	Change to Enacted
General Government	\$1,471.2	\$1,630.9	\$1,681.3	\$50.4	\$1,719.4	\$88.5
Human Services	4,037.1	4,212.8	4,207.5	(5.4)	4,258.9	46.0
Education	2,633.9	2,746.5	2,769.5	23.0	2,835.9	89.3
Public Safety	602.5	624.3	646.5	22.2	613.5	(10.8)
Natural Resources	84.8	107.3	109.9	2.6	107.4	0.1
Transportation	548.3	648.8	647.0	(1.7)	660.0	11.2
Total	\$9,377.7	\$9,970.6	\$10,061.8	\$91.1	\$10,195.0	\$224.4

FTE Authorization	FY2019 Final	FY2020 Enacted	FY2020 Governor	Change to Enacted	FY2021 Governor	Change to Enacted
	15,209.7	15,074.7	15,095.7	21.0	15,074.7	-

\$ in millions. Totals may vary due to rounding.

The Governor submitted two budget bills this year - a separate FY2020 Supplemental Budget and the FY2021 proposal. The budgets close estimated deficits of \$28.4 million in the current year and \$175.8 million in FY2021. In FY2020, the Governor relies heavily on transfers from agency reserves, or "scoops" to address the deficit, while in FY2021, new revenue proposals, expenditure changes, and updated revenue estimates are most impactful.

DEFICIT SOLUTIONS



A more detailed look at the Governor's FY2021 solution is shown in the following table. Tax and fee changes are the largest contributors to the budget deficit solution, followed by expenditure reductions in state agencies.

FY2021 Deficit Solution

Projected deficit (July)	(\$175.8)
Nov REC/CEC	37.8
FY2020 Carry Forward	24.4
Current Service Adjustments (Non-CEC)	(11.5)
Projected Deficit (January)	(\$125.1)

Budget Initiatives

Expenditure Reductions	(\$49.1)
Transfers and Other Operational Changes	16.1
Tax and Fee Changes	65.2
Rainy Day Fund	(4.4)
Projected Ending Balance	\$0.9

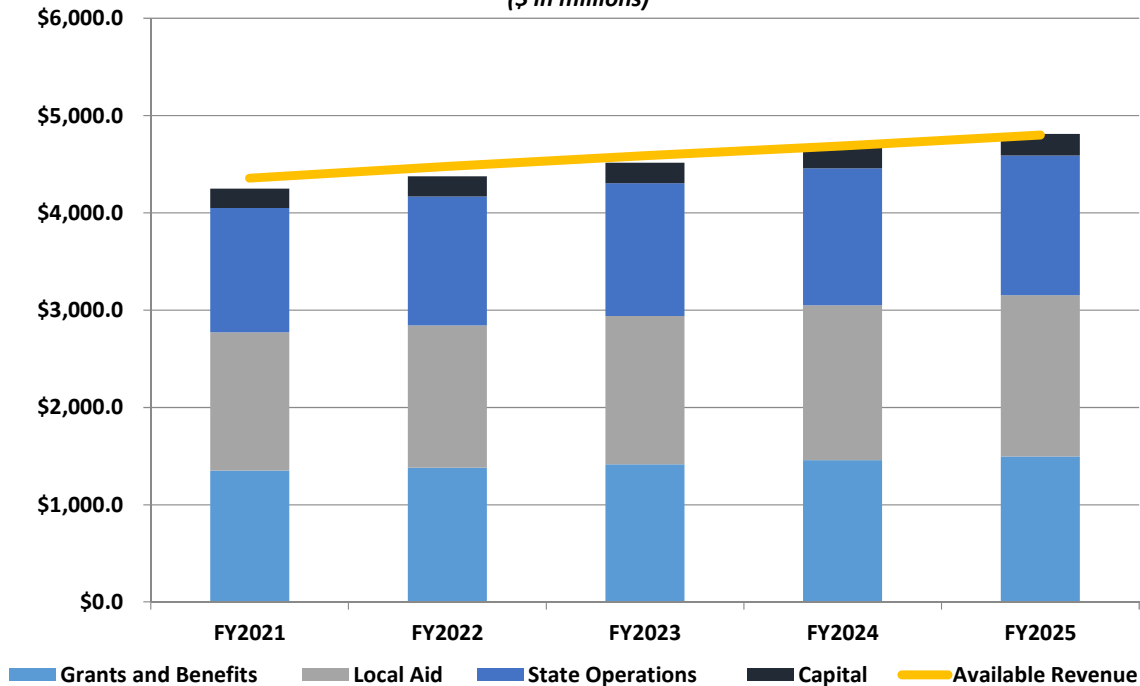
\$ in millions. Totals may vary due to rounding.

FIVE-YEAR FORECAST

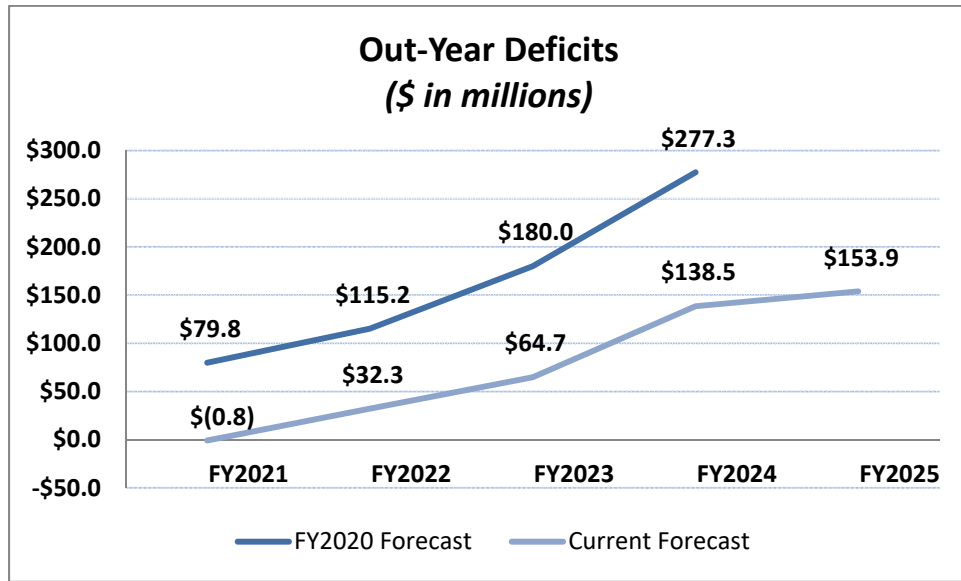
The Budget projects out-year deficits increasing from \$32.3 million in FY2022 to \$153.9 million in FY2025 (3.2 percent of spending). Projected average annual revenue growth of 2.5 percent, coupled with a projected average annual increase in expenditures of 3.2 percent, creates the State’s projected deficit. Actual out-year performance could vary significantly if growth rates used for both revenue and expenditure forecasts are inaccurate. Drivers of the forecast include Medicaid and education inflation and increasing motor vehicle excise tax payments. The state of the Affordable Care Act at the federal level, and the timing of a potential economic recession all present risks.

FY2021-FY2025 Out Year Projections

(\$ in millions)



Out-year deficit projections are lower than what was forecast one year ago. Increasing base revenue collections and assumed implementation of FY2021 expenditure reductions combine to reduce the FY2024 projected deficit by \$138.8 million.

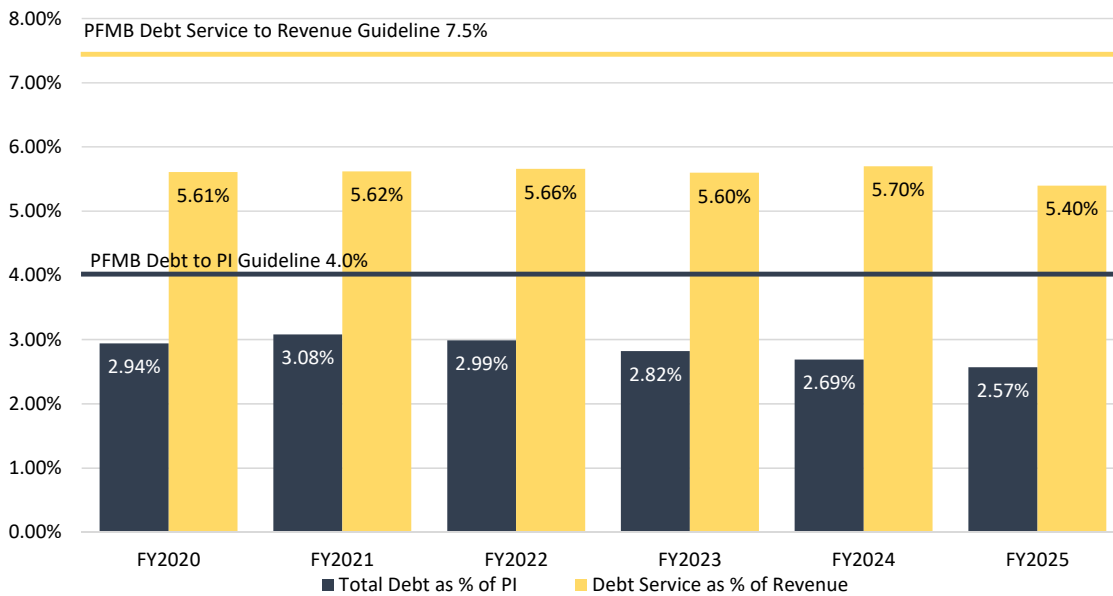


TAX-SUPPORTED DEBT

The Public Finance Management Board (PFMB) provides advice and assistance to all state departments, authorities, agencies, boards, commissions, and public and quasi-public corporations having authority to issue revenue or general obligation bonds or notes.

The PFMB issues guidelines to monitor state debt: tax-supported debt should not exceed 4.0 percent of total personal income for Rhode Islanders, and debt service on tax-supported debt should not exceed 7.5 percent of state general revenue. Over the next five years, the State is projected to remain below the PMFB guidelines as it relates to debt as a percent of personal income; additionally, it is anticipated to remain below the PMFB debt service as a percent of general revenue threshold of 7.5 percent.

The following chart shows current and projected debt service metrics from FY2020 through FY2025. It is probable that these figures will change as projects and issuance timelines are adjusted.



Source: 2019 PFMB Debt Affordability Study; FY2021 Capital Budget proposal

RAINY DAY FUND

In 1990, the Budget Reserve and Cash Stabilization Account, or Rainy Day Fund, was created to establish a fiscal cushion for the State when actual revenues received are less than State expenditures (deficit). The account is funded by limiting annual State general revenue appropriations to a percentage (currently 97.0 percent) of available revenues. Excess funds are deposited to the Rainy Day Fund. The spending limitation, Rainy Day Fund, and disposition of excess funds are governed by provisions in the RI Constitution and General Laws.

RIGL 35-3-20 institutes a cap on the balance of the Rainy Day Fund, which gradually increased between FY2007 and FY2013. Since FY2013, the balance of the Fund has been capped at 5.0 percent of general revenues. When the limit is reached, excess funds are transferred to the Rhode Island Capital Plan (RICAP) fund for capital improvement projects.

FY2019 closed with \$203.9 million in the Rainy Day Fund. The Governor's proposal would see that increase to \$219.0 million in FY2021.

GENERAL REVENUE SURPLUS STATEMENT

	FY2018 Audited	FY2019 Audited	FY2020 Enacted	FY2020 Governor	FY2021 Governor
Opening Surplus					
Free Surplus	\$61,660,230	\$52,525,379	\$25,464,117	\$30,502,912	\$24,842,778
Reappropriated Surplus	10,338,899	10,057,409	-	10,296,451	-
Subtotal	\$71,999,129	\$62,582,788	\$25,464,117	\$40,799,363	\$24,842,778
Total Revenues	3,908,384,435	\$4,024,579,618	\$4,178,728,671	\$4,197,141,028	\$4,355,257,550
To Cash Stabilization Fund	(119,101,340)	(122,313,150)	(126,125,784)	(126,829,318)	(131,403,010)
From Cash Stabilization Fund					
Total Available Resources	\$3,861,282,224	\$3,964,849,256	\$4,078,067,004	\$4,111,111,073	\$4,248,697,318
Total Expenditures	3,798,699,436	3,924,049,893	4,077,594,991	4,086,268,295	4,247,805,059
Total Surplus	62,582,788	40,799,363	472,013	24,842,778	892,259
Free Surplus	\$62,582,788	\$30,502,912	\$472,013	\$24,842,778	\$892,259
Rainy Day Fund	\$198,502,233	\$203,855,250	\$210,209,639	\$211,382,197	\$219,005,016

Revenue Changes

The Governor's FY2021 Budget increases general revenue collections by an estimated \$113.7 million above the November 2019 revenue estimate, inclusive of the changes to the hospital license fee in FY2021. New revenue initiatives include expansion of the sales tax to include more services, restoration of the sales tax on wine and spirits, various license and fee increases, taxation of vaping products, a \$0.35 increase in the cigarette excise tax, a 1.0 percent increase in the State's hotel tax, transfers from quasi-public corporations, and the revenue activity associated with the legalization of the use of marijuana.

Governor's Recommended Revenue Changes	FY2021
EOHHS Revenue Changes	\$31.3
Adult-Use Marijuana Revenue	21.8
Transfers	16.1
Sales Tax Changes	14.1
Alcohol Related Tax Changes	9.1
Licenses and Fee Changes	6.7
U.S. Treasury Offset Program	5.0
Hotel Tax Increase	4.7
Other Revenue Changes	3.2
Cigarettes and Other Tobacco Changes	1.6
Total	\$113.7

\$ in millions. Totals may vary due to rounding.

EOHHS Revenue Changes

\$31.3 million

The Budget includes a net \$31.3 million increase related to revenue changes associated with the following EOHHS initiatives:

- Hospital License Fee:** Article 18 modifies the FY2021 hospital license fee currently authorized by statute. The article increases the fee from 3.15 percent to 3.78 percent for hospitals located in Washington County and from 5.0 percent to 6.0 percent for all other community hospitals. The rates established in Article 18 are consistent with rate structure used in both FY2019 and FY2020. The FY2020 Enacted Budget initially lowered the fee for FY2021 in response to pending changes at the federal level; however, the Governor's Budget assumes these changes will be delayed and holds the license fee constant to FY2020, accordingly. This change will increase revenue collections by an estimated \$32.3 million relative to the November 2019 adopted revenue estimate.
- Medicaid Revenue Changes:** The Budget reduces revenue collections by \$1.2 million to reflect the impact of a number Medicaid expenditure changes which affect collections from the 2.0 percent insurance premium tax and 5.5 percent nursing home tax. These initiatives are described in the FY2021 Expenditures section of this report.

Medicaid Revenue Changes

RI Bridges Eligibility Optimization	(\$604,226)
Neonatal Intensive Care Unit (NICU) Services	451,226
RIte Share Enrollment	(380,000)
Hospital Rate Freeze	(377,040)
Nursing Home COLA	(376,673)
Managed Care Organization (MCO) Full Risk	314,000
Adult Co-Pays	(178,014)
Dual Care Management	(58,628)
Ambulance Rates	44,349
Pharmacy Utilization	(30,752)
Perinatal Doula Services	4,535
Total	(\$1,191,223)

- **RIte Share Penalty:** The Governor increases general revenue collections by \$165,675 to reflect the impact of a new penalty established in Article 20 which will be assessed against employers who do not comply with the reporting requirements of the RIte Share program, modeled after a penalty in place in Massachusetts. The revenues will primarily be used to cover implementation costs within the Division of Taxation, including IT upgrades and 1.0 Business Analyst FTE position. This penalty complements a savings initiative within the Medicaid program designed to encourage enrollment in RIte Share.

Adult-Use Marijuana Revenue**\$21.8 million**

The Budget includes \$21.8 million in revenue attributable to the implementation of a State-controlled adult-use marijuana system. Article 13 authorizes the licensing of private entities to cultivate, process, and manufacture marijuana products. License fees are estimated to generate \$699,000 in revenue in FY2021. The principal source of new revenue is derived from the proposed State share of the net profits from the sale of adult-use marijuana. Article 13 authorizes the State to hire one or more contractors to operate the sales for the adult-use market on the State's behalf. Profits from the market would be shared among the State (61.0 percent), municipalities (10.0 percent), and the contractors (29.0 percent). The State's Office of Management and Budget estimates that Rhode Island would receive \$21.1 million in net revenue.

Adult-Use Marijuana Revenue	Amount
Adult Use Marijuana Revenue - State Share	\$21.1
Office of Cannabis Regulation License Fee	\$0.7
Total	\$21.8

Transfers**\$16.1 million**

The Governor transfers approximately \$16.1 million in reserves from six quasi-public agencies to support the General Fund. All transfers are required to take place by June 30, 2021.

Agency	Amount
RI Resource Recovery	\$5.0
RI Infrastructure Bank	5.0
RI Student Loan Authority	2.0
Narragansett Bay Commission	2.0
RI Housing	1.1
RI Health and Educational Building Corporation	1.0
Total	\$16.1

\$ in millions. Totals may vary due to rounding.

Sales Tax Changes**\$14.1 million**

The Budget expands the sales tax to several new products and services, including custom computer system design; couriers and messengers; hunting, trapping, and shooting ranges; and lobbying. The Budget Office estimates a total of \$14.1 million in new general revenue will be generated from these initiatives.

Sales Tax Changes	Amount
Computer System Design Services	\$7.9
Courier and Messenger Services	4.1
Hunting, Trapping, and Shooting Ranges	0.8
Lobbying Services	0.7
Interior Design Services	0.6
Total	\$14.1

\$ in millions. Totals may vary due to rounding.

These estimates are based on the following effective dates:

Sales Tax Changes	Effective Date
Computer System Design Services	October 1, 2020
Hunting, Trapping, and Shooting Ranges	October 1, 2020
Lobbying Services	October 1, 2020
Courier and Messenger Services	January 1, 2021
Interior Design Services	January 1, 2021

Alcohol Related Tax Changes**\$9.1 million**

The Governor recommends several changes to the taxation of alcohol in Rhode Island. Article 8 reduces the alcohol excise tax rate on high proof spirits from \$5.40 to \$3.75 per gallon and the excise tax on still wine from \$1.40 to \$0.60 per gallon. This change is estimated to reduce general revenue collections by \$5.3 million based on an effective date of October 1, 2020. The article also subjects sales of wine and spirits to the 7.0 percent sales tax. These products have been exempted from the sales tax since FY2014. Based on a July 1, 2020, effective date, this change is estimated to generate an additional \$14.4 million in revenue.

Alcohol Excise Taxes	Amount
Reimpose Sales Tax on Wine and Spirits	\$14.4
Reduction of Alcohol Taxes	(5.3)
Total	\$9.1

\$ in millions. Totals may vary due to rounding.

License and Fee Changes**\$6.7 million**

The Governor amends several licensing and fee regimes across six different State agencies. The fiscal impact of these changes is summarized in the following table:

Licenses and Fee Changes	Amount
DMV Licenses and Fees	\$3.7
DOH Licenses and Fees	1.1
DEM Licenses and Fees	0.9
DBR Licenses and Fees	0.6
DOR Licenses and Fees	0.4
DPS Licenses and Fees	0.0
Total	\$6.7

\$ in millions. Totals may vary due to rounding.

- **DMV Licenses and Fees:** The Governor increases fees related to several Division of Motor Vehicle (DMV) programs.

DMV Licenses and Fees	Amount
Inspection Enforcement	\$1.8
Late License and Registration Renewals	1.1
Certified Driving Record Fee	0.7
CDL Road Test Administration Revenue	0.1
Total	\$3.7

\$ in millions. Totals may vary due to rounding.

- **Inspection Enforcement:** Article 6 establishes a \$100 reinstatement fee for inspections that occur after a registration has been suspended. The Budget includes \$1.8 million in new revenue in FY2021 based in a July 1, 2020, effective date.
 - **Late License and Registration Renewals:** A \$15.00 late fee is added for licenses and registrations renewed after their expiration date. The Budget includes \$1.1 million in new revenue in FY2021 based on an October 1, 2020, effective date.
 - **Certified Driving Record Fee:** The fee for driving records obtained through an online subscription service is increased from \$16.00 to \$20.00. The Budget includes \$660,000 in new general revenue based on a July 1, 2020, effective date.
 - **CDL Road Test Administration Revenue:** Article 3 transfers the administration and testing of commercial drivers' licensing from the Community College of Rhode Island to the Division of Motor Vehicles. This change produces \$94,000 in new fees revenues to the General Fund and is effective upon passage of the Budget.
- **DOH Licenses and Fees:** The Governor increases fees related to several Department of Health (DOH) programs.

DOH Licenses and Fees	Amount
Data Request Fee	\$0.4
Shellfish Processer License and Fee	0.4
Elimination of EMT Exemption	0.3
Interstate Licensing Compact	(0.1)
Total	\$1.1

\$ in millions. Totals may vary due to rounding.

- **Data Request Fee:** Article 6 authorizes the DOH to establish fees in response to requests for processing special data analysis. The new fee is estimated to generate \$438,900 in general revenue in FY2021. Authorization for the new fee is effective on passage of the Budget.
- **Shellfish Processer License and Fee:** Article 7 authorizes DOH to establish a dockside program that provides for licensed shellfish processers to harvest and assure the sanitary quality of shellfish. License fees are estimated to generate \$366,138 in general revenue in FY2021 based on a July 1, 2020, start date.
- **Elimination of the EMT Exemption:** Article 6 requires emergency medical technician (EMT) and other emergency medical services (EMS) personnel working for municipalities or volunteer and non-profit organizations to pay EMS professional licensing fees. These groups are currently exempt from paying these fees. Elimination of this exemption takes effect upon passage of the Budget and is expected to generate \$330,600 in general revenue in FY2021.

- **Interstate Licensing Compact:** Article 20 provides the statutory framework for the State to enter into several interstate compacts that allow reciprocity and expedited licensure for health care professionals. This initiative is expected to produce a loss in licensing revenue of \$59,331 based on an April 1, 2021, start date.
- **DEM Licenses and Fees:** The Governor increases fees related to several Department of Environmental Management (DEM) programs.

DEM Licenses and Fees	Amount
Expedited Permitting	\$0.6
Pesticide Registration Fee	\$0.3
Total	\$0.9

\$ in millions. Totals may vary due to rounding.

- **Expedited Permitting:** Article 7 modifies the Bureau of Environmental Protection's processes to expedite permitting in the State. These changes include establishing new service fees through regulation. The fees are expected to generate \$599,212 in general revenue in FY2021. The regulations are assumed to be in place by July 1, 2020.
- **Pesticide Registration Fee:** The State currently charges a \$50 annual registration fee and \$150 surcharge per pesticide product. DEM intends to expand the products these fees apply to, including "alternate brand names" for existing registered products. This will be accomplished by regulation and is estimated to generate \$334,800 in general revenue for FY2021.
- **DBR Licenses and Fees:** The Governor increases fees related to several Department of Business Regulation (DBR) programs.

DBR Licenses and Fees	Amount
Fire Marshal Plan Review Fee Increase	\$0.5
Fire Marshal Inspection Fee Increase	0.0
Total	\$0.6

\$ in millions. Totals may vary due to rounding.

- **Fire Marshal Plan Review Fee Increase:** Article 6 increases the fees charged by the Fire Marshal for reviewing building construction plans. There are five tiers of fees based on the cost of the construction. The increases are effective upon passage of the Budget and are estimated to generate \$540,852 in FY2021.
- **Fire Marshal Inspection Fee Increase:** Article 6 increases the fee charged by the Fire Marshal for inspections from \$100 to \$250. The increase is effective upon passage of the Budget and are estimated to generate \$13,950 in FY2021.
- **DOR Licenses and Fees:** The Governor changes the fee structure related to tobacco dealer licensing within the Department of Revenue (DOR). Article 21 increases the application fee for cigarette dealers from \$25 to \$75 and licensing fee for tobacco product dealers from \$100 to \$400. The article also requires e-cigarette and vaping product dealers to pay the licensing fee that tobacco product dealers currently pay. These changes are effective upon passage of the Budget and are estimated to generate \$402,500 in FY2021.
- **DPS Licenses and Fees:** Article 6 of the Budget proposes establishing a new \$50 application fee for the Sheriff's Training Academy. The Budget includes \$13,000 in new revenue in FY2021 based on a July 1, 2020, effective date.

U.S. Treasury Offset Program**\$5.0 million**

Article 8 authorizes the Division of Taxation to enter into an agreement with the United States Treasury to participate in its Treasury Offset Program (TOP). Under the TOP, the federal government crosschecks to see whether individuals or businesses who are delinquent in paying Rhode Island taxes are due a federal tax refund. If they are, the Treasury offsets the payment and diverts it, in whole or in part, to the State. Similarly, if a Rhode Island taxpayer owes delinquent federal taxes, the Division of Taxation would withhold the owed amount from State tax refunds and remit it to the federal government. The Office of Management and Budget (OMB) estimates that participating in the program will yield \$5.0 million in additional revenue collections, across nine tax types, based on an effective date of July 1, 2020.

Hotel Tax**\$4.7 million**

The Budget increases the 5.0 percent state hotel tax to 6.0 percent. The hotel tax distribution formula is adjusted to hold local tourism districts and the Commerce Corporation harmless, with all additional revenue from the 1.0 percent increase going to the general fund. The proposal is estimated to generate \$4.7 million in general revenue.

Other Revenue Changes**\$3.2 million**

The Governor recommends various other revenue changes across several revenue streams. These are summarized in the following table:

Other Revenue Changes	Amount
Transfer of Veterans Home Payments	(\$4.5)
Workplace Compliance Initiative	4.2
Attorney General Settlements	1.7
Collection Fee for Pass-Thru Municipal Revenue	0.8
Personal Income Tax Changes	0.7
DUI Fees - Substance Abuse Prevention	0.2
Affordable Housing Exemption from Transfer Tax	(0.0)
Total	\$3.2

\$ in millions. Totals may vary due to rounding.

- **Transfer of Veterans Home Payments:** Residents of the Rhode Island Veterans Home are charged a maintenance fee to cover the costs of their care. Under current law, the home receives 20.0 percent of the fee and the remaining 80.0 percent is deposited into the general fund. Article 16 requires that the home receive the entire amount of the maintenance fee collections. This shift is estimated to reduce general revenue by \$4.5 million in FY2021. This change is effective upon passage of the Budget.
- **Workplace Compliance Initiative:** The Governor recommends a new workplace compliance initiative to enforce misclassification of employee laws. The initiative includes the hiring of new investigative and adjudication hearing staff as well as increasing fines and penalties. The Budget includes \$4.2 million in new revenue in FY2021 due to increased assessments and collections. The new fines and penalties are effective July 1, 2020.
- **Attorney General Settlements:** The Budget provides additional personnel and litigation funding within the Attorney General's Civil Division to better assist the State's participation in large, multi-state actions. The Budget includes \$1.7 million in new general revenue in FY2021 based on estimated revenue from settlements resulting from these multi-state litigations.
- **Collection Fee for Pass-Thru Municipal Revenue:** Article 8 authorizes the Division of Taxation to deduct a 2.0 percent administrative fee from local meal and beverage and local hotel tax revenue collected by the Division on behalf of municipalities. Based on a July 1, 2020, effective date, this fee is expected to generate an additional \$799,333 in general revenue in FY2021.

- **Personal Income Tax Changes:** The Budget includes items that impact personal income tax revenue.

Personal Income Tax Changes	Amount
Contingency Fee Correction	\$1.8
Earned Income Tax Credit Increase	(1.1)
Total	\$0.7

\$ in millions. Totals may vary due to rounding.

- **Contingency Fee Correction:** The Budget includes a \$1.8 million revenue adjustment to the FY2021 personal income tax revenue estimate based on a correction related to the how gross contingency fee income is calculated.
- **Earned-Income Tax Credit (EITC) Increase:** Under current law, eligible taxpayers can claim a Rhode Island Earned Income Tax Credit equal to 15.0 percent of the federal EITC. Starting in Tax Year 2021, the Governor proposes to increase the State EITC 1.0 percent a year over the next five tax years. The fiscal impact is estimated to be a loss of \$1.1 million in FY2021 and the changes are effective upon passage of the Budget.
- **DUI Fees – Substance Abuse Prevention:** Article 15 establishes a new substance abuse education fee of \$250 to be imposed on anyone who is convicted of driving while under the influence or refuses to submit to a breathalyzer test. The new fine would begin January 1, 2021, and is estimated to generate \$220,016 in FY2021.
- **Affordable Housing Exemption from Transfer Tax:** Article 11 exempts eligible affordable housing developments from being taxed on real estate transfers. This exemption is effective July 1, 2020, and is expected to result in a \$36,722 loss in general revenue in FY2021.

Cigarette and Other Tobacco

\$1.6 million

Article 21 of the Budget includes several changes to the licensing and taxation of tobacco and vaping products in Rhode Island. These changes are summarized in the following table:

Cigarettes & Other Tobacco Changes	Amount
Federal Tobacco 21 Enforcement Impact	(\$3.7)
Cigarette Excise Tax Increase	3.3
Cigarette Excise Tax - Floor Tax	1.0
Cigar Tax Increase	0.7
Tax on Vaping Products	0.3
Impact of Cigarette Tax Increase on Sales Tax	(0.0)
Total	\$1.6

\$ in millions. Totals may vary due to rounding.

These changes are based on the following effective dates:

Cigarettes & Other Tobacco Changes	Effective Date
Federal Tobacco 21 Enforcement Impact	July 1, 2020
Cigarette Excise Tax Increase	August 1, 2020
Cigarette Excise Tax - Floor Tax	August 1, 2021
Cigar Tax Increase	August 1, 2022
Impact of Cigarette Tax Increase on Sales Tax	August 1, 2020
Tax on Vaping Products	September 1, 2020

FY2020 SUPPLEMENTAL CHANGES**Transfers from Quasi-Public Agencies****\$16.7 million**

The Governor transfers approximately \$16.7 million in reserves from six quasi-public sources to support the General Fund. All transfers are required to take place by June 30, 2020. The following table summarizes the transfers:

Agency	Amount
RI Infrastructure Bank - Municipal Road & Bridge Program	\$8.9
RI Resource Recovery	5.0
Oil Spill Prevention, Administration, and Response (OSPAR)	1.0
Underground Storage Tank Trust	1.0
BHDDH Asset Forfeiture Funds	0.5
Bond Funds - Unexpended Proceeds	0.3
Total	\$16.7

\$ in millions. Totals may vary due to rounding.

Other Revenue Changes**\$1.7 million**

The Governor includes several adjustments to FY2020 general revenues, including a \$2.2 million adjustment to the FY2020 personal income tax revenue estimate based on a correction related to how gross contingency fee income is treated and a \$389,194 reduction based on revised Executive Office of Health and Human Services (EOHHS) caseload numbers resulting from improvements to the RI Bridges System.

Other FY2020 Revenue Changes	Amount
Gross Contingency Fee Revenue Correction	\$2.1
Caseload Reduction - RI Bridges	(0.4)
Total	\$1.7

\$ in millions. Totals may vary due to rounding.

Expenditure Changes by Agency

Administration:

- **Debt Service:** The Governor includes \$652,515 in additional general revenue for debt service, reflecting decreases of \$6.9 million for general obligation bonds and a general revenue decrease of \$2.1 million for certificates of participation debt service. This is offset by an increase of \$9.6 million for other debt service costs.

The Governor includes \$70.9 million in general revenue to fund the costs of the State's general obligation debt service in FY2021, or \$6.9 million less than the FY2020 Budget as Enacted. This is largely attributable to delaying new bond issuance from FY2020 to FY2021 (\$4.2 million) and lower transportation debt service (\$3.7 million). Offsetting the decrease is an increase of \$1.9 million for Rhode Island School Buildings, as well as several other smaller adjustments.

The Governor also includes general revenue increases of \$11.6 million for the last 38 Studios debt service payment, \$1.5 million for the Rhode Island Convention Center Authority and an increase of \$355,497 for debt service related to the Garrahy Courthouse Garage construction (\$2.1 million total). Offsetting the increases are decreases of \$3.6 million for the Providence Place Mall and \$150,000 on the I-195 Redevelopment Bonds (\$3.0 million total).

- **Enterprise Resource Planning (ERP) System:** The Governor adds \$1.5 million in general revenue to support two new FTE positions and for contracted employees and consultants for the development of a request for proposal for a single data system to administer the State's financial and human resources functions. The new ERP system will replace the State's old legacy system, unify and standardize the processes and data. This supports the request for \$54.8 million in certificate of participation (COPs) as presented in Article 4.
- **Centralized Services:** The Budget includes an internal service funds net increase of \$1.3 million, reflecting new centralized service initiatives:

Issue	Information Technology	Human Resources	Facilities Management
IT Positions	\$241,055	\$0	\$0
IT Security Initiative	100,000	-	-
Payroll Internal Service Fund	-	(315,313)	-
Statewide Janitorial Services	-	-	1,000,000
Security Infrastructure	-	-	257,000
Total	\$341,055	(\$315,313)	\$1,257,000

- **IT Positions:** The Budget adds \$241,055 in Information Technology Internal Service Fund costs to support two new FTE positions: a 1.0 new Systems Support Technician III position and for a 1.0 new Administrator Management Information Systems position.
- **IT Security Initiative:** The Budget adds \$100,000 in Information Technology Internal Service Fund costs to support the State's ongoing IT security initiatives including access management, database encryption, internet service provider secondary connection, guarding against email fraud.
- **Payroll:** The Budget includes savings of \$315,313 in the Human Resources Internal Service Fund that is generated through increased cost recovery from non-general revenue sources and personnel savings by allocating the costs of existing Accounts and Control personnel who process payroll to the Human Resources Internal Service Fund.
- **Statewide Janitorial Services:** The Budget adds \$1.0 million in Facilities Management Internal Service Fund costs to provide contracted janitorial service coverage to new state office buildings

with a single vendor, and includes janitorial and cleaning, trash and recycling, and pest control management. This would add no additional state positions.

- **Security Infrastructure:** The Budget includes \$257,000 in Facilities Management Internal Service Fund costs to improve and maintain security at state facilities.
- **New Real Estate Portfolio Manager FTE position:** The Governor adds \$146,949 in general revenue and 1.0 FTE position to oversee the real estate planning and management of state properties.

Business Regulation: The Budget includes \$18.7 million in general revenue expenditures (\$30.1 million all funds) for the Department of Business Regulation (DBR) in FY2021, increasing general revenue expenditures by \$773,536 (\$3.7 million all funds) compared to the FY2020 Budget as Enacted.

The major budget initiatives include the following:

- **Adult-Use Marijuana:** The Governor proposes a framework for the retail sale of adult-use marijuana in the State. The framework is modeled after liquor sales in New Hampshire. The State would hire one or more contractors to operate the sales for the adult-use market on the State's behalf. Profits from the market would be shared among the State (61.0 percent), municipalities (10.0 percent), and the contractor (29.0 percent). The State would receive an estimated \$21.8 million in net profits.

The Budget includes \$3.2 million from restricted receipts to fund the operating costs of adult-use marijuana sales and 13.0 new FTE positions.

- **Fire Marshal – Bomb Squad:** The Budget adds \$90,603 in general revenues for 1.0 FTE position within the Fire Marshal's office for the Bomb Squad. Currently, the Bomb Squad meets the FBI's requirement of six technicians for the State with four full-time technicians and two volunteer technicians. With the retirement of one volunteer technician, the Bomb Squad requires an additional FTE to retain FBI accreditation.
- **Funding Shift:** The Budget shifts \$314,703 for the personnel costs of 3.0 FTE positions from restricted receipts to general revenue to ensure the availability of funds in the future. The positions work within the Contractors' Registration and Licensing Board.
- **Behavioral Health Parity:** The Budget adds \$165,046 in restricted receipts from the Opioid Stewardship Fund for 1.0 FTE position in the Office of the Health Insurance Commissioner (OHIC). The position would provide support on issues related to behavioral health and substance use disorders to promote access to treatment.
- **Health Cost Trends:** The Budget adds \$154,000 in restricted receipts for OHIC from a new \$1 fee. The fee, paid by the insurer, would apply to each covered life in the State. The funds would be used to continue tracking health care spending across the State and establish an annual target, an initiative that began in August 2018.

Labor and Training: The Governor's Budget increases general revenue expenditures by \$8.2 million (all funds increase by \$15.7 million) relative to the FY2020 Enacted level. The major changes include the following:

- **Real Jobs Rhode Island:** The Governor includes an additional \$7.3 million in general revenue funding (\$14.1 million all funds) to continue growing the Real Jobs Rhode Island (RJRI) program. This includes an additional \$250,000 to create an apprenticeship program at the Department of Corrections to improve post-release employment opportunities for inmates.
- **Job Development Fund Expansion:** The Governor includes an additional \$1.4 million in restricted receipts that will be generated by subjecting non-governmental, nonprofit organizations, with at least 1,000 employees, to the Jobs Development Assessment, from which they are currently exempt.

- **Uninsured Employers Fund:** The Governor includes \$940,000 in restricted receipts for settlement payouts from the R.I. Uninsured Employers Fund. These funds used for settlements associated with an employee who is injured while working for an employer who did not maintain workers' compensation insurance.
- **South County Arrigan Center:** The Governor includes \$583,364 in restricted receipts for the creation of the proposed South County Arrigan Center. The Center will offer the same rehabilitation services as the Arrigan Center located in Providence and is expected to begin offering services in the spring of 2020.
- **Workplace Fraud Personnel:** The Budget includes a general revenue increase of \$409,195 to support an additional 4.0 FTE positions for misclassification and workplace fraud investigations.
- **Management Consultants:** The Budget includes \$347,146 in general revenues to continue ongoing consultant contracts working to restructure the Department's Business Affairs Office and develop standard financial practices across the programs.

Revenue: The Budget includes a net \$12.8 million increase in general revenue (\$28.9 million all funds) for the Department of Revenue (DOR). Major budget initiatives include:

Division of Motor Vehicles

- **Saturday Hours:** The Budget includes \$115,330 to support the personnel and operating costs associated with the proposed opening of the Division's Cranston office for four hours every other Saturday.
- **Real ID:** The Budget provides \$1.1 million related to the implementation of Real ID. This appropriation includes \$200,000 for a public awareness campaign regarding the federal mandate effective in October 2020 and \$905,406 for personnel costs related to the advance staffing ramp-up needed to handle the anticipated increased customer volume.
- **License Plate Reissuance:** The Governor includes \$170,000 to support compliance with the statutory requirement to begin to reissue license plates by June 1, 2020.
- **Inspection Enforcement:** The Budget includes 166,313 for personnel costs associated with 2.0 FTE positions associated with a new proposal to collect suspension reinstatement fees from drivers that fail to comply with State inspection requirements.
- **CDL Road Test Administration:** The Budget provides \$142,331 in additional personnel and operating expenses associated with the transfer of the administration of road testing for commercial driver licensing from the Community College of Rhode Island to the DMV.

State Aid

The Budget includes \$155.1 million across all sources of funds for the State Aid program, including an increase of \$4.7 million in general revenue. This net increase includes:

- **Motor Vehicle Excise Tax Payment:** The Governor recommends \$6.4 million in additional general revenue budgeted for reimbursements to towns and cities for the phase-out of the motor vehicle tax. This is \$11.8 million less than what would be required under current law. Through Article 9, the Governor adjusts the policy levers and variables that make up the annual motor vehicle excise phase-out calculation in a manner that extends the phase-out five years, reducing the FY2021 impact.
- **PILOT:** The Budget level funds the Payment in Lieu of Taxes (PILOT) program at \$46.1 million, which is 26.2 percent of assessed property taxes on eligible exempt properties. The statutory maximum is 27.0 percent. (Savings from current services?)
- **Distressed Communities Relief Program:** The Governor recommends \$6.2 million for the State's Distressed Community Relief program, which assists communities with the highest property tax

burdens relative to the wealth of taxpayers. This represents a 50.0 percent reduction, or \$6.2 million below the enacted level, and is the lowest appropriation level since FY2001.

Taxation

- **Sales Tax Enforcement and Compliance:** The Budget includes \$1.3 million in personnel and operating costs associated with several proposed sales tax changes, including \$676,676 for increased enforcement and compliance staff and \$600,000 for outreach and education within the Division of Taxation.
- **Health Care Individual Mandate:** The Budget includes \$125,590 to support the personnel costs associated with a proposed new 1.0 Data Analyst FTE position that would support the implementation and monitoring of the individual mandate tax filings required under the State's recently enacted Health Insurance Market Integrity Act.
- **Legal Services:** The Budget provides \$93,907 in personnel costs associated with a new 1.0 Deputy Chief of Legal Services FTE position.
- **Rite Share Program Enforcement:** The Budget includes \$150,251 to ensure compliance by employers to new program changes to the States health insurance assistance program authorized in Article 14 of the Budget. These funds will pay for the \$100,251 in personnel costs and \$50,000 in operating expenses related to enforcement conducted by the Division of Taxation.

Office of the Lieutenant Governor: The Governor adds \$32,535 in general revenue for contracted legal services for drafting legislation, Access to Public Records Act (APPRA) requests, and general legal assistance for the office.

Office of the Secretary of State: The Budget adds \$655,000 in general revenue to support operating costs associated with the 2020 General Election; \$60,000 for advertising related to the 2020 General Election; and adds \$80,000 in all funds (\$26,667 general revenue) to support the relocation expenses for the state archives. The Budget includes turnover savings of \$815,131, an increase of \$139,719 from the FY2020 Budget as Enacted.

Board of Elections: The Budget adds \$486,498 in general revenue to support operating costs, associated with the 2020 General Election, reflecting \$258,908 for seasonal employees and \$165,000 for delivery and printing costs. The Governor also adds \$202,195 in general revenue for costs related to relocating the Board to a leased facility.

Ethics Commission: The Budget adds \$80,000 in general revenue for outside legal costs to support pending litigation in Superior Court.

Office of the Governor: The Governor adds \$354,160 in general revenue personnel costs, reflecting expenses that were previously cost allocated to ten state agencies as a means to supplement the Governor's Office personnel budget. The Governor also includes an increase of \$100,000 to the discretionary contingency spending account.

Public Utilities Commission: The Budget adds 1.0 Engineer position to increase inspection capacity of utility infrastructure, and 1.0 Public Utilities Analyst to support utility regulatory proceedings. The positions will be financed by restricted receipts.

Executive Office of Commerce: The Governor includes \$44.3 million in total general revenue funding in support of the economic development and housing programming within the Executive Office of Commerce (EOC) and the Rhode Island Commerce Corporation (Commerce RI). This includes \$40.5 million for Economic Development Initiatives, Commerce Programs, and other programming. The Governor also recommends a major investment in affordable housing to be managed by EOC and financed by an increase in the State's real estate conveyance tax and a new bond referendum.

Economic Development Incentives & Commerce Programs

- **Rebuild RI:** The Governor includes \$22.5 million to assist economic development projects through the Rebuild RI program, \$12.5 million more than the enacted level. The Governor proposes several changes to the program including a reduction in the maximum project financing gap, a new credit for infrastructure investments, an extension of the program's sunset, and an increase in the total program cap to from \$210.0 million to \$250.0 million.
- **Wavemaker:** The Budget provides \$2.1 million to help retain talented graduates through the Wavemaker Fellowship program, \$872,000 more than the enacted level. The Governor proposes to expand the program eligibility to include elementary and secondary educators specializing in science, technology, engineering, or mathematics (STEM).
- **I-195 Redevelopment:** The Budget includes \$1.0 million in new funding for the I-195 Redevelopment Fund. The fund is used to address financing gaps experienced by development projects located within the I-195 Redevelopment Zone. The Budget also increases the operating funds for the I-195 Commission by \$130,000 and provides \$1.0 million in Rhode Island Capital Plan (RICAP) funds designated for the maintenance of parks within the redevelopment zone.
- **Small Business Assistance:** The Governor recommends \$750,000 to support the small business assistance program, \$250,000 more than the enacted level. The program engages private lenders to support businesses with fewer than 200 employees.
- **International Trade and Export Programming:** The Budget includes \$476,000 to support international trade and export programming for Rhode Island businesses. The proposal is budget neutral relative to the FY2020 enacted level. The funding shifts from Bryant University's John Chafee Center for International Business, which historically has received a pass-through appropriation to conduct this programming, to the Rhode Island Commerce Corporation.
- **Polaris Manufacturing Technical Assistance Program:** The Governor recommends \$450,000 in general revenue for the Polaris Manufacturing Technical Assistance Program (Polaris), an intermediary and training provider that seeks to enhance the competitiveness of RI manufacturers. This represents a \$50,000 increase over the enacted level. The Governor also provides additional funds to equip small existing manufacturers with the tools needed to transfer ownership to a new generation of business owners.
- **Municipal Capacity Building - Site Readiness:** The Budget includes \$390,000 to fund the work of five RI Commerce Corporation "fellows" within the Site Readiness program. The program provides municipalities with technical support aimed at reducing barriers to siting economic development projects.
- **Competitive Cluster Grants:** The Budget includes \$350,000 for the Competitive Cluster Grants program, \$250,000 more than the FY2020 enacted level. The program provides businesses within the State's designated growth sectors with startup and technical assistance funding.
- **Deputy Secretary:** The Governor recommends \$209,911 in personnel costs associated with a new Deputy Secretary FTE position. The position will primarily focus on housing issues and other economic development priorities.
- **Minority Entrepreneurship:** The Budget provides \$150,000 within the Rhode Island Commerce Corporation to support minority entrepreneurship through assistance and grants programming managed by corporation staff. The Budget also defunds the State's statutorily designated urban business incubator -Urban Ventures- creating a general revenue savings of \$140,000.

- **Commercial Property and Tangible Tax Study Commission:** The Budget also provides \$85,000 to fund the work of a proposed commission charged with studying the rate structure and administration of commercial property and tangible taxes at the municipal level.

Housing

The Budget includes several significant new initiatives to support affordable housing in Rhode Island.

- **Permanent Funding Stream:** The Governor establishes a new restricted receipt account, the Housing Production Fund, which would be capitalized by an increase in the real estate conveyance tax. The Budget includes \$3.5 million for this fund in FY2021; \$3.3 million will be used to build 250 new housing units and \$220,000 will be allotted for a new a new municipal housing development partnership initiative focused on improved local capacity and the removal of barriers to affordable housing at the local level.
- **Housing Opportunity Bond:** Article 5 includes a \$25.0 million bond proposal that would help finance the production of affordable and workforce housing throughout the State.
- **Governance:** Article 12 changes how the State coordinates, administers, and develops strategy and policy around affordable housing in Rhode Island. This includes the modernization of the Housing Resources Commission, establishment of a new Housing Resource Coordinating Committee, and codification of the Office of Housing and Community Development's roles and responsibilities.

Executive Office of Health and Human Services: The Governor includes \$1,010.7 million from general revenues (\$2,682.2 million all funds) for the Executive Office of Health and Human Services in FY2021. This represents a general revenue increase of \$8.4 million compared to the FY2020 Budget as Enacted, and is attributable to the following changes:

Central Management

- **Contracted Services:** The Governor recommends \$1.4 million from general revenues to finance an array of contracted services utilized by the Executive Office. This includes enhancements to the Medicaid Management Information System (MMIS), additional administrative support for the Rhody Health Options program, actuarial and related services, and improvements to managed care reporting and oversight.
- **Long-Term Services and Supports (LTSS) Investment:** The Governor adds \$1.0 million from general revenues to provide financial incentives to long-term care facilities to take empty nursing home beds out of service and to repurpose those beds for other uses, and to reward nursing facilities for transitioning low-acuity members from nursing homes to home- and community-based settings.
- **Unified Health Infrastructure Project (UHIP) Reductions:** The Budget includes \$422,284 in general revenue savings (\$3.7 million all funds) to reflect various contract and operational expenditure reductions within the United Health Infrastructure Project (UHIP).
- **Clinical Evaluation:** The Governor adds \$90,000 from general revenues (\$180,000 all funds) to contract a full-time clinician with expertise in children's intellectual and developmental disabilities and children's behavioral health. The clinician's primary focus will be to assess the current structure of the State's home-based services model, conduct clinical oversight of the agencies involved, research best practices across the country, and develop a plan for restructuring programs to best meet the needs of children served under the health and human services umbrella.

Medical Assistance

- **Caseload Estimating Conference:** The Governor recommends \$5.6 million in general revenue savings to reflect changes adopted by the November 2019 Caseload Estimating Conference. All Medicaid initiatives are applied against this estimate, rather than the Enacted Budget.

- **Disproportionate Share Hospital (DSH) Payment:** The Budget adds \$30.3 million more from general revenues (\$64.5 million all funds) to restore the Disproportionate Share Hospital (DSH) payment to the FY2020 Enacted level of \$142.3 million. The aggregate DSH payment was reduced to \$77.8 million in the adopted caseload estimate based on a reduction scheduled in current federal law. The Governor's Budget assumes that this reduction will be delayed and adjusts funding accordingly.
- **RI Bridges Eligibility Optimization:** The Budget includes \$8.1 million in general revenue savings (\$30.2 million all funds) to account for a significant reduction in Medicaid eligibility that occurred after the November 2019 Caseload Estimating Conference. In November 2019, the Executive Office experienced a 2.5 percent decline across its managed care programs, which is expected to impact caseload trends in the remainder of FY2020 and into FY2021. According to the Budget Office, this reduction is attributable to a one-time update to the RI Bridges system that terminated approximately 5,500 cases.
- **Hospital Rate Freeze:** The Governor recommends \$7.1 million in general revenue savings (\$20.3 million all funds) related to a rate freeze for inpatient and outpatient hospital services, rather than providing an annual rate inflator of approximately 2.9 percent.
- **Managed Care Organization (MCO) Full Risk:** The Budget includes \$5.4 million more from general revenues (\$15.7 million all funds) to transition the State's managed care plans from partial risk to full risk arrangements by increasing monthly capitation rates.
- **RIte Share:** The Governor recommends \$5.0 million in general revenue savings (\$18.4 million all funds) from maximizing RIte Share enrollment to move working Medicaid beneficiaries from standard Medicaid coverage onto employer-sponsored insurance, where the State will pay the costs of the employee's premium, rather than the full cost of enrolling the employee in one of the State's managed care plans. Article 14 also establishes a new penalty for employers who do not comply with RIte Share reporting requirements. The savings estimate includes \$600,000 in assumed implementation costs, including RI Bridges system changes as well as contracted support.
- **Adult Co-Pays:** The Budget includes \$4.5 million in general revenue savings (\$16.8 million all funds) from imposing adult co-pays for certain services as follows: \$1 for certain preferred prescription drugs, \$3.65 for all other prescription drugs, and \$3 for inpatient hospital visits. The co-pay requirement does not apply to adults in institutions, disabled adults, or children.
- **Nursing Home COLA:** The Governor recommends \$3.4 million in general revenue savings (\$7.5 million all funds) by providing a cost-of-living adjustment (COLA) of 1.0 percent to nursing home rates in lieu of an annual rate inflator of approximately 3.6 percent.
- **Fee-for-Service High Utilizers:** The Budget includes \$2.1 million in general revenue savings (\$6.1 million all funds) by engaging with a vendor to perform utilization management services for fee-for-service Medicaid members. This initiative would target the most expensive members, resulting in 6.5 percent cost savings. The estimate is net of \$250,000 in new contract expenses to procure a vendor.
- **Eliminate Outpatient Upper Payment Limit (UPL):** The Budget includes \$1.5 million in general revenue savings (\$4.6 million all funds) by eliminating the outpatient upper payment limit (UPL) payment in FY2021. The inpatient portion of this payment was eliminated in the enacted budget.
- **Neonatal Intensive Care Unit (NICU) Services:** The Governor recommends moving neonatal intensive care unit (NICU) services from fee-for-service into managed care, where managed care organizations (MCOs) will provide utilization management services, resulting in an estimated 10.0 percent cost savings. This equates to \$1.2 million in general revenue savings (\$2.5 million all funds) in FY2021.

- **Ambulance Rates:** The Governor provides \$790,395 in additional general revenue funding (\$2.2 million all funds) to maintain the increased non-emergency ambulance rates that were negotiated with the State's non-emergency medical transportation (NEMT) broker in August 2019.
- **Pharmacy Utilization:** The Budget includes \$497,726 in general revenue savings (\$1.5 million all funds) based on a pharmacy spend model that identifies the most cost-effective drugs within therapeutic classes and shifts a portion of assumed utilization towards those drugs in order to incentivize managed care organizations to achieve pharmacy savings.
- **Dual Care Management:** The Budget includes \$401,725 in general revenue savings (\$869,723 all funds) from accelerating expansion of a dual care pilot to increase nursing home diversion by modifying the current fee-for-service duals contract.
- **Perinatal Doula Services:** The Governor recommends adding Medicaid coverage for perinatal doula services, which provide individual supports for expectant mothers before, during, and after birth. The Budget includes an additional \$94,802 from general revenues (\$226,750 all funds), accordingly.
- **Graduate Medical Education (GME):** The Budget includes \$1.2 million in new federal funding to supplement the State's \$1.0 million general revenue payment for Graduate Medical Education (GME), for total funding of \$2.2 million. The State received approval for federal Medicaid matching funds on October 23, 2019, effective retroactively to July 1, 2019. In prior years, the \$1.0 million GME payment was not eligible for matching funds and was therefore made as a State-only payment.

Children, Youth, and Families: The Governor includes \$186.8 million from general revenues (\$263.6 million all funds) for the Department of Children, Youth, and Families in FY2021. This represents a general revenue increase of \$21.7 million compared to the FY2020 Budget as Enacted. Major changes include:

- **Caseload Increase:** The Budget adds \$28.4 million from general revenues to adjust for the Department's caseload trends and to bring funding more in line with prior year spending. Of this amount, \$18.1 million was included as a current service adjustment and an additional \$10.3 million was requested by the Department based on current FY2020 expenditure trends.
- **Federal Funding Optimization:** The Governor recommends \$3.3 million in general revenue savings by optimizing federal and restricted fund sources for the Department. The savings would be generated by streamlining current claiming processes associated with Medicaid and Title IV-E, cost allocation of probation workers to federal funds, and accurate determination of social security income eligibility.
- **Recruitment and Retention:** The Budget includes \$2.5 million in general revenue savings resulting from an investment included in the Revised Budget for 14.0 FTE positions to start in April 2020. These new positions will augment current staff in the Department's licensing unit to recruit, train, license, retain, and support of foster parents, doubling the number of available families from 200 to 400. The savings would be generated by shifting youth from other, more costly out-of-home placements into foster care, where appropriate. This initiative also includes an increase in per diem foster care rates.
- **Female Youth Project:** The Governor recommends \$1.1 million from general revenues to support the establishment of two new Psychiatric Residential Treatment Facilities (PRTFs) for approximately 40 identified female youth with complex mental and behavioral health needs that are currently being treated out-of-State, in a hospital, or at the Rhode Island Training School.
- **Private Agency Foster Care Procurement:** The Budget includes \$525,763 in general revenue savings resulting from an investment included in the Revised Budget for a 1.0 Chief of Program Development FTE position to start in April 2020. This position will act as a contract manager to assist the Department in renegotiating private agency foster care contracts. The savings would be generated by enhancing

contract oversight and standardizing rates with private providers such that rates are based on a child's level of need rather than type of placement.

- **Training School Education Program:** The Governor recommends restructuring the education program at the Rhode Island Training School due to a historically low census and reduced demand for teachers. The Budget includes \$438,651 in general revenue savings, accordingly.
- **Supporting Safety Assessment Implementation:** The Budget includes \$341,801 in general revenue savings resulting from an investment included in the Revised Budget for 4.0 Child Protective Investigator FTE positions to start in April 2020. This initiative would reduce average employee caseloads to meet best practices and would lead to increased screenings and fewer youth entering care.
- **Higher Education Incentive Grants:** The Governor does not provide general revenue funding for the Higher Education Incentive Grant program, resulting in savings of \$200,000 compared to the Enacted Budget. According to the Budget Office, the program will be funded using reserve funds in FY2021.
- **Improving Child Advocacy and Caseworker Partnership:** The Governor adds \$77,457 from general revenues to hire 2.0 Senior Legal Counsel and 2.0 Paralegal FTE positions to allow for increased desk time for trial attorneys to engage with caseworkers and prepare for court events, thereby promoting availability and influence in court and accelerating the time for children in care to achieve permanency.
- **Director Salary:** The Governor adds \$8,048 from general revenues (\$10,920 all funds) to increase the Director's salary from \$127,500 to \$135,000, commensurate with directors in other health and human services agencies, and to adjust benefits accordingly.
- **RICHIST Replacement:** The Budget includes \$11.2 million from federal funds and \$17.0 million in certificates of participation (COPs) to replace the Department's legacy child welfare tracking system, known as RICHIST, with a new modular data system.

Health: The Budget includes \$33.0 million in general revenue expenditures (\$186.7 million all funds) for the Department of Health (DOH) in FY2021, increasing general revenue expenditures by \$2.0 million (\$87,087 all funds) compared to the FY2020 Budget as Enacted.

The major budget initiatives include the following:

- **Vaping Products:** The Governor includes an array of initiatives relating to vaping products, including the codification of the ban on flavored vaping products, providing tools for cessation and enforcement for RIDOH, and doubling the penalties associated with selling tobacco products to underage youth.
- **Dockside Sampling Program:** The Budget includes a new dockside sampling program to promote growth in the shellfish industry by sampling, lab testing, and monitoring Rhode Island shellfish. The program would be funded with a new permit fee, set by the Director of the Department of Health. The permit fee is expected to generate \$366,138 in revenues to finance the costs of the program.
- **Data Request Fee:** The Budget includes a data request fee on requests to the Center for Health Data and Analysis. The fee would only apply to for-profit businesses and is expected to generate \$438,900. The funds generated would increase the Center's ability to analyze and distribute the datasets.
- **Interstate Licensure Compact:** The Governor recommends that the State enter into five interstate medical licensure compacts to allow reciprocity or expedited licensing for nurses, physicians, EMS personnel, physical therapists, and psychologists. The compacts are expected to promote access to healthcare and increase the number of providers in the State.
- **EMS Exemptions:** The Budget eliminates licensing fee exemptions for municipal, volunteer, and non-profit Emergency Medical Services (EMS) professionals.

- **Home Visiting Programs:** The Budget increases funding for two home visiting programs that focus on prevention to promote healthier children and pregnancies and reduce poor outcomes. The Budget would increase general revenues to the Family Home Visiting Program by \$650,000 (\$1.4 million all funds) and \$378,000 (\$818,264 all funds) to the First Connections program.
- **Infectious Disease Prevention:** The Budget includes an additional \$88,109 in restricted receipts for 1.0 FTE position to promote education and treatment for HIV-positive individuals.
- **Medical Examiner Vehicle:** The Budget includes a \$13,647 increase in general revenue to finance a vehicle for the State Medical Examiner's Office. The vehicle will be paid for over three years.
- **Adult-Use Marijuana:** The Budget includes a \$643,372 increase in restricted receipts in FY2021 for food safety staffing and the operational costs associated with the proposed adult-use marijuana program.
- **Opioid Stewardship Program:** The FY2020 Budget established the Opioid Stewardship Fund, a restricted receipt account within the Department of Health. The account is funded with registration fees paid by all licensed manufacturers, distributors, and wholesalers of opioids. The Governor proposes \$58,326 for an additional FTE position to manage the finances of the fund.

Human Services: The Governor's Budget increases general revenue expenditures by \$25.7 million (all funds decrease by \$3.1 million) relative to the FY2020 Enacted level. The major changes include the following:

- **Child Care Assistance Program (CCAP) Reimbursement Rates:** The Budget includes an additional \$3.9 million in general revenues to increase reimbursement rates for licensed child care providers. This includes an additional \$1.8 million for licensed child care providers caring for infants and toddlers, and \$2.1 million for licensed child care providers caring for preschool aged children.
- **Child Care for Families in Higher Education:** The Governor includes \$200,000 in general revenues to provide child care for students who are enrolled in a Rhode Island public institution of higher education and have incomes at or below 180.0 percent of the federal poverty level.
- **Rhode Island Community Food Bank:** The Budget includes an additional \$175,000 in general revenues for the Rhode Island Community Food Bank. The additional funds will allow the Food Bank to continue providing support despite federal restrictions to the Supplemental Nutrition Assistance Program (SNAP).
- **Veterans' Services:** The Governor recommends the following changes to Veterans' Services:
 - **Redirect Resident Income:** The Governor recommends transferring all funds collected in resident income assessments to the Veterans' Home. Currently only 20.0 percent of the funds (\$1.1 million) are directed to the Veterans' Home. The remaining 80.0 percent (\$4.4 million) is directed to the general fund.
 - **Staffing and Contracts:** The Budget includes a \$1.0 million savings related to staffing and contracts and the Veterans' Home. Of the total savings, \$575,000 will be generated by implementing more efficient staffing policies and procedures at the Veterans' Home. The remaining \$450,000 is related to anticipated updates and renegotiations of current contracts, including the janitorial contract.
 - **Increase Resident Income Assessment:** The current income assessment for residents in the Veterans' Home is 80.0 percent of the resident's net income. For the purpose of the Veterans' Home, RIGL 30-24-10 defines net income as gross income, minus applicable federal and state taxes, minus a \$150 per month resident allowance and all amounts paid by the resident for the maintenance of a spouse or child who is blind and/or permanently disabled. The Governor's

Budget increases the income assessment rate from 80.0 percent to 100.0 percent. The Budget also increases the monthly resident allowance from \$150 to \$300 and eliminates co-pays for physical and occupational therapy services.

- **Veterans' Cemetery Burial Cost:** The Governor recommends charging the U.S. Department of Veterans' Affairs plot allowance reimbursement rate for non-veteran burials. The fee is anticipated to generate \$351,600 to be transferred to the general fund.
- **Outstanding Small Estate Probates:** The Governor recommends collecting proceeds from open estate probates that are above \$15,000. This collection would generate \$280,000 to be transferred to the general fund.

Behavioral Healthcare, Developmental Disabilities, and Hospitals:

The Budget includes \$207.8 million in general revenue expenditures (\$487.0 million all funds) for the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH) in FY2021, increasing general revenue expenditures by \$11.4 million (\$23.9 million all funds) compared to the FY2020 Budget as Enacted.

Developmental Disabilities

- **Residential Rebalancing:** The Governor includes \$795,940 in savings from the continuation of the rebalancing initiative that supports clients to seek more community-based placements and aims to reduce the number of individuals in residential group homes.
- **Rate Increase:** The Budget includes an additional \$1.0 million in general revenue (\$2.2 million all funds) to increase wages for direct support professionals (DSPs) providing care for individuals with disabilities.
- **Caseload Estimate:** The Budget assumes a 1.5 percent caseload growth, less than originally expected, for FY2021, resulting in a \$1.0 million general revenue savings (\$2.2 million all funds).
- **Threshold Program:** The Budget includes a \$200,000 increase in general revenue expenditures for the Threshold Program within the Developmental Disabilities program. The Thresholds program provides safe affordable community housing options for behavioral healthcare and developmentally disabled clients. The Budget also includes a \$100,000 general revenue increase for the Access to Independence Program to finance home modifications for individuals with developmental disabilities.
- **RICLAS Privatization:** The Governor includes general revenue savings of \$2.9 million through an initiative to privatize the operations of the Rhode Island Community Living and Supports (RICLAS) system. Management, clients, properties and operations would be transferred to private Developmental Disability Organizations.

Hospital and Community Rehabilitation Services

- **Hospital Reorganization:** The Governor includes an additional \$12.0 million in certificates of participation (COPs) for the completion of the reorganization of the Eleanor Slater Hospital to comply with the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) standards.
- **Community Alternatives:** The Budget includes \$3.0 million in additional general revenue to provide a community alternative for individuals with behavioral health needs. Availability of a community alternative is expected to assist in rebalancing the system towards allowing individuals to live in the least restrictive setting and contain costs in the future.

Behavioral Health

- **Opioid Stewardship Funds:** The FY2020 Budget established the Opioid Stewardship Fund, a restricted receipt account funded with registration fees paid by all licensed manufacturers, distributors, and

wholesalers of opioids. The Governor proposes that \$200,000 of the proceeds are used to expand the Recovery Housing program. The Budget also includes \$1.1 million from the Fund to support core housing programs, especially in cases where there are significant shortages for housing. The Governor recommends that \$550,000 from the Fund is used to expand BH Link, a statewide resource providing 24-hour assessment, treatment, and referral for individuals in behavioral health crises.

- **Adult-Use Marijuana:** The Budget includes a \$530,762 increase in restricted receipts from the proposed adult-use marijuana program in FY2021 to support new substance use disorder prevention, treatment, and workforce development initiatives.
- **New DUI Fee:** The Budget includes a shift of \$220,016 in general revenues from a new \$250 fee effective January 1, 2021. The fee, paid by anyone who is convicted of driving under the influence (DUI) or refusal to submit a breathalyzer test, will be allocated to BHDDH to fund substance use disorder prevention and student assistance programs for youth.
- **Youth Substance Abuse Initiative:** The Budget redirects certain civil fines totaling \$249,653 to BHDDH for substance use disorder programs in middle schools, junior high schools, and high schools. The fines are collected on certain marijuana-related offenses and traffic violations.
- **Threshold Program:** The Budget includes a \$300,000 increase in general revenue expenditures for the Threshold Program within the Behavioral Health program. The Thresholds program provides safe affordable community housing options for behavioral healthcare and developmentally disabled clients.

Commission on Disabilities: The Budget adds \$45,000 in general revenue for community events recognizing the 30th anniversary of the Americans with Disabilities Act.

Office of the Child Advocate: The Governor includes \$1.1 million from general revenues, an increase of \$76,536 relative to the FY2020 Budget as Enacted. This is primarily related to personnel expenditures and reflects the annualized impact of the statewide cost-of-living adjustment effective December 22, 2019, as well as adjusted benefit rates. The FY2021 recommendation also includes \$4,000 for contracted clerical and legal services and \$2,000 for operating expenses.

Elementary and Secondary Education: The Governor increases funding in the Department by \$44.7 million in general revenue (\$64.4 million all funds) and provides 9.0 new FTE positions, two of which are funded from restricted receipts. The major changes include the following:

- **Funding Formula Aid:** The Budget provides \$31.5 million in general revenue to fully-fund the education funding formula in FY2021, excluding Davies Career and Technical School and Metropolitan Career and Technical Center. Included within this increase is an additional \$1.6 million for Central Falls.
- **Teacher Retirement:** The Budget includes an additional \$6.0 million (\$118.4 million total) for teacher retirement to support a projected wage increase of 2.5 percent.
- **Early Childhood Categorical and Pre-Kindergarten Expansion:** The Governor recommends \$4.5 million for the continued expansion of the early childhood categorical program and shifting Pre-K seats within Local Education Agencies (LEAs) into the education funding formula after the first year of the initial award. Of the \$4.5 million, \$3.3 million is attributable to shifting 358 seats into the funding formula. By leveraging additional federal funds, the Governor projects the new funding to support an increase of 750 seats.
- **English Learners (EL)/Multilingual Learners (MLL):** An increase of \$2.5 million in general revenue for the EL categorical, bringing total funding up to \$7.5 million. Article 10 changes the name of this categorical from EL to MLL.

- **School Resource Officer/Mental Health Categorical:** The Governor expands the categorical to include the hiring of new mental health professionals, including student assistance counselors, school counselors, psychologists, and social workers. The Budget includes \$1.0 million in general revenue for this category in FY2021, consistent with the enacted level; however, in FY2020 only \$325,000 was utilized by the districts. The Governor also recommends \$1.0 million in restricted receipts from the Opioid Stewardship Fund, bringing total funding for FY2021 up to \$2.0 million. FY2021 is the final year for funding through this category.
- **School System Support within the Department:** The Budget adds \$623,961 in general revenue to support 3.0 new FTE positions and \$402,735 in restricted receipts to move the Department beyond compliance and into a more supportive role for districts. The restricted receipts are attributable to anticipated charitable donations.
- **School-Based Mental Health Services:** The Budget includes \$590,000 in restricted receipts from the Opioid Stewardship Fund to provide mental health/behavior health training, curricula, and other materials to prepare teachers to intervene with students. The FY2020 Budget established the Opioid Stewardship Fund, a restricted receipt account within the Department of Health. The account is funded through registration fees paid by all licensed manufacturers, distributors, and wholesalers. Licensed manufacturers, distributors, and wholesalers are required to report the details of all opioids sold or distributed in the State for the purposes of calculating their share of the fund's \$5.0 million total.
- **Curriculum:** The Budget provides \$297,608 in general revenue and 2.0 new FTE positions to assist in defining "high-quality" curriculum, establishing high-quality learning, and developing state social studies standards.
- **Rhode Island School for the Deaf-Audiology Billing:** The Governor transfers the responsibility for conducting hearing screenings from the School for the Deaf to the LEAs, and includes \$235,000 in general revenue savings.
- **School Building Authority (SBA):** The Budget finances the SBA operations through fees on debt issued for LEAs by the Rhode Island Health and Educational Building Corporation (RIHEBC) and includes an additional \$226,872 (\$998,000 total) in restricted receipts to provide funding for 6.0 FTE positions, including 4.0 current FTE positions and 2.0 new FTE positions.
- **Advanced Course Network:** The Budget includes an additional \$200,000 in Permanent School Funds (\$500,000 total) for the advanced course network. It is unclear if the Budget still includes the \$150,000 in general revenue and \$390,000 in Career and Technical Education categorical funds that were in the FY2020 Budget as Enacted.

Analyst Note: The permanent school fund is supported by duties paid by auctioneers. Pursuant to RIGL 16-4-5, the income can only be used for the "promotion and support of public education." Collections average approximately \$236,147 annually. In addition to the Advanced Course Network, the School for the Deaf receives \$59,000 annually. Based on information from the Office of Management and Budget, the balance in FY2021 will be about \$82,294; consequently, only about \$318,000 will be available to fund the programs in FY2021.

- **Pre-Kindergarten Support:** The Governor recommends an increase of \$145,892 in general revenue and 1.0 FTE position to provide technical support, programming assistance, and facility visits for pre-kindergarten.
- **PrepareRI Support:** The Budget includes \$145,892 in general revenue to support 1.0 new FTE position to provide cross-agency coordination and project management associated with the Prepare RI program.
- **WIDA ACCESS Assessment Tests:** The Budget provides \$115,000 in general revenue for the Department to purchase WIDA ACCESS tests. WIDA is a consortium of state departments of

education that developed the ACCESS test which is administered annually to English Language Learners to monitor the student's language development.

Higher Education: The Governor increases funding over the FY2020 Budget as Enacted by \$753,236 in general revenue for Public Higher Education. Changes in funding include the following:

- **Office of the Postsecondary Commission – Dual and Concurrent Enrollment:** The Budget provides an additional \$887,751 (\$3.2 million total) in other funds for the dual/concurrent enrollment program. This program allows high school students to take courses for college and high school credit at the University of Rhode Island (URI), Rhode Island College (RIC), or the Community College of Rhode Island (CCRI) at no cost to the student. The program is primarily funded from CollegeBound tuition savings program revenue; however, for full-time dual enrollment students at CCRI, the sending district is responsible for up to 50.0 percent of the core instructional per pupil amount.
- **Rhode Island Promise Scholarship (RI Promise) CCRI:** An additional \$257,439 in general revenue (\$7.2 million total) is provided for RI Promise Scholarship. Article 3 of the FY2018 Budget established the program to provide students with two years of tuition and mandatory fees at the Community College of Rhode Island (CCRI), less federal and all other financial aid available to the recipient. Under current law, the high school graduating class of 2020 will be last eligible group; however, the Governor recommends eliminating the sunset of the RI Promise program.
- **Office of the Postsecondary Commission – Northern Rhode Island Education Center:** The Governor recommends 1.0 new FTE position for the Northern Rhode Island Education Center. This position will be supported by revenues generated from the Westerly Higher Education Center and the new Northern Rhode Island Education Center.
- **Community College of Rhode Island (CCRI) Advising Support:** The Governor recommends an additional \$268,995 to support three additional student advisors; however, there is not a corresponding increase in CCRI's FTE cap.
- **Debt Service:** Due to an updated debt schedule at the University of Rhode Island, the Budget increases general revenue debt service by \$16,966. Debt service at RIC decreases by \$474,574 and at CCRI by \$411,085.

Historical Preservation and Heritage Commission: The Governor's Budget increases general revenue expenditures by \$109,736 relative to the FY2020 Enacted level. The major changes include the following:

- **Statewide Adjustments:** The Governor includes statewide adjustments of \$120,787 which reflect savings achieved through lower medical rates for State employees, a lower assessed fringe benefit rate, and a redistribution of savings included in the enacted budget.

Attorney General: The Governor's Budget increases general revenue expenditures by \$1.4 million (\$976,136 all funds) relative to the FY2020 Enacted level. The major changes include the following:

- **Civil Division Personnel:** The Budget includes \$378,056 in general revenues to support an additional 4.0 FTE positions, including 2.0 FTE Staff Attorneys and 2.0 FTE Paralegals. These positions will support the Department's Civil Division which is responsible for multi-state cases that often generate monetary recoveries for the State.
- **Civil Litigation Funding:** The Governor includes an additional \$350,000 within the Civil Division to support additional civil litigation and increased participation in large, multi-state cases. The additional funding will support expert witnesses, eDiscovery, and legal software solutions and support.
- **Criminal Division Personnel:** The Governor includes \$299,397 in general revenues to support an additional 3.0 FTE positions, including 2.0 FTE Special Victims Unit Attorneys and 1.0 FTE Paralegal. These additional positions will support the Department's Special Victims Unit and allow for a decrease

in caseloads and stronger representation in cases. The Budget also includes an additional \$110,369 to support the hiring of 1.0 Staff Attorney position. The new Staff Attorney will split their time between the Division's Intake Unit and Diversion Court.

Corrections: The Governor's Budget increases general revenue expenditures by \$21,181 (all funds decrease by \$3.2 million) relative to the FY2020 Enacted level. The major general revenue changes include the following:

- **Overtime Savings:** There is an anticipated general revenue savings of \$4.8 million related to a reduction in overtime including:
 - A savings of \$982,907 in Correctional Office (CO) overtime related to stricter enforcement of sick leave policies to reduce fraudulent discharging of sick time.
 - A \$972,754 savings in CO overtime due to the closure of two double modules at the Intake Service Center.
 - A \$780,270 savings in CO overtime related to the proposed eight month closure of a full module at Medium Security.
 - A savings of \$777,292 in CO overtime due to the closure of two 12-person modules in the High Security Center. The Governor proposes transferring 24 High Security inmates to out-of-state facilities and taking in 24 lower security inmates from out-of-state facilities who could be housed in lower security facilities.
 - A \$633,970 savings in CO overtime related to an anticipated reduction in emergency room and hospital trips. The Governor proposes hiring additional FTE's in the Health Services program, allowing for more focus on preventative treatment and less need for hospital trips.
 - A \$612,376 savings in non-Correctional Officer overtime through stricter enforcement of overtime policies throughout the Department.
- **Inmate Population Per-Diem Savings:** The Budget includes a general revenue savings of \$655,925 in per-diem expenses related to an anticipated decrease in the inmate population. The FY2020 Budget as Enacted was based on an average daily population of 2,671 inmates. The Governor's FY2021 Budget decreases this number by 122 individuals, to 2,549 inmates.
- **Correctional Officer Class:** The Governor includes an additional \$500,000 in general revenue funding to allow for an accelerated timeline for the next CO Class to begin at the Training Academy. The next class was anticipated to start in March 2021. The Budget moves the start date up to September 2020 with the recruits graduating in December 2020.
- **Healthcare Personnel and Savings:** The Governor includes \$498,848 in additional general revenue funding to support the hiring of 4.0 new FTE positions including 2.0 FTE Health Program Administrators, 1.0 FTE Co-Hospital Case Manager, and 1.0 FTE Data Analyst I. These additional positions are intended to allow the Department to focus more on preventative care and efficient management of medical issues, thereby reducing the number of hospital visits and reducing CO overtime as stated above. The Governor also includes \$165,900 in medical expenditure savings.
- **Discharge Planning:** The Budget includes \$595,000 in general revenues for the creation of a new Discharge Planning Office within the Department. This includes hiring an additional 7.0 FTE positions including 1.0 FTE Community Corrections Assessment Coordinator and 6.0 FTE Community Corrections Assessment Analysts. The increase in general revenues is offset by a \$515,000 savings related to the elimination of the current Discharge Planning contract, provided by an outside vendor, and \$88,350 savings in turnover.

- **Apprenticeship Program:** The Governor includes \$200,000 in general revenues to create an apprenticeship program within the Department. This funding includes \$110,336 for the hiring of an additional 1.0 FTE to manage the apprenticeship program in collaboration with the Department of Labor and Training, and \$87,664 to fund instructor and ancillary costs.
- **Re-Entry Partnership:** The Governor includes \$116,728 in general revenues to support the hiring of 1.0 new Coordinator of Employment and Training Programs FTE position. This position is intended to help reduce recidivism by working with the Department of Labor and Training to connect inmates with post-release work opportunities.
- **Medical Parole Update- Geriatric Parole:** The Governor includes a savings of \$150,000 related to the expansion of medical parole to include a new geriatric parole provision. This would allow for the release of elderly inmates whose age and illness decrease their safety risk to the public. The provision would allow eligible inmates over 65 who have served the lesser of 10 years or 75.0 percent of their sentence to be considered for geriatric parole.
- **Statewide Adjustments:** The Governor includes statewide adjustments of \$2.8 million throughout the Department, which reflect savings achieved through lower medical rates for State employees, adjustments in overtime financing, and adjustments for internal service fund charges.

Judiciary: The Governor increases funding over the FY2020 Budget as Enacted by \$1.2 million in general revenue across the Department, including an increase of \$150,551 for the defense of indigents fund for a one-time expense related to the transfer of up to 70 cases from the Office of the Public Defender.

Military Staff: The Budget includes \$157,564 in general revenue to support 1.0 new FTE Deputy Director position to assist in the newly extended roles of the military staff. The Budget also includes \$311,642 in federal funds for an additional 3.0 Firefighter positions at the Quonset Air Base.

Rhode Island Emergency Management Agency: The Budget includes \$277,750 in general revenue to support the Code RED emergency response notification system which sends alerts via various emergency alert systems.

Public Safety: The Governor recommends \$105.7 million in general revenue to support the operations of the Department of Public Safety (DPS). Major FY2021 budget initiatives include:

State Police

- **Southern Barracks:** The Budget includes \$35.0 million in certificates of participation (COPs) to finance the construction of new barracks in the southern part of Rhode Island that is meant to replace the obsolete Wickford and Hope Valley facilities. (Portsmouth?)
- **Exeter Reimbursement:** The Governor recommends \$441,310 in savings associated with a proposal to require the Town of Exeter to reimburse the State for services that the State Police provide to the town in the absence of a police department.
- **Training Academy:** The Budget provides \$424,371 in general revenue for costs associated with recruitment and other activities in preparation for the next State Police Training Academy class, scheduled for June 2021.
- **Adult-Use Marijuana:** The Governor recommends \$500,000 in restricted receipts to support public safety initiatives related to the legalization of adult-use marijuana.

Security Services

- **Injured-on-Duty Adjustments:** The Budget provides \$141,116 in general revenue savings related to employees previously out on injured-on-duty benefits that have either returned to work or received a disability pension.

E-911

- **Upgrades to Fiber Optics:** The Budget provides \$750,000 in restricted E-911 funds to upgrade current copper wiring to fiber optic cable that will increase telecommunication capacity.

Office of the Public Defender: The Budget includes \$338,778 in general revenue to support 3.0 new Assistant Public Defender IV positions to aid in the management of caseload levels.

Department of Environmental Management: The Governor increases funding over the FY2020 Budget as Enacted by \$2.6 million in general revenue and \$278,696 in all funds. Changes in funding include the following:

- **Investments in State Parks:** The Budget increase general funding for the Division of Parks and Recreation by \$648,685 in general revenue, including funding for 6.0 new FTE positions, \$150,000 for building maintenance and repairs, and \$150,000 for grounds maintenance. The FTE positions include three maintenance technicians, a plumber, a clerk, and a civil engineer. This investment is intended to complement the general obligation bond proposal to upgrade beach and park facilities.
- **Improved Permitting Efficiency:** The Governor recommends 5.0 new FTE Environmental Engineer I positions to expedite permit processing times and provide case manager services for applicants with complex needs. The Budget also includes an additional \$599,212 in projected expedited permitting fee revenues.
- **Local Agriculture and Seafood Act (LASA):** The Budget includes an increase of \$150,000 in general revenue (\$250,000 total) to provide additional grants through the LASA grant program. The LASA program was established to support the growth, development, and marketing of local food and seafood within Rhode Island. The program was launched in FY2014 and is co-administered by the Division of Agriculture, within the Rhode Island Department of Environmental Management, and the Rhode Island Food Policy Council. Grants are awarded through a competitive process open to farmers, fishermen/women, non-profits, and producer groups based in Rhode Island. The Department has indicated that applications for grants far exceed available funding.
- **Seasonal Employees and Minimum Wage Increase:** The Governor increases the minimum wage from \$10.50 to \$11.50 per hour; consequently, the Budget includes \$151,343 in general revenue for the minimum wage increase for seasonal workers in the Department.
- **Ocean State Climate Adaptation and Resilience Fund:** The Governor increases the fee on oil imports to generate \$1.9 million in restricted receipts to support resiliency projects in the State.
- **Commercial Fishing License Modernization:** The Governor updates the commercial fishing licensing program to allow more flexibility for the fishing industry and increase revenue to support marine fisheries operations. The Budget includes an additional \$81,025 in restricted receipts from this update.
- **Fish and Wildlife Fees:** The Governor increases fish and wildlife license and permit fees and projects an increase of \$62,482 in additional restricted receipts. The additional receipts would provide match for federal funds to support Rhode Island projects such as wildlife restoration and habitat management.

Transportation: The Governor recommends \$613.1 million in total funding for the Department of Transportation (DOT). This includes \$340.7 million in federal funds, \$233.4 million in other funds, \$36.3 million from the Rhode Island Capital Plan Fund, and \$2.7 million in restricted receipts. All funds decrease by \$10.7 million relative to the FY2020 Enacted level. This includes a \$23.2 million decrease in other funds, a \$2.8 million decrease in Rhode Island Capital Plan (RICAP) Funds, and a \$351,222 decrease in restricted receipts. These decreases are partially offset by a \$15.7 million increase in federal funds.

- **Federal Funds:** The Budget includes \$124.2 million in federal funds from the U.S. Congress to be used mainly for bridge rehabilitation, with smaller amounts being used for other transportation projects. The

Governor recommends these funds be used to replace the Henderson Bridge, the Cranston Huntington Viaduct Bridge, and some related smaller bridge projects.

- **Motor Fuel Tax Revenue Bond:** The Governor's Budget includes \$64.3 million in bond proceeds from the issuance of a new motor fuel tax revenue bond. The Bond would be secured by the residual funding left over from the two cents of the gas tax currently dedicated to debt service for a 2003 bond issuance.
- **Toll Revenue Transfer:** The Governor's Budget transfers funds from the Bridge Replacement, Reconstruction and Maintenance Fund to the Intermodal Surface Transportation Fund. This transfer would be used to support ongoing projects including the 6/10 Interchange project. Funds can only be transferred once the immediate needs to the bridges associated with each gantry location have been met. The Governor's Budget includes a \$40.1 million transfer in FY2021.
- **GARVEE Debt Service:** The FY2020 Budget as Enacted included a new Grant Anticipation Revenue Vehicle (GARVEE) bond issuance of \$200.0 million. The Governor includes \$16.0 million of these funds in FY2021 to be used for debt service for both the new GARVEE bond and existing bonds.
- **RIPTA Bus Purchase:** The Governor includes \$3.1 million from the HMA to provide a 20.0 percent match to \$12.5 million in funding from the Federal Transit Administration. These funds will be used to purchase 34 replacement vehicles for the State's public transit fleet.
- **URI Bus Hub:** The Budget includes \$1.4 million to support the construction of a bus hub at the University of Rhode Island's (URI) Kingston Campus. \$850,000 will be used to support construction of the facility. The remaining \$500,000 will finance the purchase of additional vehicles to expand public transit within South County.

State Aid and Education Aid

STATE AID

State Aid to Cities and Towns

Distressed Communities Relief Fund: The Governor recommends \$6.2 million in general revenue for the Distressed Community Relief Fund, representing a 50.0 percent reduction from the FY2020 enacted level of \$12.4 million.

Payment in Lieu of Taxes (PILOT): PILOT is level-funded at \$46.1 million in FY2021. Current law requires reimbursement at 27.0 percent of forgone tax revenue, but allows for a ratable reduction if the appropriation is less than this amount. The Governor's recommendation for FY2021 represents a rate of 26.2 percent.

Motor Vehicle Excise Tax Reimbursement: The General Assembly enacted legislation in 2017 to phase out the motor vehicle excise tax by 2024. Municipalities are reimbursed annually for lost revenue. The Budget includes \$100.6 million in total reimbursement funding for cities and towns, an increase of \$6.4 million over the FY2020 enacted level, and \$10.5 million above the FY2020 final amount. It should be noted that this increase reflects proposed changes to the program as provided for in Article 9 of the Budget. Under current law, the estimated increase for FY2021 would be \$22.3 million.

Library Grant-in-Aid: The Governor recommends \$8.8 million in State Aid to Libraries for both FY2021 and the revised FY2020 Budgets.

Library Construction Aid: The Governor recommends \$2.7 million in FY2021 to reimburse communities for up to 50.0 percent of eligible costs of approved library construction projects.

Public Service Corporation Tax: The FY2021 Budget provides \$13.3 million to be distributed to municipalities on July 31, 2020. This estimate is subject to change upon the receipt of final (December 2019) data in the spring of 2020.

Meals & Beverage Tax: The 1.0 percent tax on gross receipts from the sale of food and beverages is estimated to generate \$30.2 million in revised FY2020 and \$31.4 million in FY2021 for distribution to cities and towns.

Hotel Tax: A 1.0 percent local hotel tax and 25.0 percent of the local share of the State 5.0 percent tax is expected to generate \$10.9 million in FY2020. Article 8 includes a 1.0 percent increase in the hotel tax, with all new revenue being retained by the State. To accomplish this without reducing the amount that is distributed to municipalities, Article 8 adjusts the local share from 25.0 percent to 20.8 percent. This is estimated to generate \$11.4 million in FY2021 for distribution to cities and towns.

Airport Impact Aid: The Budget level funds state aid funding to communities that host airports. The Airport Impact Aid program is funded at \$1.0 million. The funding is provided annually through Article 1 of the Budget and flows through the Rhode Island Commerce Corporation.

Property Revaluation Reimbursement: The Governor includes \$1.1 million to reimburse municipalities for a portion of the cost of conducting statistical property revaluations. This is \$429,754 more than the enacted level.

EDUCATION AID

Formula and Categorical Aid

When the education funding formula was passed, categorical funds were identified that would not be distributed through the formula, but according to other methodology. The Governor includes an additional \$38.6 million in education aid, including an increase of \$31.0 million to fully fund the tenth year of the funding formula and 358 pre-kindergarten seats previously provided through categorical aid.

Tenth Year of Funding Formula: The Budget includes an increase of \$31.0 million to fully fund the education aid formula in the tenth year of the phase in. This increase brings total formula aid funding to \$1,027.9 million and includes funding for 358 prekindergarten seats that were previously supported through the early childhood education categorical.

Central Falls Stabilization: Central Falls schools are currently 100.0 percent state funded. The State provides both the local and state contributions, as determined by the education funding formula. For FY2021, Central Falls' Stabilization funding is estimated to increase by \$236,657 (\$7.0 million total); however, total education aid to the community is estimated to increase by \$1.6 million.

Transportation: This category provides funding for transporting students to out-of-district, non-public schools for districts that participate in the statewide transportation system, and for 50.0 percent of the local costs associated with transporting students within regional school districts. The Governor recommends level funding this category at \$7.7 million in FY2021.

Early Childhood Education: This category provides funding for early childhood education programs. The Governor funds this category at \$16.3 million in FY2021, an increase of \$1.4 million over the FY2020 Budget as Enacted. This increase does not include the \$3.3 million added to the funding formula distribution to support 358 seats located in district schools. By leveraging federal funds, the increase is projected to support 750 new seats.

Article 10 also requires the Rhode Island Department of Elementary and Secondary Education (RIDE) to include the students enrolled in pre-kindergarten classes approved by the Department in the average daily membership, eliminates language specifying that the General Assembly determines the funds for the pre-kindergarten program, and requires the expansion of the program until every family who wants a seat has one.

High-Cost Special Education: The aid category provides funding to districts for high-cost special education students. The Governor level funds this category at \$4.5 million.

Career and Technical Education: This category provides a state grant program to help districts with certain start-up and maintenance expenditures for career and technical education programs. The Governor level funds this category at \$4.5 million.

Categorical	Governor's FY2021 Education Aid	
	Change from Enacted	Total Funding
Tenth Year of Formula	\$31.0	\$1,027.9
Central Falls Stabilization	(1.0)	7.0
Transportation	-	7.7
Early Childhood	4.8	19.6
High-Cost Special Education	-	4.5
Career & Tech. Schools	-	4.5
Davies Stabilization	0.4	5.2
English Learners	2.5	7.5
Public School Choice Density	-	-
Met School Stabilization	0.1	1.9
Regionalization Bonus	-	-
Group Home Aid	(0.2)	3.0
School Resource Officer Support	1.0	2.0
Total	\$38.6	\$1,090.9

\$ in millions

Davies Stabilization: Article 11 of the FY2017 Budget as Enacted established a stabilization fund to provide additional support to Davies for costs associated with a stand-alone high school offering both academic and career and technical coursework. The Budget provides an additional \$367,044 (\$5.2 million total) in FY2021.

English Learners: Article 11 of the FY2017 Budget as Enacted established a category of aid that provides a 10.0 percentage point increase in the per-pupil core instruction amount for English learners. The Budget provides an additional \$2.5 million (\$7.5 million total) in FY2021. Article 10 changes the name of this category from English learners (EL) to multilingual learners (MLL).

School Choice Density Aid: Article 11 of the FY2017 Budget as Enacted established a category of state aid for districts where 5.0 percent or more of the average daily membership attend charter schools, open enrollment schools, Davies, or the Met School. In FY2019, such districts received an additional \$50 per public school of choice student; however, pursuant to current law, this category is phased out in FY2020.

Met Stabilization: Article 11 of the FY2017 Budget as Enacted established a stabilization fund to provide additional support to the Met School for costs associated with a stand-alone high school offering both academic and career and technical coursework. An additional \$139,253 is recommended to provide a zero net impact on funding relative to FY2020. Total stabilization funding is \$1.9 million.

Regionalization Bonus: This category provides a bonus to regional districts and for those that regionalize in the future. In the first year, the bonus is 2.0 percent of the State's share of the total foundation aid. In the second year the bonus is 1.0 percent of the State's share, and in the third year the bonus phases out. The Governor provides no funding in FY2021, as no new regional districts have been formed.

Group Homes: The Governor's FY2021 Budget includes \$3.0 million to fund group home beds, \$183,171 less than the FY2020 Budget as Enacted. This decrease is based on shifts in bed counts and the statute requiring that the average daily membership of a district be decreased by the number of group home beds used in the group home calculation.

School Resource Officer Support/Mental Health: The Governor recommends expanding the categorical to include the hiring of new mental health professionals, including student assistance counselors, school counselors, psychologists, and social workers. Article 9 of the FY2019 Budget as Enacted established a category to support new Resource Officers at public middle and high schools. The Budget includes \$1.0 million in general revenue for this category in FY2021, consistent with the enacted level; however, in FY2020 only \$325,000 was utilized by the districts. The Governor also recommends \$1.0 million in restricted receipts from the Opioid Stewardship Fund, bringing total funding for FY2021 up to \$2.0 million. Under current law and pursuant to Article 10 of the FY2021 budget, FY2021 is the final year of funding for this category.

The FY2020 Budget established the Opioid Stewardship Fund, a restricted receipt account within the Department of Health. The account is funded through registration fees paid by all licensed manufacturers, distributors, and wholesalers. Licensed manufacturers, distributors, and wholesalers are required to report the details of all opioids sold or distributed in the State for the purposes of calculating their share of the fund's \$5.0 million total.

Other Aid to Local Education Agencies (LEAs)

In addition to the funding formula and categorical aid, the Budget includes the following aid to Local Education Agencies (LEAs).

Telecommunications Education Access Fund (E-Rate): The Governor recommends \$400,000 in general revenue for the Telecommunication Education Access Fund (E-Rate), an increase of \$7,777 from the FY2020 Budget as Enacted. The purpose of the Rhode Island Telecommunications Education Access Fund

(RITEAF or E-rate) is to fund a basic level of internet access for all qualified schools (kindergarten through grade 12) and libraries in the State.

Textbook Reimbursement: The Governor level funds the state Textbook Reimbursement Program (\$240,000) relative to the enacted budget. Currently, the State provides reimbursement to school districts for the cost of furnishing textbooks in the fields of English/language arts and history/social studies to resident students in grades K-12 attending non-public schools.

School Breakfast Program: The Governor fully funds the State's share of administrative costs for the school breakfast program (\$270,000). These administrative costs include hiring servers needed to effectively run the program and encourage participation.

School Housing Aid: The Governor fully funds the school housing aid program, based on updated project completion projections, at \$79.1 million, and recommends \$869,807 for the School Building Authority Capital Fund.

Teacher Retirement: The Governor recommends \$118.4 million for the State's share of teacher retirement, an increase of \$6.0 million over the enacted budget.

FY2020 Supplemental

For the FY2020 Budget, the Governor recommends \$8.7 million more in general revenue spending, and \$91.1 million more from all funding sources, than the FY2020 Budget as Enacted.

- **Administration:**
 - **Debt Service:** The Budget decreases \$9.9 million in general revenue for debt service, reflecting decreases of \$7.1 million for general obligation bonds and a general revenue decrease of \$2.8 million for other debt service costs.
 - **Personnel and Operating Savings:** There is an increase of \$4.6 million in general revenue reflecting the distribution of statewide personnel and operating savings to other departments.
 - **Centralized Services:** The budget includes general revenue increases of \$3.8 million for Capital Asset and Management centralized service expenses and \$3.6 million for additional Information Technology centralized service expenses.
- **Revenue:** The Budget decreases motor vehicle excise tax phase-out aid by \$4.0 million based on current available vehicle valuation data, and provides an additional \$398,000 in general revenue to ensure compliance with the June 1, 2020, implementation date for the reissuance of licenses plates.
- **Labor and Training:** The Budget includes an additional \$507,845 in restricted receipts related to the creation of the proposed South County Arrigan Center. The Center is expected to begin offering services in the Spring of 2020. The Budget also includes an additional \$1.9 million in restricted receipts for settlement payouts from the R.I. Uninsured Employers Fund.
- **Executive Office of Health and Human Services:** The Governor proposes \$986.0 million in general revenue funding (\$2,668.9 million all funds) for the Executive Office of Health and Human Services in FY2020, reducing general revenue expenditures by \$16.3 million (\$21.8 million all funds) compared to the Enacted Budget. Major changes include:
 - **Caseload Estimating Conference:** The Governor recommends \$11.2 million in general revenue savings to reflect changes adopted by the November 2019 Caseload Estimating Conference.
 - **RI Bridges Eligibility Optimization:** The Budget includes \$5.2 million in general revenue savings (\$19.5 million all funds) to account for a significant reduction in Medicaid eligibility that occurred after the November 2019 Caseload Estimating Conference. In November 2019, the Executive Office experienced a 2.5 percent decline across its managed care programs, which is expected to impact caseload trends in the remainder of FY2020 and into FY2021. According to the Budget Office, this reduction is attributable to a one-time update to the RI Bridges system that terminated approximately 5,500 cases.
 - **Graduate Medical Education (GME):** The Governor adds \$500,000 in new federal funding to supplement the State's \$1.0 million general revenue payment for Graduate Medical Education (GME), for total funding of \$1.5 million. The State received approval for federal Medicaid matching funds on October 23, 2019, effective retroactively to July 1, 2019. In prior years, the \$1.0 million GME payment was not eligible for matching funds and was therefore made as a State-only payment.
- **Children, Youth, and Families:** The Governor proposes \$185.7 million in general revenue funding (\$256.2 million all funds) for the Department of Children, Youth, and Families in FY2020, increasing general revenue expenditures by \$20.8 million (\$26.3 million all funds) compared to the Enacted Budget. Major changes include:

- **Caseload Increase:** The Budget adds \$22.0 million from general revenues to adjust for caseload trends, consistent with the Department’s first quarter report.
- **Federal Funding Optimization:** The Budget includes \$310,265 in general revenue savings by optimizing federal and restricted fund sources for the Department. The savings would be generated by streamlining current claiming processes associated with Medicaid and Title IV-E, cost allocating probation workers to federal funds, and accurately determining social security income eligibility.
- **Recruitment and Retention:** The Budget includes \$279,657 in general revenue savings to hire 14.0 FTE positions to start in April 2020. These new positions will augment current staff in the Department’s licensing unit to recruit, train, license, retain, and support foster parents, doubling the number of available families from 200 to 400. The savings would be generated by shifting youth from other, more costly out-of-home placements into foster care, where appropriate.
- **Training School Education Program:** The Governor recommends restructuring the education program at the Rhode Island Training School due to a historically low census and reduced demand for teachers. The Budget includes \$219,326 in general revenue savings, accordingly.
- **Improving Child Advocacy and Caseworker Partnership:** The Governor adds \$33,311 from general revenues to hire 2.0 Senior Legal Counsel and 2.0 Paralegal FTE positions to allow for increased desk time for trial attorneys to engage with caseworkers and prepare for court events, thereby promoting availability and influence in court and accelerating the time for children in care to achieve permanency.
- **Private Agency Foster Care Procurement:** The Governor adds \$25,258 from general revenues to hire 1.0 Chief of Program Development FTE to start in April 2020. This position will act as a contract manager to assist the Department in renegotiating private agency foster care contracts. The savings would be generated by enhancing contract oversight and standardizing rates with private providers such that rates are based on a child’s level of need rather than type of placement.
- **Supporting Safety Assessment Implementation:** The Budget includes \$24,228 from general revenues to hire 4.0 Child Protective Investigator FTE positions to start in April 2020. This initiative would reduce average employee caseloads to meet best practices and would lead to increased screenings and fewer youth entering care.
- **Director Salary:** The Governor adds \$1,875 from general revenues to increase the Director’s salary from \$127,500 to \$135,000, commensurate with directors in other health and human services agencies, and to adjust benefits accordingly.
- **Multisystemic Therapy:** The Budget includes \$386,022 in new restricted receipts to reflect the allocation of Opioid Stewardship funds for Multisystemic Therapy (MST), which is an intensive community-based behavioral health treatment program for juvenile offenders and their families.
- **Human Services:** The Budget includes an additional \$21,670 in general revenue relative to the FY2020 Budget at Enacted. The Governor includes an additional \$1.9 million in funding for the Veterans’ Home related to higher than anticipated contract medical and janitorial costs. This increase is partially offset by a decrease of \$1.3 million in funds related to the November 2019 Caseload Estimating Conference.
- **Behavioral Healthcare, Developmental Disabilities, and Hospitals:** The Budget shifts \$200,000 from general revenue to restricted receipts for the Recovery Housing Program. The restricted receipts funds are from the Opioid Stewardship Fund, an account established in FY2020 and funded with the registration fees paid by all licensed manufacturers, distributors, and wholesalers of opioids.
- **Commission on Disabilities:** The Budget adds \$28,586 in general revenue for additional funds for the Livable Homes Modification Program.

- **Office of the Child Advocate:** The Governor includes \$970,275 from general revenues, a reduction of \$16,426 relative to the FY2020 Budget as Enacted. This change is primarily related to staff turnover in the current year. The Office experienced an average vacancy rate of 2.3 FTE positions, or 23.0 percent of the total authorization, in the first half of FY2020. As of the January 4, 2020, payroll period, 1.0 FTE position remains vacant and the Office anticipates that it will be fully staffed by the end of FY2020.
- **Elementary and Secondary Education:** The Budget decreases general revenue funding for the Department by \$276,082. The recommendation includes a decrease of \$675,000 in general revenue from the School Resource Officer categorical program (\$325,000 remaining) to reflect actual expenditures. This decrease is partially offset by an increase in education aid to Central Falls of \$500,000 in FY2020 to provide funding for an influx of new students that were not anticipated in the March 2019 enrollment update.
- **Higher Education:** The Budget shifts \$3.2 million in general revenue support for debt service on general obligation bonds for the University of Rhode Island and the Rhode Island College.
- **Corrections:** The Budget includes \$3.4 million from the Opioid Stewardship Fund be used for Individualized Treatment/Recovery assessments and services within the Department. The program provides intake assessments, counseling, clinicians, and discharge planning for inmates with substance abuse disorders. The Governor anticipates \$1.6 million in general revenue savings related to this program.
- **Transportation:** Relative to the FY2020 Budget as Enacted the Budget increases federal funds by \$12.7 million and increases Rhode Island Capital Plan (RICAP) Fund financing by \$1.3 million. The Budget decreases other funds by \$15.4 million and restricted receipts by \$351,222. The Budget includes an additional \$13.1 million to continue funding various highway projects, including ongoing construction of the Route 6/10 interchange. The decrease in other funds is related to the reappropriation of funds previously appropriated as gas tax, highway maintenance account funds or other funds into the Intermodal Surface Transportation fund and Bridge Replacement, Reconstruction and Maintenance fund.

Articles

FY2020 SUPPLEMENTAL

Article 1: Relating to Making Appropriations in Support of FY2020

This article makes appropriations for general revenues, federal, restricted, and other funds, and authorizes FTE levels for each agency and department. Article 1 also makes the following changes:

- Sets the airport impact aid formula at \$1.0 million.
- Authorizes 15,095.7 FTE positions, reflecting an increase of 21.0 FTE positions as compared to the authorized level set in the FY2020 Budget as Enacted.
- Details Community Service Objective grant funding recipients and amounts.
- Requires that all unexpended or unencumbered balances relating to the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island, be reappropriated to FY2021. In addition, the Office of the Postsecondary Commissioner shall provide \$355,000 to the Rhode Island College Crusade, \$75,000 to be allocated to Best Buddies Rhode Island, \$6.9 million be allocated to the Rhode Island Promise Scholarship program, and \$147,000 to be used to support the State's membership in the New England Board of Higher Education. Also the University of Rhode Island shall allocate \$350,000 to the Small Business Development Center and shall allocate \$50,000 to Special Olympics Rhode Island.
- Caps the amount the Judiciary may charge five state agencies (Public Defender's Office, Office of the Attorney General, Department of Corrections, DCYF, and Department of Public Safety) for public courthouse occupancy costs at \$1.4 million. It requires Judiciary to provide \$230,000 to the Rhode Island Coalition Against Domestic Violence for domestic abuse court advocacy and requires \$90,000 be provided to the Rhode Island Legal Services to provide housing and eviction defense to indigent individuals.
- Increases transfers from several quasi-public agencies and from unexpended bond proceeds by \$16.7 million to the State Controller by June 30, 2020, to support the General Fund. The following table illustrates the required transfers:

<u>Agency</u>	<u>FY2020 Enacted</u>	<u>FY2020 Governor</u>	<u>Change</u>
Health and Educational Building	\$0.0	\$0.0	\$0.0
Narragansett Bay Commission	-	-	-
Infrastructure Bank	\$4.0	12.9	\$8.9
RI Housing	1.5	1.5	-
Quonset Development Corporation	1.2	1.2	-
RI Resource Recovery	-	5.0	5.0
RI Student Loan Authority	1.5	1.5	-
DEM - Oil Spill Prevention, Administration Response Fund	-	1.0	1.0
DEM - Underground Storage Tank Trust Fund	-	1.0	1.0
DEM - Non-Point Pollution Control Bond Fund	-	0.1	0.1
DEM - Rocky Point Park Bond Fund	-	0.2	0.2
BHDDH - Asset Forfeiture Restricted Receipts	-	0.5	0.5
Commerce Corporation - First Wave Closing Fund	5.0	5.0	-
Total	\$13.2	\$29.9	\$16.7

\$ in millions

- This article provides that the Act would take effect upon passage.

FY2021***Article 1: Relating to Making Appropriations in Support of FY2021***

This article makes appropriations for general revenues, federal, restricted, and other funds, and authorizes FTE levels for each agency and department. Article 1 also makes the following changes:

- Sets the airport impact aid formula at \$1.0 million.
- Authorizes 15,074.7 FTE positions reflecting no net change as compared to the authorized level set in the FY2020 Budget as Enacted.
- Details Community Service Objective grant funding recipients and amounts.
- Authorizes appropriations from the Rhode Island Intermodal Surface Transportation Fund towards specific projects in FY2022, FY2023, FY2024, and FY2025.
- Requires that all unexpended or unencumbered balances relating to the Rhode Island Intermodal Surface Transportation Fund be reappropriated to FY2021.
- Requires that all unexpended or unencumbered balances relating to the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island, be reappropriated to FY2022. In addition, the Office of the Postsecondary Commissioner shall provide \$355,000 to the Rhode Island College Crusade, \$75,000 to be allocated to Best Buddies Rhode Island, \$7.2 million be allocated to the Rhode Island Promise Scholarship program, and \$147,000 to be used to support the State's membership in the New England Board of Higher Education. Also the University of Rhode Island shall allocate \$350,000 to the Small Business Development Center and shall allocate \$50,000 to Special Olympics Rhode Island.
- Caps the amount the Judiciary may charge five state agencies (Public Defender's Office, Office of the Attorney General, Department of Corrections, DCYF, and Department of Public Safety) for public courthouse occupancy costs at \$1.5 million. It requires the Judiciary to provide \$230,000 Rhode Island Coalition Against Domestic Violence for domestic abuse court advocacy and requires \$90,000 be provided to the Rhode Island Legal Services to provide housing and eviction defense to indigent individuals.
- Requires that Rhode Island Housing and Mortgage Finance Corporation continue to provide resources to support the Neighborhood Opportunities Program; an amount, however, is not designated. The Article requires a report be provided to the Director of Administration, chair of the Housing Resources Commission, State Budget Officer, and the chairs of the House and Senate Finance Committees on the number of housing units produced and funding.
- Requires transfers be made to the State Controller by June 30, 2021: \$5.0 million from the Rhode Island Resource and Recovery Corporation, \$5.0 million from the Rhode Island Infrastructure Bank, \$2.0 million from Rhode Island Student Loan Authority, \$2.0 million from the Narragansett Bay Commission, \$1.1 million from RI Housing, and \$1.0 million from the Rhode Island Health and Educational Building Corporation.

Agency	FY2020	FY2020	Change	FY2021	Change
	Enacted	Governor		Governor	
Health and Educational Building	\$0.0	\$0.0	\$0.0	\$1.0	\$1.0
Narragansett Bay Commission	-	-	-	2.0	2.0
Infrastructure Bank	\$4.0	12.9	\$8.9	5.0	\$1.0
RI Housing	1.5	1.5	-	1.1	(0.4)
Quonset Development Corporation	1.2	1.2	-	-	(1.2)
RI Resource Recovery	-	5.0	5.0	5.0	5.0
RI Student Loan Authority	1.5	1.5	-	2.0	0.5
DEM - Oil Spill Prevention, Administration Response Fund	-	1.0	1.0	-	-
DEM - Underground Storage Tank Trust Fund	-	1.0	1.0	-	-
DEM - Non-Point Pollution Control Bond Fund	-	0.1	0.1	-	-
DEM - Rocky Point Park Bond Fund	-	0.2	0.2	-	-
BHDDH - Asset Forfeiture Restricted Receipts	-	0.5	0.5	-	-
Commerce Corporation - First Wave Closing Fund	5.0	5.0	-	-	(5.0)
Total	\$13.2	\$29.9	\$16.7	\$16.1	\$2.9

\$ in millions

Article 2: Relating to State Funds

This article adjusts or establishes new restricted receipt accounts as follows:

- Authorizes the Board of Education to establish new restricted receipt accounts to administer funds donated in support of construction, maintenance, or general operations of Higher Education and Industry Centers in the state. The article also authorizes the Board to establish a restricted receipt for income generated by the Rhode Island Nursing Education Center from the rental of classrooms, labs, or other facilities at the Providence Campus.
- Authorizes the Budget Officer to establish restricted receipt accounts within departments or agencies that receive funding from the Opioid Stewardship Fund and clarifies the reporting requirements for programs receiving funds. The FY2020 Budget established the Opioid Stewardship Fund, a restricted receipt account within the Department of Health. The account is funded with registration fees paid by all licensed manufacturers, distributors, and wholesalers of opioids.
- Clarifies that spending controls which require reporting and corrective action plans apply only to excess general revenue expenditures, and amends the authorization authority of the State Controller.
- Defines an appropriation as an enactment of the General Assembly authorizing the withdrawal of funds from the State Treasury, and that any enactment by the General Assembly that authorizes, specifies, or provides that funds are to be used for a particular purpose shall not be defined as an appropriation. The article also provides that additional general revenues shall be deemed appropriated in order to comply with a court order or stated emergency or to finance programs covered under the caseload estimating conference process up to the officially adopted estimates in the current fiscal year, providing that revenue are made up to the current year revenue availability as agreed to in the revenue estimating conference process.
- Authorizes the State Budget Officer to establish restricted receipt accounts within any state agency under the following conditions:
 - To account for donated funds, funds received from non-profit entities, proceeds from multi-state settlements or from a contractor understanding with another state for a specific or one-time purpose:
 - To establish five restricted receipt accounts related to cash settlements collected or disbursed as part of the State's involvement with the Unified Health Infrastructure Project (UHIP):
 - To convert any escrow liability account whenever such move is deemed appropriate by the both the State Controller and State Auditor General.

- Exempts six restricted receipt accounts from the 10.0 percent indirect cost recovery charge provisions. The proposed exemptions would apply to the Health Spending Transparency and Containment restricted receipt account within the Executive Office of Health and Human Services; the State-Control Adult Use Marijuana restricted receipt accounts in the Department of Health, the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals, the Department of Public Safety, and in the Department of Business Regulation; and the Housing Production Fund in the Executive Office of Commerce.
- Removes the requirement that any revenue received by the Rhode Island Council on the Arts from gifts, donations, contributions, or bequests be deposited as general revenue receipts. This will give the Council more authority to spend in the expenditure of such funds that are provided for a specific purpose.

Article 3: Relating to Government Reform and Reorganization

Article 3 makes several changes to the organization of state government. Specifically the article:

- **Water Filtration/Treatment System Contractors:** Requires a signed statement from three water-filtration/treatment-system contractors to obtain a water filtration/treatment system contractor's license. This replaces the current requirement of a notarized statement.
- **Roofing Contractors:** Eliminates bonding requirements for roofing contractors and increases the insurance requirement from \$1.5 million to \$2.0 million.
- **Crime Victims Compensation:** Reprioritizes payments of court costs related to prosecutions. Due to the decriminalization of certain misdemeanors, there has been a reduction in court costs paid into the Crime Victim Compensation Program. The article prioritizes restitution payments over court costs, which would increase restricted receipts by \$450,000, in addition to a federal fund match of \$270,000.
- **Asset Forfeiture:** Expands the use of asset forfeiture funds to include substance use disorder programs.
- **CDL Road Test Administration:** Transfers the administration of skills testing for commercial driver licensing (CDL) from the Community College of Rhode Island to the Division of Motor of Motor Vehicles (DMV). The Budget provides \$142,331 in personnel and operating expenses to the DMV in FY2021 for this new responsibility. Contractors at CCRI performing the testing would be eliminated and replaced with 3.0 FTE positions at the DMV.
- **RICLAS:** Eliminates statutory references to the Rhode Island Community Living and Supports (RICLAS), the State-run group home system for individuals with developmental disabilities. This is associated with an initiative to privatize the entire system.
- **Line Item Veto:** The Budget includes a joint resolution calling for a referendum to approve a line item veto of the appropriation of money or other items in a bill. The resolution establishes a separate override rule for such line-item vetoes involving an appropriation of money from three-fifths of each chamber to a vote of two-thirds by each chamber.
- **DOR Collections Unit:** Requires all State agencies and quasi-public entities to begin participating in the Department of Revenue's Collections Unit Program no later than October 1, 2020. State agencies must refer all existing debt by January 21, 2021, and all debt thereafter must be referred to the Collections Unit within 30 days. The article also provides the Collections Unit with the authority to negotiate terms of a debt settlement agreement.
- **Withholding State Aid:** Amends several sections of general law to expand which State funds may be withheld from a city or town that is delinquent in remitting funds owed to a State entity. This includes the local community proceeds of the hotel tax, the 1.0 percent local meals and beverage tax, and the CATV public service corporation tax. The article shortens the period for which cities and towns must pay an assessment made by a State or quasi-public entity from 180 days to 90 days.

- **Emergency Police Power:** Clarifies that the limited emergency police powers granted to out-of-state police when transporting an arrested person to an emergency medical facility within Rhode Island ends at the time the arrested person is released from the medical facility, or upon a fugitive-from-justice warrant is executed, whichever occurs first.

Article 4: Relating to Debt Management Act Joint Resolutions (Kushner)

This article authorizes the issuance of \$118.8 million in certificates of participation (COPs) for multiple state projects including, \$54.8 million to finance a new Enterprise Resource Planning System within the Department of Administration, \$17.0 million for the replacement of the Child Welfare Information System within the Department of Children, Youth, and Families, \$12.0 million for the renovation of the Regan Building within the Eleanor Slater Hospital, and \$35.0 million for the construction of Southern Barracks for the Rhode Island State Police. The Article also authorizes the issuance of \$64.3 million in Motor Fuel Tax Revenue Bonds to provide state match funding for multiple infrastructure projects planned by the Department of Transportation.

- **Enterprise Resource Planning System (ERP) (\$54.8 million):** Provides for the issuance of \$54.8 million in certificates of participation (COPs) to finance a portion of the \$73.7 million to modernize the State's human resources, payroll, grants management, and financial data systems. The \$54.8 million will be disbursed in two issuances. The first issuance of \$36.3 million will occur in FY2021 with a seven-year term. The second disbursement of \$18.5 million will be issued in FY2023 and will also have a seven-year term. The balance of the project cost, \$18.9 million, will be financed through the Information Technology Internal Service Fund.
- **Rhode Island Children's Information System (RICHIST) (\$17.0 million):** Provides for the issuance of \$17.0 million in certificates of participation (COPs) to finance the replacement of the Department of Children, Youth, and Families' automated case management system. This legacy IT system, known as the Rhode Island Children's Information System (RICHIST), has been in place since 1997 and does not support mobile functionality, which inhibits the timely and efficient input of case information. The Governor recommends total funding of \$28.0 million for the project, with 40.0 percent (approximately \$11.0 million) supported by federal funds. At an assumed interest rate of 2.75 percent over ten years, the total debt service will be an estimated \$19.7 million.
- **Regan Building Renovation (\$12.0 million):** Provides for the issuance of \$12.0 million in certificates of participation (COPs) to finance the renovation of the Regan Building as part of Eleanor Slater Hospital. Total debt service payments are estimated to be \$14.8 million at 2.75 interest over 15 years, and will be financed within the Department of Administration from general revenue appropriations.
- **Department of Public Safety - Southern Barracks (\$35.0 million):** Provides for the issuance of \$35.0 million in certificates of participation (COPs) to finance the construction of a Southern Barrack for the State Police to consolidate the Wickford, Hope Valley, and Portsmouth Barracks. Total debt service payments are estimated to be \$43.2 million over 15 years with an assumed interest rate of 2.75 percent, and will be financed within the Department of Administration from general revenue appropriations.
- **Department of Transportation (\$64.3 million):** Provides for the issuance of \$64.3 million in Motor Fuel Revenue Bonds for the maintenance and repair of the Henderson Bridge in East Providence, and other bridge and highway projects as identified in the State Transportation Improvement Program (STIP). Total debt service payments are not to exceed \$84.4 million over 15 years. This article also amends RIGL 31-36-20 to allow debt service for these bonds to be paid for by \$0.02 of the Motor Fuel Tax.

Article 5: Relating to Capital Development Program**Article 5: Relating to Capital Development Program**

November 2020 Bond Referenda	Amount
Higher Education Facilities Bond	\$117.3
<i>University of Rhode Island Fine Arts Center</i>	<i>\$57.3</i>
<i>Rhode Island College Clarke Science Building Renovation</i>	<i>38.0</i>
<i>Community College of Rhode Island Renovation and Modernization</i>	<i>12.0</i>
<i>Center for Ocean Innovation</i>	<i>10.0</i>
Beach, Clean Water, and Green Bond	\$64.0
<i>State Beaches, Parks, and Campgrounds</i>	<i>35.0</i>
<i>Local Recreation Projects</i>	<i>4.0</i>
<i>Natural and Working Lands</i>	<i>3.0</i>
<i>Clean Water and Drinking Water</i>	<i>15.0</i>
<i>Municipal Resiliency</i>	<i>7.0</i>
Housing and Infrastructure Bond	\$87.5
<i>Housing Opportunity</i>	<i>25.0</i>
<i>Port of Davisville Infrastructure at Quonset</i>	<i>20.0</i>
<i>Industrial Site Development</i>	<i>21.5</i>
<i>Early Childhood Care and Education Capital Fund</i>	<i>15.0</i>
<i>Cultural Arts and the Economy Grant Program</i>	<i>5.0</i>
<i>State Preservation Grants Program</i>	<i>1.0</i>
Total	\$268.8

\$ in millions.

This article submits a total of \$268.8 million in ballot referenda to Rhode Island voters for their approval. Proposed as three questions on the November 2020 ballot, the following questions are included:

- **Question 1: Higher Education Facilities Bond (\$117.3 million):** Provides funding to be allocated as follows:
 - **University of Rhode Island Fine Arts Center (\$57.3 million):** Provides funding for repairs and construction of new facilities in support of musical, theatrical, visual, and graphic arts disciplines.
 - **Rhode Island College Clarke Science Building Renovation (\$38.0 million):** Provides funding for the renovation of Clarke Science Building which houses the School of Chemistry and Physics.
 - **Community College of Rhode Island Renovation and Modernization (\$12.0 million):** Provides funding for the restoration and enhancement of student support spaces, infrastructure improvements, and technology at the four campuses.
 - **Center for Oceanic Innovation (\$10.0 million):** The bonds will be managed by the Department of Administration, in collaboration with the University of Rhode Island’s Graduate School of Oceanography, to develop one or more Centers for Ocean Technology. The project includes the development of undersea and maritime technologies to create a “Smart Bay”.
- **Question 2: Beach, Clean Water, and Green Bond (\$64.0 million):** Provides funding to be allocated as follows:
 - **State Beaches, Parks, and Campgrounds (\$35.0 million):** Provides funding for major capital improvement to state beaches, parks, and campgrounds. The projects may include a new facility

at Goddard Park beach; upgraded facilities at Roger Wheeler State beach, Scarborough State beach, Misquamicut State beach, and Benton Point; and, improvements to various campgrounds.

- **Local Recreation Projects (\$4.0 million):** Provides funding for matching grants for up to 80.0 percent of project costs associated with municipalities acquiring, developing, or rehabilitating local recreation facilities.
- **Natural and Working Lands (\$3.0 million):** Provides funding to protect working forest and farm lands across the State including the purchase of forest conservation easements, and the purchase of developmental rights by the Agricultural Lands Preservation Commission and the State Farmland Access Program.
- **Clean Water and Drinking Water (\$15.0 million):** Provides funding for clean water and drinking water infrastructure improvements. Clean water projects include wastewater collection and treatment upgrades, stormwater resilience improvements, combined sewer overflow projects, water pollution abatement projects, and other water quality protection initiatives. Drinking water projects include construction of and improvements to water supply, treatment, and distribution infrastructure.
- **Municipal Resiliency (\$7.0 million):** Provides funding for matching grants for up to 75.0 percent of project costs to municipalities for restoring and/or improving the resiliency of infrastructure and vulnerable coastal habitats, and for restoring river and stream floodplains.
- **Question 3: Housing and Infrastructure (\$87.5 million):** Provides funding to be allocated as follows:
 - **Housing Opportunity (\$25.0 million):** Provides funding the redevelopment of existing structures and new construction to increase the availability of affordable housing.
 - **Port of Davisville Infrastructure at Quonset (\$20.0 million):** Provides financing for the master plan for the Port, including the construction of a new pier at Terminal Five, the rehabilitation of Pier One, and dredging. These projects will allow for the Davisville to accommodate the cargo and logistics staging for offshore wind, while supporting existing business.
 - **Industrial Site Development (\$21.5 million):** Funds will be allocated, through a competitive process, to prepare sites for manufacturing, assembly, and other job-producing commercial activities.
 - **Early Childhood Care and Education Capital Fund (\$15.0 million):** Provides funding for physical improvements to and the development of licensed early childhood care and education facilities.
 - **Cultural Arts and the Economy Grant Program (\$5.0 million):** Provides funding to continue the Cultural Arts and the Economy Grant program administered by the Rhode Island State Council on the Arts (RISCA) for capital improvements, preservation, and renovation of public and nonprofit performance centers, museums, and cultural art centers.
 - **Trinity Repertory Company (\$2.5 million):** For the Lederer Theater and the Pell Chafee Performance Centers in Providence.
 - **Rhode Island Philharmonic (\$1.5 million):** For the Carter Center for Music Education and Performance in East Providence.
 - **Other Nonprofit Cultural Organizations (\$1.0 million):** These funds will be allocated by RISCA for 1:1 matching grants to nonprofit cultural organizations that lease or own their performance space and for program administration costs at RISCA.
 - **State Preservation Grants Program (\$1.0 million):** Funds will be distributed to cities, towns, and nonprofits organizations to preserve, renovate, and improve public and nonprofit historic sites,

museums, and cultural art centers in historic structures. The funding will be administered by the Rhode Island Historical Preservation and Heritage Commission.

Article 6: Relating to Fees

This article authorizes and adjusts various fees as follows:

- **Special Data Analysis Request Fee:** Authorizes the Director of the Department of Health (DOH) to establish fees in response to requests for processing special data analysis. All fees shall be collected as general revenue with 50.0 percent being allocated to the DOH to support their ability to manage the data systems necessary to meet data requests in a timely manner. The Director may waive the fees at their discretion.
- **EMS Professional Licensing Fee:** Requires Emergency Medical Services (EMS) personnel working for cities and towns, and volunteer and non-profit organizations to pay the EMS professional licensing fees. Under current law these groups are exempt from paying licensing fees.
- **Misclassification of Employees:** Increases the fee charged to employers for the first offense of a misclassification of an employee from no less than \$1,500 and no greater than \$3,000 to no less than \$3,000 and no greater than \$4,000. This fee can be charge for each employee that the employer misclassifies. The fee for subsequent offenses remains \$5,000 per misclassified employee.
- **General Permit and Inspection Fees:** Increases general permit fees based on the cost of construction for new buildings, additions, alterations, structures, etc. The article also increases the State Fire Marshall's Office inspection fee from \$100 to \$250 per inspection and clarifies that this fee shall constitute payment for the initial inspection and any required subsequent inspections.
- **Explosives Permit Fees:** Establishes a standard fee of \$100 per year for an explosives manufacturer's/dealer's/possessor's permit and establishes a user's fee of \$50 per project. The article also removes the non-refundable \$25 fee for the processing and issuance of apprentice permits.
- **Late Fee – License and Registration Renewal:** Establishes a \$15.00 late fee that is to be paid, in addition to applicable renewal fees, for the late renewal of an operator's license, a chauffer's license, or a commercial driver's license. The article also establishes a \$15.00 fee, in additional to applicable renewal fees, for the late renewal of a motor vehicle registration.
- **Driving Records – Online Subscription Fee:** Increases the fee for driving records obtained through an online subscription service from \$16.00 to \$20.00.
- **Registration Reinstatement Fee:** Establishes a \$100 fee for the reinstatement of the registration or certificate for a motor vehicle if the registration was suspended pursuant to RIGL 31-8-4(a), 31-38-3, 31-38-4, or 31-47.1-3.
- **Substance Abuse Education Fee:** Establishes a \$250 substance abuse education fee for any person found guilty of driving under the influence or for a violation of refusal to submit to a chemical test. This fee will be allocated to BHDDH to support Substance Abuse Programs.
- **Administrative Penalty - Payment of Debts by Contractors:** Amends RIGL 37-13, "Labor and Payment of Debts of Contractors", to establish an administrative penalty to be paid by an employer who enters into a settlement with the Department of Labor and Training to administratively resolve any labor and payment violations pursuant to this chapter, rather than have a formal administrative hearing. The administrative penalty shall be no less than two times the total amount agreed to be due by the employer and no greater than three times the amount.
- **Hearings - Payment of Debts by Contractors:** Pursuant to RIGL 37-13, any contractor who does not comply with the provisions of this chapter will be issued a hearing. Article 6 amends RIGL 37-13 to increase the number of days the director of labor and training, or a designee, is required to hold a hearing

after issuing an order from 10 days to 30 days. The Article also increases the number of days that the director of labor and training, or a designee, must make a determination and enter an order about the hearing from 10 days to 30 days after the hearing.

Article 6 further adjusts the payment of a civil penalty to include an amount of no less than two times the amount found to be due and no greater than three times the amount. Under current law the civil penalty does not have a minimum. If the order determined at the end of the hearing requires the contractor to make a payment of wages found to be due, the order must also require a civil penalty in an amount up to three times the total amount found to be due.

- **Public Utilities and Carriers - Utility Service Restoration Act:** Adds a new chapter, RIGL 39-2.3, “Utility Service Restoration Act”, that requires all investor-owned gas and electric companies to annually file an emergency response plan. A fine of \$500 per day may be issued to any company that fails to file the required emergency response plan. The Article also outlines minimum standards of acceptable performance for electric and gas distribution companies to ensure they are prepared should an emergency occur.
- **Public Utilities and Carriers - Penalties for Violations:** Increases the fine to be paid by any officer, agent, or employee of a public utility, who fails to comply with the provisions in Chapters 1-5 or RIGL 39-4, from \$100 to \$1,000. The Article also requires that any public utility who fails to comply with Chapters 1-5 of RIGL 39-4, as determined by the Public Utilities Commission, shall forfeit a sum not exceeding the greater of \$200,000 or 0.02 percent of the annual intrastate gross operating revenue of the public utility.
- **Sheriff Training Academy Application Fee:** Implements a \$50 application fee to be paid by applicants to the sheriffs’ training academy. The Director of Public Safety may waive this fee if it would impose a hardship upon the applicant.

Article 7: Relating to the Environment

This article makes changes to various license and permit fees, and increases the uniform oil spill response and prevention fee (OSPAR) to support a new climate resilience fund.

- **Regulation of Seasons and Bag Limits:** The article repeals the current statutory requirement that hunting and fishing regulations promulgated by the Department of Environmental Management (DEM) remain in effect for no longer than one year after the date of their effectiveness.
- **Fishing and Wildlife Fees:** The article changes various license, permit, and stamp fees for recreational hunting and fishing.
- **Commercial Fishing License Modernization:** This article is intended to streamline the commercial licensing system in response to advancements in the fisheries management and fisheries accounting technologies.
- **Rhode Island Party and Charter Vessel License:** The article increases the party and charter vessel fee from \$25 per vessel to \$100 for residents and \$300 for nonresidents, and changes the period of the license from bi-annual to annual.
- **Shellfish Industry Permit Fees:** The article empowers the Rhode Island Department of Health (DOH) to establish a dockside program to assure that marine shellfish processors are operating in a sanitary fashion consistent with national standards.
- **Expedited Permit Processing:** The article is intended to enable DEM to establish service driven fees to expedite processing times and to provide case management services within the Department.
- **Oil Spill Prevention, Administration and Response (OSPAR) Fund:** The article increases the cap on the OSPAR fee from \$0.05 per barrel of petroleum products to \$0.10. The fee is set by the Director of

DEM. The article increases the amount of the fee deposited into the OSPAR funds from \$0.05 to \$0.07, and establishes that the other \$0.03 of the fee shall be deposited into the new Ocean State Climate Adaptation and Resilience Fund.

- **Ocean State Climate Adaptation and Resilience (OSCAR) Fund:** The OSCAR fund is a new restricted receipt fund within DEM. The OSCAR fund will provide grants for projects on public land and open space that protect or enhance natural system and habitats, are in response to climate change impacts, and that improve climate resilience. Projects will be approved by DEM upon recommendation from a technical advisory committee.

Article 8: Relating to Taxes

This article expands the sales tax and adjusts several of the State's tax laws and their enforcement. Specifically, the article:

- **Sales Tax Expansion:** Subjects wine and spirits; computer system design services; hunting, trapping, and shooting services; lobbying services; courier and messenger services; and interior design services to the State's 7.0 percent sales tax

The Budget Office estimates a total of \$28.5 million in new general revenue will be generated from these initiatives based on the following effective dates:

Sales Tax Changes	Effective Date
Wine and Spirits	July 1, 2020
Computer System Design Services	October 1, 2020
Hunting, Trapping, and Shooting Ranges	October 1, 2020
Lobbying Services	October 1, 2020
Courier and Messenger Services	January 1, 2021
Interior Design Services	January 1, 2021

- **Alcohol Excise Tax Changes:** Lowers the alcohol excise tax rate on high proof spirits from \$5.40 to \$3.75 per gallon and the excise tax on still wine from \$1.40 to \$0.60. This change would reduce general revenue collections by an estimated \$5.3 million based on an effective date of October 1, 2020. The proposal is coupled with the application of sales tax on wine and spirits for a net \$9.1 million increase in general revenue.
- **Hotel Tax Increase:** Increases the 5.0 percent State hotel tax to 6.0 percent. The hotel tax distribution formula is adjusted to hold local tourism districts and the Commerce Corporation harmless, with all additional revenue from the 1.0 percentage point increase going to the general fund. The proposal is estimated to generate \$4.7 million in general revenue based on a July 1, 2020, effective date.
- **U.S. Treasury's Offset Program:** Authorizes the Division of Taxation to enter into an agreement with the United States Treasury to participate in its Treasury Offset Program (TOP). Under the TOP, the federal government crosschecks to see whether individuals or businesses who are delinquent in paying Rhode Island taxes are due a federal tax refund. If they are, the Treasury offsets the payment and diverts it, in whole or in part, to the State. Similarly, if a Rhode Island taxpayer owes delinquent federal taxes, the Division of Taxation would withhold the owed amount from State tax refunds and remit it to the federal government. The Office of Management and Budget (OMB) estimates that participating in the program will yield \$5.0 million in additional revenue collections, across nine tax types, based on an effective date of July 1, 2020.

Article 9: Relating to Local Aid

This article authorizes municipalities to levy property taxes on non-mission related buildings and property owned by tax-exempt entities. It also reduces the FY2021 motor vehicle excise tax phase-out funding for cities and towns. All changes in Article 9 are effective upon passage of the Budget.

- **Property Tax Expansion:** Under current law, certain not-for-profit institutions such as colleges, universities, and certain hospitals are exempt from paying local property taxes. Article 9 provides the authority for municipalities to assess the value of and levy taxes against any property that is not exclusively used by a non-profit institution in support of its mission. The article affirms the tax-exempt status of mission-related property and establishes December 31 of the year prior to the effective date of the article as the date of assessment.

This new authorization has no fiscal impact to the State. The Governor, however, separately recommends reducing the funding for Distressed Communities Relief Program, the State-aid program established to provide assistance to those communities with the highest property tax burdens relative to the wealth of the their taxpayers, and level-funds the Payment in Lieu of Taxes (PILOT) program

- **Car Tax Phase-Out Reduction:** Article 9 adjusts the car tax phase-out parameters, resulting in net reductions in planned State-aid in each of the next four fiscal years, and extends the phase-out through FY2028. As a result, taxpayers would pay \$11.8 million more in motor vehicle excise taxes in FY2021 than under current law. The following table compares the impact between current law and the Governor's proposal:

Comparison	Comparison Between Current Law and Governor's Proposed Motor Vehicle Tax Phase-out								
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Current Law									
State Assessment Ratio	80.0%	75.0%	70.0%	-	-	-	-	-	-
Rate Cap	\$35.0	\$30.0	\$20.0	-	-	-	-	-	-
Exemption Amount	\$4,000	\$5,000	\$6,000	-	-	-	-	-	-
Total Statewide Aid:	\$102,566,219	\$130,378,609	\$165,259,237	\$224,550,736	\$231,605,162	\$237,136,338	\$242,721,320	\$248,343,148	\$253,991,518
Additional Aid from Previous FY	\$22,302,525	\$27,812,389	\$34,880,629	\$59,291,499	\$7,054,426	\$5,531,176	\$5,584,982	\$5,621,828	\$5,648,371
Governor's Proposal									
State Assessment Ratio	82.5%	80.0%	77.5%	75.0%	72.5%	70.0%	67.5%	65.0%	-
Rate Cap	\$35.0	\$33.0	\$31.0	\$26.5	\$22.5	\$19.0	\$15.0	\$10.0	-
Exemption Amount	\$3,500	\$4,000	\$4,500	\$5,000	\$5,500	\$6,000	\$7,000	\$8,000	-
Total Statewide Aid:	\$90,745,937	\$102,632,964	\$114,418,804	\$131,447,356	\$147,107,315	\$161,573,760	\$180,521,698	\$197,303,934	\$224,550,736
Additional Aid from Previous FY	\$10,482,243	\$11,887,027	\$11,785,840	\$17,028,552	\$15,659,959	\$14,466,445	\$18,947,938	\$16,782,236	\$27,246,802
Statewide Aid Variance	(\$11,820,282)	(\$27,745,645)	(\$50,840,434)	(\$93,103,380)	(\$84,497,848)	(\$75,562,578)	(\$62,199,622)	(\$51,039,214)	(\$29,440,782)

Source: Office of Revenue Analysis

- **Tangible Personal Property Tax Competitive Initiative:** Article 9 establishes a new, limited duration State aid program focused on reducing the tangible personal property tax (TPPT) burden experienced by Rhode Island businesses at the municipal level. The program will incentivize cities and towns to reduce their TPPT rates by providing a portion of the amount of lost revenue for a period of five years. The program will be administered by the Department of Revenue's Division of Municipal Finance in consultation with the Executive Office of Commerce. There is minimal fiscal impact in FY2021. The Department will contract for \$85,000 in consulting services to get the program up and running. The program is expected to cost \$2.5 million and \$5.0 million in FY2022 and FY2023, respectively.

Article 10: Relating to Education

This article makes numerous changes to laws relating to education, including the following:

- **Pre-Kindergarten:** The article requires the Rhode Island Department of Elementary and Secondary Education (RIDE) to include the students enrolled in pre-kindergarten classes approved by the Department in the average daily membership, presumably for inclusion in the funding formula distribution. The article also eliminates language specifying that the General Assembly determines the funds for the pre-kindergarten program and requires the expansion of the program until every family who wants a seat has one. The article establishes the Rhode Island Early Childhood Care and Education Capital Fund to expand high-quality early learning facilities.
- **English Language Learners (ELL):** The article changes the categorical from "English Learners" to "multilingual learners" (MLL). The article also eliminates the statutory language prohibiting the use of pre-kindergarten categorical funds to displace local funding and provides more detail on how the funds can be used.

- **Support for Mental Health Professionals:** For FY2021 only, the article expands the school resource officer categorical to include mental health professionals. Both the school resource officer and mental health professionals support end with FY2021.
- **School Building Authority (SBA):** The article specifies that the Rhode Island Health and Educational Building Corporation (RIHEBC) will support the expenses of the SBA from income generated from municipal bonds or the other vehicles used for school construction. Furthermore, the cap on the fee that can be assessed on the bonds and financing vehicles is increased from 0.001 percent to 0.01 percent of the original principal amount.
- **Rhode Island Promise Scholarship:** The article eliminates the sunset on the Rhode Island Promise Scholarship (RI Promise) program, which would have ended the program with the class of 2020, and expands the program to cover certificates, instead of just associate degrees. The article also exempts grants from the Department of Children, Youth and Families Higher Education Opportunity Incentive Grant and from the College Crusade Scholarship Act from the last dollar calculation for the program.
- **RI Wavemaker Fellowship:** The article expands the RI Wavemaker Fellowship to include “high-demand” STEM teachers, and limits the awards to eligible STEM teachers to no more than 100 awards and no more than 25.0 percent of the awards in a given calendar year. . The Wavemaker Fellowship is a competitive student loan reimbursement program for college and university graduates who take employment in science, technology, engineering, and mathematics (STEM) fields in Rhode Island. The program provides Wavemaker Fellows with refundable personal income tax credits that can be used to offset their annual student loan payments for up to 4 years. The amount of the tax credit depends upon the degree earned by the taxpayer, i.e. \$1,000 for an associate’s degree up to \$6,000 for a graduate or post-graduate degree.

Article 11: Relating to Economic Development

Article 11 introduces several new tools and incentives to increase the availability of economic development sites around the State. The article also modifies the program and project limits under the Rebuild Rhode Island Tax Credit program. Lastly, the article extends the authorization of ten economic development incentives. All changes included in Article 11 are effective upon passage of the Budget.

- **New Site Readiness Program:** Article 11 establishes a new Site Readiness Program within the Rhode Island Commerce Corporation (CommerceRI) for the purpose of increasing the amount of vetted, permitted, and utility-ready sites available for economic development projects across Rhode Island. The program oversees and coordinates investment in these “pad-ready” sites and helps municipalities overcome barriers to creating them. Article 11 establishes a Site Readiness Subcommittee of CommerceRI’s board of directors that would include a representative from the R.I. League of Cities and Towns and a representative selected by the municipal government of the participating community. The article also authorizes the Quonset Development Corporation (QDC) to act in the place of CommerceRI under the program for those municipalities that request the QDC’s services and expertise related to site development. Article 5 proposes bond referenda for industrial site development that would make \$21.5 million available to the program.
- **Rebuild RI Tax Credit Program Changes:** Article 11 makes two changes to the Rebuild RI Tax Credit program. Rebuild RI uses both tax credit and sales tax exemption incentives to promote investment in real estate development for commercial and/or residential use across the State. Under current law, the total amount of tax credits and sales tax exemptions that may be issued is \$210.0 million. Article 11 raises that cap to \$250.0 million. The article also reduces the per project limit of 20.0 percent of the total project cost down to 15.0 percent, with the exception of those projects that involve historic structures or include infrastructure investment.

- **Reauthorization of Economic Development Incentive Programs:** Article 11 extends the sunset provisions on 11 economic development incentive programs from December 31, 2020, to December 31, 2023. The article also permanently authorizes the Small Business Assistance Program.

Article 12: Relating to Housing

Article 12 establishes a comprehensive new framework for the development of affordable housing in Rhode Island. The article significantly modifies the governance, policy-making, and funding mechanisms available to the State to ensure sufficient affordable and workforce housing for Rhode Islanders. The changes in Article 12 are effective July 1, 2020. Specifically, the article:

- **Dedicated Funding for Affordable and Workforce Housing:** Increases the real estate conveyance tax on the portion of real estate value over \$500,000. The rate applied to this portion doubles from 0.46 percent to 0.92 percent. Revenue from this increase would be deposited into the Housing Production Fund, a new restricted receipt account. The fund will be administered by RI Housing, in consultation with a new Housing Resources Steering Committee. The funds would be used for affordable and workforce housing initiatives, including the construction of new units and incentives to municipalities. Based on a July 1, 2020, effective date, the Office of Revenue Analysis estimates that these changes will generate \$3.5 million for the new Housing Production Fund and a \$36,722 loss in general revenues.
- **Reorganization of Affordable Housing Governance:** Establishes the Housing Resources Coordinating Council (HRCC), replacing the Housing Resources Commission as the principle policy, strategy, and funding organization for affordable housing in the State. It also elevates the Office of Housing and Community Development (OHCD) to a Division within the Executive Office of Commerce and creates a Housing Resources Steering Committee (HRSC) under the HRCC to ensure stakeholder input into housing policy.
- **Housing Incentives for Municipalities:** Creates a new incentive for municipalities to support and develop affordable housing by making school impact offset payments through RI Housing. These payments would mitigate the costs of educating new students that may accompany affordable housing development within cities and towns. These offset payments would be paid from the new Housing Production Fund, which is capitalized by the increase in the real estate conveyance tax, and the proceeds from the affordable housing \$21.5 million bond referendum authorized in Article 5 of the Budget.

Article 13: Relating to State Controlled Adult Use Marijuana

The article provides a framework for a state-controlled adult-use marijuana market. Net retail sales revenue would be shared between the State (61.0 percent), one or more contractors (29.0 percent), and municipalities (10.0 percent). The article is expected to produce \$21.8 million in net revenues for the State in FY2021. Specifically, the article:

- Authorizes the Office of Cannabis Regulation (OCR) to notify law enforcement in cases where there is reasonable belief that a primary caregiver is not in compliance with the requirements of the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act.
- Exempts individuals over age 21 from arrests and criminal prosecution for approved marijuana-related activities.
- Prohibits the transfer, sale, or delivery of marijuana to anyone under 21. Anyone over 21 who is at least three years older than the under-age individual would be guilty of a felony. The article establishes traffic violations for underage individuals who transport marijuana with a motor vehicle.
- Prohibits the extraction of marijuana compounds by anyone other than licensed processors.
- Authorizes OCR to oversee the regulation, licensing, and control of cannabis, adult-use marijuana, medical marijuana, industrial hemp and all related matters.

- Establishes the Community Equity and Reinvestment Council to make recommendations that foster social equity and community reinvestment. The Council would have the opportunity to propose uses of appropriated funds.
- Allows OCR to issue licenses and promulgate regulations for cultivators, processors, retail contractors, testing facilities, or other marijuana establishments. The article requires the Department of Health to issue licenses related to cannabis testing and promulgate related regulations.
- Authorizes OCR to procure contracts with adult-use contractors for the operation of retail locations. The article authorizes OCR to determine the number, type, and location of state-controlled adult-use marijuana retail stores, subject to local zoning approval. The article authorizes OCR to control inventory production, selection and pricing; to monitor operations; and to terminate adult-use marijuana activities in instances of public health, safety, welfare, or integrity concerns. The article authorizes OCR to collect funds from sales and allows OCR to exercise authority over the accounting and finances of adult-use retail sales.
- Authorizes the Department of Business Regulation to implement and enforce compliance of recordkeeping, security, inventory, advertisements and pricing. The article limits potency, serving, and dose sizes and establishes labeling requirements.

Article 14: Relating to Medical Assistance

This article modifies the financing and delivery of the Medicaid program, and establishes the legal authority for the Executive Office of Health and Human Services to amend the section 1115 demonstration waiver and Medicaid State Plan in order to implement proposed budget initiatives. Specifically, the article:

- Implements adult co-pays for select services, including prescription drugs and inpatient hospital visits.
- Maintains inpatient and outpatient hospital rates at FY2020 levels.
- Increases nursing home rates by 1.0 percent on October 1, 2020.
- Eliminates the outpatient upper payment limit (UPL) payment.
- Transitions the State’s managed care plans from partial to full risk arrangements by increasing monthly capitation rates.
- Increases non-emergency ambulance rates.
- Adds Medicaid coverage for perinatal doula services, which provide individual supports for expectant mothers before, during, and after birth.
- Requires employers to submit certain information to the State in order to maximize enrollment in the RItE Share program and establishes a penalty for employers that do not comply.
- Increases wages for direct support professionals who serve individuals with intellectual and developmental disabilities in the private, community-based system.
- Allows the Executive Office to pursue any changes in the Medicaid program which may offset State costs or improve access, quality, or effectiveness.

Article 15: Relating to Human Services

This Article makes a number of changes within the Department of Corrections; Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals; and the Department of Human Services. Specific changes include:

- **Substance Abuse Prevention Program - Annual Report:** This Article amends the Substance Abuse Prevention Program such that each municipality that receives a grant must demonstrate, in an annual report submitted to the Department of Behavioral Healthcare, Developmental Disabilities, and

Hospitals (BHDDH), that the funding has been spent on substance abuse programs. The Article also requires that the funds to support the Substance Abuse Prevention Program be appropriated from general revenues in the amount estimated to be collected by state or municipal courts from certain civil penalties.

- **Substance Abuse Prevention Program – School Criteria:** Amends RIGL 13-21.3 to require that BHDDH contract with substance abuse prevention agencies and provide student services that incorporate substance abuse prevention criteria in high schools as well as middle schools. Under current law, high schools are excluded. The Article also redirects funds from certain civil fines to the general fund for BHDDH to support substance abuse prevention.
- **Drug Awareness Program:** Amends RIGL 21-24-4.01 to place approval of drug awareness programs for a minor charged with a civil marijuana offense at the discretion of the Director of BHDDH.
- **Traffic Offense:** Exempts any assessments and fines collected in accordance with the Substance Abuse Prevention Program from additional fines that may be charged to a person charged with a violation under RIGL 31-41.1.
- **Medical and Geriatric Parole:** Includes a new definition for cognitively incapacitated inmates under medical parole. The Article also expands medical parole within the Department of Corrections to include geriatric parole. Geriatric parole would be available to inmates whose advanced age reduces the risk they pose to the public's safety. All inmates above age 65, except those serving life without parole, will be eligible for geriatric parole once they have served the lesser of 10 years or 75.0 percent of their sentence, regardless of the crime committed. All parole decisions must go through the Department's Parole Board.
- **RI Works:** Section 7 of this Article amends the definition of a dependent child within the RI Works program to allow children who turn 18 while in high school to continue to receive cash assistance regardless of their graduation date. Under current law, children may receive cash assistance if they are under 18, when they turn 18 they will only be eligible for cash assistance if they are anticipated to graduate high school before turning 19.

Section 8 amends RIGL 40-5.2-10, the Income section of the RI Works program, such that the first six months of earned income received by a RI Works member, in compliance with their employment plan, shall be excluded from the families income as it pertains to receiving cash assistance. This income may be excluded for six months, or until the family's total gross income exceeds 185.0 percent of the Federal Poverty Level, or the family reaches the 48-month time limit, whichever is first.

- **Child Care Assistance:** Expands child care supports to include families, at or below 180.0 percent of the Federal Poverty Level, with parents enrolled at a Rhode Island institution of higher education or in a qualified training program relating to employment and who need child care assistance in order to attend.
- **Child Care Rates:** Amends child care reimbursement rates for licensed child care centers to include a base rate. The base rate will be set at the 25th percentile of the 2018 weekly market rate for infant/toddler care and halfway to the 25th percentile of the 2018 weekly market rate for preschool aged children. The maximum reimbursement rates for infant/toddler and preschool care that will be paid to licensed child care centers will be implemented in a tiered rate based on the quality rating the provider has achieved within the State's Quality Rating system. The Article also includes a weekly reimbursement rate of \$146.26 for licensed child care centers providing care to school-aged children.

The Article also states that the minimum base reimbursement rates for licensed family child care providers caring for infants/toddlers and preschool aged children will be determined through a collective bargaining agreement. Like licensed child care centers, the maximum reimbursement rates for infant/toddler and preschool care that will be paid to licensed family child care providers will be

implemented in a tiered rate based on the quality rating the provider has achieved within the State's Quality Rating system.

The Department of Human Services will be required to conduct an independent survey of current weekly market rates for child care in Rhode Island beginning June 30, 2021, and triennially thereafter.

- **Work Release Inmate Earnings:** Amends RIGL 42-56-38 such that 30.0 percent of an inmate's net salary shall be withheld from their income earned through work release. Under current law 30.0 percent of an inmate's gross salary is withheld.

Article 16: Relating to Veterans' Services

This article makes changes to the amount of income from residents of the Veterans' Home that is retained as well as how that income is allocated. The article also implements a fee for the burial of non-veterans at the veterans' cemetery.

- **Veterans' Home Resident Income:** This Article alters the Veterans' Home income assessment to increase the amount of net income that is retained by the Veterans' Home for each resident from 80.0 percent to 100.0. Net income is defined as gross income less any applicable taxes, a personal needs amount, and any funds paid by the resident to support a spouse or child who is blind and/or permanently disabled. The Article increases the personal needs amount retained by residents of the Veterans' Home each month from \$150 to \$300. The Article also increases the amount of funds retained by the Veterans' Home from the income assessment from 20.0 percent to 100.0. Under current law 20.0 percent of funds collected from the Veterans' income assessments is allocated to the Veterans' Home and 80.0 percent is deposited into the general fund.
- **Veterans' Cemetery:** Amends RIGL 30-25-14 to allow the Director of Veterans' Affairs to collect a burial fee for eligible spouses and dependents of a qualified veteran. The fee will be equal to burial plot allowance for the burial of an eligible veteran in a state veterans' cemetery, as set forth by the U.S. Department of Veterans Affairs annually on October 1st.

Article 17: Relating to Uncompensated Care

This article authorizes the disbursement of Disproportionate Share Hospital (DSH) payments to community hospitals, excluding Eleanor Slater Hospital, in FFY2021. The article limits the aggregate amount of the payments to \$142.3 million.

Article 18: Relating to Licensing of Hospital Facilities

This article increases the hospital license fee in FY2021, which will increase revenue collections by \$32.3 million compared to the fee structure that is currently authorized. The license fee is increased from 3.15 percent to 3.78 percent for hospitals located in Washington County and from 5.0 percent to 6.0 percent for all other non-psychiatric community hospitals. The fees authorized by Article 18 are consistent with the hospital license fee structure utilized in FY2019 and FY2020; current law reduces the fee in FY2021.

Article 19: Relating to Workforce Development

This Article makes a number of changes to apprentice programs, apprentice and trainee terminology, and the jobs development assessment within the Department of Labor and Training. The Article also includes an increase in the minimum wage from \$10.50 to \$11.50, and an increase in the Rhode Island Earned Income Tax Credit. Specific changes include:

- **Apprentice Definitions:** Amends RIGL 28-45 to further define an apprentice, apprenticeship program, and registration agency, and state that this chapter only applied to registered apprenticeship programs.
- **Electrician Apprentices:** The Article outlines exam requirements for each class of the electrical licensing exam, and outlines the time-based terms of electrical apprenticeships for Class B, Class M, and lighting protection installers. The Article also allows for an apprentice, who has an associate degree

in electrical technology, has completed electrical technology courses in a recognized college, or successfully completed authorized trade school education, to be granted credit for 288 hours of instruction toward the completion of their apprenticeship. An apprentice may also be granted 144 hours of credit for relevant technical education completed in high school. The Article also requires any electrical apprentice, who is registered with a registration agency outside of the State, obtain reciprocal recognition from DLT before being allowed to work as an electrical apprentice in Rhode Island.

- **Plumber Apprentices:** Amends the definition of an “apprentice plumber” to require the apprentice be registered as an apprentice plumber in accordance with RIGL 28-45.
- **Mechanical Trades:** Amends RIGL 28-27 to change the time required to complete a journeyman refrigeration technician, journeyman pipefitter, journeyman sheet metal worker, and journeyman sprinkler fitter apprentice program from years to hours. The Article also allows an apprentice to receive credit for prior learning, to be used towards licensing hours, with written approval of the mechanical board. Apprentices who have completed two years of relevant technical coursework or have an associated degree in pipefitting, refrigeration/air conditioning, or fire protection sprinkler systems may receive 288 hours of instruction toward the completion of their apprenticeship. The Article removes the \$30 apprenticeship license fee for P.J.F. journeyman oil burnerperson’s license.
- **School Construction Apprenticeships:** The Article amends RIGL 37-13-3.2 to include legislative findings pertaining to the state of Rhode Island’s schools and the school construction general obligation bonds approved in 2018. The Article requires contractors and subcontractors working on major school construction projects, valued at \$5.0 million or more, to participate in apprenticeship training programs, and ensure that no less than 10.0 percent of the labor hours worked on the project is performed by apprentices. This is only required of contractors and subcontractors with five or more employees. The Article also requires any contractor or subcontractor awarded a school construction project to submit data pertaining to their employees, the DLT may impose a fine of \$500 per day that the contractor or subcontractor does not submit the required information. Any fines collected will be paid to the Department’s prevailing wages enforcement fund and deposited into a restricted receipt account.
- **Hearings – Payments of Debts by Contractors:** Pursuant to RIGL 37-13, any contractor who does not comply with the provisions of this chapter will be summoned to a hearing. Article 19 amends RIGL 37-13 to increase the number of days the hearing officer is required to hold a hearing after issuing an order from 10 days to 30 days. The Article also increases the number of days that the hearing officer has to make a determination and enter an order about the hearing from 10 days to 30 days after the hearing. The Article adds that failing to report apprenticeship information is a violation of the chapter.
- **Employment of Minors:** Amends RIGL 28-3 to be renamed “Employment of Minors”. Under current law, the chapter is titled “Employment of Women and Children”.
- **Minimum Wage:** The Article increases the minimum wage from \$10.50 to \$11.50 per hour effective October 1, 2020.
- **Jobs Development Assessment:** Expands RIGL 28-43, “Employment Security – Contributions”, to subject any non-government, nonprofit organizations with at least 1,000 employees to the job development assessment. The Director of DLT is authorized to promulgate regulations to administer this assessment and may allow employers to make in-kind contributions in lieu of monetary payments.
- **Earned-Income Tax Credit (EITC) Increase:** Under current law, eligible taxpayers can claim a Rhode Island Earned Income Tax Credit equal to 15.0 percent of the federal EITC. Starting in Tax Year 2021, the Governor increases the State EITC 1.0 percent per year over the next five tax years. The fiscal impact is estimated to be a loss of \$1.1 million in FY2021.

Article 20: Relating to Healthcare Reform

This article makes various changes to promote access to healthcare in the State. Specifically the article:

- **Interstate Licensure Compacts:** Creates an interstate medical licensure compact (IMLC) to allow certain physicians, psychologists, emergency medical services (EMS) professionals, and physical therapists who wish to practice in more than one state to access a voluntary expedited licensure. Currently, Maine and New Hampshire participate in the IMLC, and approximately 80.0 percent of physicians meet the criteria for expedited licensure. The article amends State law to comply with the Enhanced Nurse Licensure Compact (eNLC) to allow interstate opportunities for nurses in the State. Rhode Island would join 32 other states, including New Hampshire and Maine, in the eNLC. The compacts would result in a \$59,331 loss in revenue and a \$12,000 increase in expenditures.
- **Affordable Care Act:** Codifies the consumer protections of the federal Affordable Care Act (ACA). The statute would only take effect upon the repeal of the ACA at the federal level. The statute requires the following protections: guaranteed issue and renewability regardless of any preexisting conditions, coverage for essential health benefits, and preventive services without a copay for large group and small employer health insurance plans. The State codification of the ACA has no fiscal impact and is a means of protecting the accomplishments the State has made towards access to healthcare.
- **RItE Share Expansion:** Requires annual reporting by for-profit businesses with 50 or more employees in order to identify eligible RItE Share members more effectively. The RItE Share program is available to working Medicaid beneficiaries and requires that employees with access to cost-effective, employer sponsored health insurance (ESI) enroll in their ESI instead of Medicaid. The Medicaid program assists employees with their premiums, deductibles, copays, and coinsurance and any wraparound services that are not covered by the ESI, which is significantly more cost effective than enrolling employees in Medicaid. Currently, the State lacks reporting requirements, making the program difficult to enforce. The article imposes a \$2,500 penalty for employers who fail to submit annual reports and a \$5,000 penalty for falsifying or omitting data. The expansion is expected to save \$5.6 million in general revenues (\$19.0 million all funds) within the Medicaid program in FY2021.
- **Health Spending Transparency and Containment:** Establishes a funding stream for the Healthcare Cost Trend project with a required contribution from insurers of \$1 per covered life in the State. The goal of the project is to increase access to affordable, high-quality health insurance coverage. The project's Steering Committee, with members representing hospitals, insurers, physician groups, advocates, and researchers set a target of 3.2 percent in total healthcare cost growth. The fund would be housed in the Executive Office of Health and Human Services and shared with the Office of the Health Insurance Commissioner, and would be used to coordinate the cost trends work and other healthcare reform.

Article 21: Relating to Health and Safety

Article 21 makes significant changes to the regulation of tobacco products, including cigarettes, cigars, and vaping products, or e-cigarettes in Rhode Island. These changes include:

- **Raising the Minimum Age to Purchase:** Aligning Rhode Island statutes with the newly enacted federal law that raises the minimum age to purchase tobacco products and electronic nicotine devices from 18 to 21. Based on a July 1, 2020, effective, the Budget Office estimates a \$3.7 million loss in revenue related to the enforcement of this new rule.
- **Banning Flavored Vaping Products:** Codifying the Governor's 2019 executive order prohibiting the sale of electronic nicotine delivery systems that include a characterizing flavor or have greater than 35 ml/mg of nicotine. The ban is statutorily effective upon the passage of the Budget.
- **Excise Tax Increases:** The article makes several significant changes to the taxation of tobacco and vaping products.
 - **Cigarette Tax Increase:** Increases the excise tax on cigarettes by \$0.35, which raises the tax from \$4.25 to \$4.60 per pack of twenty. The floor stock tax is assessed at the same rate per pack. Based

on an August 1, 2020, effective date, the additional excise, floor, and associated sales taxes from this change is estimated to generate an additional \$4.3 million in revenue in FY2021.

- **Excise Tax on Vaping Products:** Adds e-cigarettes to the definition of “other tobacco products” under RIGL 44-20 and subjects them to the “other tobacco products” (OTP) tax at the rate of 80.0 percent of the wholesale cost. Based on a September 1, 2020, effective date, the fiscal impact of taxing these products is estimated to be \$737,379 in FY2021.
- **Cigar:** Raises the maximum tax per cigar by \$0.30, from \$0.50 to \$0.80. Based on an effective date of August 1, 2020, the fiscal impact of this increase is \$236,483 in FY2021.
- **Regulatory and Fee Changes:** Provides regulatory changes that will:
 - Enhance the Division of Taxation’s ability to enforce tobacco product laws;
 - Transfer the licensing of electronic nicotine delivery system retailers from the Department of Health to Taxation;
 - Increase the OTP retailer license fee from \$100 to \$400; and
 - Raise the cigarette dealer application fee from \$25 to \$75.

These changes are effective upon passage and are estimated to generate an additional \$402,500.

Article 22: Relating to Effective Date

This article provides that the Act would take effect on July 1, 2020, except as otherwise provided therein.

Summary Tables

GENERAL REVENUE BUDGET SURPLUS

	FY2018 Audited	FY2019 Audited	FY2020 Enacted	FY2020 Governor	FY2021 Governor
Opening Surplus					
Free Surplus	\$61,660,230	\$52,525,379	\$25,464,117	\$30,502,912	\$24,842,778
Reappropriated Surplus	10,338,899	10,057,409	-	10,296,451	-
Subtotal	\$71,999,129	\$62,582,788	\$25,464,117	\$40,799,363	\$24,842,778
Total Revenues	3,908,384,435	\$4,024,579,618	\$4,178,728,671	\$4,197,141,028	\$4,355,257,550
To Cash Stabilization Fund	(119,101,340)	(122,313,150)	(126,125,784)	(126,829,318)	(131,403,010)
From Cash Stabilization Fund					
Total Available Resources	\$3,861,282,224	\$3,964,849,256	\$4,078,067,004	\$4,111,111,073	\$4,248,697,318
Total Expenditures	3,798,699,436	3,924,049,893	4,077,594,991	4,086,268,295	4,247,805,059
Total Surplus	62,582,788	40,799,363	472,013	24,842,778	892,259
Free Surplus	\$62,582,788	\$30,502,912	\$472,013	\$24,842,778	\$892,259
Rainy Day Fund	\$198,502,233	\$203,855,250	\$210,209,639	\$211,382,197	\$219,005,016

ALL FUNDS EXPENDITURES

General Government	FY2019 Final	FY2020 Enacted	FY2020 Governor	Change from		
				Enacted	FY2021 Governor	
Administration	\$266,429,354	\$327,880,776	\$350,706,747	\$22,825,971	\$342,713,165	\$14,832,389
Business Regulation	22,926,425	26,363,657	26,402,274	38,617	30,101,257	3,737,600
Executive Office of Commerce	53,240,311	59,996,451	56,768,113	(3,228,338)	80,451,025	20,454,574
Labor and Training	433,781,694	449,014,095	459,193,877	10,179,782	464,735,173	15,721,078
Revenue	577,205,401	643,187,244	656,228,411	13,041,167	672,082,118	28,894,874
Legislature	40,798,614	45,636,115	52,768,810	7,132,695	46,914,237	1,278,122
Lieutenant Governor	1,108,949	1,147,816	1,145,892	(1,924)	1,163,022	15,206
Secretary of State	11,131,156	11,001,157	11,755,090	753,933	10,945,193	(55,964)
General Treasurer	42,045,578	42,655,641	42,420,937	(234,704)	44,626,993	1,971,352
Board of Elections	4,272,724	2,748,855	2,717,647	(31,208)	3,472,921	724,066
Ethics Commission	1,719,160	1,845,298	1,843,445	(1,853)	1,977,107	131,809
Office of the Governor	5,624,462	6,093,211	6,086,325	(6,886)	6,580,157	486,946
Commission for Human Rights	1,743,539	1,917,005	1,907,748	(9,257)	1,957,449	40,444
Public Utilities Commission	9,125,173	11,382,980	11,369,924	(13,056)	11,658,234	275,254
Total	\$1,471,152,540	\$1,630,870,301	\$1,681,315,240	\$50,444,939	\$1,719,378,051	\$88,507,750
Human Services						
Office of Health and Human Services	\$2,601,568,379	\$2,690,732,762	\$2,668,890,776	(\$21,841,986)	\$2,682,199,049	(\$8,533,713)
Children, Youth, and Families	248,168,752	229,859,090	256,223,531	26,364,441	263,575,227	33,716,137
Health	167,007,954	186,637,844	192,098,855	5,461,011	186,724,931	87,087
Human Services	594,233,703	638,343,380	618,533,697	(19,809,683)	635,222,724	(3,120,656)
BHDDH	422,854,603	463,195,456	467,752,247	4,556,791	487,056,873	23,861,417
Governor's Commission on Disabilities	1,167,621	1,558,659	1,536,797	(21,862)	1,618,795	60,136
Governor's Commission on the Deaf	521,007	663,338	656,326	(7,012)	600,270	(63,068)
Office of the Child Advocate	958,019	1,234,057	1,149,476	(84,581)	1,248,036	13,979
Office of the Mental Health Advocate	578,693	602,411	619,370	16,959	630,982	28,571
Total	\$4,037,058,731	\$4,212,826,997	\$4,207,461,075	(\$5,365,922)	\$4,258,876,887	\$46,049,890
Education						
Elementary and Secondary Education	\$1,436,464,723	\$1,491,082,208	\$1,506,053,093	\$14,970,885	\$1,555,461,635	\$64,379,427
Public Higher Education	1,190,951,203	1,247,926,398	1,256,096,148	8,169,750	1,272,641,392	24,714,994
Council on the Arts	3,021,503	3,438,248	3,376,559	(61,689)	3,503,487	65,239
Atomic Energy Commission	1,350,027	1,495,094	1,423,754	(71,340)	1,520,779	25,685
Higher Education Assistance Authority	-	-	-	-	-	-
Historical Preservation & Heritage Comm.	2,087,992	2,595,330	2,595,475	145	2,730,229	134,899
Total	\$2,633,875,448	\$2,746,537,278	\$2,769,545,029	\$23,007,751	\$2,835,857,522	\$89,320,244
Public Safety						
Attorney General	\$44,034,948	\$33,287,718	\$36,820,501	\$3,532,783	\$34,263,854	\$976,136
Corrections	247,380,965	257,611,700	267,234,227	9,622,527	251,429,093	(6,182,607)
Judiciary	119,750,863	127,492,559	126,698,912	(793,647)	126,487,766	(1,004,793)
Military Staff	36,306,284	41,148,960	42,639,287	1,490,327	38,966,975	(2,181,985)
Emergency Management Agency	19,850,370	13,622,589	18,366,733	4,744,144	13,216,961	(405,628)
Public Safety	123,255,848	138,208,356	141,861,091	3,652,735	135,655,557	(2,552,799)
Public Defender	11,969,257	12,900,536	12,874,501	(26,035)	13,462,088	561,552
Total	\$602,548,535	\$624,272,418	\$646,495,252	\$22,222,834	\$613,482,294	(\$10,790,124)
Natural Resources						
Environmental Management	\$77,221,763	\$102,118,898	\$103,530,687	\$1,411,789	\$102,397,594	\$278,696
Coastal Resources Management Council	7,532,372	5,220,930	6,382,522	1,161,592	5,041,233	(179,697)
Total	\$84,754,135	\$107,339,828	\$109,913,209	\$2,573,381	\$107,438,827	\$98,999
Transportation						
Transportation	\$548,339,286	\$648,773,516	\$647,028,365	(\$1,745,151)	\$660,012,366	\$11,238,850
Grand Total	\$ 9,377,728,675	\$ 9,970,620,338	\$ 10,061,758,170	\$91,137,832	\$ 10,195,045,947	\$224,425,609

GENERAL REVENUE EXPENDITURES

General Government	FY2019 Final	FY2020 Enacted	FY2020 Governor	Change from		
				Enacted	FY2021 Governor	
Administration	\$174,086,181	\$206,638,425	\$208,871,535	\$2,233,110	\$214,958,218	\$8,319,793
Business Regulation	16,364,148	17,896,681	17,815,293	(81,388)	18,670,217	773,536
Executive Office of Commerce	30,235,022	28,181,129	28,179,484	(1,645)	44,264,097	16,082,968
Labor and Training	15,403,217	14,679,932	14,673,124	(6,808)	22,922,142	8,242,210
Revenue	179,734,169	216,254,237	214,537,942	(1,716,295)	229,096,871	12,842,634
Legislature	39,348,617	43,804,101	50,963,049	7,158,948	45,075,055	1,270,954
Lieutenant Governor	1,108,949	1,147,816	1,145,892	(1,924)	1,163,022	15,206
Secretary of State	9,796,149	9,533,255	9,489,047	(44,208)	9,883,628	350,373
General Treasurer	2,926,332	3,037,551	2,965,993	(71,558)	2,991,420	(46,131)
Board of Elections	4,272,724	2,748,855	2,717,647	(31,208)	3,472,921	724,066
Ethics Commission	1,719,160	1,845,298	1,843,445	(1,853)	1,977,107	131,809
Office of the Governor	5,624,462	6,093,211	6,086,325	(6,886)	6,580,157	486,946
Commission for Human Rights	1,298,536	1,353,591	1,350,221	(3,370)	1,452,747	99,156
Public Utilities Commission	-	-	-	-	-	-
Total	\$481,917,666	\$553,214,082	\$560,638,997	\$7,424,915	\$602,507,602	\$49,293,520
Human Services						
Office of Health and Human Services	\$972,457,072	\$1,002,282,411	\$985,967,831	(\$16,314,580)	\$1,010,660,918	\$8,378,507
Children, Youth, and Families	180,711,210	165,124,585	185,731,369	20,606,784	186,790,002	21,665,417
Health	30,324,520	30,968,921	30,925,000	(43,921)	32,999,978	2,031,057
Human Services	113,957,594	92,178,627	92,200,297	21,670	117,884,921	25,706,294
BHDDH	191,570,579	196,381,240	195,276,093	(1,105,147)	207,783,433	11,402,193
Governor's Commission on Disabilities	864,209	1,055,069	1,080,665	25,596	1,107,632	52,563
Governor's Commission on the Deaf	447,102	533,338	524,519	(8,819)	537,816	4,478
Office of the Child Advocate	815,011	986,701	970,275	(16,426)	1,063,237	76,536
Office of the Mental Health Advocate	578,693	602,411	619,370	16,959	630,982	28,571
Total	\$1,491,725,990	\$1,490,113,303	\$1,493,295,419	\$3,182,116	\$1,559,458,919	\$69,345,616
Education						
Elementary and Secondary Education	\$1,186,515,425	\$1,239,252,258	\$1,238,976,176	(\$276,082)	\$1,283,925,871	\$44,673,613
Public Higher Education	233,580,831	243,650,858	246,847,417	3,196,559	244,404,094	753,236
Council on the Arts	1,977,428	2,004,748	1,993,137	(11,611)	2,056,961	52,213
Atomic Energy Commission	1,018,455	1,059,094	1,055,815	(3,279)	1,064,567	5,473
Higher Education Assistance Authority	-	-	-	-	-	-
Historical Preservation & Heritage Comm.	1,191,271	1,488,293	1,464,425	(23,868)	1,598,029	109,736
Total	\$1,424,283,410	\$1,487,455,251	\$1,490,336,970	\$2,881,719	\$1,533,049,522	\$45,594,271
Public Safety						
Attorney General	\$25,581,021	\$28,675,203	\$28,633,277	(\$41,926)	\$30,054,511	\$1,379,308
Corrections	235,714,454	242,088,059	238,288,920	(3,799,139)	242,109,240	21,181
Judiciary	99,950,290	105,213,960	105,318,280	104,320	106,383,394	1,169,434
Military Staff	2,836,265	3,219,493	2,914,664	(304,829)	3,227,916	8,423
Emergency Management Agency	2,276,138	2,364,647	2,362,651	(1,996)	2,901,055	536,408
Public Safety	103,724,264	105,918,952	105,267,826	(651,126)	105,726,368	(192,584)
Public Defender	11,940,555	12,824,871	12,798,836	(26,035)	13,386,423	561,552
Total	\$482,022,987	\$500,305,185	\$495,584,454	(\$4,720,731)	\$503,788,907	\$3,483,722
Natural Resources						
Environmental Management	\$41,449,798	\$43,623,975	\$43,542,012	(\$81,963)	\$46,259,572	\$2,635,597
Coastal Resources Management Council	2,650,012	2,883,195	2,870,443	(12,752)	2,740,539	(142,656)
Total	\$44,099,810	\$46,507,170	\$46,412,455	(\$94,715)	\$49,000,111	\$2,492,941
Transportation						
Transportation	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$ 3,924,049,863	\$ 4,077,594,991	\$ 4,086,268,295	\$8,673,304	\$ 4,247,805,061	\$170,210,070

PERSONNEL

	FY2019	FY2020	FY2020	Change	FY2021	Change
	Actual	Enacted	Governor	from	Governor	from
				Enacted		Enacted
General Government						
Administration	655.7	647.7	647.7	-	652.7	5.0
Business Regulation	161.0	161.0	161.0	-	171.0	10.0
Executive Office of Commerce	16.0	14.0	14.0	-	15.0	1.0
Labor and Training	409.7	390.7	390.7	-	395.7	5.0
Revenue	604.5	602.5	602.5	-	611.5	9.0
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	89.0	89.0	89.0	-	89.0	-
Board of Elections	13.0	13.0	13.0	-	13.0	-
Ethics Commission	12.0	12.0	12.0	-	12.0	-
Office of the Governor	45.0	45.0	45.0	-	45.0	-
Commission for Human Rights	14.5	14.5	14.5	-	14.5	-
Public Utilities Commission	53.0	52.0	52.0	-	54.0	2.0
Total	2,438.9	2,406.9	2,406.9	-	2,438.9	32.0
Human Services						
Office of Health and Human Services	192.0	186.0	186.0	-	201.0	15.0
Children, Youth, and Families	631.5	621.5	642.5	21.0	640.5	19.0
Health	514.6	499.6	499.6	-	540.6	41.0
Human Services	1,020.1	1,038.1	1,038.1	-	1,037.1	(1.0)
BHDDH	1,302.4	1,189.4	1,189.4	-	985.4	(204.0)
Office of the Child Advocate	10.0	10.0	10.0	-	10.0	-
Governor's Commission on the Deaf	4.0	4.0	4.0	-	4.0	-
Governor's Commission on Disabilities	4.0	4.0	4.0	-	4.0	-
Office of the Mental Health Advocate	4.0	4.0	4.0	-	4.0	-
Total	3,682.6	3,556.6	3,577.6	21.0	3,426.6	(130.0)
Education						
Elementary and Secondary Education	321.1	325.1	325.1	-	334.1	9.0
Public Higher Education	3,605.5	3,595.5	3,860.5	265.0	3,861.5	266.0
Council on the Arts	8.6	8.6	8.6	-	8.6	-
Atomic Energy Commission	8.6	8.6	8.6	-	8.6	-
Historical Preservation and Heritage Commission	15.6	15.6	15.6	-	15.6	-
Total	3,959.4	3,953.4	4,218.4	265.0	4,228.4	275.0
Public Safety						
Attorney General	237.1	239.1	239.1	-	247.1	8.0
Corrections	1,416.0	1,411.0	1,411.0	-	1,423.0	12.0
Judiciary	723.3	726.3	726.3	-	726.3	-
Military Staff	92.0	92.0	92.0	-	96.0	4.0
Emergency Management	32.0	32.0	32.0	-	32.0	-
Public Safety	564.6	593.6	593.6	-	598.6	5.0
Public Defender	95.0	96.0	96.0	-	99.0	3.0
Total	3,160.0	3,190.0	3,190.0	-	3,222.0	32.0
Natural Resources						
Environmental Management	395.0	394.0	394.0	-	405.0	11.0
Coastal Resources Management Council	30.0	30.0	30.0	-	30.0	-
Total	425.0	424.0	424.0	-	435.0	11.0
Transportation						
Transportation	755.0	755.0	755.0	-	800.0	45.0
Higher Education Sponsored Research						
Office of Higher Education	1.0	1.0	1.0	-	1.0	-
CCRI	89.0	89.0	89.0	-	89.0	-
RIC	76.0	76.0	76.0	-	76.0	-
URI	622.8	622.8	357.8	(265.0)	357.8	(265.0)
Total	788.8	788.8	523.8	(265.0)	523.8	(265.0)
Grand Total	15,209.7	15,074.7	15,095.7	21.0	15,074.7	-

MUNICIPAL AID: DIRECT AID

FY2021 Direct Municipal Aid to Cities and Towns

Municipality	FY2020 Enacted	Payment In Lieu of Taxes	Distressed Communities Relief Fund	Motor Vehicle Excise Tax	Library Grant-in-Aid	Total FY2021 Municipal Aid	Change from FY2020 Enacted
Barrington	\$2,551,816	\$16,530		\$2,338,562	\$375,185	\$2,730,277	\$178,461
Bristol	2,579,975	1,280,619		979,654	194,607	2,454,880	(125,095)
Burrillville	2,323,982	99,316		2,182,931	184,839	2,467,086	143,104
Central Falls	1,361,329		110,055	1,170,377	31,752	1,312,184	(49,145)
Charlestown	388,486			352,034	52,802	404,836	16,350
Coventry	2,311,711			2,261,441	229,468	2,490,909	179,198
Cranston	19,192,355	4,815,713	1,335,630	10,839,012	638,834	17,629,189	(1,563,166)
Cumberland	2,268,492			2,112,960	297,545	2,410,505	142,013
East Greenwich	1,307,453	719,030		567,874	132,534	1,419,438	111,985
East Providence	3,732,470	254,226		4,353,394	411,631	5,019,251	1,286,781
Exeter	804,801			797,067	53,203	850,270	45,469
Foster	678,942			665,553	33,861	699,414	20,472
Glocester	878,533			873,383	78,704	952,087	73,554
Hopkinton	627,274			635,970	35,851	671,821	44,547
Jamestown	237,151			123,206	108,139	231,345	(5,806)
Johnston	5,262,046			4,660,631	125,400	4,786,031	(476,015)
Lincoln	1,304,613			1,330,542	213,729	1,544,271	239,658
Little Compton	117,888			79,230	36,164	115,394	(2,494)
Middletown	507,687			458,356	142,580	600,936	93,249
Narragansett	559,934			361,074	177,025	538,099	(21,835)
Newport	2,475,959	1,609,854		484,614	402,053	2,496,521	20,562
New Shoreham	156,494			69,920	90,133	160,053	3,559
North Kingstown	1,212,759	1,086		1,060,828	297,608	1,359,522	146,763
North Providence	5,782,164		480,580	4,979,758	197,202	5,657,540	(124,624)
North Smithfield	1,656,246			1,791,666	79,629	1,871,295	215,049
Pawtucket	11,874,811	3,521	731,357	9,889,370	408,981	11,033,229	(841,582)
Portsmouth	708,285			671,814	116,092	787,906	79,621
Providence	60,506,119	34,077,915	2,689,318	21,611,604	1,301,180	59,680,017	(826,102)
Richmond	521,493			532,466	24,736	557,202	35,709
Scituate	476,590			372,898	106,425	479,323	2,733
Smithfield	3,268,361	865,716		2,281,250	307,560	3,454,526	186,165
South Kingstown	1,219,714	210,219		975,705	231,439	1,417,363	197,649
Tiverton	502,684			395,519	122,762	518,281	15,597
Warren	795,645			788,472	60,853	849,325	53,680
Warwick	9,202,020	1,536,665		7,420,982	779,794	9,737,441	535,421
Westerly	2,319,384	162,421		1,997,887	307,643	2,467,951	148,567
West Greenwich	441,164			437,832	44,294	482,126	40,962
West Warwick	2,937,811		460,708	2,087,571	165,207	2,713,486	(224,325)
Woonsocket	6,391,539	436,673	384,581	5,628,551	200,967	6,650,772	259,233
Total	\$161,446,180	\$46,089,504	\$6,192,229	\$100,621,958	\$8,798,411	\$161,702,102	\$255,922

MUNICIPAL AID: INDIRECT AID

FY2021 Indirect Local Aid to Cities and Towns

Municipality	FY2020 Enacted Indirect Aid	Public Service Corp. Tax	Meals and Beverage Tax	Hotel Tax	FY2021 Total Indirect Aid	Change from FY2020 Enacted
Barrington	\$398,145	\$204,412	\$216,925	\$3,283	\$424,620	\$25,111
Bristol	811,726	281,297	526,401	80,237	887,935	75,093
Burrillville	427,735	206,240	245,702	164	452,106	25,970
Central Falls	392,227	244,455	142,395	315	387,165	(5,029)
Charlestown	360,665	97,833	209,800	53,922	361,555	580
Coventry	1,033,175	439,541	491,511	106,249	1,037,301	2,516
Cranston	3,086,495	1,020,662	2,250,118	23,304	3,294,084	207,421
Cumberland	993,115	434,814	570,526	403	1,005,743	14,724
East Greenwich	883,203	165,037	758,434	2,114	925,585	42,031
East Providence	1,758,248	597,746	1,218,505	69,574	1,885,825	128,844
Exeter	205,476	85,216	127,121	27	212,364	7,327
Foster	83,908	59,100	23,131	990	83,221	(616)
Glocester	207,055	125,952	91,888	3,814	221,654	15,172
Hopkinton	159,222	102,244	63,107	1,343	166,694	7,320
Jamestown	191,114	69,385	94,930	44,150	208,465	17,799
Johnston	1,107,536	367,521	844,023	9,485	1,221,029	113,408
Lincoln	1,227,790	272,625	921,863	161,567	1,356,055	129,710
Little Compton	131,804	44,379	65,238	27,112	136,729	5,206
Middletown	2,160,577	202,925	924,752	1,234,085	2,361,762	201,640
Narragansett	1,193,559	196,636	760,810	284,608	1,242,054	47,331
Newport	5,710,881	311,887	2,766,537	2,818,376	5,896,800	187,702
New Shoreham	1,061,692	10,461	435,658	614,374	1,060,493	(1,907)
North Kingstown	1,091,670	329,948	704,350	118,316	1,152,614	59,813
North Providence	818,275	407,678	443,513	1,602	852,793	34,113
North Smithfield	470,804	155,042	343,517	3,816	502,375	32,294
Pawtucket	1,974,978	904,592	1,056,806	119,905	2,081,303	109,900
Portsmouth	526,659	220,104	317,317	22,122	559,543	33,997
Providence	11,031,577	2,262,538	6,198,727	2,476,767	10,938,032	(88,326)
Richmond	253,044	95,892	159,119	12,224	267,235	13,934
Scituate	209,862	132,708	72,147	8,194	213,049	3,612
Smithfield	1,268,670	272,386	946,122	183,013	1,401,521	133,110
South Kingstown	1,532,195	387,095	1,074,857	211,746	1,673,698	141,745
Tiverton	465,109	200,026	336,733	18,706	555,465	91,030
Warren	462,993	132,242	321,315	1,764	455,321	(8,559)
Warwick	5,621,001	1,023,675	3,349,050	1,441,206	5,813,931	183,165
Westerly	1,961,032	285,179	1,099,007	852,573	2,236,759	274,972
West Greenwich	332,475	77,111	129,717	146,073	352,901	20,396
West Warwick	927,073	361,849	460,184	155,914	977,947	48,778
Woonsocket	1,163,966	523,168	636,389	73,367	1,232,924	71,223
Total	\$53,696,731	\$13,311,601	\$31,398,247	\$11,386,803	\$56,096,651	\$2,402,548

EDUCATION AID

Districts	FY2020 Enacted (includes group home and categorical)	FY2021 (Year 10) Formula Change ²	High-cost				English Learners	Stabilization Funding	Total Change	FY2021 Education Aid
			Transportation	Special Education	Group Home ³	Special Education				
Barrington	\$5,872,943	\$53,939	\$49,668	\$48,603	\$0	\$1,234	\$0	\$153,444	\$6,026,386	
Burrillville	13,164,631	1,246,487	137	(21,730)	(6,087)	(20)	-	1,218,788	14,383,418	
Charlestown	1,543,508	(195,293)	-	-	-	(192)	-	(195,485)	1,348,024	
Coventry	24,463,006	(63,294)	2,128	17,934	(147)	5,057	-	(38,321)	24,424,685	
Cranston	65,623,892	4,022,337	(21,541)	69,136	(37,602)	66,504	-	4,098,834	69,722,726	
Cumberland	21,686,833	(815,884)	10,160	(40,607)	-	4,325	-	(842,006)	20,844,828	
East Greenwich	2,724,746	693,306	9,571	(1,942)	-	634	-	701,569	3,426,315	
East Providence	36,282,709	585,139	(502)	183,652	(5,954)	20,094	-	782,431	37,065,140	
Foster	1,214,958	842	(16,679)	(13,519)	-	-	-	(29,356)	1,185,602	
Glocester	2,272,359	(151,776)	(18,702)	6,954	-	-	-	(163,524)	2,108,835	
Hopkinton	5,170,111	211,719	-	-	-	101	-	211,820	5,381,932	
Jamestown	465,975	(46,035)	-	(5,383)	-	-	-	(51,419)	414,556	
Johnston	18,288,992	864,305	(29,857)	74,745	-	17,021	-	926,214	19,215,205	
Lincoln	14,418,821	254,177	-	103,751	(1,217)	1,629	-	358,340	14,777,161	
Little Compton	403,595	1,736	-	-	-	21	-	1,757	405,352	
Middletown	7,592,462	222,882	-	(11,525)	0	7,450	-	218,806	7,811,268	
Narragansett	2,255,836	25,977	-	16,983	-	170	-	43,130	2,298,966	
Newport	12,580,979	1,143,301	-	35,059	(8,543)	40,627	-	1,210,444	13,791,423	
New Shoreham	132,830	43,997	-	(1,875)	-	380	-	42,502	175,332	
North Kingstown	10,492,830	1,390,553	-	1,286	-	3,277	-	1,395,116	11,887,947	
North Providence	23,382,239	1,260,424	(24,880)	113,996	(7,489)	26,383	-	1,368,434	24,750,673	
North Smithfield	5,884,223	290,569	647	13,169	(2,380)	(856)	-	301,149	6,185,372	
Pawtucket	91,306,395	2,854,303	(34,659)	(752,267)	(8,167)	183,797	-	2,243,008	93,549,402	
Portsmouth	4,048,901	(196,745)	-	36,275	(42,103)	57	-	(202,516)	3,846,384	
Providence	263,818,881	3,963,445	3,601	(348,038)	(63,579)	1,393,558	-	4,948,987	268,767,869	
Richmond	4,640,812	77,386	-	-	-	388	-	77,774	4,718,586	
Scituate	2,824,310	(20,646)	10,121	13,485	-	-	-	2,960	2,827,270	
Smithfield	6,457,532	(245,456)	50,262	22,724	1,607	1,438	-	(169,425)	6,288,107	
South Kingstown	5,433,317	(579,894)	12,615	45,511	1,663	619	-	(519,486)	4,913,831	
Tiverton	7,239,774	298,829	-	22,988	-	(317)	-	321,499	7,561,274	
Warwick	38,761,117	239,270	1,286	113,176	(1,778)	10,728	-	362,683	39,123,800	
Westerly	8,656,588	(221,343)	-	34,211	-	2,678	-	(184,454)	8,472,134	
West Warwick	27,094,133	1,927,874	(12,191)	24,434	-	9,845	-	1,949,962	29,044,095	
Woonsocket	63,980,831	4,407,464	(2,673)	32,582	(7,023)	125,015	-	4,555,365	68,536,197	
Bristol-Warren ⁴	14,821,717	(18,337)	54,538	48,147	7,500	1,753	-	93,600	14,915,317	
Exeter-West Greenwich ⁴	6,419,481	(870,471)	(26,746)	118,048	(1,872)	41	-	(781,000)	5,638,481	
Chariho	2,147,804	(38,320)	10,660	14,889	-	-	-	(12,770)	2,135,033	
Foster-Glocester	5,268,059	(65,360)	(29,760)	8,402	-	574	-	(86,145)	5,181,914	
Central Falls ⁵	41,998,527	1,363,343	2,795	(50,758)	-	358,191	236,657	1,910,227	43,908,754	
District Total	\$870,836,658	\$23,914,750	\$0	(\$27,505)	(\$183,171)	\$2,282,204	\$236,657	\$26,222,935	\$897,059,593	
Charter School Total	101,454,544	7,480,203	-	27,505	-	207,196	-	7,714,904	109,169,448	
Davies	13,697,834	(290,905)	-	-	-	(357)	367,044	75,781	13,773,616	
Met School	9,353,100	(139,254)	-	-	-	10,536	139,254	10,536	9,363,636	
Urban Collaborative	1,544,868	44,685	-	-	-	421	-	45,106	1,589,975	
Total	\$996,887,005	\$31,009,480	\$0	\$0	(\$183,171)	\$2,500,000	\$742,955	\$34,069,264	\$1,030,956,268	

¹ Based on March 2019 data updates. Subject to change based on March 2019 student data updates.

² Does not include the \$3.3 million for the 358 pre-kindergarten students the Governor recommends putting into the RADM.

³ Based on final 12/31/2019 report from the Department of Children, Youth and Families.

⁴ Calculations based on component district data as required by the Superior Court decision in Town of Warren v. Bristol Warren Regional School District, et. al.

⁵ Stabilization funds based on text in Governor's Executive Summary. Subject to change upon further analysis.

Source: Rhode Island Department of Education

COMMUNITY SERVICE OBJECTIVE GRANTS

Agency	Grant Recipient	FY2020 Enacted	FY2020 GOV REC	Change	FY2021 GOV REC	Change
Administration	City Year - Whole School Whole Child Program	\$130,000	\$130,000	\$0	\$130,000	\$0
Executive Office of Commerce	Polaris Manufacturing Technical Assistance Program	350,000	350,000	-	400,000	50,000
	International Trade and Export Programming	476,200	476,200	-	476,200	-
	Minority Entrepreneurship	140,000	140,000	-	150,000	10,000
	East Providence Waterfront Commission	50,000	50,000	-	50,000	-
		\$1,016,200	\$1,016,200	\$0	\$1,076,200	\$60,000
Labor and Training	Opportunities Industrialization Center	100,000	100,000	-	100,000	-
	Year-Up	-	-	-	250,000	250,000
		\$100,000	\$100,000	\$0	\$350,000	\$250,000
Secretary of State	Rhode Island Historical Society	125,000	125,000	-	125,000	-
	Newport Historical Society	18,000	18,000	-	18,000	-
		\$143,000	\$143,000	\$0	\$143,000	\$0
Human Services - Office of Health Aging	Diocese of Providence - Elder Services	325,000	325,000	-	325,000	-
	Alliance for Long Term Care Ombudsman Services	40,000	40,000	-	40,000	-
	Elderly Housing Security	85,000	85,000	-	85,000	-
	Meals on Wheels	530,000	530,000	-	530,000	-
	Senior Center Support	800,000	800,000	-	800,000	-
	Elderly Nutrition	50,000	50,000	-	50,000	-
		\$1,830,000	\$1,830,000	\$0	\$1,830,000	\$0
Human Services	Coalition Against Domestic Violence	300,000	300,000	-	300,000	-
	Project Reach - Boys and Girls Club	250,000	250,000	-	-	(250,000)
	Day One	217,000	217,000	-	217,000	-
	RI Community Food Bank	175,000	175,000	-	350,000	175,000
	Crossroads Rhode Island	500,000	500,000	-	500,000	-
	Institute for the Study and Practice of Nonviolence	200,000	200,000	-	200,000	-
	Veterans' Organizations	200,000	200,000	-	200,000	-
	Community Action Fund	600,000	600,000	-	600,000	-
		\$2,442,000	\$2,442,000	\$0	\$2,367,000	(\$75,000)
Education	Hasbro Children's Hospital - Hospital School	90,000	90,000	-	90,000	-
	Child Opportunity Zones	395,000	395,000	-	395,000	-
		\$485,000	\$485,000	\$0	\$485,000	\$0
Office of Postsecondary Commissioner	Rhode Island College Crusade	355,000	355,000	-	355,000	-
	Best Buddies Rhode Island	75,000	75,000	-	75,000	-
		\$430,000	\$430,000	\$0	\$430,000	\$0
University of Rhode Island	Small Business Development Center	350,000	350,000	-	350,000	-
	Polaris Manufacturing Extension Program	-	-	-	-	-
	Special Olympics Rhode Island	50,000	50,000	-	50,000	-
		\$400,000	\$400,000	\$0	\$400,000	\$0
Arts Council	WaterFire Providence	375,000	375,000	-	375,000	-
		\$375,000	\$375,000	\$0	\$375,000	\$0
Historical Preservation	Fort Adam's Trust	30,000	30,000	-	30,000	-
Corrections	Crossroads	1,050,000	1,050,000	-	1,050,000	-
Judicial	Rhode Island Coalition Against Domestic Violence	230,000	230,000	-	230,000	-
	Rhode Island Legal Services	90,000	90,000	-	90,000	-
		\$320,000	\$320,000	\$0	\$320,000	\$0
						0
Environmental Management	Conservation Districts	50,000	50,000	-	50,000	-
		\$50,000	\$50,000	\$0	\$50,000	\$0
Grand Total		\$8,801,200	\$8,801,200	\$0	\$9,036,200	\$235,000

Senate Fiscal Office

Stephen H. Whitney

Senate Fiscal Advisor

Robert C. Bromley

Senior Legislative Fiscal Analyst

Administration
Board of Elections
Commission on Disabilities
Convention Center Authority
Ethics Commission
General Treasurer
Governor
Human Rights Commission
I-195 Redevelopment Commission
Lieutenant Governor
Military Staff
Public Defender
Public Utilities Commission
Quonset Development Corporation
RI Emergency Management Agency
Secretary of State

Kelly M. Carpenter

Senior Legislative Fiscal Analyst

Arts Council
Atomic Energy Commission
Coastal Resources Management Council
Elementary and Secondary Education
Environmental Management
Health & Educational Building Corporation
Higher Education
Judiciary
Narragansett Bay Commission
Resource Recovery Corporation
RI Infrastructure Bank
Student Loan Authority

David Tremblay

Deputy Senate Fiscal Advisor

Executive Office of Commerce
Legislature
Public Safety
Revenue
RI Commerce Corporation

RIHMFC (RI Housing)

Emily W. Tumber

Legislative Fiscal Analyst I

Executive Office of Health and Human Services
Children, Youth, and Families
Child Advocate

Shanna Vecchio-Schubert

Legislative Fiscal Analyst I

Attorney General
Corrections
Historic Preservation and Heritage Commission
Human Services
Labor and Training
RI Airport Corporation
RI Public Transit Authority
RI Turnpike & Bridge Authority
Transportation

Brittany A. Church

Legislative Fiscal Analyst I

Behavioral Healthcare, Developmental
Disabilities, and Hospitals
Business Regulation
Commission on Deaf and Hard of Hearing
Health
HealthSource RI
Mental Health Advocate

